

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

**FINANCIAL STATEMENTS
June 30, 2005, 2004 and 2003**

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Accountant's Report

Board of Directors
Colorado Water Conservation Board
Denver, Colorado

We have compiled the accompanying statements of net assets of Colorado Water Conservation Board, Construction Fund as of June 30, 2005, 2004 and 2003, and the related statements of revenue, expenses and changes in net assets for the years then ended, and the accompanying supplemental information, which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplemental information, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplemental information and, accordingly, do not express an opinion or any other form of assurance on them.

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

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COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
STATEMENTS OF NET ASSETS
June 30, 2005, 2004 and 2003
(See Accountant's Compilation Report)

	2005	2004	2003
CURRENT ASSETS			
Cash and cash equivalents	\$ 78,276,141	\$ 74,676,377	\$ 83,970,685
Receivables			
Interest receivable/loans	4,492,808	4,527,931	3,981,480
Loans receivable - Current	6,351,208	5,707,821	5,142,449
Due from Severance Tax Trust Fund	262,347	262,347	-
	11,106,363	10,498,099	9,123,929
Total current assets	89,382,504	85,174,476	93,094,614
NONCURRENT ASSETS			
Loans receivable - Long term	173,894,139	167,971,365	153,247,995
Total noncurrent assets	173,894,139	167,971,365	153,247,995
Total assets	\$ 263,276,643	\$ 253,145,841	\$ 246,342,609
CURRENT LIABILITIES			
Accounts payable	\$ 2,023,191	\$ 1,424,686	\$ 426,743
Projects payable	-	-	516,500
Due to Severance Tax Trust Fund			
Perpetual Base Account	-	-	560,396
Total current liabilities	2,023,191	1,424,686	1,503,639
NET ASSETS			
Restricted			
Restricted for loans	173,894,139	167,971,365	153,247,995
Restricted for authorized projects under contract	19,036,951	26,536,203	22,325,949
Restricted for authorized projects not under contract	27,963,821	53,133,788	65,996,619
Unrestricted	40,358,541	4,079,799	3,268,407
Total net assets	261,253,452	251,721,155	244,838,970
Total liabilities and net assets	\$ 263,276,643	\$ 253,145,841	\$ 246,342,609

COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
Years Ended June 30, 2005, 2004 and 2003
(See Accountant's Compilation Report)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
OPERATING REVENUE			
Interest revenue			
Net investment income	\$ 2,135,909	\$ 2,339,981	\$ 3,842,771
Interest earnings - Loans	7,138,166	7,276,266	6,390,632
Total interest revenue	<u>9,274,075</u>	<u>9,616,247</u>	<u>10,233,403</u>
Other revenue			
Mineral lease income	10,104,457	7,943,045	4,953,826
Service charge on loans	147,452	-	-
Other	15,878	-	14,910
Total other revenue	<u>10,267,787</u>	<u>7,943,045</u>	<u>4,968,736</u>
Total operating revenue	<u>19,541,862</u>	<u>17,559,292</u>	<u>15,202,139</u>
OPERATING EXPENSE			
Interdepartmental operations			
CWCB - General Fund	4,118,156	4,153,298	4,277,836
Division of Water Resources	551,974	577,050	992,882
Satellite monitoring	402,607	339,346	339,003
Division of Wildlife	208,466	150,408	216,307
Executive Director's office	1,468	165,445	213,281
Other	2,673	14,079	-
Nonreimbursable investments - Grants to entities	1,676,584	2,442,932	1,361,620
Nonreimbursable investments - Personal services	3,047,637	2,834,549	1,711,069
Total operating expense	<u>10,009,565</u>	<u>10,677,107</u>	<u>9,111,998</u>
OPERATING INCOME/CHANGE IN NET ASSETS	9,532,297	6,882,185	6,090,141
NET ASSETS - BEGINNING OF YEAR	<u>251,721,155</u>	<u>244,838,970</u>	<u>238,748,829</u>
NET ASSETS - END OF YEAR	<u>\$ 261,253,452</u>	<u>\$ 251,721,155</u>	<u>\$ 244,838,970</u>

