

**Colorado Water Resources  
and Power Development Authority**  
(A Component Unit of the State of Colorado)

Independent Auditor's Reports, Management's Discussion and Analysis,  
Financial Statements and Single Audit Reports

December 31, 2016 and 2015

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
December 31, 2016 and 2015**

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## Independent Auditor's Report

Board of Directors  
Colorado Water Resources and  
Power Development Authority  
Denver, Colorado

### Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of Colorado Water Resources and Power Development Authority (the Authority), a component unit of the State of Colorado, as of and for the years ended December 31, 2016 and 2015, and the related notes to financial statements, which collectively comprise the Authority's basic financial statement as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Board of Directors  
Colorado Water Resources and  
Power Development Authority

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Authority as of December 31, 2016 and 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information and other information as listed in the table of contents, including the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Board of Directors  
Colorado Water Resources and  
Power Development Authority

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2017, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*BKD, LLP*

Denver, Colorado  
April 12, 2017

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Colorado Water Resources and Power Development Authority  
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Management's Discussion and Analysis (Unaudited)  
Years ended December 31, 2016 and 2015

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As management of the Colorado Water Resources and Power Development Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the years ended December 31, 2016 and 2015. Comparative information from the previously issued financial statements for the years ended December 31, 2015 and 2014 has also been included; however financial information included in this discussion for years prior to December 31, 2015 has not been restated for the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 and GASB Statement No. 71 as it is impractical to do so.

### 2016 Financial Highlights

- Total combined operating revenues decreased by \$5.1 million while combined operating expenses decreased by \$2.9 million. Combined total net position of the Authority totaled \$711.7 million, a \$39.4 million increase in change in net position from 2015. The increase in net position is mainly the result of \$41.1 million in capitalization grant revenue received from the United States Environmental Protection Agency (EPA) offset by a \$1.6 million operating loss.
- Total loans receivable increased \$31.5 million. The Authority executed 29 direct loans and three loans financed with bond issuances for a combined total of \$130.6 million. A combined total of \$7.3 million in full or partial principal forgiveness related to requirements under the EPA grant conditions was awarded to eighteen disadvantaged community loans. Six borrowers with loans financed with bond issuances and seven direct loan borrowers made full or partial prepayments totaling \$22.9 million.
- Total project costs payable increased \$33.3 million to \$199.8 million. New loans executed provided funding for \$133.0 million in new projects and payments made to borrowers for requisitioned project costs and loan reductions totaled \$99.8 million.
- Total bonds payable is \$518.8 million, a decrease of \$76.0 million from 2015. The Authority issued \$25.7 million in two new-money issuances and \$38.9 million in refunding bonds. The Authority paid \$140.5 million in bond principal payments including the call and/or early defeasance of \$78.4 million in bonds associated with a refunding and \$24.7 million in bonds associated with borrower loan prepayments.

### *Overview of the Basic Financial Statements*

Management's discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. Prior years' activity is provided in a comparative presentation in this discussion. The basic financial statements consist of the fund financial statements and the Notes to the Financial Statements.

### *Fund Financial Statements*

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority are enterprise funds. These enterprise funds include three separately maintained funds: 1) The Water Operations Fund (WOPS), 2) The Water Pollution Control Fund (WPCRF), and 3) The Drinking Water Fund (DWRF). The basic financial statements for each fund are included in this report. Each fund is considered a major fund.

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*Notes to the Financial Statements*

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

## Financial Analysis of Enterprise Funds

### SUMMARY OF STATEMENT OF NET POSITION

#### *Overview*

The Authority's basic financial statements are comprised of three enterprise funds. To better assist the users of these statements, a separate schedule and analysis for each of the funds is presented below. These schedules summarize the financial position of each enterprise fund as of December 31, 2016 and 2015 in a comparative format. Furthermore, schedules of total enterprise fund data and analysis is provided in comparative year format for 2016-2015 and 2015-2014.

Unrestricted current and other assets primarily consist of cash and cash equivalents, investments and accounts receivable-borrowers, and other assets and receivables. Restricted assets are comprised of current and noncurrent cash and cash equivalents, investments, investment income receivable and assets held for others (see Note 2(f) in the Notes to the Financial Statements). Restricted assets include amounts relating to borrowers' project accounts, debt service reserve funds, debt service funds and other accounts legally restricted by the revenue bond resolutions, and other accounts which are restricted in use of the funds. Loans receivable includes the current and noncurrent portion of direct and bond funded loan balances. Loans receivable provide security for bonds; and loan repayments received, net of administrative fees, are restricted for payment of bond debt service.

Current and other liabilities contain accounts such as bond interest payable, advance payable, and various other miscellaneous liabilities. The project costs payable line item contains the total current and noncurrent remaining proceeds available for projects funded with bond financing and/or as direct loans. Bonds payable includes the current and noncurrent portion of bonds outstanding. Net position is classified into three categories: invested in capital assets, restricted, and unrestricted.

Deferred inflows of resources and deferred outflows of resources contain deferred gains and losses from refundings and advanced loan interest received from loan prepayments that are amortized over the remaining life of the old debt or the new debt, whichever is shorter. Beginning in 2015, deferred inflows and/or deferred outflows of resources include line items and amounts related to pensions.

The WPCRF and DWRF are also referred to as state revolving fund (SRF) programs and receive EPA capitalization grant (SRF grant) funding from the Clean Water Act and Safe Drinking Water Act, respectively, and the programs must meet and employ administrative and programmatic conditions as specified in the EPA capitalization grant agreements. SRF grant awards require 20% state match funding from the state for each dollar of grant awarded.

Funding sources for DWRF and WPCRF SRF loans executed prior to 2015 were from SRF grant, state match, SRF grant and state match, or reloan funds, and bond proceeds, if leveraged. Beginning in 2015, new DWRF and WPCRF loans are funded with SRF grant/state match or reloan or a combination of all three sources (open-source funding), and bond proceeds if leveraged, on a draw by draw basis depending on funding source availability. All SRF grant funded loan draws are paid using the SRF grant/state match required proportionality and are drawn from the capitalization grants on a draw by draw basis for eligible expenses (the programs act as a pass-through agency). SRF grant, state match and reloan monies are

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considered SRF funds and are "deallocated" to the respective program's reloan account, established for such purpose, and reused (revolved) for additional SRF program loans.

Deallocation in the WPCRF and DWRP programs allows for the release of funds in the debt service reserve funds (DSRF), and from other accounts holding funds for security of the bonds, after bond debt service has been paid in September. This procedure consists of the maturity and/or liquidation of DSRF restricted investments, and depositing the funds, along with the state match portion and/or equity principal portion of loan principal repayments and direct loan principal and interest repayments, into the reloan account (unrestricted). These transfers can have a significant impact on the balances of unrestricted current and other assets, and restricted assets. Transfers of reloan funds to pay project draws or provide a debt service reserve for bond issuances may also have a significant impact on the balances of unrestricted current and other assets and restricted assets as funds are transferred from the reloan account (unrestricted) to the project accounts (restricted) or DSRF (restricted).

Each of the enterprise funds contains one or more loan programs that are funded all or in part with bond proceeds. Bonds are issued only to provide capital for approved loans. In the DWRP and WPCRF, additional funding for loans is achieved by issuing bonds leveraged on the SRF grant/state match and/or the reloan funded portion of the loan. The Authority issues bonds using the "reserve fund" model or "cash flow" model depending on economic conditions at the time of issuance. Each additional loan-bond financing package directly increases bonds payable, restricted assets, loans receivable, and project costs payable. Reserve fund model bond issuances increase the four line items approximately by the same amount. Cash flow model bond issuances will increase project cost payable and loans receivable by approximately the same amount but bonds payable and restricted assets will increase by lesser amounts.

As project construction costs are incurred, borrowers submit requisitions for reimbursement. Construction of these infrastructure projects may last up to three years. Payment of project requisitions results in decreases to project costs payable by the total amount of requisition. Requisitions paid from reloan funds decrease unrestricted cash and cash equivalents. Requisitions paid from SRF grant/state match funds will decrease restricted assets only by the amount of the state match portion of the requisition. Requisitions from leveraged loans, using reloan or SRF grant/state match funds, will also decrease restricted assets by the bond proceeds portion of requisitions.

WRBP loans are funded entirely by bond issuances; thus, each additional loan-bond financing package directly increases four major line items on the respective fund's summary schedule of net position: bonds payable, restricted assets, loans receivable, and project costs payable by approximately the same amounts. In the WRBP, borrowers submit requisitions for incurred project costs which are paid to the borrower, after approval, from project accounts established for each borrower. Project draws will affect project costs payable and restricted assets by the same amount.

A summary schedule and discussion of changes in major line items for total enterprise funds and for each enterprise fund follows.

#### TOTAL ENTERPRISE FUNDS

Schedules 1A and 1B show a summary of net position for the three enterprise funds of the Authority in total and on a comparative year basis.

As shown in Schedule 1A, total assets decreased by \$13.3 million and total liabilities decreased by \$51.3 million. The decrease in total assets was mainly due to the \$51.9 million decrease in restricted assets offset by a \$7.2 million increase in unrestricted current and other assets and a \$31.5 million increase in loans receivable. The \$51.3 million decrease in total liabilities was mainly due to the \$8.6 million

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decrease in total current and other liabilities and the \$76.0 million decrease in bonds payable offset by the \$33.3 million increase in total project costs payable. The following discussion will focus on the major changes in 2016 and compare them to the major changes in 2015. Further details of the changes will be provided in each fund section. (The changes in total net position will be discussed in the changes in net position section.)

In 2016, total unrestricted current and other assets increased by \$7.2 million mainly as the result of:

- The transfers of funds from the DWRF and WPCRF restricted assets accounts to the reloan account for deallocation.
- Offset by the reimbursements from the SRF programs to the Authority for state match loans.

In 2015, total unrestricted current and other assets increased by \$60.8 million mainly as the result of:

- The transfers of funds from the DWRF and WPCRF restricted assets accounts to the reloan account for deallocation.
- The transfer of funds to the reloan account (unrestricted) from a DWRF leveraged loan account (restricted) which was financed originally in 2014 with reloan funds but converted, in 2015, to SRF grant and state match funding.

In 2016, total restricted assets decreased by \$51.9 million primarily due to the decrease in current and noncurrent investments by \$51.1 million, which mainly resulted from:

- The transfer from restricted accounts to the reloan for deallocation.
- Liquidation of investments for deallocation purposes and for use in the defeasance of refunded bonds.
- New bond issuances offset by payments to borrowers for project requisitions.

In 2015, total restricted assets decreased by \$63.3 million mainly due to decreases in current and non-current, cash and cash equivalents, and noncurrent investments, by \$36.1 million, \$14.4 million and \$13.1 million, respectively, which was mainly the result of:

- The transfer from restricted accounts to the reloan for deallocation.
- Liquidation of investments for deallocation purposes.
- The transfer of funds to the reloan account for the conversion of the 2014 loan previously mentioned above.
- New bond issuances offset by payment to borrowers for project requisitions.

In 2016, loans receivable increased by \$31.5 million as a result of new loan executions totaling \$130.6 million, offset by \$89.5 million in loan repayments, including \$22.9 million in loan prepayments, and \$9.6 million in loan reductions and principal forgiveness. In contrast, in 2015, loans receivable decreased by \$66.6 million as a result of new loan executions totaling \$106.2 million, offset by \$168.2 million in loan repayments, including \$104.5 million in loan prepayments, and \$4.5 million in loan reductions and principal forgiveness.

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**Total Enterprise Funds (2016-2015)**

Schedule 1A

Summary of Net Position as of December 31

	2016	2015	Change	Pct Chg
Unrestricted current and other assets	\$ 260,030,923	\$ 252,849,315	\$ 7,181,608	2.8%
Restricted assets	224,247,945	276,177,628	(51,929,683)	(18.8%)
Capital assets, net	33,699	20,723	12,976	62.6%
Loans receivable	991,521,620	960,065,615	31,456,005	3.3%
Total assets	<u>1,475,834,187</u>	<u>1,489,113,281</u>	<u>(13,279,094)</u>	(0.9%)
Deferred outflows of resources	5,035,224	3,715,365	1,319,859	35.5%
Current and other liabilities	50,250,970	58,869,518	(8,618,548)	(14.6%)
Project costs payable	199,809,792	166,533,330	33,276,462	20.0%
Bonds payable	518,765,000	594,745,000	(75,980,000)	(12.8%)
Total liabilities	<u>768,825,762</u>	<u>820,147,848</u>	<u>(51,322,086)</u>	(6.3%)
Deferred inflows of resources	320,500	405,244	(84,744)	(20.9%)
Net position:				
Net investment in capital assets	33,699	20,723	12,976	62.6%
Restricted	669,400,756	628,588,765	40,811,991	6.5%
Unrestricted	42,288,694	43,666,066	(1,377,372)	(3.2%)
Total net position	<u>\$ 711,723,149</u>	<u>\$ 672,275,554</u>	<u>\$ 39,447,595</u>	5.9%

**Total Enterprise Funds (2015-2014)**

Schedule 1B

Summary of Net Position as of December 31

	2015	2014 *	Change	Pct Chg
Unrestricted current and other assets	\$ 252,849,315	\$ 192,016,703	\$ 60,832,612	31.7%
Restricted assets	276,177,628	339,441,156	(63,263,528)	(18.6%)
Capital assets, net	20,723	18,448	2,275	12.3%
Loans receivable	960,065,615	1,026,632,651	(66,567,036)	(6.5%)
Total assets	<u>1,489,113,281</u>	<u>1,558,108,958</u>	<u>(68,995,677)</u>	(4.4%)
Deferred outflows of resources	3,715,365	4,145,014	(429,649)	(10.4%)
Current and other liabilities	58,869,518	61,844,828	(2,975,310)	(4.8%)
Project costs payable	166,533,330	148,937,549	17,595,781	11.8%
Bonds payable	594,745,000	720,385,000	(125,640,000)	(17.4%)
Total liabilities	<u>820,147,848</u>	<u>931,167,377</u>	<u>(111,019,529)</u>	(11.9%)
Deferred inflows of resources	405,244	536,573	(131,329)	(24.5%)
Net position:				
Net investment in capital assets	20,723	18,448	2,275	12.3%
Restricted	628,588,765	582,612,773	45,975,992	7.9%
Unrestricted	43,666,066	47,918,801	(4,252,735)	(8.9%)
Total net position	<u>\$ 672,275,554</u>	<u>\$ 630,550,022</u>	<u>\$ 41,725,532</u>	6.6%

\* Information not restated for GASB 68 and GASB 71.

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In 2016, the \$8.6 million decrease in total current and other liabilities is mainly attributed to the \$12.8 million decrease in advance payable offset by increases in other liabilities and amounts due to other funds.

In 2016, \$133.0 million in new and/or additional project funding offset by \$97.6 million in project requisitions paid to borrowers and loan reductions of \$2.2 million resulted in an increase in project cost payable of \$33.3 million. Project costs payable increased in 2015 by \$17.6 million as a result of the execution of new loans that provided funding for \$106.9 million in projects offset by \$89.3 million in payments to borrowers for requisitioned project costs, and loan reductions.

In 2016, bonds payable decreased by \$76.0 million. The decrease was a result of the issuance of \$25.7 million in new money bonds and \$38.9 million in refunding bonds offset by the payment of \$140.5 million in bond principal which included the early call and/or defeasance of \$101.1 million in bonds. Bonds payable decreased in 2015 by \$125.6 million. The Authority issued \$23.8 million in bonds in 2015, offsetting the payment of bond principal totaling \$149.4 million, including \$104.7 million in called and/or defeased bonds, most associated with loan prepayments.

The discussion below describes the changes to each of the three enterprise fund's summary schedule of net position for the current year in more detail.

WATER OPERATIONS FUND

Water Operations Fund	Schedule 2			
	Summary of Net Position as of December 31			
	2016	2015	Change	Pct Chg
Unrestricted current and other assets	\$ 44,413,529	\$ 45,210,743	\$ (797,214)	(1.8%)
Restricted assets	24,596,035	31,695,653	(7,099,618)	(22.4%)
Capital assets, net	33,699	20,723	12,976	62.6%
Loans receivable	131,100,235	145,236,037	(14,135,802)	(9.7%)
Total assets	<u>200,143,498</u>	<u>222,163,156</u>	<u>(22,019,658)</u>	(9.9%)
Deferred outflows of resources	1,114,069	632,841	481,228	76.0%
Current and other liabilities	17,965,658	16,829,816	1,135,842	6.7%
Project costs payable	7,141,513	13,694,330	(6,552,817)	(47.9%)
Bonds payable	122,620,000	137,320,000	(14,700,000)	(10.7%)
Total liabilities	<u>147,727,171</u>	<u>167,844,146</u>	<u>(20,116,975)</u>	(12.0%)
Deferred inflows of resources	56,662	17,570	39,092	222.5%
Net position:				
Net investment in capital assets	33,699	20,723	12,976	62.6%
Restricted	12,844,072	12,903,668	(59,596)	(0.5%)
Unrestricted	40,595,963	42,009,890	(1,413,927)	(3.4%)
Total net position	<u>\$ 53,473,734</u>	<u>\$ 54,934,281</u>	<u>\$ (1,460,547)</u>	(2.7%)

Transactions in the Water Operations Fund that had major impact on the 2016 financials included the following:

- One borrower in the WRBP prepaid its loan in full for \$7.7 million.

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- The WRBP bonds associated with the prepayment were called and/or defeased in the amount of \$7.7 million.
  - One direct loan in the amount of \$0.9 million was executed in the SHLP and a refinancing loan in the amount of \$0.1 million was executed with the Authority.
  - Reimbursement of \$16.0 million from the SRF programs to the Authority for state match previously provided by the Authority to the SRF programs.

As shown in Schedule 2, major changes to the components of net position included decreases in total assets and total liabilities by \$22.0 million and \$20.1 million, respectively.

The following factors were the main contributors to the decrease in total assets:

- The largest contributor to the decrease in total assets was a \$14.1 million decrease in loans receivable resulting from \$15.2 million in loan principal repayments including a \$7.7 million loan prepayment in the WRBP.
- The \$7.1 million decrease in restricted assets was mainly the result of the payment of WRBP and SHLP project requisitions totaling \$7.4 million offset by new project loan funding.

The following factors were the main contributors to the decrease in total liabilities:

- The largest decrease in total liabilities was from a \$14.7 million decrease in bonds payable resulting from SWRP and WRBP bond principal payments totaling \$14.7 million, including the defeasance of a WRBP bond issue totaling \$7.7 million.
- Payments to WRBP borrowers for requisitioned project costs offset by new project loan funding reduced project cost payable by \$6.6 million.

#### WATER POLLUTION CONTROL FUND

Transactions in the WPCRF that had major impact on the 2016 financials included the following:

- \$25.7 million in bonds were issued to fund three leveraged loans totaling \$104.6 million.
- Twelve direct loans totaling \$12.0 million were executed, including seven loans that received \$2.5 million in partial or full principal forgiveness related to requirements under the EPA grant conditions.
- Four direct loan borrowers and five leveraged loan borrowers partially or fully prepaid their loan(s) in full totaling \$14.8 million.
- \$48.0 million of repurchase agreements and state local government agency bonds investments were liquidated in the DSRF accounts.
- The Authority called and/or defeased nine bond issues totaling \$93.4 million with proceeds from refunding bonds, liquidated investments, and cash on hand. The refunding resulted in a net present value savings of \$6.4 million which was passed onto the borrowers in the form of credits against future loan repayments.
- Deallocation transfers from restricted cash and cash equivalents and investment accounts to the reloan account (unrestricted) totaled \$30.3 million and included the remainder of the liquidated repurchase agreement investment funds not used to defease the refunded bonds and excess funds in the refunded bonds' accounts.
- \$38.4 million was paid to borrowers for requisitioned project expenses and loan reductions related to unused project funds totaled \$0.5 million.
- The WPCRF repaid \$8.0 million to the Authority for previously provided state match that was offset by \$2.1 million provided by the Authority to the WPCRF for state match requirements for the 2016 EPA grant award.

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<i>Water Pollution Control Fund</i>	Schedule 3			
Summary of Net Position as of December 31				
	2016	2015	Change	Pct Chg
Unrestricted current and other assets	\$ 139,635,915	\$ 125,185,868	\$ 14,450,047	11.5%
Restricted assets	127,841,627	155,380,346	(27,538,719)	(17.7%)
Loans receivable	559,865,421	496,153,659	63,711,762	12.8%
Total assets	<u>827,342,963</u>	<u>776,719,873</u>	<u>50,623,090</u>	6.5%
Deferred outflows of resources	3,746,429	2,838,009	908,420	32.0%
Current and other liabilities	18,776,311	21,142,829	(2,366,518)	(11.2%)
Project costs payable	149,088,995	68,803,199	80,285,796	116.7%
Bonds payable	265,725,000	314,490,000	(48,765,000)	(15.5%)
Total liabilities	<u>433,590,306</u>	<u>404,436,028</u>	<u>29,154,278</u>	7.2%
Deferred inflows of resources	227,088	339,047	(111,959)	(33.0%)
Net position:				
Restricted	397,271,998	374,782,807	22,489,191	6.0%
Total net position	<u>\$ 397,271,998</u>	<u>\$ 374,782,807</u>	<u>\$ 22,489,191</u>	6.0%

Schedule 3 shows that changes to the components of net position included an increase in total assets and an increase in total liabilities.

Total assets increased by \$50.6 million due to a \$14.5 million increase in unrestricted current and other assets and a \$63.7 million increase in loans receivable offset by a \$27.5 million decrease in restricted assets.

