

COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND
Denver, Colorado

FINANCIAL STATEMENTS
June 30, 2005, 2004 and 2003




TABLE OF CONTENTS

	PAGE
ACCOUNTANT'S REPORT	1
BASIC FINANCIAL STATEMENTS	
Statements of Net Assets	2
Statements of Revenue, Expenses and Changes in Net Assets.....	3
SUPPLEMENTAL INFORMATION	4
Schedules of Cash Sources and Uses.....	5
Severance Tax Trust Fund – Perpetual Base Account, Graphs of Components of Fund Equity	6



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, Severance Tax Trust Fund -- Perpetual Base Account 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, for the years then ended, 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, Severance Tax Trust Fund - Perpetual Base Account 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 Trust Fund - Perpetual Base Account.

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, Severance Tax Trust Fund - Perpetual Base Account'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.

Clifton Gunderson LLP

Greenwood Village, Colorado
August 23, 2005

COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT
STATEMENTS OF NET ASSETS
June 30, 2005, 2004 and 2003
(See Accountant's Compilation Report)

	2005	2004	2003
CURRENT ASSETS			
Cash and cash equivalents	\$ 102,645,847	\$ 83,063,461	\$ 54,210,838
Due from Construction Fund	-	-	560,396
Interest receivable on loans - Current	1,137,415	1,009,609	889,032
Loans receivable completed - Current	614,584	584,297	500,766
Total current assets	104,397,846	84,657,367	56,161,032
NONCURRENT ASSETS			
Loans receivable completed - Long term	37,482,384	32,473,535	28,714,191
Total noncurrent assets	37,482,384	32,473,535	28,714,191
 Total assets	 \$ 141,880,230	 \$ 117,130,902	 \$ 84,875,223
LIABILITIES			
Due to Construction Fund	\$ 262,347	\$ 262,347	\$ -
Total liabilities	262,347	262,347	-
NET ASSETS			
Restricted			
Restricted for loans	37,482,384	32,473,535	28,714,191
Restricted for authorized projects under contract	40,246,674	17,961,977	15,663,004
Restricted for authorized projects not under contract	27,269,236	32,009,915	25,424,810
Unrestricted	36,619,589	34,423,128	15,073,218
Total net assets	141,617,883	116,868,555	84,875,223
 Total liabilities and net assets	 \$ 141,880,230	 \$ 117,130,902	 \$ 84,875,223

COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
Years Ended June 30, 2005, 2004 and 2003
(See Accountant's Compilation Report)

	2005	2004	2003
OPERATING REVENUE			
Interest revenue			
Net investment income	\$ 2,932,610	\$ 1,627,483	\$ 1,175,671
Interest earnings - Loans	1,607,582	1,486,799	1,381,670
Total interest revenue	4,540,192	3,114,282	2,557,341
Other revenue			
Severance tax	36,611,258	28,970,874	8,083,702
Total operating revenue	41,151,450	32,085,156	10,641,043
OPERATING EXPENSES			
Nonreimbursable investments	902,122	91,824	358,778
Litigation settlement	15,500,000	-	-
	16,402,122	91,824	358,778
OPERATING INCOME/CHANGE IN NET ASSETS			
	24,749,328	31,993,332	10,282,265
NET ASSETS - BEGINNING OF YEAR	116,868,555	84,875,223	74,592,958
NET ASSETS - END OF YEAR	\$ 141,617,883	\$ 116,868,555	\$84,875,223

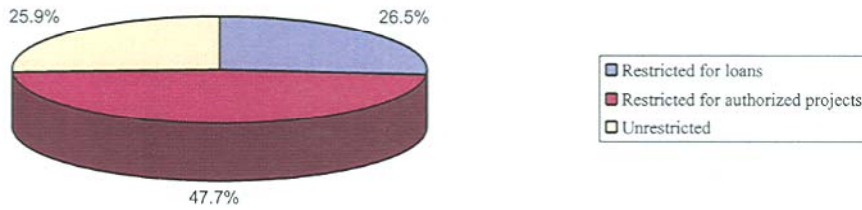
SUPPLEMENTAL INFORMATION

COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT
SCHEDULES OF CASH SOURCES AND USES
Years Ended June 30, 2005, 2004 and 2003
(See Accountant's Compilation Report)

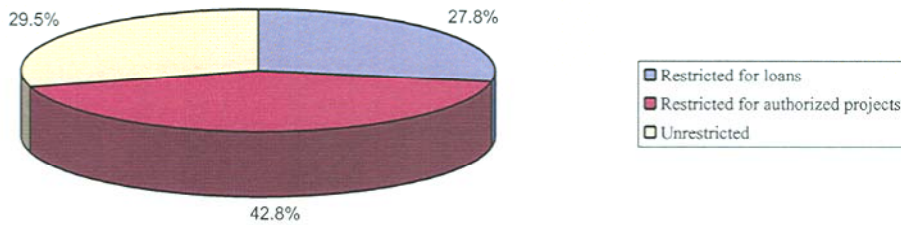
	2005	2004	2003
CASH SOURCES			
Severance tax	\$ 36,611,258	\$ 28,970,874	\$ 8,083,702
Interest received on investments	2,932,610	1,627,483	1,175,671
Interest received on loans	1,479,776	2,188,966	1,249,300
Principal received on loans	602,779	979,264	585,576
	41,626,423	33,766,587	11,094,249
CASH USES			
Loan payments to borrowers	5,641,915	4,822,140	2,615,048
Nonreimbursable investments	902,122	91,824	358,778
Litigation settlement	15,500,000	-	-
	22,044,037	4,913,964	2,973,826
CASH SOURCES IN EXCESS OF CASH USES	19,582,386	28,852,623	8,120,423
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	83,063,461	54,210,838	46,090,415
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 102,645,847	\$ 83,063,461	\$ 54,210,838

COLORADO WATER CONSERVATION BOARD
SEVERANCE TAX TRUST FUND - PERPETUAL BASE ACCOUNT
Components of Fund Equity
June 30, 2005, 2004 and 2003
(See Accountant's Compilation Report)

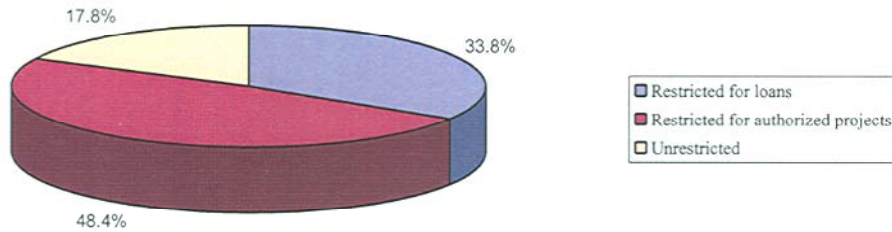
FUND EQUITY at June 30, 2005



FUND EQUITY at June 30, 2004



FUND EQUITY at June 30, 2003



	<u>2005</u>	<u>2004</u>	<u>2003</u>
Restricted for loans	\$ 37,482,384	\$ 32,473,535	\$ 28,714,191
Restricted for authorized projects	67,515,910	49,971,892	41,087,814
Unrestricted	36,619,589	34,423,128	15,073,218
Total fund equity	<u>\$141,617,883</u>	<u>\$ 116,868,555</u>	<u>\$ 84,875,223</u>