

**COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX PERPETUAL BASE FUND
Denver, Colorado**

**FINANCIAL STATEMENTS
June 30, 2018, 2017 and 2016**

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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, Severance Tax Perpetual Base Fund, which comprise the statements of net position as of June 30, 2018, 2017 and 2016 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, Severance Tax Perpetual Base 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, Severance Tax Perpetual Base 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, Severance Tax Perpetual Base 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 22, 2018

**COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX PERPETUAL BASE FUND
STATEMENTS OF NET POSITION
June 30, 2018, 2017 and 2016**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 200,496,794	\$ 277,273,026	\$ 239,492,272
Interest receivable on loans	1,772,768	1,659,035	1,992,504
Loans receivable	<u>6,097,050</u>	<u>5,989,679</u>	<u>6,706,805</u>
Total current assets	<u>208,366,612</u>	<u>284,921,740</u>	<u>248,191,581</u>
NONCURRENT ASSETS			
Loans receivable - long-term	<u>154,512,585</u>	<u>124,278,710</u>	<u>139,492,457</u>
Total noncurrent assets	<u>154,512,585</u>	<u>124,278,710</u>	<u>139,492,457</u>
 Total assets	 <u><u>\$ 362,879,197</u></u>	 <u><u>\$ 409,200,450</u></u>	 <u><u>\$ 387,684,038</u></u>
LIABILITIES			
Payable due to Construction Fund	<u>\$ -</u>	<u>\$ 10,700,000</u>	<u>\$ -</u>
	<u>-</u>	<u>10,700,000</u>	<u>-</u>
NET POSITION			
Designated			
Designated for loans	154,512,585	124,278,710	139,492,457
Designated for authorized projects under contract	87,947,424	90,394,209	97,418,940
Designated for authorized projects not under contract	89,526,303	74,708,765	70,794,812
Designated for transfer to construction fund	14,000,000	25,000,000	10,700,000
Designated for transfer to water supply reserve fund	-	10,000,000	-
Designated for transfer to loan guarantee fund	-	30,000,000	-
Undesignated	<u>16,892,885</u>	<u>44,118,766</u>	<u>69,277,829</u>
Total net position	<u>362,879,197</u>	<u>398,500,450</u>	<u>387,684,038</u>
 Total liabilities and net position	 <u><u>\$ 362,879,197</u></u>	 <u><u>\$ 409,200,450</u></u>	 <u><u>\$ 387,684,038</u></u>

See accountants' compilation report.

**COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX PERPETUAL BASE FUND
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
Years Ended June 30, 2018, 2017 and 2016**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
OPERATING REVENUE			
Interest revenue			
Net investment income	\$ 4,145,912	\$ 2,849,789	\$ 2,174,980
Interest earnings - loans	<u>3,051,120</u>	<u>2,429,287</u>	<u>3,489,969</u>
Total interest revenue	<u>7,197,032</u>	<u>5,279,076</u>	<u>5,664,949</u>
Other revenue			
Severance tax	<u>33,106,715</u>	<u>16,237,336</u>	<u>16,651,887</u>
Total operating revenue	<u>40,303,747</u>	<u>21,516,412</u>	<u>22,316,836</u>
OPERATING EXPENSES			
Transfers to Construction Fund	39,200,000	10,700,000	29,000,000
Transfers to general and other funds	<u>36,725,000</u>	<u>-</u>	<u>-</u>
	<u>75,925,000</u>	<u>10,700,000</u>	<u>29,000,000</u>
OPERATING INCOME (LOSS) / CHANGE IN NET POSITION	(35,621,253)	10,816,412	(6,683,164)
NET POSITION - BEGINNING OF YEAR	<u>398,500,450</u>	<u>387,684,038</u>	<u>394,367,202</u>
NET POSITION - END OF YEAR	<u><u>\$ 362,879,197</u></u>	<u><u>\$ 398,500,450</u></u>	<u><u>\$ 387,684,038</u></u>

See accountants' compilation report.