- The increase in unrestricted current and other assets was mainly the result of:
  - Transfers of \$30.3 million from restricted asset accounts to the reloan account (unrestricted) for deallocation.
  - Transfers of \$6.6 million in unrestricted funds from the reloan account to restricted accounts for the funding of the DSRF for three new bond issues.
  - \$5.5 million in administrative fee income received from borrowers offset by cash payments of grant administration expenses totaling \$3.1 million.
  - \$8.0 million paid to the Authority general account (WOPS) from the administrative fee account to reimburse for state match funding transfers.
  - Transfers to borrower project accounts for payment of requisitions totaling \$3.2 million.
- The decrease in restricted assets is mainly attributed to:
  - The liquidation of \$48.0 million in investments of which \$31.5 million was used to call/defuse refunded bonds and \$16.5 million was deallocated.
  - \$13.2 million additional transfers from restricted accounts to the reloan account (unrestricted) for deallocation.
  - Deposits of \$28.3 million to project accounts from bond proceeds for new loans.
  - \$6.6 million transfers from reloan (unrestricted) to fund DSRFs.
  - \$14.6 million in payments (restricted asset portion) to borrowers for requisitioned project costs.
- The increase in loans receivable was the result of new loan executions totaling \$116.6 million offset by \$49.8 million in loan repayments, including \$14.8 million in partial and full loan prepayments, \$2.5 million in principal forgiveness related to EPA grant requirements, and other loan principal reductions and adjustments.

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The \$29.2 million increase to total liabilities was the result of an \$80.3 million increase in project costs payable offset by decreases in current and other liabilities, and bonds payable, of \$2.4 million and \$48.8 million, respectively.

- The decrease in current and other liabilities is mainly attributed to a \$5.9 million decrease in advance payable. The program repaid \$8.0 million to the Authority for state match provided previously offset by an additional state match (loan) to the program from the Authority totaling \$2.1 million to provide state match requirements on the 2016 grant.
- The increase in project costs payable is the result of new project loan funding of \$119.2 million offset by payments to borrowers for project cost requisitions and loan reductions totaling \$38.9 million.
- \$113.3 million in payments of bond principal, including the call and/or early defeasance of \$93.4 million in bonds, offset by the issuance of \$25.7 million in new money bonds and \$38.9 million in refunding bonds resulted in the decrease in bonds payable.

DRINKING WATER FUND

<i>Drinking Water Fund</i>	Schedule 4			
Summary of Net Position as of December 31				
	2016	2015	Change	Pct Chg
Unrestricted current and other assets	\$ 75,981,479	\$ 82,452,704	\$ (6,471,225)	(7.8%)
Restricted assets	71,810,283	89,101,629	(17,291,346)	(19.4%)
Loans receivable	300,555,964	318,675,919	(18,119,955)	(5.7%)
Total assets	<u>448,347,726</u>	<u>490,230,252</u>	<u>(41,882,526)</u>	<u>(8.5%)</u>
Deferred outflows of resources	174,726	244,515	(69,789)	(28.5%)
Current and other liabilities	13,509,001	20,896,873	(7,387,872)	(35.4%)
Project costs payable	43,579,284	84,035,801	(40,456,517)	(48.1%)
Bonds payable	130,420,000	142,935,000	(12,515,000)	(8.8%)
Total liabilities	<u>187,508,285</u>	<u>247,867,674</u>	<u>(60,359,389)</u>	<u>(24.4%)</u>
Deferred inflows of resources	36,750	48,627	(11,877)	(24.4%)
Net position:				
Restricted	259,284,686	240,902,290	18,382,396	7.6%
Unrestricted	1,692,731	1,656,176	36,555	2.2%
Total net position	<u>\$ 260,977,417</u>	<u>\$ 242,558,466</u>	<u>\$ 18,418,951</u>	<u>7.6%</u>

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Transactions in the DWRF that had major impact on the 2016 financials included the following:

- Fifteen direct loans were executed for a total of \$12.9 million.
- Eleven disadvantaged community loans received \$4.8 million in partial or full principal forgiveness related to requirements under the EPA grant conditions.
- Transfers from restricted cash and cash equivalents and investment accounts to the reloan account (unrestricted) for deallocation totaled \$13.4 million.
- \$51.7 million was paid to borrowers for requisitioned project costs and loan reductions related to unused project funds totaled \$0.5 million.
- The DWRF repaid \$8.0 million to the Authority for previously provided state match which was offset by \$1.1 million provided by the Authority to the DWRF for state match requirements for the Drinking Water 2016 EPA grant award.
- No revenue bonds were issued and no leveraged loans were executed.

As reflected in Schedule 4, major changes to the components of net position included a decrease in total assets by \$41.9 million and a decrease to total liabilities by \$60.4 million which resulted in a change in total net position of \$18.4 million.

The decrease in total assets is the result of decreases in unrestricted current and other, restricted assets and loans receivable.

- Unrestricted current cash and cash equivalents decreased by \$6.1 million and is the main contributor to the \$6.5 million decrease in unrestricted current and other assets. Activities contributing to the decrease included the following:
  - Loan administrative fee payments from borrowers totaling \$4.1 million were offset by cash payments of grant administration expenses totaling \$2.0 million and a \$1.8 million transfer to provide a portion of the state match requirement for the 2016 grant.
  - \$8.0 million payment from the administrative fee account to the Authority to reimburse for previously provided state match.
  - \$14.4 million in reloan funds (unrestricted) transfers to project accounts (restricted) for payments to borrowers for requisitioned project expenses.
  - \$13.4 million in combined transfers from matching accounts and the surplus matching accounts (restricted) to the reloan account for deallocation.
- The decrease in restricted assets of \$17.3 million was primarily due to the \$17.3 million combined decrease in cash and cash equivalents and investments from:
  - Transfers of \$13.4 million from restricted accounts to the unrestricted reloan account for deallocation.
  - The restricted asset portion of payments to borrowers for requisitioned project costs totaling \$16.9 million.
  - The deposit of \$2.9 million from the Authority and administrative fee account for state match requirements for the 2016 grant.
- The \$18.1 million decrease in loans receivable is a result of loan repayments totaling \$24.5 million, loan reductions of \$1.7 million and \$4.8 million in principal forgiveness offset by loan executions totaling \$12.9 million.

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Decreases in current and other liabilities, project costs payable and bonds payable all contributed to the \$60.4 million decrease in total liabilities.

- Current and other liabilities decreased by \$7.4 million mainly due to a \$6.9 million reduction in advance payable. As stated before, the program reimbursed the Authority \$8.0 million for state match requirements provided in previous years. This was offset by the \$1.1 million provided by the Authority for state match requirements on the 2016 grant.
- Project costs payable decreased \$40.5 million as a result of payments to borrower for requisition project expenses and loan reductions totaling \$53.4 million offset by new loan funding totaling \$12.9 million.
- Bonds payable decreased by \$12.5 million in bond principal payments.

### SUMMARY OF CHANGES IN NET POSITION

#### *Overview*

As described in the Notes to the Financial Statements, the Authority issues bonds to fund certain program loans. Debt service on bonds is paid from loan repayments; however, in the WPCRF and DWRF, for bonds issued using the reserve fund model, a portion of bond interest is paid from investment income earned on restricted assets held in the borrowers' project accounts and in bond debt service reserve funds. This investment income represents the loan interest subsidy provided to the borrowers. Bonds issued using the cash flow model do not have investments that produce interest to provide payment for a portion of the bond interest. Instead, the leveraged loan borrowers receive the subsidy related to the equity (grant/state match/reloan) portion of loan principal that is financed at zero percent and sized so that it produces a subsidized blended interest rate at 70% of the all-in-bond yield on the bonds issued to fund a portion of the loan.

The WPCRF and DWRF programs are permitted to collect a loan administrative fee surcharge to supplement the EPA grant funds available for the reimbursement of expenses related to program and grant administration. The maximum allowable annual administrative fee surcharge rate on DWRF loans, which is computed on the original loan receivable balance and is a component of loan interest, is 1.25%. Due to the structure of the loan program, the administrative fee rate does not affect the subsidized loan rate charged to the borrowers. The administrative fee surcharge rate on WPCRF loans is 0.8%. Generally, these fees remain constant over the term of the loan. Zero interest rate loans (*i.e.* certain disadvantaged community and ARRA loans) in both the WPCRF and DWRF programs are not assessed an administrative fee surcharge. (For more information regarding the disadvantaged community loan program, see the Notes to the Financial Statements.)

Pursuant to Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, for the WPCRF and the DWRF, federal capitalization grant revenues are recorded as non-operating revenue. Grant revenue from the DWRF set asides and grant reimbursements for program administrative costs for both revolving funds are recorded as operating revenue. For loans funded with SRF grant dollars, each project requisition generates a draw from the respective program's grant(s). Capitalization grant revenue is shown below operating income (loss) on the Summary of Changes in Net Position. The major factors that contribute to the amount of EPA capitalization grant revenue recognized are: 1) the availability of grant funds; and/or 2) the demand for project cost reimbursements, including projects funded in prior years.

To better reflect the classification of expenses incurred in the Water Operations Fund, grants to localities-Authority funded line item reflects the funding of and payment of requisitions for Authority funded non-reimbursable projects, such as the Long Hollow dam and reservoir and SHLP planning and design grants.

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Also, due to the implementation of GASB 65, bond issuance expense was added as a line item. See the Notes to the Financial Statements for further information on these line items.

Below are schedules showing the summary of changes in net position by individual enterprise fund and in total. These summary schedules show operating revenues, operating expenses, operating income (loss), other sources of revenue, and the changes in net position in a comparative year format. These schedules quantify the changes in financial position of the Authority as a financing entity.

#### TOTAL ENTERPRISE FUNDS

Schedules 5A and 5B combine the results of activities of the three enterprise funds, shown in a comparative year format. Although restrictions exist on transfers of monies among the enterprise funds, these schedules provide information about the overall changes in financial position. As the schedules show, each year's activity, supplemented by EPA capitalization grant draws, resulted in increases to changes in net position totaling \$39.4 million, \$44.8 million and \$19.3 million for 2016, 2015 and 2014, respectively.

For 2016, interest on loans, administrative fees and interest on investments, contributed 45.2%, 22.6% and 17.7%, respectively, to total operating revenues. Interest on bonds, principal forgiveness and grant administration contributed 53.5%, 16.8% and 13.2%, respectively, to total operating expenses. As Schedules 5A and 5B show, operating expenses exceeded operating revenues by \$1.6 million; total operating revenues decreased by \$5.1 million while operating expenses decreased by \$2.9 million. Grant revenue decreased by \$3.1 million from 2015. The following discussion will focus on the major changes in operating revenues, operating expenses and EPA capitalization grants revenue for 2016 and 2015.

Combined EPA capitalization grants revenue totaled \$41.1 million, \$44.2 million and \$27.4 million for 2016, 2015 and 2014, respectively. As explained earlier in this section, grant funds are drawn as requisitions are paid to borrowers with projects financed with SRF grant funds. The \$3.1 million decrease in capitalization grant draws in 2016 signifies that all available grant funds for the SRF loan programs have been mostly expended. The \$16.9 million increase in EPA capitalization grants draws in 2015 was mainly attributed to the increase in the payment of SRF grant-funded project requisitions. EPA capitalization grant revenue was the primary contributor to the total change in net position for 2016, 2015 and 2014.

Combined change in net position increased by \$39.4 million in 2016 compared to the \$44.8 million increase in 2015. The \$5.3 million decrease in change in net position in 2016 was primarily the result of the \$3.1 million decrease in EPA Capitalization grants and the \$2.1 million decrease in operating income.

In 2016, a decrease of \$5.1 million in operating revenues is mainly attributed to a \$5.0 million decrease in interest on loans. Changes in interest on loans can be attributed to several factors. In the years subsequent to the year of execution, new loans usually produce a full year's interest income, generally increasing interest on loans. However, other factors such as decreasing loan interest due to normal amortization and prepayments, and credits to loan interest from both refunding savings and additional earnings may affect interest on loans. The execution of loans at lower or zero interest also can contribute to decreases in interest on loans. In 2016, the decrease in interest on loans is mainly attributed to prepayments received in 2015 and in 2016. The application of refunding savings to borrowers' loan repayments also contributed to the decrease in interest on loans.

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<i>Total Enterprise Funds (2016-2015)</i>	Schedule 5A			
	Summary of Changes in Net Position as of December 31			
	2016	2015	Change	Pct Chg
<b>Operating revenues:</b>				
Interest on loans (including gain on prepayments)	\$ 19,191,519	\$ 24,240,297	\$ (5,048,778)	(20.8%)
Interest on investments	7,533,330	7,259,504	273,826	3.8%
Administrative fees and other income	9,790,711	9,369,462	421,249	4.5%
EPA grants	5,984,693	6,687,950	(703,257)	(10.5%)
<b>Total operating revenues</b>	<b>42,500,253</b>	<b>47,557,213</b>	<b>(5,056,960)</b>	<b>(10.6%)</b>
<b>Operating expenses:</b>				
Interest on bonds (including loss on extinguishments)	23,606,156	30,888,365	(7,282,209)	(23.6%)
Bond issuance expense	55,426	91,475	(36,049)	(39.4%)
Grant administration	5,816,981	4,220,037	1,596,944	37.8%
Grants to localities - Authority funded	517,867	1,287,548	(769,681)	(59.8%)
Loan principal forgiven	7,414,735	3,968,710	3,446,025	86.8%
General, administrative and other expenses	1,306,299	1,437,802	(131,503)	(9.1%)
EPA set asides	5,419,913	5,122,840	297,073	5.8%
<b>Total operating expenses</b>	<b>44,137,377</b>	<b>47,016,777</b>	<b>(2,879,400)</b>	<b>(6.1%)</b>
Operating (loss)/ income	(1,637,124)	540,436	(2,177,560)	(402.9%)
EPA capitalization grants	41,084,719	44,211,059	(3,126,340)	(7.1%)
Change in net position	39,447,595	44,751,495	(5,303,900)	(11.9%)
Beginning net position	672,275,554	627,524,059	44,751,495	7.1%
<b>Net position – end of year</b>	<b>\$ 711,723,149</b>	<b>\$ 672,275,554</b>	<b>\$ 39,447,595</b>	<b>5.9%</b>

<i>Total Enterprise Funds (2015-2014)</i>	Schedule 5B			
	Summary of Changes in Net Position as of December 31			
	2015	2014 *	Change	Pct Chg
<b>Operating revenues:</b>				
Interest on loans (including gain on prepayments)	\$ 24,240,297	\$ 28,142,588	\$ (3,902,291)	(13.9%)
Interest on investments	7,259,504	7,431,420	(171,916)	(2.3%)
Administrative fees and other income	9,369,462	10,553,425	(1,183,963)	(11.2%)
EPA grants	6,687,950	7,154,770	(466,820)	(6.5%)
<b>Total operating revenues</b>	<b>47,557,213</b>	<b>53,282,203</b>	<b>(5,724,990)</b>	<b>(10.7%)</b>
<b>Operating expenses:</b>				
Interest on bonds (including loss on extinguishments)	30,888,365	34,199,404	(3,311,039)	(9.7%)
Bond issuance expense	91,475	388,249	(296,774)	(76.4%)
Grant administration	4,220,037	5,192,307	(972,270)	(18.7%)
Grants to localities - Authority funded	1,287,548	7,934,259	(6,646,711)	(83.8%)
Loan principal forgiven	3,968,710	7,389,432	(3,420,722)	(46.3%)
General, administrative and other expenses	1,437,802	1,729,587	(291,785)	(16.9%)
EPA set asides	5,122,840	4,496,862	625,978	13.9%
<b>Total operating expenses</b>	<b>47,016,777</b>	<b>61,330,100</b>	<b>(14,313,323)</b>	<b>(23.3%)</b>
Operating income / (loss)	540,436	(8,047,897)	8,588,333	(106.7%)
EPA capitalization grants	44,211,059	27,355,541	16,855,518	61.6%
Change in net position	44,751,495	19,307,644	25,443,851	131.8%
Beginning net position, before restatement	630,550,022	611,242,378	19,307,644	3.2%
Adjustment for change in accounting principal	(3,025,963)	-	(3,025,963)	(100.0%)
Beginning net position, as restated	627,524,059	611,242,378	16,281,681	2.7%
<b>Net position – end of year</b>	<b>\$ 672,275,554</b>	<b>\$ 630,550,022</b>	<b>\$ 41,725,532</b>	<b>6.6%</b>

\* Information not restated for GASB 68 and GASB 71.

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In 2016, the decrease in operating expenses is mainly attributed to a \$7.3 million dollar decrease in interest on bonds, offset by a \$3.4 million increase in loan principal forgiven funded and a \$1.6 million increase in grant administration.

- Decrease in interest on bonds – In the years subsequent to the year of issuance, a full year of interest is usually paid on new bonds, generally increasing interest on bonds. However, other factors such as decreasing bond interest due to normal amortization, and early defeasances/calls in current and previous years, contributes to decreases in interest on bonds. The decrease in interest on bonds in 2016 is mainly attributed to the residual effect of the early defeasances of bonds in 2015 in the WRBP, the early defeasance of bonds related to the WPCRF 2016 refunding and the early defeasance of bonds related to the prepayment in the WRBP in 2016.
- Increase in grant administration – Grant administration expenses are costs to run the SRF programs and is based on the amount of time spent administering the programs and timing of the reimbursement requests. In 2015, there was a \$1.0 million decrease in grant administration due to a delay in payments of those costs; those costs were paid in 2016 which accounts for the increase in 2016.
- Increase in loan principal forgiven – The amount of principal forgiven and number of loans receiving principal forgiven increased in 2016 as new and existing policies and procedures on fulfilling the principal forgiveness requirements related to the grants were implemented in 2015 and 2016.

In 2015, the decrease in operating revenues is mainly attributed to a \$3.9 million decrease in interest on loans and a \$1.2 million decrease in administrative fees and other income. The main factors contributing to the decreases were:

- Decrease in interest on loans – In 2015, the decrease in interest in loans is mainly attributed to prepayments in 2014 from WRBP bond funded loans.
- Decrease in other income – The decrease in other operating income is attributed to payments received for shared Long Hollow project costs in 2014 that did not occur in 2015.

In 2015, the decrease in operating expense is mainly attributed to the \$3.3 million dollar decrease in interest on bonds, the \$6.6 million decrease in grants to localities-Authority funded and the \$3.4 million decrease in loan principal forgiven. Decreases in these line items are mainly attributed to the following:

- Decrease in interest on bonds – The decrease in interest on bonds in 2015 is mainly attributed to the residual effect of the defeasance of bonds associated with the partial and full loan prepayments in 2014 in the WRBP and maturing bonds in all programs which offset any increases from new bond issuances in 2014 and 2015.
- Decrease in grants to localities-Authority funded – In 2015, payments to Authority funded projects decreased as the projects neared completion and no new projects were funded.
- Decreases in loan principal forgiven – The amount of principal forgiven and number of loans receiving principal forgiven decreased in 2015.

The discussion below describes the changes to each of the three enterprise fund's summary schedule of changes in net position.

### WATER OPERATIONS FUND

As shown in Schedule 6, \$9.2 million in total operating expenses exceeded \$7.7 million in operating revenues resulting in a \$1.5 million operating loss and a decrease in net position to \$53.5 million.

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<i>Water Operations Fund</i>	Schedule 6			
	Summary of Changes in Net Position as of December 31			
	2016	2015	Change	Pct Chg
Operating revenues:				
Interest on loans (including gain on prepayments)	\$ 7,415,324	\$ 10,904,809	\$ (3,489,485)	(32.0%)
Interest on investments	299,607	173,648	125,959	72.5%
Other	24,380	24,448	(68)	(0.3%)
Total operating revenues	<u>7,739,311</u>	<u>11,102,905</u>	<u>(3,363,594)</u>	<u>(30.3%)</u>
Operating expenses:				
Interest on bonds (including loss on extinguishments)	7,411,945	11,683,542	(4,271,597)	(36.6%)
Bond issuance expense	55,426	91,475	(36,049)	(39.4%)
Grants to localities-Authority funded	517,867	1,287,548	(769,681)	(59.8%)
General, administrative and other expenses	1,214,620	1,125,389	89,231	7.9%
Total operating expenses	<u>9,199,858</u>	<u>14,187,954</u>	<u>(4,988,096)</u>	<u>(35.2%)</u>
Operating loss	<u>(1,460,547)</u>	<u>(3,085,049)</u>	<u>1,624,502</u>	<u>(52.7%)</u>
Change in net position	(1,460,547)	(3,085,049)	1,624,502	(52.7%)
Beginning net position	<u>54,934,281</u>	<u>58,019,330</u>	<u>(3,085,049)</u>	<u>(5.3%)</u>
Net position – end of year	<u>\$ 53,473,734</u>	<u>\$ 54,934,281</u>	<u>\$ (1,460,547)</u>	<u>(2.7%)</u>

In 2016, the \$3.4 million decrease in operating revenue is mainly attributed to the decrease in interest on loans. The \$3.5 million decrease in interest on loans is related to prepayments that occurred in 2015 and 2016 and decreases from normal loan amortization offsetting any increase in loan interest from new loans made in 2015.

The \$5.0 million decrease in operating expenses in 2016 is mainly attributed to the decrease in interest on bonds. The \$4.3 million decrease in interest on bonds is related to the bond calls/defeasances that occurred in 2015 and 2016 and decreases from normal bond interest amortization.

#### WATER POLLUTION CONTROL FUND

Schedule 7 shows that total operating revenues of \$19.3 million exceeded total operating expenses of \$17.2 million resulting in operating income of \$2.0 million. In 2016, operating income and EPA capitalization grants revenue of \$20.6 million were the main contributors to the \$22.5 million change in net position to \$397.3 million for the WPCRF.

The \$1.4 million decrease in operating revenues is mainly the result of a \$1.1 million decrease in interest on loans. The decrease can be mainly attributed to increases in interest on loans from new loans made in 2015 and 2016 offset by the decrease from normal amortization of loans and new loans financed with zero or reduced interest rate terms. Seven of the twelve new direct loans in 2016 and two of the fourteen new direct loans in 2015 received partial or full principal forgiveness and/or zero or reduced interest rate terms. Prepayment of loans in 2015 and 2016 and the application of the refunding savings credits applied in 2016 also contributed to the decrease.

The \$1.4 million decrease in operating revenues is mainly the result of a \$1.1 million decrease in interest on loans. The decrease can be mainly attributed to increases in interest on loans from new loans made in 2015 and 2016 offset by the decrease from normal amortization of loans and new loans financed with zero or reduced interest rate terms. Seven of the twelve new direct loans in 2016 and two of the fourteen

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new direct loans in 2015 received partial or full principal forgiveness and/or zero or reduced interest rate terms. Prepayment of loans in 2015 and 2016 and the application of the refunding savings credits applied in 2016 also contributed to the decrease.

