

**COLORADO WATER CONSERVATION BOARD**  
**CONSTRUCTION FUND**  
Denver, Colorado

**FINANCIAL STATEMENTS**  
June 30, 2016, 2015 and 2014

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## **ACCOUNTANTS' COMPILATION REPORT**

Board of Directors  
Colorado Water Conservation Board  
Denver, Colorado

Management is responsible for the accompanying financial statements of Colorado Water Conservation Board, Construction Fund, which comprise the statements of net position as of June 30, 2016, 2015 and 2014 and the related statements of revenue, expenses and changes in net position for the years then ended in accordance with the accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures and the statements of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statements of cash flows were included in the financial statements, they might influence the user's conclusions about Colorado Water Conservation Board, Construction Fund's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary information appearing on pages 5 and 6 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplemental information.

The financial statements of the Colorado Water Conservation Board, Construction Fund are intended to present the financial position of only that portion of the funds of the Colorado Water Conservation Board that is attributable to the transactions of the Colorado Water Conservation Board, Construction Fund.

Management has elected to omit the management's discussion and analysis information that is required to be presented for additional analysis. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Broomfield, Colorado  
October 14, 2016

**COLORADO WATER CONSERVATION BOARD**  
**CONSTRUCTION FUND**  
**STATEMENTS OF NET POSITION**  
**June 30, 2016, 2015 and 2014**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 174,087,870	\$ 201,112,324	\$ 195,340,384
Restricted cash held in escrow	43,772,225	-	-
Interest receivable on loans	4,128,217	3,787,267	4,209,518
Loans receivable	7,999,039	7,173,622	6,577,811
Prepaid items	-	-	8,258
Total current assets	<u>229,987,351</u>	<u>212,073,213</u>	<u>206,135,971</u>
<b>NONCURRENT ASSETS</b>			
Loans receivable - long-term - net of allowance for uncollectible account of \$121,959 in 2016, \$126,959 in 2015 and \$131,661 in 2014	285,534,320	268,726,814	231,850,827
Interest receivable - long term	2,846,737	3,162,170	3,016,607
Investment in joint venture	2,152,663	-	-
Water rights	35,868,420	35,868,420	35,868,420
Total noncurrent assets	<u>326,402,140</u>	<u>307,757,404</u>	<u>270,735,854</u>
 Total assets	 <u>\$ 556,389,491</u>	 <u>\$ 519,830,617</u>	 <u>\$ 476,871,825</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 3,098,454	\$ 2,548,111	\$ 2,041,012
Total liabilities	<u>3,098,454</u>	<u>2,548,111</u>	<u>2,041,012</u>
<b>NET POSITION</b>			
Designated			
Designated for water rights	35,868,420	35,868,420	35,868,420
Designated for water storage rights	45,924,888	-	-
Designated for loans	288,381,057	271,888,984	234,867,434
Designated for authorized projects under contract	58,677,085	71,299,911	68,576,692
Designated for authorized projects not under contract	78,890,064	82,767,153	125,810,026
Undesignated	45,549,523	55,458,038	9,708,241
Total net position	<u>553,291,037</u>	<u>517,282,506</u>	<u>474,830,813</u>
 Total liabilities and net position	 <u>\$ 556,389,491</u>	 <u>\$ 519,830,617</u>	 <u>\$ 476,871,825</u>

See accountants' compilation report.

**COLORADO WATER CONSERVATION BOARD  
CONSTRUCTION FUND  
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
Years Ended June 30, 2016, 2015 and 2014**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>OPERATING REVENUE</b>			
Interest revenue			
Net investment income	\$ 1,662,393	\$ 1,895,398	\$ 1,207,335
Interest earnings - loans	8,694,447	7,868,040	7,044,443
Total interest revenue	<u>10,356,840</u>	<u>9,763,438</u>	<u>8,251,778</u>
Other revenue			
Mineral lease income	9,393,465	14,395,034	17,033,141
Transfer from Severance Tax PB Fund	29,000,000	-	45,000,000
Transfer from General Fund	-	30,000,000	-
Service charge on loans	639,824	74,985	119,757
Other	5,562,551	3,161,446	201,000
Total other revenue	<u>44,595,840</u>	<u>47,631,465</u>	<u>62,353,898</u>
Total operating revenue	<u>54,952,680</u>	<u>57,394,903</u>	<u>70,605,676</u>
<b>OPERATING EXPENSE</b>			
Interdepartmental operations			
CWCB - Operations	6,391,631	5,754,267	5,427,734
Division of Water Resources	210,406	260,318	306,942
Satellite monitoring	334,686	334,568	340,744
Executive Director's office	600,796	544,105	770,275
Attorney General's office	586,318	648,823	514,917
Nonreimbursable investments	10,820,312	7,401,129	8,679,101
Total operating expense	<u>18,944,149</u>	<u>14,943,210</u>	<u>16,039,713</u>
<b>OPERATING INCOME/CHANGE IN NET POSITION</b>	36,008,531	42,451,693	54,565,963
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>517,282,506</u>	<u>474,830,813</u>	<u>420,264,850</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 553,291,037</u>	<u>\$ 517,282,506</u>	<u>\$ 474,830,813</u>

See accountants' compilation report.

