

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

**FINANCIAL STATEMENTS  
June 30, 2019, 2018 and 2017**

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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, 2019, 2018 and 2017 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  
September 19, 2019

**COLORADO WATER CONSERVATION BOARD**  
**CONSTRUCTION FUND**  
**STATEMENTS OF NET POSITION**  
**June 30, 2019, 2018 and 2017**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 283,879,067	\$ 283,421,890	\$ 228,493,405
Restricted cash held in escrow	19,324,282	42,687,698	42,150,766
Interest receivable on loans	3,596,420	3,640,417	3,831,273
Loans receivable	8,608,531	7,356,494	7,482,093
Receivable from Severance Tax PB Fund	-	-	10,700,000
Total current assets	<u>315,408,300</u>	<u>337,106,499</u>	<u>292,657,537</u>
<b>NONCURRENT ASSETS</b>			
Loans receivable - long-term - net of allowance for uncollectible account of \$728,894 in 2019, \$848,201 in 2018 and \$116,959 in 2017	226,467,108	221,741,583	234,752,719
Interest receivable - long term	1,825,627	2,178,955	2,519,159
Investment in joint venture	37,315,479	14,674,247	3,830,192
Water rights	34,702,524	34,908,271	35,114,017
Total noncurrent assets	<u>300,310,738</u>	<u>273,503,056</u>	<u>276,216,087</u>
 Total assets	 <u>\$ 615,719,038</u>	 <u>\$ 610,609,555</u>	 <u>\$ 568,873,624</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 3,813,862	\$ 7,783,921	\$ 7,087,205
Total liabilities	<u>3,813,862</u>	<u>7,783,921</u>	<u>7,087,205</u>
<b>NET POSITION</b>			
Designated			
Designated for water rights	34,702,524	34,908,271	35,117,017
Designated for water storage rights	56,639,761	57,361,945	45,980,958
Designated for loans	228,292,735	223,920,538	237,271,878
Designated for authorized projects under contract	77,452,150	37,818,842	53,263,069
Designated for authorized projects not under contract	174,469,972	151,683,089	161,911,413
Undesignated	40,348,034	97,132,949	28,242,084
Total net position	<u>611,905,176</u>	<u>602,825,634</u>	<u>561,786,419</u>
 Total liabilities and net position	 <u>\$ 615,719,038</u>	 <u>\$ 610,609,555</u>	 <u>\$ 568,873,624</u>

See accountants' compilation report.

**COLORADO WATER CONSERVATION BOARD**  
**CONSTRUCTION FUND**  
**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION**  
**Years Ended June 30, 2019, 2018 and 2017**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>OPERATING REVENUE</b>			
Interest revenue			
Net investment income	\$ 5,729,306	\$ 4,512,487	\$ 2,321,771
Interest earnings - loans	<u>7,020,952</u>	<u>6,467,806</u>	<u>6,489,753</u>
Total interest revenue	<u>12,750,258</u>	<u>10,980,293</u>	<u>8,811,524</u>
Other revenue			
Mineral lease income	11,140,797	9,354,943	9,819,958
Transfer from Severance Tax PB Fund	10,000,000	39,200,000	10,700,000
Service charge on loans	94,003	410,910	240,243
Other	<u>4,787,600</u>	<u>2,916,302</u>	<u>1,254,071</u>
Total other revenue	<u>26,022,400</u>	<u>51,882,155</u>	<u>22,014,272</u>
Total operating revenue	<u>38,772,658</u>	<u>62,862,448</u>	<u>30,825,796</u>
<b>OPERATING EXPENSE</b>			
Interdepartmental operations			
CWCB - Operations	5,744,766	5,688,163	5,098,430
Division of Water Resources	211,527	210,831	193,951
Satellite monitoring	379,633	487,075	273,021
Executive Director's office	1,118,855	852,647	567,714
Attorney General's office	651,271	662,785	602,009
Nonreimbursable investments	<u>21,587,064</u>	<u>13,921,732</u>	<u>15,595,289</u>
Total operating expense	<u>29,693,116</u>	<u>21,823,233</u>	<u>22,330,414</u>
<b>OPERATING INCOME/CHANGE IN NET POSITION</b>	9,079,542	41,039,215	8,495,382
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>602,825,634</u>	<u>561,786,419</u>	<u>553,291,037</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 611,905,176</u></u>	<u><u>\$ 602,825,634</u></u>	<u><u>\$ 561,786,419</u></u>

See accountants' compilation report.