<i>Water Pollution Control Fund</i>	Schedule 7			
	Summary of Changes in Net Position as of December 31			
	2016	2015	Change	Pct Chg
<b>Operating revenues:</b>				
Interest on loans (including gain on prepayments)	\$ 8,508,977	\$ 9,608,309	\$ (1,099,332)	(11.4%)
Interest on investments	4,962,471	5,136,371	(173,900)	(3.4%)
Administrative fee and other income	5,647,906	5,392,161	255,745	4.7%
EPA grants - administrative	131,798	480,942	(349,144)	(72.6%)
<b>Total operating revenues</b>	<b>19,251,152</b>	<b>20,617,783</b>	<b>(1,366,631)</b>	<b>(6.6%)</b>
<b>Operating expenses:</b>				
Interest on bonds (including loss on extinguishments)	11,116,572	13,756,169	(2,639,597)	(19.2%)
Grant administration	3,463,386	2,830,450	632,936	22.4%
Loan principal forgiven	2,568,051	915,522	1,652,529	180.5%
General, administrative and other expenses	59,826	82,505	(22,679)	(27.5%)
<b>Total operating expenses</b>	<b>17,207,835</b>	<b>17,584,646</b>	<b>(376,811)</b>	<b>(2.1%)</b>
Operating income	2,043,317	3,033,137	(989,820)	(32.6%)
EPA capitalization grants	20,636,439	16,810,608	3,825,831	22.8%
Transfers in (out)	(190,565)	(161,158)	(29,407)	18.2%
<b>Change in net position</b>	<b>22,489,191</b>	<b>19,682,587</b>	<b>2,806,604</b>	<b>14.3%</b>
Net position – beginning of year	374,782,807	355,100,220	19,682,587	5.5%
<b>Net position – end of year</b>	<b>\$ 397,271,998</b>	<b>\$ 374,782,807</b>	<b>\$ 22,489,191</b>	<b>6.0%</b>

The \$0.4 million decrease in total operating expenses was primarily the result of the \$2.6 million decrease in interest on bonds offset by a \$1.7 million increase in loan principal forgiven. The decrease in interest on bonds can be attributed to decreases in interest from normal bond maturities and the from early bond defeasances that occurred in 2016 which offset increases in interest from new bond issuances. The increase in principal forgiveness resulted from more loans receiving this subsidy.

EPA Capitalization Grant revenue totaled \$20.6 million. The \$3.8 million increase in EPA capitalization grants revenue was mainly the result of an increase in SRF grant funded loan executions and an increase in SRF grant funded payments to borrowers for requisitioned project costs.

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DRINKING WATER FUND

As Schedule 8 shows, total operating expenses of \$17.7 million exceeded total operating revenues of \$15.5 million which resulted in \$2.2 million total operating loss. The total operating loss was offset by \$20.4 million in EPA capitalization grants revenue resulting in a \$18.4 million increase in net position to \$261.0 million.

<i>Drinking Water Fund</i>	Schedule 8			
	Summary of Changes in Net Position as of December 31			
	2016	2015	Change	Pct Chg
Operating revenues:				
Interest on loans	\$ 3,267,218	\$ 3,727,179	\$ (459,961)	(12.3%)
Interest on investments	2,271,252	1,949,485	321,767	16.5%
Administrative fee and other income	4,118,425	3,952,853	165,572	4.2%
EPA grants	5,852,895	6,207,008	(354,113)	(5.7%)
Total operating revenues	<u>15,509,790</u>	<u>15,836,525</u>	<u>(326,735)</u>	<u>(2.1%)</u>
Operating expenses:				
Interest on bonds	5,077,639	5,448,654	(371,015)	(6.8%)
Grant administration	2,353,595	1,389,587	964,008	69.4%
Loan principal forgiven	4,846,392	3,053,188	1,793,204	58.7%
General, administrative and other expenses	32,145	229,908	(197,763)	(86.0%)
EPA set asides	5,419,913	5,122,840	297,073	5.8%
Total operating expenses	<u>17,729,684</u>	<u>15,244,177</u>	<u>2,485,507</u>	<u>16.3%</u>
Operating (loss) / income	(2,219,894)	592,348	(2,812,242)	(474.8%)
EPA capitalization grants	20,448,280	27,400,451	(6,952,171)	(25.4%)
Transfers in (out)	190,565	161,158	29,407	18.2%
Change in net position	<u>18,418,951</u>	<u>28,153,957</u>	<u>(9,735,006)</u>	<u>(34.6%)</u>
Net position – beginning of year	<u>242,558,466</u>	<u>214,404,509</u>	<u>28,153,957</u>	<u>13.1%</u>
Net position – end of year	<u>\$ 260,977,417</u>	<u>\$ 242,558,466</u>	<u>\$ 18,418,951</u>	<u>7.6%</u>

The decreases in interest on loans and EPA grants offset increases in interest on investments and administrative fee and other income resulting in a \$0.3 million decrease in operating revenues. Increases in grant administration, loan principal forgiven and EPA set asides were offset by decreases in interest on bonds and general, administrative and other expenses resulting in an increase in operating expenses. Unlike WPCRF, EPA capitalization grants revenue decreased in 2016 by \$7.0 million as available grant funds for loans were almost fully expended.

**Economic Factors:**

The demand for financing water and wastewater infrastructure projects is generally not affected by economic conditions. The primary factors that affect demand are:

- More stringent federal water quality standards often mandate the replacement of or upgrades to infrastructure.
- Colorado's population continues to increase, requiring plant expansions.
- The need to replace aging infrastructure is expanding.

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- 
- Low interest rates on municipal bonds issued by the Authority result in lower loan interest rates, especially those loans subsidized by the WPCRF and DWRF, thereby making project financing more affordable for local communities.
  - If EPA capitalization grants continue to include conditions that mandate additional subsidies, such as principal forgiveness, the demand for loans will likely remain strong. However, loan principal forgiveness reduces future loan capacity for both the DWRF and WPCRF programs.

The Authority plans to continue subsidizing loan interest rates for borrowers in both the WPCRF and DWRF in 2017. Beginning in 2015, to accelerate EPA capitalization grant expenditures, the Authority implemented additional procedures and policies in the funding of DWRF and WPCRF loans. All new direct and leveraged loans executed will be "open" funded in that the source of the funding for each loan could be grant and/or reloan, that will be determined by available funds, on a draw by draw basis. It is anticipated, but subject to EPA direction, that all loans will draw from available unliquidated grant funds until all grants are expended and then from reloan funds. Loans made prior to 2015 are not affected. Colorado's share of the 2017 Clean Water Revolving Fund grant allotment (for the WPCRF) and the Drinking Water Revolving Fund 2017 grant allotment is unknown at this time.

The disadvantaged community (DC) loan programs are explained in Note 1 in the Notes to the Financial Statements. Both revolving fund programs strongly support assistance to small disadvantaged communities. As of December 31, 2016, 146 base program DC loans had been executed, 84 in the DWRF and 62 in the WPCRF, with original principal amounts of \$61.5 million and \$44.0 million, respectively. Executed DC loans receive full principal forgiveness or partial principal forgiveness with the remaining balance financed at zero or reduced interest rates. Administrative fees are not assessed on zero percent loans. The foregone loan interest and administrative fees reduce the funds available for new loans and to pay administrative expenses; however, the financial impact to the programs is currently deemed acceptable in light of the benefits to the disadvantaged communities.

For 2017, the Authority may be issuing up to approximately \$15.8 million in bonds to refund two DWRF bond issues and pass the savings on to approximately six borrowers whose loans are associated with the refunded bonds. In the process, two repurchase agreement investments associated with the refunded bonds will be liquidated. The anticipated savings could amount to approximately \$1.2 million. The Authority may also issue a new money bond issue in the fall of 2017 (amounts and number of borrowers is unknown at this time). The Authority continues to evaluate all outstanding bond issues for potential refunding opportunities in all programs.

The Authority continues to closely monitor the ratings of the counterparties of the remaining repurchase agreement investments (Repos) and the collateral that secures the Repos. As described in the Notes to the Financial Statements, the Authority will take appropriate action, as allowed under the terms of the agreements, if needed, to be reasonably assured that funds will be available when needed and/or that the ratings on the respective bonds are not lowered. The Authority continues to review its loan portfolio for the potential impact resulting from current economic conditions at the state and local level.

Colorado Water Resources and Power Development Authority  
(A Component Unit of the State of Colorado)

Management's Discussion and Analysis (Unaudited)  
Years ended December 31, 2016 and 2015

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**Requests for Information**

This financial report was designed to provide a general overview for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Justin Noll, Controller  
Colorado Water Resources & Power Development Authority  
1580 Logan Street, Suite 620  
Denver, CO 80203-1942

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**Colorado Water Resources  
and Power Development Authority**  
**(A Component Unit of the State of Colorado)**  
**Statement of Net Position**  
**December 31, 2016**

<b>Assets</b>	<b>Water Operations</b>	<b>Water Pollution Control</b>	<b>Drinking Water</b>	<b>Totals</b>
<b>Current assets:</b>				
Cash and cash equivalents	\$ 26,275,405	\$ 134,347,439	\$ 71,034,910	\$ 231,657,754
Federal grants receivable	-	65,662	2,653,717	2,719,379
Investment income receivable	33,139	101,966	57,147	192,252
Loans receivable	6,727,969	37,742,497	24,579,159	69,049,625
Due from other funds	5,000,255	-	-	5,000,255
Accounts receivable – borrowers	2,486,748	5,116,980	2,235,705	9,839,433
Other assets	34,345	3,868	-	38,213
<b>Restricted assets:</b>				
Cash and cash equivalents	5,196,340	33,084,043	14,871,049	53,151,432
Investments	-	5,647,602	2,973,429	8,621,031
Investment income receivable	2,786	276,138	173,359	452,283
Total current assets	<u>45,756,987</u>	<u>216,386,195</u>	<u>118,578,475</u>	<u>380,721,657</u>
<b>Noncurrent assets:</b>				
<b>Restricted assets:</b>				
Cash and cash equivalents	13,680,351	34,257,545	8,162,924	56,100,820
Investments	-	53,947,439	45,111,957	99,059,396
Investment income receivable	1,558	628,860	517,565	1,147,983
Assets held for others	5,715,000	-	-	5,715,000
Advance receivable	8,976,773	-	-	8,976,773
Loans receivable	124,372,266	522,122,924	275,976,805	922,471,995
Water depletion rights – Animas-La Plata	1,158,616	-	-	1,158,616
Capital assets – equipment, net of accumulated depreciation of \$126,287	33,699	-	-	33,699
Other assets	448,248	-	-	448,248
Total noncurrent assets	<u>154,386,511</u>	<u>610,956,768</u>	<u>329,769,251</u>	<u>1,095,112,530</u>
Total assets	<u>200,143,498</u>	<u>827,342,963</u>	<u>448,347,726</u>	<u>1,475,834,187</u>
<b>Deferred Outflows of Resources</b>				
Refunding costs	335,367	3,746,429	174,726	4,256,522
Pensions	778,702	-	-	778,702
Total deferred outflows of resources	<u>1,114,069</u>	<u>3,746,429</u>	<u>174,726</u>	<u>5,035,224</u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Project costs payable – direct loans	250,333	15,732,081	19,959,872	35,942,286
Project costs payable – leveraged loans	4,692,123	76,190,486	20,816,180	101,698,789
Bonds payable	6,190,000	21,685,000	12,825,000	40,700,000
Accrued interest payable	2,005,812	3,623,248	1,771,888	7,400,948
Accounts payable – borrowers	92,103	234,450	86,793	413,346
Accounts payable – other	4,714,036	38,531	-	4,752,567
Due to other funds	-	1,378,025	3,622,230	5,000,255
Other liabilities	2,000	1,225,972	-	1,227,972
Total current liabilities	<u>17,946,407</u>	<u>120,107,793</u>	<u>59,081,963</u>	<u>197,136,163</u>
<b>Noncurrent liabilities:</b>				
Project costs payable – direct loans	-	3,000,000	-	3,000,000
Project costs payable – leveraged loans	2,199,057	54,166,428	2,803,232	59,168,717
Bonds payable	116,430,000	244,040,000	117,595,000	478,065,000
Advance payable	-	2,484,643	6,492,130	8,976,773
Debt service reserve deposit	6,881,700	-	-	6,881,700
Net pension liability	4,095,207	-	-	4,095,207
Other liabilities	174,800	9,791,442	1,535,960	11,502,202
Total noncurrent liabilities	<u>129,780,764</u>	<u>313,482,513</u>	<u>128,426,322</u>	<u>571,689,599</u>
Total liabilities	<u>147,727,171</u>	<u>433,590,306</u>	<u>187,508,285</u>	<u>768,825,762</u>
<b>Deferred Inflows of Resources</b>				
Refunding benefits	-	227,088	36,750	263,838
Pensions	56,662	-	-	56,662
Total deferred inflows of resources	<u>56,662</u>	<u>227,088</u>	<u>36,750</u>	<u>320,500</u>
<b>Net Position</b>				
Net investment in capital assets	33,699	-	-	33,699
Restricted	12,844,072	397,271,998	259,284,686	669,400,756
Unrestricted	40,595,963	-	1,692,731	42,288,694
Total net position	<u>\$ 53,473,734</u>	<u>\$ 397,271,998</u>	<u>\$ 260,977,417</u>	<u>\$ 711,723,149</u>

See accompanying notes to financial statements

**Colorado Water Resources  
and Power Development Authority**  
**(A Component Unit of the State of Colorado)**  
**Statement of Net Position**  
**December 31, 2015**

<b>Assets</b>	<b>Water Operations</b>	<b>Water Pollution Control</b>	<b>Drinking Water</b>	<b>Totals</b>
<b>Current assets:</b>				
Cash and cash equivalents	\$ 15,094,945	\$ 119,393,844	\$ 77,108,967	\$ 211,597,756
Federal grants receivable	-	236,709	2,844,015	3,080,724
Investment income receivable	17,198	30,138	21,081	68,417
Loans receivable	7,669,034	36,880,693	24,116,826	68,666,553
Due from other funds	3,830,899	-	-	3,830,899
Accounts receivable – borrowers	2,641,158	5,525,177	2,478,641	10,644,976
Other assets	41,971	-	-	41,971
<b>Restricted assets:</b>				
Cash and cash equivalents	14,177,278	30,025,118	26,893,208	71,095,604
Investments	-	10,010,535	3,102,401	13,112,936
Investment income receivable	3,524	265,458	243,520	512,502
Total current assets	<u>43,476,007</u>	<u>202,367,672</u>	<u>136,808,659</u>	<u>382,652,338</u>
<b>Noncurrent assets:</b>				
<b>Restricted assets:</b>				
Cash and cash equivalents	12,383,475	15,996,129	10,303,087	38,682,691
Investments	-	97,538,662	48,085,386	145,624,048
Investment income receivable	1,376	1,544,444	474,027	2,019,847
Assets held for others	5,130,000	-	-	5,130,000
Advance receivable	21,758,643	-	-	21,758,643
Loans receivable	137,567,003	459,272,966	294,559,093	891,399,062
Water depletion rights – Animas-La Plata	1,261,044	-	-	1,261,044
Capital assets – equipment, net of accumulated depreciation of \$121,983	20,723	-	-	20,723
Other assets	564,885	-	-	564,885
Total noncurrent assets	<u>178,687,149</u>	<u>574,352,201</u>	<u>353,421,593</u>	<u>1,106,460,943</u>
Total assets	<u>222,163,156</u>	<u>776,719,873</u>	<u>490,230,252</u>	<u>1,489,113,281</u>
<b>Deferred Outflows of Resources</b>				
Refunding costs	377,959	2,838,009	244,515	3,460,483
Pensions	254,882	-	-	254,882
Total deferred outflows of resources	<u>632,841</u>	<u>2,838,009</u>	<u>244,515</u>	<u>3,715,365</u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Project costs payable – direct loans	-	19,102,473	22,151,767	41,254,240
Project costs payable – leveraged loans	13,694,330	40,664,317	56,530,234	110,888,881
Bonds payable	7,240,000	26,640,000	12,515,000	46,395,000
Accrued interest payable	2,123,426	4,632,711	1,952,618	8,708,755
Accounts payable – borrowers	79,610	56,645	63,848	200,103
Accounts payable – other	3,677,955	-	-	3,677,955
Due to other funds	-	893,013	2,937,886	3,830,899
Other liabilities	1,276	421,923	381,664	804,863
Total current liabilities	<u>26,816,597</u>	<u>92,411,082</u>	<u>96,533,017</u>	<u>215,760,696</u>
<b>Noncurrent liabilities:</b>				
Project costs payable – direct loans	-	675,000	2,500,000	3,175,000
Project costs payable – leveraged loans	-	8,361,409	2,853,800	11,215,209
Bonds payable	130,080,000	287,850,000	130,420,000	548,350,000
Advance payable	-	8,347,243	13,411,400	21,758,643
Debt service reserve deposit	7,458,600	-	-	7,458,600
Net pension liability	3,332,749	-	-	3,332,749
Other liabilities	156,200	6,791,294	2,149,457	9,096,951
Total noncurrent liabilities	<u>141,027,549</u>	<u>312,024,946</u>	<u>151,334,657</u>	<u>604,387,152</u>
Total liabilities	<u>167,844,146</u>	<u>404,436,028</u>	<u>247,867,674</u>	<u>820,147,848</u>
<b>Deferred Inflows of Resources</b>				
Refunding benefits	-	339,047	48,627	387,674
Pensions	17,570	-	-	17,570
Total deferred inflows of resources	<u>17,570</u>	<u>339,047</u>	<u>48,627</u>	<u>405,244</u>
<b>Net Position</b>				
Net investment in capital assets	20,723	-	-	20,723
Restricted	12,903,668	374,782,807	240,902,290	628,588,765
Unrestricted	42,009,890	-	1,656,176	43,666,066
Total net position	<u>\$ 54,934,281</u>	<u>\$ 374,782,807</u>	<u>\$ 242,558,466</u>	<u>\$ 672,275,554</u>

See accompanying notes to financial statements

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Statement of Revenues, Expenses and Changes in Net Position  
Year Ended December 31, 2016**

	<u>Water Operations</u>	<u>Water Pollution Control</u>	<u>Drinking Water</u>	<u>Totals</u>
Operating revenues:				
Interest on loans (including gain on prepayments of \$698,134)	\$ 7,415,324	\$ 8,508,977	\$ 3,267,218	\$ 19,191,519
Interest on investments	299,607	4,962,471	2,271,252	7,533,330
Loan administrative fees	-	5,530,687	4,059,816	9,590,503
EPA grants	-	131,798	5,852,895	5,984,693
Other	24,380	117,219	58,609	200,208
	<u>7,739,311</u>	<u>19,251,152</u>	<u>15,509,790</u>	<u>42,500,253</u>
Total operating revenues				
Operating expenses:				
Interest on bonds (including loss on extinguishment of \$811,715)	7,411,945	11,116,572	5,077,639	23,606,156
Bond issuance expense	55,426	-	-	55,426
Grant administration	-	3,463,386	2,353,595	5,816,981
Project expenses	198,439	-	-	198,439
Grants to localities - Authority funded	517,867	-	-	517,867
General and administrative	1,015,889	-	-	1,015,889
EPA set asides	-	-	5,419,913	5,419,913
Loan principal forgiven (includes \$7,327,873 under grant requirements)	292	2,568,051	4,846,392	7,414,735
Other	-	59,826	32,145	91,971
	<u>9,199,858</u>	<u>17,207,835</u>	<u>17,729,684</u>	<u>44,137,377</u>
Total operating expenses				
Operating income (loss)	(1,460,547)	2,043,317	(2,219,894)	(1,637,124)
EPA capitalization grants	-	20,636,439	20,448,280	41,084,719
Transfers in (out)	-	(190,565)	190,565	-
Change in net position	(1,460,547)	22,489,191	18,418,951	39,447,595
Net position, beginning of year	<u>54,934,281</u>	<u>374,782,807</u>	<u>242,558,466</u>	<u>672,275,554</u>
Net position, end of year	<u>\$ 53,473,734</u>	<u>\$ 397,271,998</u>	<u>\$ 260,977,417</u>	<u>\$ 711,723,149</u>

See accompanying notes to financial statements

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Statement of Revenues, Expenses and Changes in Net Position  
Year Ended December 31, 2015**

	<u>Water Operations</u>	<u>Water Pollution Control</u>	<u>Drinking Water</u>	<u>Totals</u>
Operating revenues:				
Interest on loans (including gain on prepayments of \$1,158,289)	\$ 10,904,809	\$ 9,608,309	\$ 3,727,179	\$ 24,240,297
Interest on investments	173,648	5,136,371	1,949,485	7,259,504
Loan administrative fees	-	5,392,161	3,952,853	9,345,014
EPA grants	-	480,942	6,207,008	6,687,950
Other	24,448	-	-	24,448
Total operating revenues	<u>11,102,905</u>	<u>20,617,783</u>	<u>15,836,525</u>	<u>47,557,213</u>
Operating expenses:				
Interest on bonds (including loss on extinguishment of \$2,006,137)	11,683,542	13,756,169	5,448,654	30,888,365
Bond issuance expense	91,475	-	-	91,475
Grant administration	-	2,830,450	1,389,587	4,220,037
Project expenses	213,826	-	-	213,826
Grants to localities - Authority funded	1,287,548	-	-	1,287,548
General and administrative	911,563	-	-	911,563
EPA set asides	-	-	5,122,840	5,122,840
Loan principal forgiven (includes \$3,965,102 under grant requirements)	-	915,522	3,053,188	3,968,710
Other	-	82,505	229,908	312,413
Total operating expenses	<u>14,187,954</u>	<u>17,584,646</u>	<u>15,244,177</u>	<u>47,016,777</u>
Operating income (loss)	(3,085,049)	3,033,137	592,348	540,436
EPA capitalization grants	-	16,810,608	27,400,451	44,211,059
Transfers in (out)	-	(161,158)	161,158	-
Change in net position	(3,085,049)	19,682,587	28,153,957	44,751,495
Net position, beginning of year	<u>58,019,330</u>	<u>355,100,220</u>	<u>214,404,509</u>	<u>627,524,059</u>
Net position, end of year	<u>\$ 54,934,281</u>	<u>\$ 374,782,807</u>	<u>\$ 242,558,466</u>	<u>\$ 672,275,554</u>

