

CWCB SEVERANCE TAX PERPETUAL BASE FUND EXECUTIVE SUMMARY

The Severance Tax Perpetual Base Fund (STPBF) for the year ending June 30, 2018 had a decrease of \$35.6 M in net position. The balance in net position is comprised of those assets that are designated for loans, projects under contract, projects not under contract, those restricted for transfers, and those that are undesignated. Overall the designated balance at year-end was \$345.9 M; this is a \$8.4 M increase in designated assets from the prior year.

During 2018, the STPBF disbursed approximately \$37.2 M to entities in the form of low interest rate loan contracts to aid in the protection and development of the waters of the State of Colorado. The three largest loans were to the Centennial Water and Sanitation District for \$14.5 M (a portion of the \$28.5 M loan), Southeastern Colorado Water Conservancy District for approximately \$11.6 M (a portion of the \$17.4 M loan) and Central Colorado Water Conservancy District for approximately \$7.4 M (a portion of the \$18.3 M loan). These three loans account for approximately 90% of the total loan disbursements for the year ending June 30, 2018. The “Designated for loans” receivable increased by \$30.3 M as a result of the increase in loan disbursements in the current year. The STPBF received \$6.9 M in principal repayments from participating entities for the fiscal year ending June 30, 2018 as compared to \$19.1 M for the year ending June 30, 2017.

Interest revenue and other revenue had an increase of approximately \$18.8 M from \$21.5 M in 2017 to \$40.3 M in 2018. This is due primarily to an increase in Severance Tax collected.

Total expenses increased by \$65.2 M from \$10.7 M in 2017 to \$75.9 M in 2018; as a result of an increase in loan disbursements for the current year and an increase in transfers to the Construction Fund or special projects approved for 2018.

Overall, the STPBF ended in a good position with \$16.9 M in funds available for new project loans and other expenses.

NET POSITION at June 30, 2018