SUPPLEMENTAL INFORMATION

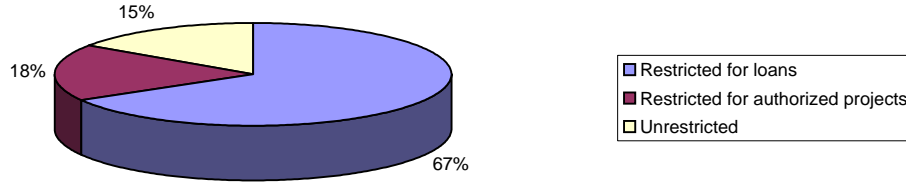
COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
SCHEDULES OF CASH SOURCES AND USES
Years ended June 30, 2005, 2004 and 2003
(See Accountant's Compilation Report)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
CASH SOURCES			
Proceeds received on Mineral Lease income	\$ 10,104,457	\$ 7,943,045	\$ 4,953,826
Interest received on investments	2,135,909	2,339,981	3,842,771
Interest received on loans	7,173,289	5,684,557	6,351,037
Principal received on loans	15,771,965	5,884,162	7,678,377
Service charge on loans	147,452	-	-
Other	15,878	-	14,910
	<u>35,348,950</u>	<u>21,851,745</u>	<u>22,840,921</u>
CASH USES			
Loan payments to borrowers	22,338,126	21,466,889	17,934,864
Nonreimbursable investments - Personal services	2,424,546	1,836,606	1,612,097
Nonreimbursable investments - Grants to entities	1,676,584	2,442,932	1,361,620
Interdepartmental operations	5,309,930	5,399,626	6,039,309
	<u>31,749,186</u>	<u>31,146,053</u>	<u>26,947,890</u>
CASH SOURCES IN EXCESS OF (LESS THAN) CASH USES	3,599,764	(9,294,308)	(4,106,969)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>74,676,377</u>	<u>83,970,685</u>	<u>88,077,654</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 78,276,141</u>	<u>\$ 74,676,377</u>	<u>\$ 83,970,685</u>

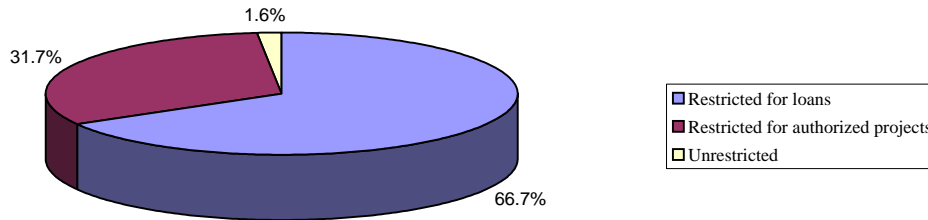
**COLORADO WATER CONSERVATION BOARD
CONSTRUCTION FUND
Components of Fund Equity
June 30, 2005, 2004, 2003 and 2002**

(See accountant's compilation report)

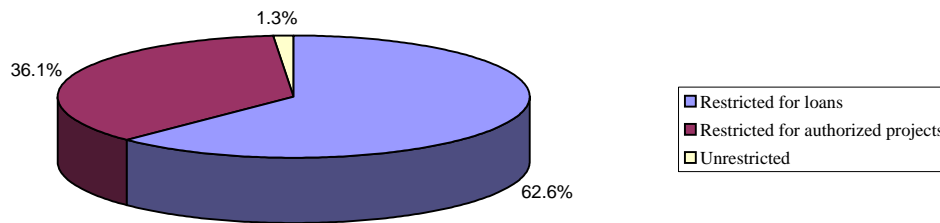
FUND EQUITY at June 30, 2005



FUND EQUITY at June 30, 2004



FUND EQUITY at June 30, 2003



	<u>2005</u>	<u>2004</u>	<u>2003</u>
Restricted for loans	\$ 173,894,139	\$ 167,971,365	\$ 153,247,995
Restricted for authorized projects	47,000,772	79,669,991	88,322,568
Unrestricted	** 40,358,541	4,079,799	3,268,407
Total fund equity	<u>\$ 261,253,452</u>	<u>\$ 251,721,155</u>	<u>\$ 244,838,970</u>

** Deficit of \$1,859,001 included in restricted for authorized projects in fiscal year 2004.