See accompanying notes to financial statements

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Statement of Cash Flows  
Year Ended December 31, 2016**

	<b>Water Operations</b>	<b>Water Pollution Control</b>	<b>Drinking Water</b>	<b>Totals</b>
Cash flows from operating activities:				
Loan administrative fees received	\$ -	\$ 5,510,788	\$ 4,082,246	\$ 9,593,034
Federal funds received	-	302,845	6,043,193	6,346,038
Miscellaneous cash received	24,380	117,219	58,609	200,208
Cash payments for salaries and related benefits	(652,574)	(549,063)	(402,977)	(1,604,614)
Cash payments to other state agencies for services	-	(2,127,461)	(1,254,434)	(3,381,895)
Cash payments to vendors	(382,613)	(418,046)	(5,463,898)	(6,264,557)
Cash payments to localities for grant programs	(517,867)	-	-	(517,867)
Cash payments for other operating expenses	(119,853)	-	-	(119,853)
Net cash provided (used) by operating activities	<u>(1,648,527)</u>	<u>2,836,282</u>	<u>3,062,739</u>	<u>4,250,494</u>
Cash flows from noncapital financing activities:				
Proceeds from the sale of bonds	-	72,752,078	-	72,752,078
Deposits to refunding bond escrow accounts	-	(48,822,723)	-	(48,822,723)
Deposits for option to purchase water depletion rights	102,428	-	-	102,428
Federal funds received	-	20,636,439	20,448,280	41,084,719
Principal paid on bonds	(14,700,000)	(66,125,000)	(12,515,000)	(93,340,000)
Reduction in debt service reserve	(576,900)	-	-	(576,900)
Interest paid on bonds (including extinguishments)	(7,425,757)	(13,111,885)	(5,813,954)	(26,351,596)
Assets held for others	(585,000)	-	-	(585,000)
Cash payment for bond issuance costs	-	(551,243)	-	(551,243)
Net cash provided (used) by noncapital financing activities	<u>(23,185,229)</u>	<u>(35,222,334)</u>	<u>2,119,326</u>	<u>(56,288,237)</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	<u>(22,514)</u>	<u>-</u>	<u>-</u>	<u>(22,514)</u>
Cash flows from investing activities:				
Proceeds from sales or maturities of investments	-	47,954,156	3,102,401	51,056,557
Interest received on investments	341,059	9,588,195	2,358,961	12,288,215
Interest received on loans (including prepayments)	7,569,733	8,937,073	3,487,724	19,994,530
Principal repayments from localities on loans	15,150,613	49,804,279	24,523,729	89,478,621
Cash received from (paid to) other accounts	12,781,870	(6,053,165)	(6,728,705)	-
Purchase of investments	(11,749)	-	-	(11,749)
Cash disbursed to localities for loans	(7,448,066)	(38,386,128)	(51,706,683)	(97,540,877)
Cash payment for arbitrage rebate	-	(3,184,422)	(455,871)	(3,640,293)
Cash payments of interest to borrowers	(30,792)	-	-	(30,792)
Net cash provided (used) by investing activities	<u>28,352,668</u>	<u>68,659,988</u>	<u>(25,418,444)</u>	<u>71,594,212</u>
Net increase (decrease) in cash and cash equivalents	3,496,398	36,273,936	(20,236,379)	19,533,955
Cash and cash equivalents, beginning of year	<u>41,655,698</u>	<u>165,415,091</u>	<u>114,305,262</u>	<u>321,376,051</u>
Cash and cash equivalents, end of year	<u>\$ 45,152,096</u>	<u>\$ 201,689,027</u>	<u>\$ 94,068,883</u>	<u>\$ 340,910,006</u>

(continued)

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	<u>Water Operations</u>	<u>Water Pollution Control</u>	<u>Drinking Water</u>	<u>Totals</u>
Reconciliation of cash and cash equivalents to statement of net position				
Unrestricted cash and cash equivalents	\$ 26,275,405	\$ 134,347,439	\$ 71,034,910	\$ 231,657,754
Current restricted cash and cash equivalents	5,196,340	33,084,043	14,871,049	53,151,432
Noncurrent restricted cash and cash equivalents	13,680,351	34,257,545	8,162,924	56,100,820
Total cash and cash equivalents	<u>\$ 45,152,096</u>	<u>\$ 201,689,027</u>	<u>\$ 94,068,883</u>	<u>\$ 340,910,006</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (1,460,547)	\$ 2,043,317	\$ (2,219,894)	\$ (1,637,124)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	9,538	-	-	9,538
Accrued sick leave expense	18,600	-	-	18,600
Interest on bonds (including extinguishments)	7,411,945	11,116,572	5,077,639	23,606,156
Interest on loans (including prepayments)	(7,415,324)	(8,508,977)	(3,267,218)	(19,191,519)
Interest on investments	(299,607)	(4,962,471)	(2,271,252)	(7,533,330)
Loan principal forgiven	292	2,568,051	4,846,392	7,414,735
Bond issuance expense	55,426	-	-	55,426
Change in assets, deferred outflows, liabilities and deferred inflows:				
Due from other funds	(1,171,158)	-	-	(1,171,158)
Accounts receivable – borrowers	-	(19,899)	22,430	2,531
Federal grant receivables	-	171,047	190,298	361,345
Loan receivables	(119,853)	-	-	(119,853)
Other assets	7,627	-	-	7,627
Pension related items	277,729	-	-	277,729
Accounts payable – other	1,036,805	-	-	1,036,805
Due to other funds	-	428,642	684,344	1,112,986
Net cash provided (used) by operating activities	<u>\$ (1,648,527)</u>	<u>\$ 2,836,282</u>	<u>\$ 3,062,739</u>	<u>\$ 4,250,494</u>
Supplemental cash flows information				
Noncash investing activities				
Loans receivable issued related to projects payable	\$ 895,249	\$ 116,646,704	\$ 12,906,400	\$ 130,448,353
Principal forgiveness/reductions on loans	292	3,130,663	6,502,626	9,633,581
Noncash noncapital financing activities				
Amortization of deferred amount from refunding	42,592	646,294	57,912	746,798
Amortization of refunding liability	-	1,609,325	613,497	2,222,822
Amortization of prepaid bond insurance	55,426	-	-	55,426
Underwriter's discount paid from bond proceeds	-	215,344	-	215,344
Deferred loss on refunding	-	1,666,673	-	1,666,673
Other	-	45,305	-	45,305
Loss on prepayment relating to prepaid bond insurance	61,210	-	-	61,210

See accompanying notes to financial statements

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	<u>Water Operations</u>	<u>Water Pollution Control</u>	<u>Drinking Water</u>	<u>Totals</u>
Cash flows from operating activities:				
Loan administrative fees received	\$ -	\$ 5,294,043	\$ 3,750,897	\$ 9,044,940
Federal funds received	-	576,588	6,771,609	7,348,197
Miscellaneous cash received	24,448	-	-	24,448
Cash payments for salaries and related benefits	(543,286)	(473,946)	(448,952)	(1,466,184)
Cash payments to other state agencies for services	-	(2,225,013)	(1,161,985)	(3,386,998)
Cash payments to vendors	(179,193)	(499,428)	(5,821,883)	(6,500,504)
Cash payments to localities for grant programs	(1,302,498)	-	-	(1,302,498)
	<u>(2,000,529)</u>	<u>2,672,244</u>	<u>3,089,686</u>	<u>3,761,401</u>
Net cash provided (used) by operating activities				
Cash flows from noncapital financing activities:				
Proceeds from the sale of bonds	-	16,633,996	8,200,483	24,834,479
Deposits for option to purchase water depletion rights	92,271	-	-	92,271
Federal funds received	-	16,810,608	27,400,451	44,211,059
Principal paid on bonds	(109,555,000)	(27,795,000)	(12,065,000)	(149,415,000)
Interest paid on bonds (including extinguishments)	(11,669,173)	(14,725,284)	(6,204,226)	(32,598,683)
Cash payment for bond issuance costs	(85,670)	(156,261)	(151,414)	(393,345)
	<u>(121,217,572)</u>	<u>(9,231,941)</u>	<u>17,180,294</u>	<u>(113,269,219)</u>
Net cash provided (used) by noncapital financing activities				
Cash flows from capital and related financing activities:				
Purchase of capital assets	(13,789)	-	-	(13,789)
Cash flows from investing activities:				
Proceeds from sales or maturities of investments	-	9,769,528	2,806,950	12,576,478
Interest received on investments	257,093	5,329,703	2,037,194	7,623,990
Interest received on loans (including prepayments)	11,827,420	9,674,689	3,766,785	25,268,894
Principal repayments from localities on loans	110,021,238	35,937,955	22,266,242	168,225,435
Cash received from (paid to) other accounts	709,800	(929,558)	219,758	-
Cash disbursed to localities for loans	(9,450,766)	(34,435,255)	(44,842,513)	(88,728,534)
Cash payment for arbitrage rebate	-	(143,531)	-	(143,531)
Cash payments of interest to borrowers	(911,416)	-	-	(911,416)
	<u>112,453,369</u>	<u>25,203,531</u>	<u>(13,745,584)</u>	<u>123,911,316</u>
Net cash provided (used) by investing activities				
Net increase (decrease) in cash and cash equivalents				
	(10,778,521)	18,643,834	6,524,396	14,389,709
Cash and cash equivalents, beginning of year	<u>52,434,219</u>	<u>146,771,257</u>	<u>107,780,866</u>	<u>306,986,342</u>
Cash and cash equivalents, end of year	<u>\$ 41,655,698</u>	<u>\$ 165,415,091</u>	<u>\$ 114,305,262</u>	<u>\$ 321,376,051</u>

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	<b>Water Operations</b>	<b>Water Pollution Control</b>	<b>Drinking Water</b>	<b>Totals</b>
Reconciliation of cash and cash equivalents to statement of net position				
Unrestricted cash and cash equivalents	\$ 15,094,945	\$ 119,393,844	\$ 77,108,967	\$ 211,597,756
Current restricted cash and cash equivalents	14,177,278	30,025,118	26,893,208	71,095,604
Noncurrent restricted cash and cash equivalents	12,383,475	15,996,129	10,303,087	38,682,691
Total cash and cash equivalents	\$ 41,655,698	\$ 165,415,091	\$ 114,305,262	\$ 321,376,051
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (3,085,049)	3,033,137	\$ 592,348	\$ 540,436
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	11,514	-	-	11,514
Accrued sick leave expense	11,400	-	-	11,400
Interest on bonds (including extinguishments)	11,683,542	13,756,169	5,448,654	30,888,365
Interest on loans (including prepayments)	(10,904,809)	(9,608,309)	(3,727,179)	(24,240,297)
Interest on investments	(173,648)	(5,136,371)	(1,949,485)	(7,259,504)
Loan principal forgiven	-	915,522	3,053,188	3,968,710
Bond issuance expense	91,475	-	-	91,475
Change in assets, deferred outflows, liabilities and deferred inflows:				
Due from other funds	1,061,585	-	-	1,061,585
Accounts receivable – borrowers	-	(98,118)	(201,956)	(300,074)
Federal grant receivables	-	95,646	564,601	660,247
Other assets	(20,762)	-	-	(20,762)
Pension related items	69,474	-	-	69,474
Accounts payable – other	(745,251)	-	-	(745,251)
Due to other funds	-	(285,432)	(690,485)	(975,917)
Net cash provided (used) by operating activities	\$ (2,000,529)	\$ 2,672,244	\$ 3,089,686	\$ 3,761,401
Supplemental cash flows information				
Noncash investing activities				
Loans receivable issued related to projects payable	\$ -	\$ 59,202,062	\$ 47,005,394	\$ 106,207,456
Amortization of deferred loan interest income	-	1,185	-	1,185
Principal forgiveness/reductions on loans	-	1,022,385	3,526,672	4,549,057
Noncash noncapital financing activities				
Amortization of deferred amount from refunding	49,527	418,434	68,856	536,817
Amortization of refunding liability	-	1,158,940	722,065	1,881,005
Amortization of prepaid bond insurance	91,475	-	-	91,475
Underwriter's discount paid from bond proceeds	-	93,389	76,064	169,453
Loss on prepayment relating to prepaid bond insurance	805,767	-	-	805,767

See accompanying notes to financial statements

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**Colorado Water Resources  
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**Note 1: Organization**

Colorado Water Resources and Power Development Authority (the Authority) is a political subdivision of the State of Colorado (the State) established pursuant to the Colorado Water Resources and Power Development Act, Title 37, Article 95 of the Colorado Revised Statutes, as amended. The Authority is governed by a nine-member Board of Directors (the Board) who are appointed by the Governor of the State of Colorado with consent of the Colorado State Senate.

***Reporting Entity***

The Authority follows the Governmental Accounting Standards Board (GASB) accounting pronouncements that provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's governing body as the basic criterion for including a possible governmental component unit in a primary government's financial reporting entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, or a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The Authority is not financially accountable for any other organization. Under current GASB pronouncements, the Authority has been determined to be a component unit of the State of Colorado (the primary government). As such, the Authority's financial statements are included in the basic financial statements issued by the State.

The Authority was created to initiate, acquire, construct, maintain, repair, and operate, or cause to be operated, projects for the protection, preservation, conservation, upgrading, development, and utilization of the water resources of the State. The Authority is authorized to issue bonds, notes or other obligations which constitute its debt and not debt of the State.

***Water Operations Enterprise Fund***

One of the activities of the Water Operations Enterprise Fund is to administer the Small Water Resources Projects Program (SWRP). Although the Authority is statutorily authorized to finance individual water resources project loans up to \$500 million, the SWRP is currently limited by contract to \$150 million of total outstanding debt (excluding refunding bonds). All costs of project development may be financed through the SWRP.

Pursuant to the SWRP, proceeds of the bonds issued by the Authority are to be used to fund loans to local governmental agencies. Each local government evidences its obligations under its loan agreement by the issuance to the Authority of a governmental agency bond which is to be secured by a pledge of a specific revenue source or by a general obligation pledge. The repayments pursuant to the loan agreements by the local governmental agencies participating in the SWRP are structured to provide amounts sufficient to pay the principal and interest on the bonds issued by the Authority. The SWRP Debt Service Reserve Fund (DSRF) for the bonds issued by the Authority is funded by the Authority from available monies of the Authority. The principal and interest on the bonds issued by the Authority have been insured as to repayment to the bondholders.

In addition to the SWRP, in 1998, the Authority established the Water Revenue Bonds Program (WRBP) as part of the Water Operations Enterprise Fund. The WRBP was created to fund those projects that cannot be approved under the SWRP and are not eligible for funding or there is insufficient loan capacity under the Drinking Water Revolving Fund (DWRF) or the Water Pollution Control Revolving Fund

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(WPCRF), two other funds administered by the Authority. The Authority is authorized to finance individual water resources project loans of \$500 million or less without approval from the State legislature. All costs of project development may be financed through the WRBP. Each local government evidences its obligations under its loan agreement by the issuance to the Authority of a governmental agency bond, which is secured by a pledge of a specific revenue source or by a general obligation pledge. The repayments, pursuant to the loan agreements by the local governmental agencies, are sufficient to pay the principal and interest on the bonds issued by the Authority. During the construction period, investment interest earned in the borrowers' project accounts may be requisitioned for project costs or to decrease loan interest payable to the Authority. Therefore, the Authority records investment interest as a liability in the accounts payable – borrowers account in the statements of net position.

As discussed in Note 2(f), the Authority coordinates with certain borrowers that have executed loans funded by the WRBP Bonds to invest the bond proceeds in securities allowable under the Authority's investment policy on behalf of the borrowers. The purchases of securities with bond proceeds was approved because the yield on these securities was greater than the rate available from local government investment pools and because the borrowers assumed the risks associated with changes in the market values. The securities may be held in project accounts and/or debt service reserve funds and are recorded in the statements of net position as assets held for others.

During 2008, two new loan programs were created in the Water Operations Fund. Senate Bill 08-221 was enacted and authorized the Authority to issue bonds within the Watershed Protection and Forest Health Projects Program (WPFHP). Issued bonds are limited to a maximum of \$50 million and the proceeds would be used to fund loans to local governments. The loans will be made for approved projects, subject to the terms specified in the Federal Clean Water Act of 1987 (the Act). One of the primary purposes for the program is to mitigate the effects of the pine bark beetle infestation in the Colorado forests. The program was on schedule to sunset in July 2013, but was extended by the legislature for another 10 years. In June 2008, the Authority's Board of Directors approved a Small Hydro Loan Program (SHLP) that was implemented in 2009. Loans for this program will be funded from unrestricted Authority cash and are limited to a maximum of \$2 million per borrower, up to a combined total of \$10 million. The maximum loan term is 20 years with an interest rate of 2%.

During 2012, the Board approved a one-time Grant Assistance Program (GAP) in the amount of \$2.5 million to fund eligible water and wastewater projects (\$1.25 million allocated to each). The grants are funded from unrestricted Authority cash. The program was created to fill the gap in available federal funds and other sources by providing financial assistance to smaller local governmental agencies. The program contained specific eligibility requirements, including a \$250,000 limit per entity subject to a 20% matching requirement from the governmental agency. The applications were subject to a GAP prioritization process that was used to rank projects prior to approval. The program carried over into 2015 because not all of the grants were expended in 2014. All remaining GAP funds were expended in 2015.

***Animas-La Plata Project***

In a 2001 contract with the Animas-La Plata Water Conservancy District (the District), the Authority agreed to fund the District's payment of the non-tribal water capital obligation of the reconfigured Animas-La Plata Project in exchange for the District's 2,600 ac-ft of average annual depletion allocation. As a result of this agreement, the Authority entered into a Funding Agreement and Repayment Contract with the United States Bureau of Reclamation (the Bureau), to fund this upfront capital obligation. The Authority made construction progress payments to the Bureau for the construction of Animas-La Plata Project facilities. As of December 31, 2013, the Ridges Basin Dam is complete and the Lake Nighthorse

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Reservoir has been filled to capacity. The payments are capitalized as water depletion rights on the statements of net position.

In 2005, the District agreed to purchase 700 ac-ft of average annual depletion and provided earnest money deposit of \$90,453 and the City of Durango executed an agreement with the Authority giving the City of Durango the option to purchase 1,900 ac-ft of average annual depletion and provided an option payment of \$1,051,175. Both entities executed contracts in 2013.

***Water Pollution Control Enterprise Fund***

The Water Pollution Control Enterprise Fund includes the operations of the WPCRF, also known as the State Revolving Fund, and the Nonrevolving Fund. The Nonrevolving Fund accounts for administrative grant proceeds, loan administrative fees, and state match not drawn for projects.

The WPCRF was created by State statute (CRS 37-98-107.6) in response to the mandate from the Act. The Authority was authorized statutorily to implement the revolving loan portion of the Act. The WPCRF was established for the purpose of financing loans to local governmental agencies for the construction of publicly-owned wastewater treatment projects and nonpoint source projects that meet specified eligibility requirements and that are placed on the *Water Pollution Control Revolving Fund Project Eligibility List* established in accordance with State statute. The statutes also authorize the Authority to issue bonds for such purposes and to designate assets in the WPCRF that may be pledged and assigned as security for payment of such bonds.

Pursuant to statutes, with the written consent of the Colorado Department of Public Health and Environment, the Authority is authorized, on behalf of the State, to execute all operating agreements and capitalization grant agreements with the United States Environmental Protection Agency (EPA). The Authority, the Water Quality Control Division of the Colorado Department of Public Health (WQCD) and Environment, and the Division of Local Government of the Colorado Department of Local Affairs (DOLA) have entered into a Memorandum of Agreement under which each has agreed to assume specified responsibilities in connection with the operation of the WPCRF. In 2016 and 2015, the Authority incurred expenses for the two agencies totaling \$2,464,730 and \$2,093,242, respectively, in accordance with the agreement.

The WPCRF is capitalized by grants awarded by the EPA. Matching funds are provided by the Authority or its borrowers. In order to receive capitalization grants, matching funds must be provided in a ratio of \$1 of state match for every \$5 of capitalization grants. Administrative expense reimbursements funded by EPA capitalization grants are limited to a percentage (5/6th of 4%) of the capitalization grants. The 2016, 2015 and 2014 grants contained conditions that included (1) a minimum percentage of the grant award be used for providing grants, negative interest rate loans or principal forgiveness, (2) a requirement that Davis-Bacon Act provisions be applied to the grant expenditures and (3) minimum percentages of the grants are required to be expended on “green” infrastructure. The 2016, 2015 and 2014 grants also contained the condition requiring borrowers to abide by the American Iron and Steel provision.

The Authority issues bonds to provide loans to local governmental entities, either individually or in pools. Loans to borrowers may be provided from federal grants, bond proceeds and reloan funds (recycled grant funds). The matching requirement for the federal grants is provided by the Authority in the form of cash.

The Authority may use the reserve fund model or a cash flow model when financing leveraged loans depending on economic conditions at the time of bond issuance. With the reserve fund model, bonds are issued in an amount that equals the leveraged and the allocated grant portions of the loan and deposited to the borrower’s project account. In addition, an amount equal to the required state match portion of the

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loan is deposited to the borrower's project account. When payments are made to the borrower for requisitioned project costs, the grant portion of the requisition is drawn from the EPA and paid to the borrower along with proportional bond proceeds and state match funds from the project account. At the same time, an amount of bond proceeds equal to the grant portion of the requisition is transferred to the DSRF to provide for the debt service reserve requirements. The balance in the DSRF is reduced annually by scheduled transfers to the reloan account (deallocation) as the debt service requirements change as bonds are paid. Reloan (recycled SRF proceeds) funds can replace the grant/state match portion of the loan. Investment interest earned in the project and matching account is applied as credits against the borrower's loan interest and principal (providing the subsidy to the borrower). With the cash flow model, bonds are issued only in the amount of the leveraged portion of the loan and deposited to the borrower's project account. The grant portion of the loan is drawn from the EPA, and along with the required proportional share of state match, are deposited to the borrower's project on a requisition basis and paid to the borrower along with the proportional leveraged portion of the requisition. The DSRF is fully funded from reloan funds at the execution of the bond issue and remains in the account until the requirement changes or full maturity of the bonds, at which time, it is transferred back to the reloan account. In the cash flow model, the subsidy to the borrower is provided by the sizing of the bond issuance to the grant/state match or reloan portion of the loan.