SUPPLEMENTARY INFORMATION

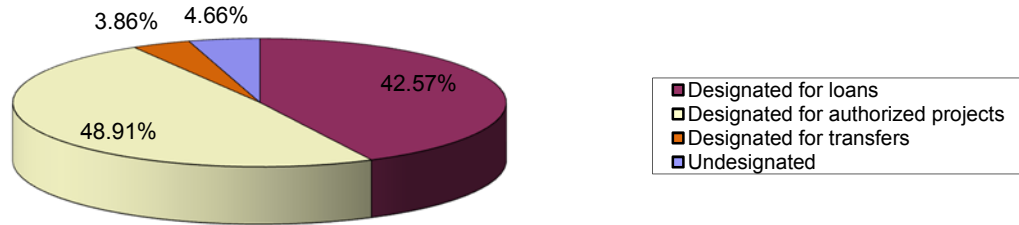
**COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX PERPETUAL BASE FUND
SCHEDULES OF CASH SOURCES AND USES
Years Ended June 30, 2018, 2017 and 2016**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
CASH SOURCES			
Severance tax	\$ 33,106,715	\$ 16,237,336	\$ 16,651,887
Interest received on investments	4,145,912	2,849,789	2,174,980
Interest received on loans	2,937,387	2,762,756	4,097,821
Principal received on loans	6,894,827	19,132,113	12,686,766
	<u>47,084,841</u>	<u>40,981,994</u>	<u>35,611,454</u>
CASH USES			
Loan disbursements to borrowers	37,236,073	3,201,240	13,482,342
Special bills	86,625,000	-	29,000,000
	<u>123,861,073</u>	<u>3,201,240</u>	<u>42,482,342</u>
CASH SOURCES IN EXCESS (SHORT) OF CASH USES	(76,776,232)	37,780,754	(6,870,888)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>277,273,026</u>	<u>239,492,272</u>	<u>246,363,160</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 200,496,794</u></u>	<u><u>\$ 277,273,026</u></u>	<u><u>\$ 239,492,272</u></u>

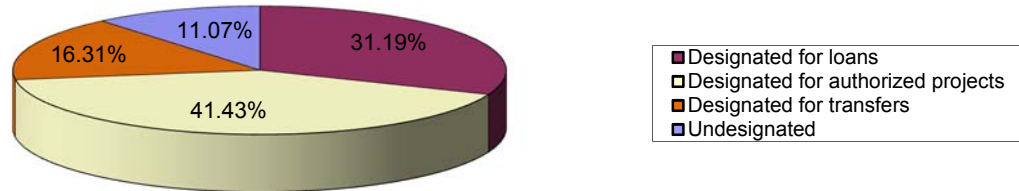
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**COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX PERPETUAL BASE FUND
GRAPHS OF COMPONENTS OF NET POSITION
June 30, 2018, 2017 and 2016**

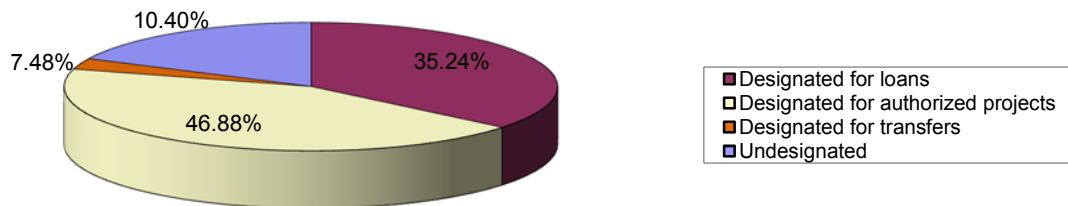
NET POSITION at June 30, 2018



NET POSITION at June 30, 2017



NET POSITION at June 30, 2016



	2018	2017	2016
Designated for loans	\$ 154,512,585	\$ 124,278,710	\$ 139,492,457
Designated for authorized projects	177,473,727	165,102,974	168,213,752
Designated for transfers	14,000,000	65,000,000	10,700,000
Undesignated	16,892,885	44,118,766	69,277,829
Total net position	<u>\$ 362,879,197</u>	<u>\$ 398,500,450</u>	<u>\$ 387,684,038</u>

See accountants' compilation report