

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

**FINANCIAL STATEMENTS  
June 30, 2017, 2016 and 2015**

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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, 2017, 2016 and 2015 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 9, 2017

**COLORADO WATER CONSERVATION BOARD**  
**CONSTRUCTION FUND**  
**STATEMENTS OF NET POSITION**  
**June 30, 2017, 2016 and 2015**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 228,493,405	\$ 174,087,870	\$ 201,112,324
Restricted cash held in escrow	42,150,766	43,772,225	-
Interest receivable on loans	3,831,273	4,128,217	3,787,267
Loans receivable	7,482,093	7,999,039	7,173,622
Receivable from Severance Tax PB Fund	10,700,000	-	-
Total current assets	<u>292,657,537</u>	<u>229,987,351</u>	<u>212,073,213</u>
<b>NONCURRENT ASSETS</b>			
Loans receivable - long-term - net of allowance for uncollectible account of \$116,959 in 2017, \$121,959 in 2016 and \$126,959 in 2015	234,752,719	285,534,320	268,726,814
Interest receivable - long term	2,519,159	2,846,737	3,162,170
Investment in joint venture	3,830,192	2,152,663	-
Water rights	35,114,017	35,868,420	35,868,420
Total noncurrent assets	<u>276,216,087</u>	<u>326,402,140</u>	<u>307,757,404</u>
 Total assets	 <u>\$ 568,873,624</u>	 <u>\$ 556,389,491</u>	 <u>\$ 519,830,617</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 7,087,205	\$ 3,098,454	\$ 2,548,111
Total liabilities	<u>7,087,205</u>	<u>3,098,454</u>	<u>2,548,111</u>
<b>NET POSITION</b>			
Designated			
Designated for water rights	35,114,017	35,868,420	35,868,420
Designated for water storage rights	45,980,958	45,924,888	-
Designated for loans	237,271,878	288,381,057	271,888,984
Designated for authorized projects under contract	53,263,069	58,677,085	71,299,911
Designated for authorized projects not under contract	161,911,413	78,890,064	82,767,153
Undesignated	28,245,084	45,549,523	55,458,038
Total net position	<u>561,786,419</u>	<u>553,291,037</u>	<u>517,282,506</u>
 Total liabilities and net position	 <u>\$ 568,873,624</u>	 <u>\$ 556,389,491</u>	 <u>\$ 519,830,617</u>

See accountants' compilation report.

**COLORADO WATER CONSERVATION BOARD**  
**CONSTRUCTION FUND**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION**  
**Years Ended June 30, 2017, 2016 and 2015**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>OPERATING REVENUE</b>			
Interest revenue			
Net investment income	\$ 2,321,771	\$ 1,662,393	\$ 1,895,398
Interest earnings - loans	<u>6,489,753</u>	<u>8,694,447</u>	<u>7,868,040</u>
Total interest revenue	<u>8,811,524</u>	<u>10,356,840</u>	<u>9,763,438</u>
Other revenue			
Mineral lease income	9,819,958	9,393,465	14,395,034
Transfer from Severance Tax PB Fund	10,700,000	29,000,000	-
Transfer from General Fund	-	-	30,000,000
Service charge on loans	240,243	639,824	74,985
Other	<u>1,254,071</u>	<u>5,562,551</u>	<u>3,161,446</u>
Total other revenue	<u>22,014,272</u>	<u>44,595,840</u>	<u>47,631,465</u>
Total operating revenue	<u>30,825,796</u>	<u>54,952,680</u>	<u>57,394,903</u>
<b>OPERATING EXPENSE</b>			
Interdepartmental operations			
CWCB - Operations	5,098,430	6,391,631	5,754,267
Division of Water Resources	193,951	210,406	260,318
Satellite monitoring	273,021	334,686	334,568
Executive Director's office	567,714	600,796	544,105
Attorney General's office	602,009	586,318	648,823
Nonreimbursable investments	<u>15,595,289</u>	<u>10,820,312</u>	<u>7,401,129</u>
Total operating expense	<u>22,330,414</u>	<u>18,944,149</u>	<u>14,943,210</u>
<b>OPERATING INCOME/CHANGE IN NET POSITION</b>	8,495,382	36,008,531	42,451,693
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>553,291,037</u>	<u>517,282,506</u>	<u>474,830,813</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 561,786,419</u></u>	<u><u>\$ 553,291,037</u></u>	<u><u>\$ 517,282,506</u></u>

See accountants' compilation report.