Each local governmental agency evidences its obligation to the Authority under its loan agreement by the issuance to the Authority of a governmental agency bond, which is secured by a pledge of a specific revenue source or by a general obligation pledge. The loan repayments made by the local governmental agencies pursuant to direct loan agreements are structured, in the aggregate, to provide amounts sufficient to repay the Authority principal and stated interest (which may include an administrative surcharge). The loan repayments made by the local governmental agencies pursuant to leveraged loan agreements are structured, in the aggregate, to provide amounts sufficient to repay principal, premium (if any) and interest (less certain expected investment earnings) on the bonds issued by the Authority for the leveraged loans, as well as cash advances or bonds issued to provide the state matching requirements (if needed), and an administrative surcharge.

Loans are made at or below market interest rates (at terms generally not exceeding 20 years plus the construction period) with principal and interest payments commencing no later than one year after completion of the borrowers' project. During 2005, the Board approved a Disadvantaged Community Loan Program, whereby local governmental entities, with populations of 5,000 or less, may receive loans up to \$2.5 million for a term of 20 years. This program became effective January 1, 2006. These loans carry a 0% interest rate if the community's median household income is less than or equal to 60% of the State's median household income, and an interest rate of 50% of the approved direct loan rate if the community's median household income is 61% to 80% of the State's median household income. In 2014, the Board changed the population definition of a disadvantaged community to 10,000 or less. Also in 2014, the Water Resources and Reform Development Act (WRRDA) allowed for a Disadvantaged Community Loan to extend out to a 30-year term. The Board approved a 0% interest rate on American Recovery and Reinvestment Act of 2009 (ARRA) loans with remaining principal balances after any application of principal forgiveness.

***Drinking Water Enterprise Fund***

***Drinking Water Revolving Fund***

The Drinking Water Enterprise Fund includes the operations of the DWRF, also known as the State Revolving Fund, and the Nonrevolving Fund. The Nonrevolving Fund accounts for Safe Drinking Water set asides, including administrative grant proceeds, state direct loan program and loan administrative fees.

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The DWRF was created by State statute (CRS 37-95-107.8) in 1995, in anticipation of the reauthorization of the federal Safe Drinking Water Act (SDWA). The SDWA was reauthorized in 1996 with a state revolving fund loan program. The DWRF was established to provide assistance to governmental agencies for projects that appear on the *Drinking Water Revolving Fund Project Eligibility List* (the List). The List, established in accordance with State statute, consists of new or existing water management facilities that extend, protect, improve, or replace domestic drinking water supplies in the State of Colorado and for any other means specified in the SDWA. The statutes also authorize the Authority to issue bonds for such purposes and to designate assets in the DWRF that may be pledged and assigned as security for payment of such bonds.

Pursuant to statutes, with the written consent of the Colorado Department of Public Health and Environment, the Authority is authorized, on behalf of the State, to execute all operating agreements and capitalization grant agreements with the EPA. The Authority, the Water Quality Control Division of the Colorado Department of Public Health and Environment and the Division of Local Government of the Colorado Department of Local Affairs have entered into a Memorandum of Agreement under which each has agreed to assume specified responsibilities in connection with the operation of the DWRF. In 2016 and 2015, the Authority incurred expenses for the two agencies totaling \$7,075,116 and \$5,838,056, respectively, in accordance with the agreement, which includes set asides paid to the Water Quality Control Division of the Colorado Department of Public Health and Environment as discussed below.

The DWRF is capitalized by grants awarded by the EPA. Matching funds are provided by the Authority. In order to receive capitalization grants, matching funds must be provided in a ratio of \$1 of state match for every \$5 of total capitalization grants. Administrative expense reimbursements funded by EPA capitalization grants are limited to a percentage (4%) of the capitalization grants. The 2016, 2015, 2014 and 2013 base program grants contained conditions that included (1) a minimum of percentage of the grant award be used for providing grants, negative interest rate loans or principal forgiveness and (2) a requirement that Davis-Bacon Act provisions be applied to the grant expenditures. The 2016, 2015 and 2014 grants also contained the condition requiring borrowers to use American Iron and Steel.

The Authority issues bonds to provide loans to local governmental agencies, either individually or in pools. Loans/grants to borrowers may be provided from federal grants, bond proceeds, reloan funds and state funds. The matching requirement for the federal grants is provided by the Authority in the form of cash.

The Authority may use the reserve fund model or a cash flow model when financing leveraged loans depending on economic conditions at time of bond issuance. With the reserve fund model, bonds are issued in an amount that equals the leveraged and the allocated grant portions of the loan and deposited to the borrower's project account. In addition, an amount equal to the required state match portion of the loan is deposited to the borrower's project account. When payments are made to the borrower for requisitioned project costs, the grant portion of the requisition is drawn from the EPA and paid to the borrower along with proportional bond proceeds and state match funds from the project account. At the same time, an amount of bond proceeds equal to the grant portion of the requisition is transferred to the DSRF to provide for the debt service reserve requirements. The balance in the DSRF is reduced annually by scheduled transfers to the reloan account (deallocation) as the debt service requirements change as bonds are paid. Reloan (recycled State Revolving Fund (SRF) proceeds) funds can replace the grant/state match portion of the loan. Investment interest earned in the project and matching account is applied as credits against the borrower's loan interest and principal (providing the subsidy to the borrower). With the cash flow model, bonds are issued only in the amount of the leveraged portion of the loan and deposited to the borrower's project account. The grant portion of the loan is drawn from the EPA, and along with the required proportional share of state match, are deposited to the borrower's project on a requisition basis and paid to the borrower along with the proportional leveraged portion of the requisition.

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The DSRF is fully funded from reloan funds at the execution of the bond issue and remains in the account until the requirement changes or full maturity of the bonds, at which time, it is transferred back to the reloan account. In the cash flow model, the subsidy to the borrower is provided by the sizing of the bond issuance to the grant/state match or reloan portion of the loan.

Each local governmental agency evidences its obligation to the Authority under its loan agreement by the issuance to the Authority of a governmental agency bond, which is secured by a pledge of a specific revenue source or by a general obligation pledge. The loan repayments made by the local governmental agencies pursuant to direct loan agreements are structured, in the aggregate, to provide amounts sufficient to repay the Authority principal and stated interest (which may include an administrative surcharge). The loan repayments made by the local governmental agencies pursuant to leveraged loan agreements are structured, in the aggregate, to provide amounts sufficient to repay principal, premium (if any) and interest (less certain expected investment earnings) on the bonds issued by the Authority for the leveraged loans, as well as cash advances or bonds issued to provide the state matching requirements (if needed), and an administrative surcharge.

Loans are made at or below market interest rates (at terms generally not exceeding 20 years plus the construction period) with principal and interest payments commencing no later than one year after completion of the borrowers' project(s). During 2005, the Board approved a Disadvantaged Community Loan Program, whereby local governmental entities, with populations of 5,000 or less, may receive loans up to \$2.5 million for a term of up to 30 years. These loans carry a 0% interest rate if the community's median household income is less than or equal to 60% of the State's median household income, and an interest rate of 50% of the approved direct loan rate if the community's median household income is 61% to 80% of the State's median household income. In 2014, the Board changed the population definition of a Disadvantaged Community to 10,000 or less. The Board approved a 0% interest rate on ARRA loans with remaining principal balances after any application of principal forgiveness.

***Set Asides***

The SDWA allows the State to "set aside" up to 31% of the annual capitalization grant for water quality programs and administration. With these set asides, the Authority, through the Water Quality Control Division of the Colorado Department of Public Health and Environment, provides assistance in the form of grants, with no repayment obligations, to eligible entities. Up to 10% of the DWRF's capitalization grants may be used for source water protection, capacity development, public water system supervision, and wellhead protection. In 1997, the entire 10% was used for source water protection, but since then no further funds have been set aside for this activity. Up to 15% (no more than 10% for any one purpose) of each grant may be used for the following items: loans for public water systems to acquire land or conversion easements, loans for community systems to implement source water protection measures or to implement recommendations in source water petitions, technical, and financial assistance to public water systems for capacity development, expenditures to delineate or assess source water protection areas, and expenditures to establish and implement wellhead protection programs. Up to 4% of the Authority's capitalization grants may be used for administration, and up to 2% of the capitalization grants each year may be used for an operator training and technical assistance (SSTTA) set aside to aid small community systems.

The Authority provides the matching requirement (20%) for set aside grants in the State Revolving Fund as grant funds are drawn.

***State Loans***

Prior to receiving the award of the first federal capitalization grant, the DWRF loaned state-funded monies directly to local governmental agencies.

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**Note 2: Summary of Significant Accounting Policies**

The significant accounting policies of the Authority are described as follows:

**(a) Fund Accounting**

The Authority is engaged only in business-type activities. To account for these activities, the accounts of the Authority are organized on the basis of three separate enterprise funds, each of which is considered a separate accounting entity. The accounting policies of the enterprise funds (Water Operations Fund, Water Pollution Control Fund and Drinking Water Fund) conform to accounting principles generally accepted in the United States of America as applicable to governmental units accounted for as enterprise funds. Enterprise funds are used since the Authority's powers are related to those operated in a manner similar to a financing institution where net income and capital maintenance are appropriate determinations of accountability. Each enterprise fund is considered a major fund in accordance with GASB Statement No. 34 (GASB 34), *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended.

**(b) Basis of Accounting**

The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting where revenues are recognized when earned and expenses when incurred for all exchange transactions, while those from government-mandated nonexchange transactions (principally federal grants) are recognized when all applicable eligibility requirements are met.

**(c) Cash Equivalents**

The Authority considers cash deposits held by money market mutual funds, local government investment pools, and other highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**(d) Prepaid Bond Insurance Costs**

Prepaid bond insurance costs are reported as an asset and are recognized as an expense over the duration of the related debt using the straight-line method. The prepaid bond insurance costs are included in other assets on the statements of net position.

**(e) Investments**

The Authority records investments in money market mutual funds at fair value. Investments in U.S. Treasury Notes-SLGS and repurchase agreements are non-participating interest-earning investment contracts and are recorded at cost. Investments in local government investment pools are recorded at the net asset value per share.

**(f) Assets Held for Others**

Securities purchased with WRBP bond proceeds were approved for purchase by the governmental agencies (borrowers) that executed the loans funded by the bonds. The maturities of the securities held in the project accounts coincide with the borrowers' projected construction cost schedules. The borrowers assume the risks related to the value of the securities. The borrowers also control their reimbursement schedules and plan to hold each security to maturity. The securities held in the respective debt service reserve funds are subject to market fluctuations; however, the borrowers are required to maintain the debt service reserve requirement pursuant to the terms of the bond resolutions. Therefore, carrying these

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securities at par value is the appropriate accounting treatment, which reflects the value of the securities upon maturity. The Authority records investment interest as a liability in accounts payable – borrowers.

***(g) Loans Receivable***

Loans receivable represent outstanding principal amounts lent to borrowers for the construction of water, wastewater and other water infrastructure projects. An allowance for uncollectible loans receivable has not been established since historical collection experience has shown amounts to be fully collected when due.

***(h) Restricted Assets***

Restricted assets represent cash and cash equivalents, investments, assets held for others and investment income receivable contained in project accounts, debt service accounts, debt service reserve accounts, state match holding accounts and the Animas-La Plata earnest money deposits and escrow accounts. Leveraged loans receivable provide security for the associated bonds; and loan payments received, net of state match principal and administrative fees, are restricted for payment of bond debt service.

***(i) Capital Assets – Equipment***

Equipment is recorded at cost. Depreciation expense is computed using the straight-line method over the estimated economic useful life of five years.

***(j) Deferred Inflows and Outflows of Resources***

Deferred inflows of resources is an acquisition of net position by a government that is applicable to a future reporting period and deferred outflows of resources is a consumption of net position by a government that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statements of net position but are not recognized in the financial statements as revenues, expenses or reduction of liabilities until the period(s) to which they relate.

***(k) Amortization***

Bond refunding costs or benefits are amortized using the effective interest method over the life of the outstanding bonds. The amortization amount is a component of interest on bonds, and the unamortized balances are recorded as deferred outflows of resources or deferred inflows of resources. The cost of issuing bonds is expensed in the period incurred, except for the premiums paid for bond insurance. As described above, prepaid bond insurance costs are included in other assets and are amortized using the straight-line method over the remaining life of the bonds. Prepaid bond insurance amortization is a component of bond issuance expense. Prepaid loan interest, resulting from a negotiated loan prepayment, is amortized over the number of years for which interest was prepaid and the unamortized balance is recorded as a deferred inflow.

Pension deferrals relating to pension investment earnings are amortized using the straight-line method over a five year period. The remaining pension deferrals are amortized using the straight-line method over the average expected service life of all participating members. These all are a component of pension expense.

Depending on the bond pricing structure, original issue discounts or premiums subtract from, or add to, net bond proceeds. The net proceeds are deposited in borrowers' project accounts and are made available

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for requisitions. Because the monetary effects of the discounts and premiums are passed through to the borrowers, the Authority makes no provision for the amortization of these amounts, except on refundings.

***(l) Compensated Absences***

The Authority has a policy which allows employees to accumulate unused vacation and sick leave benefits up to a certain maximum number of days. Compensated absences are recognized as current salary costs are incurred and are recorded in other liabilities in the statements of net position.

***(m) Project Costs Payable***

Project costs payable represents the liability of amounts loaned to borrowers that have not been requisitioned by the borrowers for their projects as of year-end. Project costs payable – leveraged loans is the liability for loans funded from bond proceeds, while project costs payable – direct loans is the liability for loans funded with available cash (reloan) or federal grant dollars, within the respective fund.

***(n) Advance Receivable and Payable***

The Water Operations Fund makes advances to the WPCRF and the DWRF for the purpose of financing the capitalization grant matching requirements. The advance is non-interest bearing. The advance is repaid from surplus loan administrative fees from the respective fund.

***(o) Net Position***

Net investment in capital assets represents capital assets, net of accumulated depreciation. Net position of the Authority is classified as restricted when external constraints imposed by debt agreements, grantors, or laws are placed on net position use. Unrestricted net position has no external restrictions and is available for the operations of the Authority.

***(p) Operating Revenues and Expenses***

Substantially all revenues and expenses, including interest received on investments and loans and interest paid on bonds, are considered operating items since the Authority issues bonds to finance loans for specific projects. In accordance with GASB 34, federal EPA capitalization grants are shown below operating income (loss) on the statements of revenues, expenses and changes in net position.

***(q) Use of Estimates***

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management of the Authority to make estimates and judgments that affect the reported amounts of assets, liabilities, and deferred inflows and outflows of resources and the disclosures of contingencies at the date of the financial statements and revenues and expenses recognized during the reporting period. Actual results could differ significantly from those estimates.

***(r) Advance Refunding of Bonds***

When favorable market conditions develop, the Authority considers advance refunding earlier bond issues having higher interest rates. The Authority's refunding policy includes a targeted 5% present value savings rate before the refunding process is considered cost beneficial. Proceeds from the refunding bonds are used to pay bond issuance costs, including estimated future administrative costs of the Authority, and the balance of the proceeds is deposited into the refunded bonds escrow account. Transferring the bonds to an escrow account constitutes a legal defeasance; therefore, the refunded bonds are removed from the financial statements. The Authority's current policy is to pass the refunding

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benefits through to associated leveraged loan borrowers. The reduction in bond debt service is credited to the loan repayments of the borrowers. When approved by the Board, program funds may be used to augment refunding bond proceeds in current and advanced refunding cash flows. Program funds are repaid by borrowers' loan repayments that exceed refunding bond debt service over the terms of the loans and bonds.

**(s) Resource Use**

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

**(t) Arbitrage Rebate Payable**

The Authority accrues a liability for its estimated arbitrage rebate liability due to the federal government. An arbitrage rebate liability is created when, in certain circumstances, the Authority reinvests the proceeds of tax-exempt securities in higher yielding taxable securities. The amount the Authority will be required to remit to the federal government could differ materially from the estimated liability in the near term. Arbitrage rebate payable is included in other liabilities on the statements of net position.

**(u) Loan Principal Forgiveness**

Leveraged loans in the WPCRF and DWRF contain interest rates that are subsidized, in part, by investment interest earned on outstanding principal balances in the respective borrowers' project accounts. After a borrower fully expends its project funds, any investment interest earned above the projected amount is passed through to the borrower as additional loan interest or principal credits. If credits are applied to loan principal, a corresponding amount is recorded as principal forgiveness, an operating expense. Beginning in 2010, base program grants for the WPCRF and DWRF contained grant conditions that included additional loan subsidies, grants or principal forgiveness. The Authority chose to meet this condition by offering loan principal forgiveness. In general, the Authority adopted a policy to forgive loan principal of up to \$2.0 million per eligible loan. Principal forgiveness related to EPA requirements is recorded in the period the loan is executed.

**(v) Loan and Bond Prepayments**

When favorable market conditions exist, borrowers may prepay loans, subject to the terms of the loan agreements and the associated bond resolutions. When a loan prepayment is authorized, the Authority uses the cash flow, including amounts above the carrying value of the loan (*i.e.* gain on prepayment), to extinguish the related debt, including the loss from the extinguishment. Historically, the amount of cash collected on the prepaid loans is approximately the same or slightly higher than the excess of cash required to extinguish the related debt.

**(w) Pensions**

The Authority participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of SDTF and additions to/deductions from the fiduciary net position of the SDTF have been determined on the same basis as they are reported by SDTF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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The pension activity of the Authority is recorded in the Water Operations Fund. It is not allocated to the Water Pollution Control Fund or Drinking Water Fund as those funds are used to account for the activity associated with the capitalization grants.

***(x) Reclassifications***

Certain reclassifications have been made to the 2015 financial statements to conform to the 2016 financial statement presentation. These reclassifications had no effect on the change in net position.

**Note 3: Deposits and Investments**

***Deposits***

The Colorado Public Deposit Protection Act (PDPA) requires that all units of Colorado governments deposit cash in eligible public depositories. State regulators determine the eligibility of depositories. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another financial institution or held in trust. The fair value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State regulatory commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2016 and 2015, the Authority's deposits held in banks had a balance of \$1,203,836 and \$2,073,112, respectively, and a carrying amount of \$1,196,284 and \$2,061,724, respectively. The differences between the bank balances and carrying amounts are due to outstanding reconciling items (primarily outstanding checks) at year-end. Of the bank balances, \$250,000 was insured by federal depository insurance.

The Authority also deposits cash with the Colorado State Treasurer as required by Colorado Revised Statutes (C.R.S.). The State Treasurer pools these deposits and invests them in securities authorized by Section 24-75-601.1, C.R.S. The State Treasury acts as a bank for all state agencies and institutions of higher education, with the exception of the University of Colorado. Moneys deposited in the State Treasury are invested until the cash is needed. As of December 31, 2016 and 2015, the Authority had cash on deposit with the State Treasurer of \$28,994,963 and \$19,194,072, respectively, which represented approximately 0.43% and 0.27% of the total \$6,779,600,000 and \$7,073,400,000, respectively, fair value of deposits in the State Treasurer's Pool (the Pool).

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The cash held by the State Treasurer is invested in the types of securities shown below as disclosed in the State Treasurer's report as of December 31, 2016 and 2015:

	2016						Portfolio Percent	
	Credit Rating of Pool Securities							
	A1/P1	AAA	AA	A	BBB	BB	Other	
Asset-Backed		100.0%						10.9%
Corporates		2.5%	46.6%	47.3%	3.6%			28.7%
Mortgage Securities			100.0%					0.0%
Commercial Paper	100.0%							12.4%
Treasuries			100.0%					14.1%
Federal Agencies			100.0%					25.7%
Bank Notes		100.0%						2.1%
Money Market Funds							100.0%	6.1%
<b>Total Portfolio</b>	<b>12.4%</b>	<b>13.7%</b>	<b>53.2%</b>	<b>13.6%</b>	<b>1.0%</b>		<b>6.1%</b>	<b>100.0%</b>

	2015						Portfolio Percent	
	Credit Rating of Pool Securities							
	A1/P1	AAA	AA	A	BBB	BB	Other	
Asset-Backed		100.0%						17.1%
Corporates		6.3%	37.9%	49.9%	5.0%	0.9%		24.0%
Mortgage Securities			100.0%					0.1%
Commercial Paper	100.0%							9.5%
Treasuries			100.0%					12.1%
Federal Agencies			100.0%					32.8%
Certificates of Deposit							100.0%	0.1%
Money Market Funds							100.0%	4.3%
<b>Total Portfolio</b>	<b>9.5%</b>	<b>18.6%</b>	<b>54.1%</b>	<b>12.0%</b>	<b>1.2%</b>	<b>0.2%</b>	<b>4.4%</b>	<b>100.0%</b>

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority's investment policy (the policy) does not limit the amount of deposit custodial credit risk. Under the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3* (GASB 40), deposits collateralized under PDPA are not deemed to be exposed to custodial credit risk. Accordingly, deposits for the Authority over \$250,000 are deemed to be covered under PDPA.

Investments in the State Treasurer's Pool are exposed to custodial credit risk if the securities are uninsured, are not registered in the State's name, and are held by either the counterparty to the investment purchase or the counterparty's trust department or agent but not in the State's name. As of December 31, 2016 and 2015, none of the investments in the State Treasurer's Pool are subject to credit risk.