## **SUPPLEMENTARY INFORMATION**

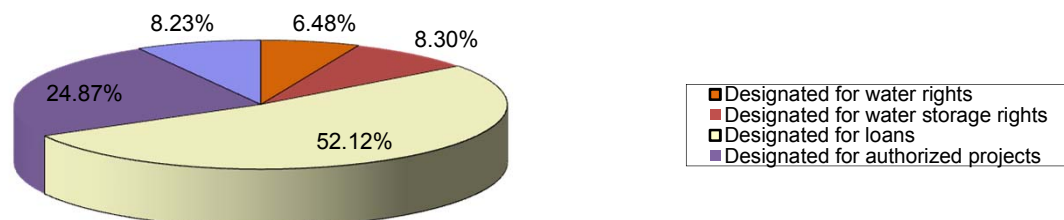
**COLORADO WATER CONSERVATION BOARD  
CONSTRUCTION FUND  
SCHEDULES OF CASH SOURCES AND USES  
Years ended June 30, 2016, 2015 and 2014**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>CASH SOURCES</b>			
Mineral lease income	\$ 9,393,465	\$ 14,395,034	\$ 17,033,141
Interest received on investments	1,662,393	1,895,398	1,207,335
Interest received on loans	8,668,930	8,144,728	6,730,399
Principal received on loans	10,756,728	13,769,928	9,686,865
Service charge on loans	639,824	74,985	119,757
Transfer from Severance Tax Trust Fund	29,000,000	-	45,000,000
Transfer from General Fund	-	30,000,000	-
Other revenue	5,562,551	3,161,446	201,000
	<u>65,683,891</u>	<u>71,441,519</u>	<u>79,978,497</u>
<b>CASH USES</b>			
Loan disbursements to borrowers	28,389,651	51,241,726	19,618,360
Nonreimbursable investments	10,269,969	6,894,030	9,677,853
Interdepartmental operations	8,123,837	7,533,823	7,325,738
Investment in joint venture	2,152,663	-	-
	<u>48,936,120</u>	<u>65,669,579</u>	<u>36,621,951</u>
<b>CASH SOURCES IN EXCESS OF CASH USES</b>	16,747,771	5,771,940	43,356,546
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>201,112,324</u>	<u>195,340,384</u>	<u>151,983,838</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 217,860,095</u></u>	<u><u>\$ 201,112,324</u></u>	<u><u>\$ 195,340,384</u></u>
<b>TOTAL CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION:</b>			
Cash and cash equivalents	\$ 174,087,870	\$ 201,112,324	\$ 195,340,384
Restricted cash held in escrow	43,772,225	-	-
	<u><u>\$ 217,860,095</u></u>	<u><u>\$ 201,112,324</u></u>	<u><u>\$ 195,340,384</u></u>

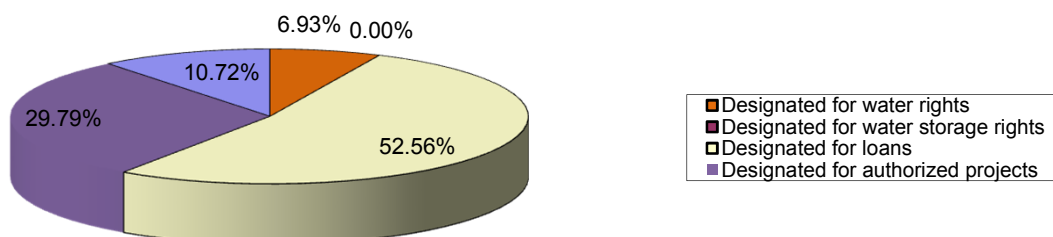
See accountants' compilation report.

**COLORADO WATER CONSERVATION BOARD  
CONSTRUCTION FUND  
GRAPHS OF COMPONENTS OF NET POSITION  
June 30, 2016, 2015 and 2014**

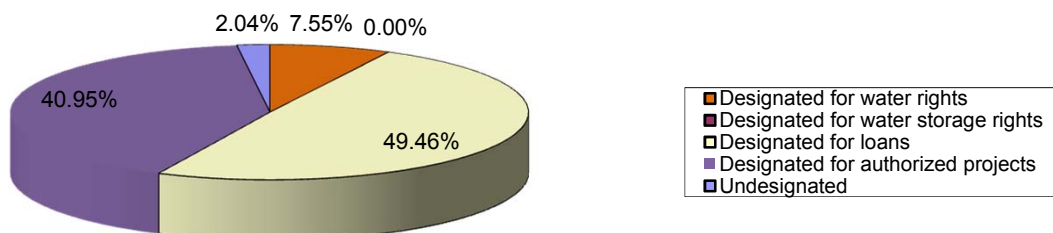
**NET POSITION at June 30, 2016**



**NET POSITION at June 30, 2015**



**NET POSITION at June 30, 2014**



	2016	2015	2014	
Designated for water rights	\$ 35,868,420	\$ 35,868,420	\$ 35,868,420	6.483%
Designated for water storage rights	45,924,888	-	-	8.300%
Designated for loans	288,381,057	271,888,984	234,867,434	52.121%
Designated for authorized projects	137,567,149	154,067,064	194,386,718	24.863%
Undesignated	45,549,523	55,458,038	9,708,241	8.232%
Total net position	<u>\$ 553,291,037</u>	<u>\$ 517,282,506</u>	<u>\$ 474,830,813</u>	

See accountants' compilation report