## **SUPPLEMENTARY INFORMATION**

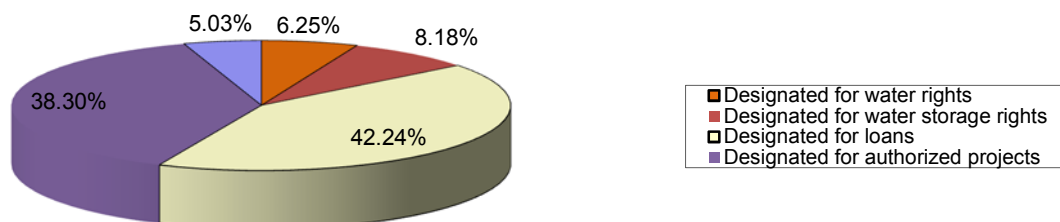
**COLORADO WATER CONSERVATION BOARD**  
**CONSTRUCTION FUND**  
**SCHEDULES OF CASH SOURCES AND USES**  
**Years ended June 30, 2017, 2016 and 2015**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>CASH SOURCES</b>			
Mineral lease income	\$ 10,574,361	\$ 9,393,465	\$ 14,395,034
Interest received on investments	2,321,771	1,662,393	1,895,398
Interest received on loans	7,114,275	8,668,930	8,144,728
Principal received on loans	76,645,869	10,756,728	13,769,928
Service charge on loans	240,243	639,824	74,985
Transfer from Severance Tax PB Fund	-	29,000,000	-
Transfer from General Fund	-	-	30,000,000
Other revenue	1,254,071	5,562,551	3,161,446
	<u>98,150,590</u>	<u>65,683,891</u>	<u>71,441,519</u>
<b>CASH USES</b>			
Loan disbursements to borrowers	25,347,322	28,389,651	51,241,726
Nonreimbursable investments	11,606,538	10,269,969	6,894,030
Interdepartmental operations	6,735,125	8,123,837	7,533,823
Investment in joint venture	1,677,529	2,152,663	-
	<u>45,366,514</u>	<u>48,936,120</u>	<u>65,669,579</u>
<b>CASH SOURCES IN EXCESS OF CASH USES</b>	52,784,076	16,747,771	5,771,940
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>217,860,095</u>	<u>201,112,324</u>	<u>195,340,384</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 270,644,171</u></u>	<u><u>\$ 217,860,095</u></u>	<u><u>\$ 201,112,324</u></u>
<b>TOTAL CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION:</b>			
Cash and cash equivalents	\$ 228,493,405	\$ 174,087,870	\$ 201,112,324
Restricted cash held in escrow	42,150,766	43,772,225	-
	<u><u>\$ 270,644,171</u></u>	<u><u>\$ 217,860,095</u></u>	<u><u>\$ 201,112,324</u></u>

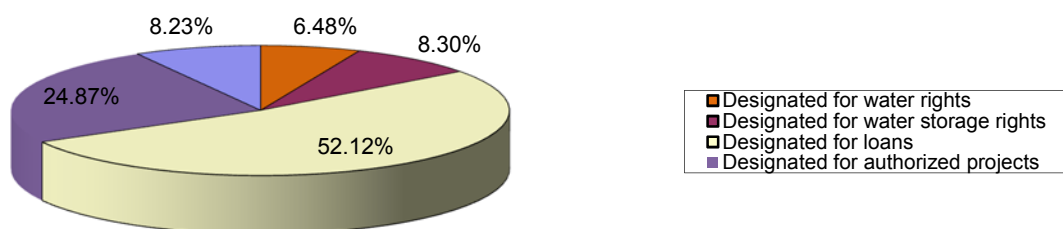
See accountants' compilation report.

**COLORADO WATER CONSERVATION BOARD  
CONSTRUCTION FUND  
GRAPHS OF COMPONENTS OF NET POSITION  
June 30, 2017, 2016 and 2015**

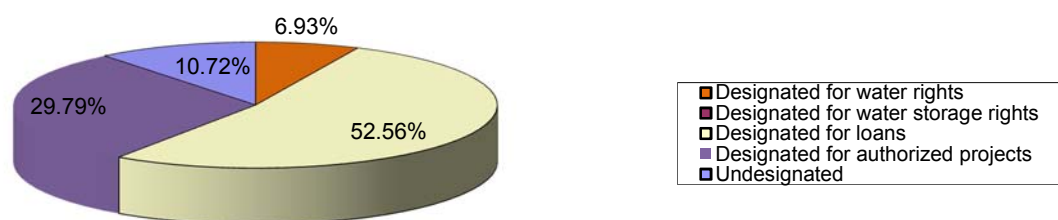
**NET POSITION at June 30, 2017**



**NET POSITION at June 30, 2016**



**NET POSITION at June 30, 2015**



	2017	2016	2015
Designated for water rights	\$ 35,114,017	\$ 35,868,420	\$ 35,868,420
Designated for water storage rights	45,980,958	45,924,888	-
Designated for loans	237,271,878	288,381,057	271,888,984
Designated for authorized projects	215,174,482	137,567,149	154,067,064
Undesignated	28,245,084	45,549,523	55,458,038
Total net position	<u>\$ 561,786,419</u>	<u>\$ 553,291,037</u>	<u>\$ 517,282,506</u>

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