The State Treasurer's Pool had an average maturity of 20.5 and 17.8 months as of December 31, 2016 and 2015, respectively. Additional information on investments of the State Treasurer's Pool may be obtained in the State's Comprehensive Annual Financial Report for the years ended June 30, 2016 and 2015.

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***Investments***

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which Colorado governmental units may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized at no less than 102% by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contracts
- Local government investment pools

The Authority's investment policy authorizes similar investments to those detailed above, although certain investments such as guaranteed investment contracts are not authorized by the policy. The policy also differentiates the allowable investments for operating funds and the investment of bond proceeds and contributions to debt service reserve funds.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The risk is evidenced by a rating issued by a nationally recognized statistical rating organization (NRSRO), which regularly rates such obligations. The table below shows the minimum rating required by State statutes, the policy, debt agreements or investment agreements, and the actual rating at year-end. Direct obligations of the U.S. government and other debt explicitly guaranteed by the U.S. government are exempt from credit risk disclosure under GASB 40.

Although the policy requires repurchase agreements to be collateralized by authorized securities with a market value no less than 102% of the carrying value of the investment, all existing repurchase agreements specify a collateralization rate of 103% if the securities are direct obligations of the U.S. government and most agreements specify a 105% collateralization rate for authorized agency securities, if allowed. The ratings of the repurchase agreements below, as of December 31, 2016 and 2015, reflect the rating of the underlying securities held as collateral.

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2016					
	Carrying Value	Minimum Legal Rating	Exempt From Disclosure	Not Rated	NRSRO Rating
Deposits held in banks	\$ 1,196,284		X		
Cash held by State Treasurer	28,994,963		X		
COLOTRUST PLUS	291,468,491	N/A			AAA
Federated Prime Obligations Fund	19,250,268	N/A			AAA
Total cash and cash equivalents	340,910,006				
U.S. Treasury Notes - SLGS	84,041,215	N/A	X		
Repurchase Agreements - collateralized	23,639,212				See detail below
Total investments	107,680,427				
Total cash and invested funds	\$ 448,590,433				

Investments are reported in the statements of net position as follows:

Current assets/restricted assets/investments	\$ 8,621,031
Noncurrent assets/restricted assets/investments	99,059,396
Total investments	\$ 107,680,427

2015					
	Carrying Value	Minimum Legal Rating	Exempt From Disclosure	Not Rated	NRSRO Rating
Deposits held in banks	\$ 2,061,724		X		
Cash held by State Treasurer	19,194,072		X		
COLOTRUST PLUS	111,025,079	N/A			AAA
Federated Prime Obligations Fund	189,095,176	N/A			AAA
Total cash and cash equivalents	321,376,051				
U.S. Treasury Notes - SLGS	88,751,149	N/A	X		
Repurchase Agreements - collateralized	69,985,835				See detail below
Total investments	158,736,984				
Total cash and invested funds	\$ 480,113,035				

Investments are reported in the statements of net position as follows:

Current assets/restricted assets/investments	\$ 13,112,936
Noncurrent assets/restricted assets/investments	145,624,048
Total investments	\$ 158,736,984

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Below is a schedule that summarizes the credit quality of the securities held as collateral for the repurchase agreements as of December 31, 2016 and 2015:

	2016		
	Collateral Securities		
	Exempt From Disclosure	Custodian Portfolio Percent	NRSRO Rating
U.S. Treasuries or obligations explicitly guaranteed by the U.S. government	X	57.4%	
Government agencies		42.6%	AAA
Total		100.0%	
	2015		
	Collateral Securities		
	Exempt From Disclosure	Custodian Portfolio Percent	NRSRO Rating
U.S. Treasuries or obligations explicitly guaranteed by the U.S. government	X	73.4%	
Government agencies		26.6%	AAA
Total		100.0%	

*Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Repurchase agreements totaling \$23,639,212 and \$69,985,835 as of December 31, 2016 and 2015, respectively, were acquired by the Authority's trustee, and the investments are held in the trustee's bank account at the Federal Reserve in book entry form. Consequently, the trustee is considered to be the purchaser as well as the custodian of the investments. Because the investments are not held in the Authority's name, the entire balance of repurchase agreements is subject to custodial credit risk. The policy does not limit custodial credit risk; however, the Board approves each repurchase agreement in conjunction with an associated bond resolution.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. Investments in local government investment pools, money market mutual funds and direct obligations of the U.S. government are exempt from concentration of credit risk disclosure. As of December 31, 2016 and 2015, the Authority did not have any investments, including repurchase agreements, that represent 5% or more of total investments.

Only a limited number of repurchase agreement providers (eligible providers) offer this type of investment agreement, which may result in a higher level of investment concentration. To ensure a price that equals fair market value, the Authority makes a good faith effort to meet the safe harbor provision of Treasury Regulation Section 1.148-5(d)(6)(iii), which requires a minimum of three bids be obtained from eligible providers. The fair market value is then used to determine the yield for arbitrage purposes. The policy does not limit the concentration of repurchase agreements with any one eligible provider.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's investment policy, in accordance with Colorado law, limits the purchase of investments to securities with maturity dates of five years or less, unless the Board authorizes

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maturities in excess of five years. Pursuant to the terms of bond resolutions, the Board approves investments, held in debt service reserve funds, with maturities coinciding with bond maturities, normally of 20 years or more. These investments are exposed to interest rate risk; however, that risk is considered acceptable because the fixed earnings from these investments, included in the cash flow model, is required for future bond debt service.

As of December 31, 2016 and 2015, the Authority had the following investments and maturities:

Maturity	2016		
	U.S. Treasury Notes - SLGS	Repurchase Agreements	Total Investments
2017 \$	4,605,396	\$ 4,015,632	\$ 8,621,028
2018	4,910,663	3,726,301	8,636,964
2019	4,825,440	2,151,927	6,977,367
2020	5,155,748	1,216,280	6,372,028
2021	4,860,783	6,545,910	11,406,693
2022-2026	26,689,213	3,526,968	30,216,181
2027-2031	27,058,574	2,456,194	29,514,768
2032-2035	5,935,398	-	5,935,398
Total \$	<u>84,041,215</u>	<u>\$ 23,639,212</u>	<u>\$ 107,680,427</u>

Maturity	2015		
	U.S. Treasury Notes - SLGS	Repurchase Agreements	Total Investments
2016 \$	4,709,934	\$ 8,403,002	\$ 13,112,936
2017	4,605,396	7,473,559	12,078,955
2018	4,910,663	6,610,884	11,521,547
2019	4,825,440	5,067,939	9,893,379
2020	5,155,748	6,774,412	11,930,160
2021-2025	25,900,386	23,585,662	49,486,048
2026-2030	28,431,156	12,070,377	40,501,533
2031-2035	10,212,426	-	10,212,426
Total \$	<u>88,751,149</u>	<u>\$ 69,985,835</u>	<u>\$ 158,736,984</u>

*Fair Value Measurement.* The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Certain investments, such as the Repurchase Agreements, U.S. Treasury Notes – State and Local Government Securities and COLOTRUST, are exempt from being measured at fair value and thus are excluded from the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Authority has the following recurring fair value measurements as of December 31:

- Federated Prime Obligations Fund of \$19,250,268 and \$189,095,176 for 2016 and 2015, respectively, are valued using quoted market prices (Level 1 inputs)

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In addition, the Authority has investments in COLOTRUST of \$291,468,491 and \$111,025,079 at December 31, 2016 and 2015, respectively. COLOTRUST is measured at net asset value per share, which is designed to approximate fair value.

*Investment in Local Government Investment Pools.* The Authority may utilize two local government investment pools for investment, when a high degree of liquidity is prudent. The two pools are the Colorado Local Government Liquid Asset Trust (COLOTRUST) and the Colorado Surplus Asset Fund Trust (CSAFE), collectively, the Trusts. COLOTRUST is a local government investment pool with a stable net asset value and CSAFE is considered a qualifying external investment pool under GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The State Securities Commissioner administers and enforces all State statutes governing the Trusts. The Trusts operate similarly to a money market fund and each share is equal in value to \$1.00, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable securities. The Trusts may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and highly rated commercial paper. A designated custodial bank serves as custodian for the Trusts' portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodians' internal records segregate investments owned by the Trusts. The Trusts do not have any limitations or restrictions on participant withdrawals. The Authority did not have any investments in CSAFE at December 31, 2016 and 2015.

**Note 4: Loans Receivable**

The following is an analysis of changes in loans receivable for the years ended December 31, 2016 and 2015:

	<u>Balance January 1, 2016</u>	<u>New loans</u>	<u>Repayments/ loans canceled</u>	<u>Balance December 31, 2016</u>
Water Operations Fund:				
Small Water Resources Program	\$ 9,130,833	\$ -	\$ 2,033,333	\$ 7,097,500
Water Revenue Bonds Program	127,995,000	-	12,695,000	115,300,000
Small Hydro Loan Program	4,473,776	895,249	246,361	5,122,664
General Authority loans	3,636,428	119,853	176,210	3,580,071
Water Pollution Control Fund:				
Direct loans	90,386,227	14,029,536 *	8,397,326	96,018,437
Leveraged loans	405,767,432	104,612,168	46,532,616 *	463,846,984
Drinking Water Fund:				
Direct loans	89,800,971	12,906,400	12,042,423	90,664,948
Leveraged loans	228,874,948	-	18,983,932	209,891,016
	<u>960,065,615</u>	<u>\$ 132,563,206</u>	<u>\$ 101,107,201</u>	<u>991,521,620</u>
Less current portion	68,666,553			69,049,625
Noncurrent portion	<u>\$ 891,399,062</u>			<u>\$ 922,471,995</u>

\* Includes the remaining balance of a leveraged loan (\$2.0 million) that was converted to a direct loan

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	<u>Balance January 1, 2015</u>	<u>New loans</u>	<u>Repayments/ loans canceled</u>	<u>Balance December 31, 2015</u>
Water Operations Fund:				
Small Water Resources Program	\$ 10,804,166	\$ -	\$ 1,673,333	\$ 9,130,833
Water Revenue Bonds Program	235,950,000	-	107,955,000	127,995,000
Small Hydro Loan Program	4,693,857	-	220,081	4,473,776
General Authority loans	3,809,251	-	172,823	3,636,428
Water Pollution Control Fund:				
Direct loans	82,102,252	14,211,815	5,927,840	90,386,227
Leveraged loans	391,809,685	44,990,247	31,032,500	405,767,432
Drinking Water Fund:				
Direct loans	80,335,947	17,765,891	8,300,867	89,800,971
Leveraged loans	217,127,493	29,239,503	17,492,048	228,874,948
	<u>1,026,632,651</u>	<u>\$ 106,207,456</u>	<u>\$ 172,774,492</u>	<u>960,065,615</u>
Less current portion	64,569,718			68,666,553
Noncurrent portion	<u>\$ 962,062,933</u>			<u>\$ 891,399,062</u>

The above SHLP balance includes two loans made to local governmental agencies that employ members of the Authority's Board of Directors. The Board members were not involved in discussion and subsequent approval of the loans. One member recused himself from the discussion and approval and the other member was appointed after the loan was executed.

Scheduled maturities of the loans receivable are as follows as of December 31, 2016:

	Water Operations		WPCRF		DWRP		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 6,727,969	\$ 6,238,552	\$ 37,742,497	\$ 7,890,304	\$ 24,579,159	\$ 3,082,007	\$ 69,049,625	\$ 17,210,863
2018	5,103,158	5,950,748	39,243,279	7,495,129	24,299,893	2,752,808	68,646,330	16,198,685
2019	4,908,879	5,732,760	41,187,886	6,611,995	22,661,376	2,417,885	68,758,141	14,762,640
2020	3,028,112	5,565,948	38,708,098	5,795,030	20,485,371	2,121,896	62,221,581	13,482,874
2021	3,143,361	5,449,976	38,701,004	4,995,644	19,323,068	1,879,617	61,167,433	12,325,237
2022-2026	21,108,903	25,213,941	178,028,247	14,959,750	87,665,234	5,883,676	286,802,384	46,057,367
2027-2031	39,191,278	18,647,892	111,158,612	6,312,209	64,357,578	2,270,350	214,707,468	27,230,451
2032-2036	36,907,625	7,900,293	61,734,545	1,557,134	32,912,775	385,119	131,554,945	9,842,546
2037-2041	7,890,475	1,861,189	12,934,458	90,868	2,990,030	371	23,814,963	1,952,428
2042-2046	3,090,475	258,950	388,857	-	1,257,718	-	4,737,050	258,950
2047	-	-	37,938	-	23,762	-	61,700	-
Total	<u>\$ 131,100,235</u>	<u>\$ 82,820,249</u>	<u>\$ 559,865,421</u>	<u>\$ 55,708,063</u>	<u>\$ 300,555,964</u>	<u>\$ 20,793,729</u>	<u>\$ 991,521,620</u>	<u>\$ 159,322,041</u>

The schedule above does not include administrative fees due from the borrowers, which are recorded as revenue when due.

Included in the Water Operations Fund is a general Authority loan to the City of Durango for water rights purchase in the Animas-La Plata project. It has an interest rate of 1.95% and a final maturity date of 2033. The Authority also has a general Authority loan with the Town of Cokedale which refinanced two of its loans with DOLA as a means to lower its debt payments. The loan is a 0% loan and has a final maturity date of 2046. There are four loans in the SHLP that have interest rates of 2.00% and final maturity dates of 2030 to 2035. SWRP loans receivable have interest rates of 3.96% to 5.71% and have scheduled final maturity dates of 2017 to 2023, respectively. WRBP loans receivable have interest rates of 3.95% to 5.78% and have scheduled maturity dates of 2017 to 2044, respectively. During 2016 and

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2015, one and three WRBP loans totaling \$7.7 million and \$101.2 million, respectively, were prepaid from the proceeds of borrower-issued refunding bonds or cash on hand. The associated WRBP bonds were either called or escrowed and legally defeased. The gross prepayment amounts, net of loan principal balances and reimbursed Authority costs, were recorded in loan interest income.

The WPCRF direct loans receivable have interest rates of 0.00% to 4.50% and have maturity dates of 2017 to 2047, respectively. The WPCRF leveraged loans receivable have interest rates of 1.667% to 4.64% and have scheduled final maturity dates of 2017 to 2038, respectively. During 2016 and 2015, nine and six borrowers made partial or full loan prepayments totaling \$14.8 million and \$3.1 million, respectively. The associated bonds (if applicable) were either called or escrowed and legally defeased. The gross prepayment amounts, net of loan principal balances and reimbursed Authority costs were recorded in loan interest income.

DWRF direct loans receivable have interest rates of 0.00% to 4.50% and have scheduled final maturity dates of 2017 to 2047, respectively. DWRF leveraged loans receivable have interest rates of 1.86% to 4.60% and have scheduled final maturity dates of 2017 to 2036, respectively. In 2016 and 2015, three borrowers in each year made partial or full loan prepayments totaling \$0.5 million and \$0.2 million, respectively. The associated lands (if applicable) were either called or escrowed and legally defeased. The gross prepayment amounts, net of loan principal balances and reimbursed Authority costs were recorded in loan interest income.

**Note 5: Capital Assets**

Capital assets activity for the years ended December 31, 2016 and 2015 was as follows:

		<b>2016</b>			
		<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Equipment	\$	142,706	\$ 22,514	\$ (5,234)	\$ 159,986
Less accumulated depreciation for equipment		<u>(121,983)</u>	<u>(9,538)</u>	<u>5,234</u>	<u>(126,287)</u>
	\$	<u>20,723</u>	<u>\$ 12,976</u>	<u>\$ -</u>	<u>\$ 33,699</u>
		<b>2015</b>			
		<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Equipment	\$	135,159	\$ 13,789	\$ (6,242)	\$ 142,706
Less accumulated depreciation for equipment		<u>(116,711)</u>	<u>(11,514)</u>	<u>6,242</u>	<u>(121,983)</u>
	\$	<u>18,448</u>	<u>\$ 2,275</u>	<u>\$ -</u>	<u>\$ 20,723</u>

Depreciation expense for the years ended December 31, 2016 and 2015 was \$9,538 and \$11,514, respectively.

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**Note 6: Noncurrent Liabilities**

***Other than Bonds Payable***

Noncurrent liability activity, other than bonds payable, for the year ended December 31, 2016 was as follows:

	<u>Balance January 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2016</u>	<u>Current Portion</u>
<b>Water Operations Fund:</b>					
Project costs payable – direct loans	\$ -	\$ 895,249	\$ 644,916	\$ 250,333	\$ 250,333
Project costs payable – leveraged loans	13,694,330	-	6,803,150	6,891,180	4,692,123
Debt service reserve deposit	7,458,600	-	576,900	6,881,700	-
Net pension liability	3,332,749	762,458	-	4,095,207	-
Other liabilities	157,476	262,561	243,237	176,800	2,000
Total Water Operations Fund	<u>\$ 24,643,155</u>	<u>\$ 1,920,268</u>	<u>\$ 8,268,203</u>	<u>\$ 18,295,220</u>	<u>\$ 4,944,456</u>
<b>Water Pollution Control Fund:</b>					
Project costs payable – direct loans	\$ 19,777,473	\$ 12,034,536	\$ 13,079,928	\$ 18,732,081	\$ 15,732,081
Project costs payable – leveraged loans	49,025,726	107,200,000	25,868,812	130,356,914	76,190,486
Advance payable	8,347,243	2,137,400	8,000,000	2,484,643	-
Other liabilities	7,213,217	9,710,550	5,906,353	11,017,414	1,225,972
Total Water Pollution Control Fund	<u>\$ 84,363,659</u>	<u>\$ 131,082,486</u>	<u>\$ 52,855,093</u>	<u>\$ 162,591,052</u>	<u>\$ 93,148,539</u>
<b>Drinking Water Fund:</b>					
Project costs payable – direct loans	\$ 24,651,767	\$ 12,906,400	\$ 17,598,295	\$ 19,959,872	\$ 19,959,872
Project costs payable – leveraged loans	59,384,034	-	35,764,622	23,619,412	20,816,180
Advance payable	13,411,400	1,080,730	8,000,000	6,492,130	-
Other liabilities	2,531,121	165,137	1,160,298	1,535,960	-
Total Drinking Water Fund	<u>\$ 99,978,322</u>	<u>\$ 14,152,267</u>	<u>\$ 62,523,215</u>	<u>\$ 51,607,374</u>	<u>\$ 40,776,052</u>
<b>Total enterprise funds:</b>					
Project costs payable – direct loans	\$ 44,429,240	\$ 25,836,185	\$ 31,323,139	\$ 38,942,286	\$ 35,942,286
Project costs payable – leveraged loans	122,104,090	107,200,000	68,436,584	160,867,506	101,698,789
Debt service reserve deposit	7,458,600	-	576,900	6,881,700	-
Net pension liability	3,332,749	762,458	-	4,095,207	-
Advance payable	21,758,643	3,218,130	16,000,000	8,976,773	-
Other liabilities	9,901,814	10,138,248	7,309,888	12,730,174	1,227,972
Total enterprise funds	<u>\$ 208,985,136</u>	<u>\$ 147,155,021</u>	<u>\$ 123,646,511</u>	<u>\$ 232,493,646</u>	<u>\$ 138,869,047</u>

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Noncurrent liability activity, other than bonds payable, for the year ended December 31, 2015 was as follows:

	<u>Balance January 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2015</u>	<u>Current Portion</u>
Water Operations Fund:					
Project costs payable – leveraged loans	\$ 23,145,096	\$ -	\$ 9,450,766	\$ 13,694,330	\$ 13,694,330
Debt service reserve deposit	7,458,600	-	-	7,458,600	-
Net pension liability	3,182,700	150,049	-	3,332,749	-
Other liabilities	<u>144,900</u>	<u>33,100</u>	<u>20,524</u>	<u>157,476</u>	<u>1,276</u>
Total Water Operations Fund	<u>\$ 33,931,296</u>	<u>\$ 183,149</u>	<u>\$ 9,471,290</u>	<u>\$ 24,643,155</u>	<u>\$ 13,695,606</u>
Water Pollution Control Fund:					
Project costs payable – direct loans	\$ 18,182,235	\$ 14,211,815	\$ 12,616,577	\$ 19,777,473	\$ 19,102,473
Project costs payable – leveraged loans	25,155,267	45,796,000	21,925,541	49,025,726	40,664,317
Advance payable	9,115,643	2,231,600	3,000,000	8,347,243	-
Other liabilities	<u>8,467,155</u>	<u>817,230</u>	<u>2,071,168</u>	<u>7,213,217</u>	<u>421,923</u>
Total Water Pollution Control Fund	<u>\$ 60,920,300</u>	<u>\$ 63,056,645</u>	<u>\$ 39,613,286</u>	<u>\$ 84,363,659</u>	<u>\$ 60,188,713</u>
Drinking Water Fund:					
Project costs payable – direct loans	\$ 19,530,557	\$ 17,765,891	\$ 12,644,681	\$ 24,651,767	\$ 22,151,767
Project costs payable – leveraged loans	62,924,394	29,130,957	32,671,317	59,384,034	56,530,234
Advance payable	13,352,800	3,058,600	3,000,000	13,411,400	-
Other liabilities	<u>3,199,956</u>	<u>457,467</u>	<u>1,126,302</u>	<u>2,531,121</u>	<u>381,664</u>
Total Drinking Water Fund	<u>\$ 99,007,707</u>	<u>\$ 50,412,915</u>	<u>\$ 49,442,300</u>	<u>\$ 99,978,322</u>	<u>\$ 79,063,665</u>
Total enterprise funds:					
Project costs payable – direct loans	\$ 37,712,792	\$ 31,977,706	\$ 25,261,258	\$ 44,429,240	\$ 41,254,240
Project costs payable – leveraged loans	111,224,757	74,926,957	64,047,624	122,104,090	110,888,881
Debt service reserve deposit	7,458,600	-	-	7,458,600	-
Net pension liability	3,182,700	150,049	-	3,332,749	-
Advance payable	22,468,443	5,290,200	6,000,000	21,758,643	-
Other liabilities	<u>11,812,011</u>	<u>1,307,797</u>	<u>3,217,994</u>	<u>9,901,814</u>	<u>804,863</u>
Total enterprise funds	<u>\$ 193,859,303</u>	<u>\$ 113,652,709</u>	<u>\$ 98,526,876</u>	<u>\$ 208,985,136</u>	<u>\$ 152,947,984</u>