## **SUPPLEMENTARY INFORMATION**

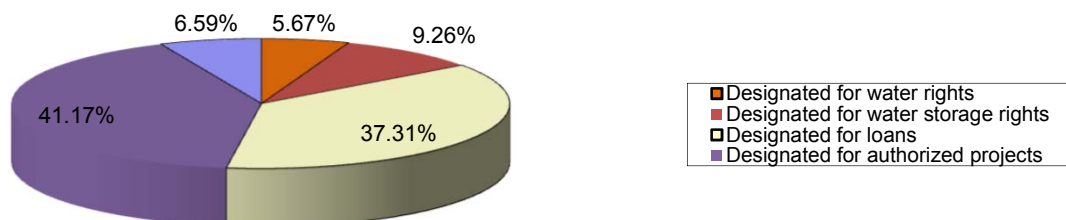
**COLORADO WATER CONSERVATION BOARD**  
**CONSTRUCTION FUND**  
**SCHEDULES OF CASH SOURCES AND USES**  
**Years ended June 30, 2019, 2018 and 2017**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>CASH SOURCES</b>			
Mineral lease income	\$ 11,346,544	\$ 9,560,689	\$ 10,574,361
Interest received on investments	5,729,306	4,512,487	2,321,771
Interest received on loans	7,418,277	6,998,866	7,114,275
Principal received on loans	12,227,655	24,060,832	76,645,869
Service charge on loans	94,003	410,910	240,243
Transfer from Severance Tax PB Fund	10,000,000	49,900,000	-
Investment in joint venture	-	12,675,219	-
Other revenue	4,787,600	2,916,302	1,254,071
	<u>51,603,385</u>	<u>111,035,305</u>	<u>98,150,590</u>
<b>CASH USES</b>			
Loan disbursements to borrowers	18,205,217	10,924,097	25,347,322
Nonreimbursable investments	25,557,123	13,225,016	11,606,538
Interdepartmental operations	8,106,052	7,901,501	6,735,125
Investment in joint venture	22,641,232	23,519,274	1,677,529
	<u>74,509,624</u>	<u>55,569,888</u>	<u>45,366,514</u>
<b>CASH SOURCES IN EXCESS OF CASH USES</b>	(22,906,239)	55,465,417	52,784,076
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>326,109,588</u>	<u>270,644,171</u>	<u>217,860,095</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 303,203,349</u></u>	<u><u>\$ 326,109,588</u></u>	<u><u>\$ 270,644,171</u></u>
<b>TOTAL CASH AND CASH EQUIVALENTS PER STATEMENT OF NET POSITION:</b>			
Cash and cash equivalents	\$ 283,879,067	\$ 283,421,890	\$ 228,493,405
Restricted cash held in escrow	19,324,282	42,687,698	42,150,766
	<u><u>\$ 303,203,349</u></u>	<u><u>\$ 326,109,588</u></u>	<u><u>\$ 270,644,171</u></u>

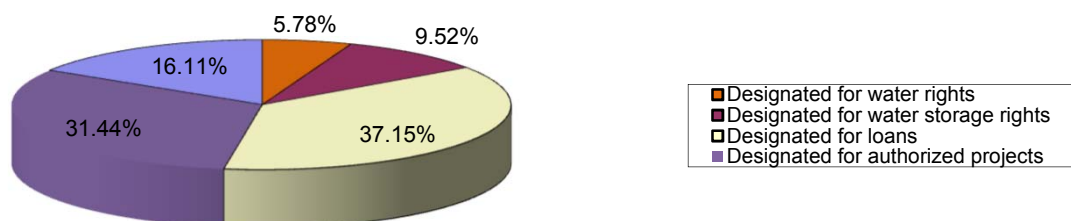
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**COLORADO WATER CONSERVATION BOARD  
CONSTRUCTION FUND  
GRAPHS OF COMPONENTS OF NET POSITION  
June 30, 2019, 2018 and 2017**

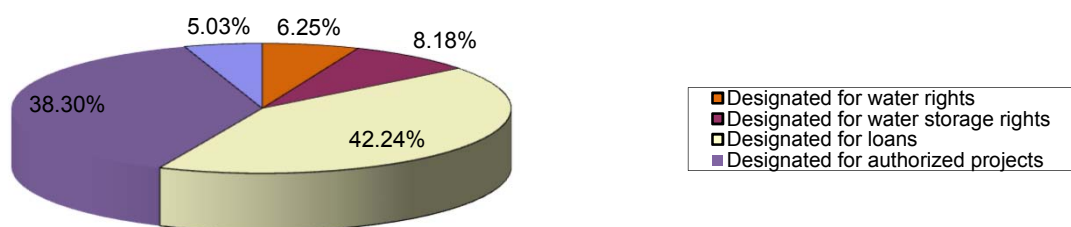
**NET POSITION at June 30, 2019**



**NET POSITION at June 30, 2018**



**NET POSITION at June 30, 2017**



	2019	2018	2017
Designated for water rights	\$ 34,702,524	\$ 34,908,271	\$ 35,114,017
Designated for water storage rights	56,639,761	57,361,945	45,980,958
Designated for loans	228,292,735	223,920,538	237,271,878
Designated for authorized projects	251,922,122	189,501,931	215,174,482
Undesignated	40,348,034	97,132,949	28,245,084
Total net position	<u>\$ 611,905,176</u>	<u>\$ 602,825,634</u>	<u>\$ 561,786,419</u>

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