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***Bonds Payable***

The following is an analysis of changes in bonds payable for the year ended December 31, 2016:

	<u>Balance January 1, 2016</u>	<u>New issues</u>	<u>Retirements</u>	<u>Balance December 31, 2016</u>
Water Operations Fund:				
Small Water Resources Program:				
Small Water Resources				
Revenue Bonds:				
1997 Series A	\$ 275,000	\$ -	\$ 135,000	\$ 140,000
2003 Series A	735,000	-	80,000	655,000
2006 Series A	8,315,000	-	1,790,000	6,525,000
	<u>9,325,000</u>	<u>-</u>	<u>2,005,000</u>	<u>7,320,000</u>
Water Revenue Bonds Program:				
Water Resources Revenue Bonds:				
2004 Series B	4,780,000	-	2,925,000	1,855,000
2004 Series E	1,890,000	-	180,000	1,710,000
2005 Series B	1,370,000	-	115,000	1,255,000
2005 Series F	2,120,000	-	200,000	1,920,000
2008 Series A	7,650,000	-	7,650,000	-
2009 Series A	5,350,000	-	295,000	5,055,000
2010 Series A	51,485,000	-	-	51,485,000
2011 Series A	8,810,000	-	190,000	8,620,000
2011 Series B	10,635,000	-	475,000	10,160,000
2011 Series C	5,910,000	-	20,000	5,890,000
2013 Series A	11,160,000	-	235,000	10,925,000
2014 Series A	16,835,000	-	410,000	16,425,000
	<u>127,995,000</u>	<u>-</u>	<u>12,695,000</u>	<u>115,300,000</u>
Total Water Operations Fund	137,320,000	\$ -	\$ 14,700,000	122,620,000
Less current portion	<u>(7,240,000)</u>			<u>(6,190,000)</u>
Noncurrent bonds payable – Water Operations Fund	<u>\$ 130,080,000</u>			<u>\$ 116,430,000</u>

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	<u>Balance January 1, 2016</u>	<u>New issues</u>	<u>Retirements</u>	<u>Balance December 31, 2016</u>
Water Pollution Control Fund:				
Clean Water Revenue Bonds:				
1996 Series A	\$ 10,000	\$ -	\$ 10,000	\$ -
1997 Series A	285,000	-	285,000	-
1998 Series A	115,000	-	70,000	45,000
1998 Series B	305,000	-	115,000	190,000
1999 Series A	165,000	-	65,000	100,000
2000 Series A	515,000	-	515,000	-
2001 Series A	1,555,000	-	400,000	1,155,000
2005 Series A	21,315,000	-	21,315,000	-
2005 Series B	10,210,000	-	10,210,000	-
2006 Series A	12,000,000	-	12,000,000	-
2006 Series B	8,970,000	-	8,970,000	-
2007 Series A	26,205,000	-	26,205,000	-
2008 Series A	8,870,000	-	515,000	8,355,000
2010 Series A	61,350,000	-	2,730,000	58,620,000
2010 Series B	16,915,000	-	885,000	16,030,000
2011 Series A	11,985,000	-	695,000	11,290,000
2014 Series A	9,055,000	-	70,000	8,985,000
2015 Series A	15,580,000	-	715,000	14,865,000
2016 Series A	-	11,505,000	10,000	11,495,000
2016 Series B	-	14,180,000	-	14,180,000
	<u>205,405,000</u>	<u>25,685,000</u>	<u>85,780,000</u>	<u>145,310,000</u>
Wastewater Revolving Fund				
Refunding Revenue Bonds:				
2004 Series A	13,895,000	-	13,895,000	-
2005 Series A and A2	37,085,000	-	7,940,000	29,145,000
Clean Water Refunding				
Revenue Bonds:				
2013 Series A	58,105,000	-	2,555,000	55,550,000
2016 Series A	-	38,850,000	3,130,000	35,720,000
	<u>109,085,000</u>	<u>38,850,000</u>	<u>27,520,000</u>	<u>120,415,000</u>
Total Water Pollution				
Control Fund	314,490,000	\$ 64,535,000	\$ 113,300,000	265,725,000
Less current portion	<u>(26,640,000)</u>			<u>(21,685,000)</u>
Noncurrent bonds payable –				
Water Pollution				
Control Fund	<u>\$ 287,850,000</u>			<u>\$ 244,040,000</u>

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	<u>Balance January 1, 2016</u>	<u>New issues</u>	<u>Retirements</u>	<u>Balance December 31, 2016</u>
Drinking Water Fund:				
Revenue Bonds:				
Drinking Water Revenue Bonds:				
2006 Series A	\$ 7,155,000	\$ -	\$ 515,000	\$ 6,640,000
2006 Series B	23,375,000	-	2,065,000	21,310,000
2008 Series A	9,500,000	-	750,000	8,750,000
2008 Series B	6,680,000	-	385,000	6,295,000
2011 Series A	21,535,000	-	1,110,000	20,425,000
2012 Series A	16,590,000	-	715,000	15,875,000
2014 Series A	10,630,000	-	510,000	10,120,000
2015 Series A	7,975,000	-	435,000	7,540,000
	<u>103,440,000</u>	<u>-</u>	<u>6,485,000</u>	<u>96,955,000</u>
Drinking Water Revolving Fund				
Refunding Revenue Bonds:				
2005 Series A	12,985,000	-	1,615,000	11,370,000
Drinking Water Refunding				
Revenue Bonds:				
2013 Series A	26,510,000	-	4,415,000	22,095,000
	<u>39,495,000</u>	<u>-</u>	<u>6,030,000</u>	<u>33,465,000</u>
Total Drinking Water Fund	142,935,000	\$ -	\$ 12,515,000	130,420,000
Less current portion	<u>(12,515,000)</u>			<u>(12,825,000)</u>
Noncurrent bonds payable – Drinking Water Fund	<u>\$ 130,420,000</u>			<u>\$ 117,595,000</u>
Total enterprise funds:				
Revenue bonds at par	\$ 594,745,000	\$ <u>64,535,000</u>	\$ <u>140,515,000</u>	\$ 518,765,000
Current portion	<u>(46,395,000)</u>			<u>(40,700,000)</u>
Noncurrent bonds payable	<u>\$ 548,350,000</u>			<u>\$ 478,065,000</u>

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The following is an analysis of changes in bonds payable for the year ended December 31, 2015:

	<b>Balance January 1, 2015</b>	<b>New issues</b>	<b>Retirements</b>	<b>Balance December 31, 2015</b>
Water Operations Fund:				
Small Water Resources Program:				
Small Water Resources				
Revenue Bonds:				
1997 Series A	\$ 400,000	\$ -	\$ 125,000	\$ 275,000
1998 Series B	330,000	-	330,000	-
2003 Series A	810,000	-	75,000	735,000
2006 Series A	9,385,000	-	1,070,000	8,315,000
	10,925,000	-	1,600,000	9,325,000
Water Revenue Bonds Program:				
Water Resources Revenue Bonds:				
2004 Series B	7,570,000	-	2,790,000	4,780,000
2004 Series C	1,850,000	-	1,850,000	-
2004 Series E	2,065,000	-	175,000	1,890,000
2005 Series A	45,280,000	-	45,280,000	-
2005 Series B	1,480,000	-	110,000	1,370,000
2005 Series C	200,000	-	200,000	-
2005 Series D	29,655,000	-	29,655,000	-
2005 Series E	26,270,000	-	26,270,000	-
2005 Series F	2,310,000	-	190,000	2,120,000
2008 Series A	7,835,000	-	185,000	7,650,000
2009 Series A	5,635,000	-	285,000	5,350,000
2010 Series A	51,485,000	-	-	51,485,000
2011 Series A	8,995,000	-	185,000	8,810,000
2011 Series B	11,100,000	-	465,000	10,635,000
2011 Series C	5,930,000	-	20,000	5,910,000
2013 Series A	11,390,000	-	230,000	11,160,000
2014 Series A	16,900,000	-	65,000	16,835,000
	235,950,000	-	107,955,000	127,995,000
Total Water Operations Fund	246,875,000	\$ -	\$ 109,555,000	137,320,000
Less current portion	(9,500,000)			(7,240,000)
Noncurrent bonds payable – Water Operations Fund	\$ 237,375,000			\$ 130,080,000

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	<u>Balance January 1, 2015</u>	<u>New issues</u>	<u>Retirements</u>	<u>Balance December 31, 2015</u>
Water Pollution Control Fund:				
Clean Water Revenue Bonds:				
1995 Series A	\$ 30,000	\$ -	\$ 30,000	\$ -
1996 Series A	30,000	-	20,000	10,000
1997 Series A	545,000	-	260,000	285,000
1998 Series A	215,000	-	100,000	115,000
1998 Series B	430,000	-	125,000	305,000
1999 Series A	240,000	-	75,000	165,000
2000 Series A	695,000	-	180,000	515,000
2001 Series A	2,015,000	-	460,000	1,555,000
2005 Series A	25,755,000	-	4,440,000	21,315,000
2005 Series B	10,975,000	-	765,000	10,210,000
2006 Series A	12,830,000	-	830,000	12,000,000
2006 Series B	9,600,000	-	630,000	8,970,000
2007 Series A	27,790,000	-	1,585,000	26,205,000
2008 Series A	9,380,000	-	510,000	8,870,000
2010 Series A	64,000,000	-	2,650,000	61,350,000
2010 Series B	17,780,000	-	865,000	16,915,000
2011 Series A	12,665,000	-	680,000	11,985,000
2014 Series A	9,065,000	-	10,000	9,055,000
2015 Series A	-	15,650,000	70,000	15,580,000
	<u>204,040,000</u>	<u>15,650,000</u>	<u>14,285,000</u>	<u>205,405,000</u>
Wastewater Revolving Fund:				
Refunding Revenue Bonds:				
2001 Series A	1,740,000	-	1,740,000	-
2004 Series A	17,605,000	-	3,710,000	13,895,000
2005 Series A and A2	43,800,000	-	6,715,000	37,085,000
Clean Water Refunding Revenue Bonds:				
2013 Series A	59,450,000	-	1,345,000	58,105,000
	<u>122,595,000</u>	<u>-</u>	<u>13,510,000</u>	<u>109,085,000</u>
Total Water Pollution Control Fund	326,635,000	\$ 15,650,000	\$ 27,795,000	314,490,000
Less current portion	<u>(25,160,000)</u>			<u>(26,640,000)</u>
Noncurrent bonds payable – Water Pollution Control Fund	<u>\$ 301,475,000</u>			<u>\$ 287,850,000</u>

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	<b>Balance January 1, 2015</b>	<b>New issues</b>	<b>Retirements</b>	<b>Balance December 31, 2015</b>
Drinking Water Fund:				
Drinking Water Revenue Bonds:				
2000 Series A	\$ 1,155,000	\$ -	\$ 1,155,000	\$ -
2006 Series A	7,655,000	-	500,000	7,155,000
2006 Series B	25,390,000	-	2,015,000	23,375,000
2008 Series A	9,775,000	-	275,000	9,500,000
2008 Series B	7,060,000	-	380,000	6,680,000
2011 Series A	22,635,000	-	1,100,000	21,535,000
2012 Series A	17,285,000	-	695,000	16,590,000
2014 Series A	11,125,000	-	495,000	10,630,000
2015 Series A	-	8,125,000	150,000	7,975,000
	<u>102,080,000</u>	<u>8,125,000</u>	<u>6,765,000</u>	<u>103,440,000</u>
Drinking Water Revolving Fund				
Refunding Revenue Bonds				
2005 Series A	14,545,000	-	1,560,000	12,985,000
Drinking Water Refunding Revenue Bonds				
2013 Series A	30,250,000	-	3,740,000	26,510,000
	<u>44,795,000</u>	<u>-</u>	<u>5,300,000</u>	<u>39,495,000</u>
Total Drinking Water Fund	146,875,000	\$ 8,125,000	\$ 12,065,000	142,935,000
Less current portion	(10,990,000)			(12,515,000)
Noncurrent bonds payable – Drinking Water Fund	<u>\$ 135,885,000</u>			<u>\$ 130,420,000</u>
Total enterprise funds:				
Revenue bonds at par	\$ 720,385,000	\$ 23,775,000	\$ 149,415,000	\$ 594,745,000
Current portion	(45,650,000)			(46,395,000)
Noncurrent bonds payable	<u>\$ 674,735,000</u>			<u>\$ 548,350,000</u>

All the outstanding SWRP bonds are insured by National Public Finance Guaranty, a wholly owned subsidiary of MBIA, Inc. The SWRP bonds are insured as to payment of principal and interest. The Water Resources Revenue Bonds, Series 2004B, Series 2004E and Series 2005F are insured as to payment of principal and interest by MBIA, Inc. The Water Resources Revenue Bonds Series 2005B, Series 2009A, Series 2010A, Series 2011A and Series 2013A are insured as to payment of principal and interest by Assured Guaranty Municipal Corp. The Water Resources Revenue Bonds Series 2014A are insured as to payment of principal and interest by Build America Mutual Assurance Company.

As of December 31, 2016, the outstanding bonds of the Authority had original principal amounts of \$33,305,000 for the SWRP, \$143,850,000 for the WRBP, \$331,975,000 for the Clean Water Revenue Bonds, \$178,930,000 for the Wastewater Revolving Fund Refunding Revenue Bonds and Clean Water Refunding Revenue Bonds, \$131,455,000 for the Drinking Water Revolving Fund Bonds and \$55,765,000 for Drinking Water Revolving Fund Refunding Revenue Bonds and Drinking Water Refunding Revenue Bonds, for a total of \$875,280,000. Principal payments on the bonds are made annually and/or semi-annual and interest on the bonds is payable semiannually with interest rates ranging from 1.5% to 6.3% and serial and term principal maturities, including mandatory sinking fund call provisions, extend through the year 2044. All bonds, except the Small Water Resources Revenue Bonds 2006A, the Wastewater Revolving Fund Refunding Revenue Bonds Series 2005A and 2005A-2

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and the Drinking Water Revolving Fund Refunding Revenue Bonds Series 2005A, have optional initial call provisions, generally 8 to 10 years from the issue date. All outstanding bonds with call provisions may be called at par.

During 2015, in the DWRP program, the Authority took admin fee money and called the remaining 2000A bonds. This bond issue had a repurchase agreement terminate back in 2009, thus causing debt service funds to be short thereafter. Calling these remaining bonds saved the Authority from making up the debt service shortages caused by the terminated repurchase agreement.

During 2016 and 2015, four borrowers in each year prepaid their leveraged loan(s) in full from the proceeds of borrower-issued refunding bonds or borrower's available cash. The WRBP and WPCRF bonds associated with these loan prepayments were called or escrowed and legally defeased. The total amounts deposited into the escrow accounts, net of the carrying value of the bonds, was recorded in bond interest expense.

The Authority's debt service requirements to maturity, excluding unamortized original issue discount and premium and deferred costs on refundings, are as follows as of December 31, 2016:

	Water Operations		WPCRF		DWRP		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 6,190,000	\$ 6,123,645	\$ 21,685,000	\$ 11,049,238	\$ 12,825,000	\$ 5,254,540	\$ 40,700,000	\$ 22,427,423
2018	4,590,000	5,843,760	22,325,000	10,215,468	12,875,000	4,684,390	39,790,000	20,743,618
2019	4,790,000	5,644,165	22,915,000	9,177,986	11,025,000	4,132,153	38,730,000	18,954,304
2020	2,550,000	5,425,344	20,720,000	8,097,361	10,815,000	3,675,309	34,085,000	17,198,014
2021	2,655,000	5,318,806	20,730,000	7,108,049	9,040,000	3,225,331	32,425,000	15,652,186
2022-2026	18,540,000	24,704,133	92,665,000	22,186,644	41,380,000	10,182,334	152,585,000	57,073,111
2027-2031	36,410,000	18,401,676	47,795,000	7,900,550	23,875,000	3,760,045	108,080,000	30,062,271
2032-2036	35,955,000	7,875,174	14,970,000	1,456,012	8,585,000	545,825	59,510,000	9,877,011
2037-2041	7,870,000	1,861,189	1,920,000	90,868	-	-	9,790,000	1,952,057
2042-2044	3,070,000	258,950	-	-	-	-	3,070,000	258,950
Total	\$ 122,620,000	\$ 81,456,842	\$ 265,725,000	\$ 77,282,176	\$ 130,420,000	\$ 35,459,927	\$ 518,765,000	\$ 194,198,945

Total interest expense on bonds for 2016 (including loss on extinguishment) was \$7,411,945, \$11,116,572 and \$5,077,639 and for 2015 (including loss on extinguishment) was \$11,683,542, \$13,756,169 and \$5,448,654 for the Water Operations, Water Pollution Control and Drinking Water Funds, respectively.

The bond resolutions authorizing the various bond issues contain general provisions and provisions related to accounting and financial operations of the Authority. Management of the Authority believes they are in substantial compliance with these provisions.

Pursuant to terms set forth in the bond resolutions, various assets are pledged as security for the respective bonds issued to fund the loans. The pledged assets include loans receivable and investments held in project accounts, debt service reserve funds, debt service funds and various other accounts. Furthermore, as an additional credit enhancement, the Authority elected to cross collateralize the assets between the WPCRF and the DWRP programs.

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	2016			
	Water Operations	Water Pollution Control	Drinking Water	Totals
Assets pledged for bonds payable	\$ 145,154,522	\$ 583,392,977	\$ 277,494,300	\$ 1,006,041,799
Bonds payable at par	122,620,000	265,725,000	130,420,000	518,765,000
	2015			
	Water Operations	Water Pollution Control	Drinking Water	Totals
Assets pledged for bonds payable	\$ 167,220,835	\$ 548,786,311	\$ 312,561,510	\$ 1,028,568,656
Bonds payable at par	137,320,000	314,490,000	142,935,000	594,745,000

The Authority has provided a Debt Service Bond Reserve Account at least equal to the debt service reserve requirement under the Small Water Resources Bond Resolution. At December 31, 2016 and 2015, the Small Water Resources Debt Service Reserve requirement is \$8,500,000 and was fully funded. This amount is reflected in restricted net position of the Water Operations Enterprise Fund and in the pledged asset totals above. The Authority can issue up to \$150,000,000 (excluding refunding bonds) of outstanding Small Water Resources Revenue Bonds at the current funding level for the Small Water Resources Debt Service Reserve Account. At December 31, 2016 and 2015, the Authority had \$7,320,000 and \$9,325,000 of outstanding Small Water Resources Revenue Bonds, respectively.

**Note 7: Refunded Debt**

On May 12, 2016, the Authority issued current and advance refunding bonds Series 2016A in the WPCRF for \$38,850,000, and included cash totaling \$31,522,584 to refund \$78,390,000 of bonds from Series 1996A, 1997A, 2000A, 2004AR, 2005A, 2005B, 2006A, 2006B and 2007A. The cash included was from liquidated repurchase agreement investments associated with the refunded bond issues. The net proceeds were allocated to immediately redeem the entire refunded amount of the Series 1996A, 1997A, 2000A, 2004AR, 2005A and 2005B bonds. Proceeds from the Series 2016A, along with cash on hand, were also deposited to an Escrow Account held by the Authority's Trustee to provide future debt service for the early redemption of the Series 2006A, 2006B and 2007A bond issues. As a result, these refunded bonds are considered to be legally defeased and the liability has been removed from the Authority's long-term debt outstanding.

The Authority current refunded 1996A, 1997A, 2000A, 2004AR, 2005A and 2005B Series bonds and advance refunded the 2006A, 2006B and 2007A Series bonds that resulted in an economic gain (net present value savings) of \$6,363,349. A deferred outflow of \$1,666,673 and liability of \$4,935,994 were recorded and will be amortized over the life of the new bonds. The liability represents the refunding savings the Authority is obligated to pass through to the borrowers.

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**Note 8: Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of December 31, 2016 and 2015 is as follows:

<u>Receivable Funds</u>	<u>Payable Funds</u>	<u>2016</u>	<u>2015</u>
Water Operations	Water Pollution Control	\$ 1,378,025	\$ 893,013
	Drinking Water	3,622,230	2,937,886
Total		<u>\$ 5,000,255</u>	<u>\$ 3,830,899</u>

The outstanding balances between funds result from the Water Operations Fund paying certain operating expenses of the Water Pollution Control Fund and Drinking Water Fund for which it is reimbursed.

<u>Transfer Out</u>	<u>2016 Transfer In</u>	<u>2015 Transfer In</u>
	<u>Drinking Water</u>	<u>Drinking Water</u>
Water Pollution Control	\$ 190,565	\$ 161,158

Administrative fees collected in the Water Pollution Control Fund were transferred to the Drinking Water Fund to pay certain administrative expenses.

**Note 9: Board-designated Accounts**

Included in the balance of unrestricted net position of the Water Operations Enterprise Fund are monies designated by the Board for specific purposes. These amounts are not included in restricted net position, because the designations do not meet the definition of restricted net position as defined by accounting principles generally accepted in the United States of America. Board designations were as follows in the Water Operations Enterprise Fund as of December 31:

	<u>2016</u>	<u>2015</u>
Self-insurance account	\$ 800,000	\$ 800,000
La Plata River escrow account	451,741	200,599
Total Board-designated accounts	<u>\$ 1,251,741</u>	<u>\$ 1,000,599</u>

**Note 10: EPA Capitalization Grants**

The following table details the EPA capitalization grants and matching requirements of \$1 of state match for every \$5 of the base program capitalization grants recognized, by project, during 2016 and 2015. Included in the base program capitalization grants recognized is the principal forgiveness recognized under the WPCRF and the DWRP programs during 2016 and 2015.

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	<b>Federal grants recognized 2016</b>	<b>Matching requirement 2016</b>
	<u>2016</u>	<u>2016</u>
Water Pollution Control Revolving Fund Projects:		
Leveraged loans:		
2016A Evans, City of	\$ 751,249	\$ 150,250
2015A La Junta, City of	459,322	91,864
2015A Louisville, City of	8,134,249	1,626,850
2014A Pueblo, City of	469,942	93,988
2011A South Adams County Water and Sanitation District	2,456,098	491,220
2016A Woodland Park, City of	131,859	26,372
Total leveraged loans	<u>12,402,719</u>	<u>2,480,544</u>
Base program direct loans:		
Ault, Town of	986,360	197,272
Cheraw, Town of	8,527	1,705
Dinosaur, Town of	83,330	16,666
Empire, Town of	8,972	1,794
Estes Park Sanitation District	3,666,649	733,330
Fairways Metropolitan District	505,351	101,070
Fowler, Town of	4,422	884
Gilcrest, Town of	252,208	50,442
Granby, Town of	55,221	11,044
Hotchkiss, Town of	419,392	83,878
La Veta, Town of	8,822	1,764
Larimer County LID 2013-1 (Berthoud Estates)	93,191	18,638
Loma Linda Sanitation District	965,399	193,080
Mansfield Heights Water & Sanitation District	24,173	4,835
Monte Vista, City of	356,481	71,296
Mountain View Villages Water & Sanitation District	797	159
Rocky Ford, City of	14,737	2,947
Shadow Mountain Village Local Improvement District	95,490	19,098
South Sheridan Water, Sanitation Sewer and Storm Drainage District	16,666	3,333
Woodland Park, City of	154,603	30,921
Yampa Valley Housing Authority	51,570	10,314
	<u>7,772,361</u>	<u>1,554,472</u>
Base program design & engineering direct loans:		
Bennett, Town of	163,530	32,706
Central Clear Creek Sanitation District	90,658	18,132
La Junta, City of	186,887	37,377
North La Junta	20,284	4,057
	<u>461,359</u>	<u>92,272</u>
Total Water Pollution Control Revolving Fund	<u>\$ 20,636,439</u>	<u>\$ 4,127,288</u>

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	<b>Federal grants recognized 2016</b>	<b>Matching requirement 2016</b>
	<u>2016</u>	<u>2016</u>
Drinking Water Revolving Fund Projects:		
Leveraged loans:		
2014A Left Hand Water District	\$ 9,194,360	\$ 1,838,872
2014A Paonia, Town of	517,305	103,461
2012A Rifle, City of	6,173,744	1,234,749
2011A Sterling, City of	971,161	194,232
Total leveraged loans	<u>16,856,570</u>	<u>3,371,314</u>
Base program direct loans:		
Castle Pines Metropolitan District	1,144,097	228,819
Costilla County Garcia Domestic Water System	94,965	18,993
Edgewater, City of	253,596	50,719
Empire, Town of	105,386	21,077
Evans, City of	65,455	13,091
Florissant Water & Sanitation District	69,017	13,803
Granby, Town of	88,013	17,603
Hayden, Town of	221,457	44,291
Larimer County LID 2013-3 (Fish Creek)	176,271	35,254
Larkspur, Town of	1,055,510	211,102
Louviers Water & Sanitation District	15,550	3,110
Manzanola, Town of	185,154	37,031
Paonia, Town of	70,321	14,064
Rangely, Town of	7,775	1,555
South Sheridan Water, Sanitary Sewer and Storm Drainage District	15,550	3,110
Wiley, Town of	23,593	4,719
	<u>3,591,710</u>	<u>718,342</u>
Total Drinking Water Revolving Fund	<u>20,448,280</u>	<u>4,089,656</u>
Total EPA Capitalization Grants	<u>\$ 41,084,719</u>	<u>\$ 8,216,944</u>

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	<b>Federal grants recognized 2015</b>	<b>Matching requirement 2015</b>
	<u>2015</u>	<u>2015</u>
Water Pollution Control Revolving Fund Projects:		
Leveraged loans:		
2010A Glenwood Springs, City of	\$ 73,406	\$ 14,681
2015A Louisville, City of	1,692,508	338,502
2014A Pueblo, City of	1,579,885	315,977
2011A South Adams County Water and Sanitation District	8,270,711	1,654,142
2011A Windsor, Town of	167,209	33,442
Total leveraged loans	<u>11,783,719</u>	<u>2,356,744</u>
Base program direct loans:		
Ault, Town of	294,874	58,975
Cheraw, Town of	47,486	9,497
Cokedale, Town of	25,619	5,124
Empire, Town of	56,879	11,376
Estes Park Sanitation District	97,789	19,558
Fairways Metropolitan District	16,157	3,231
Fowler, Town of	51,199	10,240
Granby, Town of	1,717,947	343,588
Hillcrest Water & Sanitation District	9,772	1,954
Huerfano County Gardner Water & Sanitation PID	17,463	3,493
La Jara, Town of	261,908	52,382
La Junta, City of	7,714	1,543
La Veta, Town of	91,174	18,235
Larimer County LID 2012-1 (River Glen Estates)	435,237	87,047
Larimer County LID 2013-1 (Berthoud Estates)	93,969	18,794
Loma Linda Sanitation District	160,600	32,120
Mansfield Heights Water & Sanitation District	45,403	9,081
Mountain View Villages Water & Sanitation District	24,890	4,978
Pritchett, Town of	29,620	5,924
Rocky Ford, City of	90,606	18,121
Rocky Ford, City of	566,714	113,343
Shadow Mountain Village Local Improvement District	181,738	36,348
South Sheridan Water, Sanitation Sewer and Storm Drainage District	116,763	23,353
Woodland Park, City of	140,431	28,086
Yampa Valley Housing Authority	444,937	88,987
	<u>5,026,889</u>	<u>1,005,377</u>
Total Water Pollution Control Revolving Fund	<u>\$ 16,810,608</u>	<u>\$ 3,362,121</u>

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	<b>Federal grants recognized 2015</b>	<b>Matching requirement 2015</b>
	<u>2015</u>	<u>2015</u>
Drinking Water Revolving Fund Projects:		
Leveraged loans:		
2014A Clifton Water District	\$ 5,683,528	\$ 1,136,706
2015A Denver Southeast Water & Sanitation District	371,241	74,248
2015A Genesee Water & Sanitation District	628,369	125,674
2014A Left Hand Water District	6,818,360	1,363,672
2012A Rifle, City of	7,833,846	1,566,769
Total leveraged loans	<u>21,335,344</u>	<u>4,267,069</u>
Base program direct loans:		
Antonito, Town of	371,243	74,249
Columbine Lake Water District	414,191	82,838
Costilla County Garcia Domestic Water System	33,778	6,756
Dillon, Town of	84,095	16,819
Edgewater, City of	513,343	102,669
Empire, Town of	332,481	66,496
Evans, City of	546,525	109,305
Florissant Water & Sanitation District	492,182	98,436
Granby, Town of	455,422	91,084
Hayden, Town of	127,543	25,509
Highland Lakes Water District	9,191	1,838
Hotchkiss, Town of	3,669	734
Kim, Town of	132,858	26,572
Lake City, Town of	112,623	22,525
Larimer County LID 2013-3 (Fish Creek)	52,662	10,532
Larkspur, Town of	644,341	128,868
Manzanola, Town of	298,091	59,618
Paonia, Town of	376,090	75,218
Rocky Ford, City of	3,588	718
South Sheridan Water, Sanitary Sewer and Storm Drainage District	349,762	69,952
Vilas, Town of	92,456	18,491
Vona, Town of	34,925	6,985
Wiley, Town of	117,863	23,573
Yampa Valley Housing Authority	466,185	93,237
	<u>6,065,107</u>	<u>1,213,022</u>
Total Drinking Water Revolving Fund	<u>27,400,451</u>	<u>5,480,091</u>
Total EPA Capitalization Grants	<u>\$ 44,211,059</u>	<u>\$ 8,842,212</u>

**Colorado Water Resources  
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**Note 11: Defined Benefit Pension Plan**

***General Information about the Pension Plan***

*Plan Description.* Eligible employees of the Authority are provided with pensions through the SDTF—a cost-sharing multiple-employer defined benefit pension plan administered by Colorado Public Employees’ Retirement Association (PERA). Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits Provided.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713 and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee’s member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA’s Annual Increase Reserve (AIR) for the SDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

*Contributions.* Eligible employees and the Authority are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements for all employees are summarized in the table below:

	<b>For the Year Ended December 31, 2016</b>	<b>For the Year Ended December 31, 2015</b>
Employer Contribution Rate <sup>1</sup>	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	(1.02)%	(1.02)%
Amount Apportioned to the SDTF <sup>1</sup>	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.60%	4.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.50%	4.00%
Total Employer Contribution Rate to the SDTF <sup>1</sup>	18.23%	17.33%

<sup>1</sup> Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42)

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the Authority were \$204,771 and \$186,927 for the years ended December 31, 2016 and 2015, respectively.

***Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2016 and 2015, the Authority reported a liability of \$4,095,207 and \$3,332,749, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015 and 2014, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of December 31, 2014 and 2013, respectively. Standard update procedures were used to roll forward the total pension liability to December 31, 2015 and 2014. The Authority's proportion of the net pension liability was based on the Authority's contributions to the SDTF for the for the calendar year associated with the above measurement dates relative to the total contributions of participating employers to the SDTF during that same period.

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At December 31, 2015, the Authority's proportion was 0.039%, which was an increase of 0.004% from its proportion measured as of December 31, 2014. At December 31, 2014, the Authority's proportion was 0.035%, which was a decrease of 0.0003% from its proportion measured as of December 31, 2013.

For the years ended December 31, 2016 and 2015, the Authority recognized pension expense of \$482,501 and \$256,401, respectively. At December 31, 2016 and 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>2016</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 59,633	\$ 126
Changes of assumptions or other inputs	—	48,476
Net difference between projected and actual earnings on pension plan investments	308,570	—
Changes in proportion	205,728	8,060
Contributions subsequent to the measurement date	204,771	—
Total	\$ 778,702	\$ 56,662

	<b>2015</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ —	\$ 247
Net difference between projected and actual earnings on pension plan investments	67,955	—
Changes in proportion	—	17,323
Contributions subsequent to the measurement date	186,927	—
Total	\$ 254,882	\$ 17,570

At December 31, 2016, the Authority reported \$204,771, as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2016 related to pensions will be recognized in pension expense as follows:

<b>Year Ending December 31,</b>	<b>Amount</b>
2017	\$ 192,136
2018	180,173
2019	81,804
2020	63,156
	\$ 517,269

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*Actuarial Assumptions.* The total pension liability in the December 31, 2014 and 2013 actuarial valuations were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Actuarial cost method	Entry Age
Price inflation	2.80%
Real wage growth	1.10%
Wage inflation	3.90%
Salary increases, including wage inflation	3.90 – 9.57%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50%
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to January 1, 2007; (automatic)	2.00%
PERA Benefit Structure hired after December 31, 2006 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for males or females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with males set back one year, and females set back two years.

The actuarial assumptions used in the December 31, 2014 and 2013 valuations were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA’s Board on November 13, 2012, and an economic assumption study, adopted by PERA’s Board on November 15, 2013 and January 17, 2014.

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation are as follows:

- The following programming changes were made:
  - Valuation of the full survivor benefit without any reduction for possible remarriage.
  - Reflection of the employer match on separation benefits for all eligible years.
  - Reflection of one year of service eligibility for survivor annuity benefit.
  - Refinement of the 18 month annual increase timing.
  - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
  - Recognition of merit salary increases in the first projection year.
  - Elimination of the assumption that 35% of future disabled members elect to receive a refund.
  - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
  - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

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The SDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>10 Year Expected Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	<u>100.00%</u>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.50% for the years ended December 31, 2015 and 2014. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members,

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employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc postretirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (*i.e.*, the plan’s fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (*i.e.*, the plan’s fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and assumptions, the SDTF’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	<b>1% Decrease (6.50%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1% Increase (8.5%)</b>
Proportionate share of the net pension liability	\$ 5,173,718	\$ 4,095,207	\$ 3,193,068

*Pension Plan Fiduciary Net Position.* Detailed information about the SDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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Notes to Financial Statements  
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**Note 12: Defined Contribution Pension Plan**

***Voluntary Investment Program***

*Plan Description.* Employees of the Authority that are also members of the SDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy.* The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The Authority does not match contributions made by members of the plan. Employees are immediately vested in their own contributions and investment earnings. For the years ended December 31, 2016 and 2015, program members contributed \$85,751 and \$75,512 for the Voluntary Investment Program, respectively.

**Note 13: Post-employment Healthcare Benefits**

***Health Care Trust Fund***

*Plan Description.* The Authority contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA-participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy.* The Authority is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Authority are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ended 2016, 2015 and 2014, the Authority's contributions to the HCTF were \$11,457, \$11,028 and \$9,926, respectively, equal to their required contributions for each year.

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Notes to Financial Statements  
December 31, 2016 and 2015**

**Note 14: Commitments**

**Leases**

The Authority renewed its office facilities operating lease for six years with a termination date of December 31, 2018. Rent expense totaled \$140,432 and \$129,483 for 2016 and 2015, respectively. Below is a schedule of the noncancelable lease payments due as of December 31, 2016:

<u>Year</u>	<u>Rent</u>
2017	\$ 120,566
2018	124,219
Total	<u>\$ 244,785</u>

**Note 15: Tax, Spending and Debt Limitations**

In November 1992, the voters of Colorado approved Amendment 1, referred to as the Taxpayer’s Bill of Rights (TABOR), which added Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debt limitations which apply to the State of Colorado and all local governmental agencies.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governmental agencies combined, are excluded from the provisions of TABOR. The Authority’s management believes that its operations qualify for this exclusion. However, TABOR is complex and subject to interpretation. Many of the provisions, including the qualification as an enterprise, may require judicial interpretation.

**Note 16: Risk Management and Contingencies**

The Authority is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The Authority maintains commercial insurance for most risks of loss, excluding directors’ and officers’ legal liability for which the Authority is self-insured through a board-designated account. The Authority is fully insured for employee healthcare through PERA. There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the Authority’s insurance coverage during the past three years.

The Authority receives federal grant funds from the EPA. These amounts are subject to audit and adjustment by the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the Authority. The amount, if any, of expenses which may be disallowed by the federal government cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial to its financial operations.

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Notes to Financial Statements  
December 31, 2016 and 2015**

**Note 17: Change in Accounting Principles**

**GASB 72**

During 2016, the Authority adopted GASB Statement No. 72 of the Governmental Accounting Standards Board (GASB 72), *Fair Value Measurement and Application*. GASB 72 addresses accounting and financial reporting issues related to fair value measurements and related disclosures. Adoption of GASB 72 had no effect on the Authority's beginning net position as of January 1, 2015 or on the change in net position for the year ended December 31, 2015.

**Note 18: Subsequent Events**

The capitalization grants in both the WPCRF and DWRP programs require that a minimum amount of the grant be used for additional subsidy. Additional subsidy can be grants, principal forgiveness, or negative interest loans. The Authority uses principal forgiveness as the additional subsidy. In the event there are remaining principal forgiveness funds available (un-awarded), which is generally not known or approved until January of the year subsequent to the loan executions, the Authority, with approval and coordination with the WCQD will award the remaining funds to eligible disadvantaged community loans that were executed during the year and reduce the outstanding balance of the loan as of the current year-end. The Authority recorded additional principal forgiveness in 2016 that was approved in 2017 in the WPCRF and DWRP programs of \$551,525 and \$1,439,030, respectively.

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REQUIRED SUPPLEMENTARY INFORMATION

**Colorado Water Resources  
and Power Development Authority  
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**Schedule of the Authority's Proportionate Share of the Net Pension Liability (PERA – SDTF)  
Last Ten Fiscal Years \***

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Authority's proportion of the net pension liability (asset)	0.039%	0.035%	0.036%
Authority's proportionate share of the net pension liability (asset)	\$ 4,095,207	\$ 3,332,749	\$ 3,182,700
Authority's covered-employee payroll	\$ 1,081,132	\$ 953,971	\$ 919,869
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	379%	349%	346%
Plan fiduciary net position as a percentage of the total pension liability	56.10%	59.84%	61.08%

Information above is presented as of the measurement date for the respective reporting periods

\* Information is not currently available for prior years; additional years will be displayed as they become available

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Schedule of the Authority's Contributions (PERA – SDTF)  
Last Ten Fiscal Years \***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required	\$ 204,771	\$ 186,927	\$ 156,737
Contributions in relation to the contractually required contribution	<u>204,771</u>	<u>186,927</u>	<u>156,737</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	\$ 1,123,266	\$ 1,081,132	\$ 953,971
Contributions as a percentage	18.23%	17.29%	16.43%

Information above is presented as of the Authority's fiscal year for the respective reporting periods

\* Information is not currently available for prior years; additional years will be displayed as they become available

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SUPPLEMENTARY INFORMATION

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**Colorado Water Resources  
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(A Component Unit of the State of Colorado)  
Regulatory Basis  
Combining Schedule of Net Position  
Water Pollution Control Fund  
December 31, 2016**

<b>Assets</b>	<b>State Revolving Fund</b>	<b>Nonrevolving Fund</b>	<b>Water Pollution Control Fund</b>
<b>Current assets:</b>			
Cash and cash equivalents	\$ 119,431,509	\$ 14,915,930	\$ 134,347,439
Federal grants receivable	-	65,662	65,662
Investment income receivable	90,414	11,552	101,966
Loans receivable	37,742,497	-	37,742,497
Accounts receivable – borrowers	3,186,645	1,930,335	5,116,980
Other assets	3,868	-	3,868
<b>Restricted assets:</b>			
Cash and cash equivalents	30,328,321	2,755,722	33,084,043
Investments	5,647,602	-	5,647,602
Investment income receivable	276,138	-	276,138
Total current assets	<u>196,706,994</u>	<u>19,679,201</u>	<u>216,386,195</u>
<b>Noncurrent assets:</b>			
<b>Restricted assets:</b>			
Cash and cash equivalents	34,257,545	-	34,257,545
Investments	53,947,439	-	53,947,439
Investment income receivable	628,860	-	628,860
Loans receivable	522,122,924	-	522,122,924
Total noncurrent assets	<u>610,956,768</u>	<u>-</u>	<u>610,956,768</u>
Total assets	<u>807,663,762</u>	<u>19,679,201</u>	<u>827,342,963</u>
<b>Deferred Outflows of Resources - Refunding Costs</b>	3,746,429	-	3,746,429
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Project costs payable – direct loans	15,732,081	-	15,732,081
Project costs payable – leveraged loans	76,190,486	-	76,190,486
Bonds payable	21,685,000	-	21,685,000
Accrued interest payable	3,623,248	-	3,623,248
Accounts payable – borrowers	234,299	151	234,450
Due to other funds	-	1,378,025	1,378,025
Accounts payable – other	-	38,531	38,531
Other liabilities	-	1,225,972	1,225,972
Total current liabilities	<u>117,465,114</u>	<u>2,642,679</u>	<u>120,107,793</u>
<b>Noncurrent liabilities:</b>			
Project costs payable – direct loans	3,000,000	-	3,000,000
Project costs payable – leveraged loans	54,166,428	-	54,166,428
Bonds payable	244,040,000	-	244,040,000
Advance payable	-	2,484,643	2,484,643
Other liabilities	11,017,414	(1,225,972)	9,791,442
Total noncurrent liabilities	<u>312,223,842</u>	<u>1,258,671</u>	<u>313,482,513</u>
Total liabilities	<u>429,688,956</u>	<u>3,901,350</u>	<u>433,590,306</u>
<b>Deferred Inflows of Resources - Refunding Benefits</b>	227,088	-	227,088
<b>Net Position</b>			
Restricted	381,494,147	15,777,851	397,271,998
Total net position	<u>\$ 381,494,147</u>	<u>\$ 15,777,851</u>	<u>\$ 397,271,998</u>

See accompanying notes to regulatory basis schedules

**Colorado Water Resources  
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Regulatory Basis**

**Combining Schedule of Revenues, Expenses and Changes in Net Position  
Water Pollution Control Fund  
Year Ended December 31, 2016**

	<u>State Revolving Fund</u>	<u>Nonrevolving Fund</u>	<u>Water Pollution Control Fund</u>
Operating revenues:			
Interest on loans	\$ 8,508,977	\$ -	\$ 8,508,977
Interest on investments	4,842,129	120,342	4,962,471
Loan administrative fees:			
Program revenue	-	997,316	997,316
Non-program revenue	-	4,533,371	4,533,371
EPA grants	-	131,798	131,798
Other	117,219	-	117,219
Total operating revenues	<u>13,468,325</u>	<u>5,782,827</u>	<u>19,251,152</u>
Operating expenses:			
Interest on bonds	11,116,572	-	11,116,572
Grant administration	-	3,331,588	3,331,588
EPA set asides	-	131,798	131,798
Loan principal forgiven	2,568,051	-	2,568,051
Other	-	59,826	59,826
Total operating expenses	<u>13,684,623</u>	<u>3,523,212</u>	<u>17,207,835</u>
Operating income (loss)	(216,298)	2,259,615	2,043,317
EPA capitalization grants	20,636,439	-	20,636,439
Transfers in (out)	4,110,180	(4,300,745)	(190,565)
Change in net position	<u>24,530,321</u>	<u>(2,041,130)</u>	<u>22,489,191</u>
Net position, beginning of year	<u>356,963,826</u>	<u>17,818,981</u>	<u>374,782,807</u>
Net position, end of year	<u>\$ 381,494,147</u>	<u>\$ 15,777,851</u>	<u>\$ 397,271,998</u>

See accompanying notes to regulatory basis schedules

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Regulatory Basis**

**Notes to the Regulatory Basis of the Combining Schedule of Net Position and the  
Combining Schedule of Revenues, Expenses and Changes in Net Position  
Water Pollution Control Fund  
December 31, 2016**

**Note 1: Purpose**

The Regulatory Basis Combining Schedule of Net Position and the Combining Schedule of Revenues, Expenses and Changes in Net Position have been prepared as required by the EPA for purposes of segregating the activities of the Water Pollution Control Fund between the State Revolving Fund and Nonrevolving Fund. The State Revolving Fund and Nonrevolving Fund are activities within the Water Pollution Control Enterprise Fund, a major fund for accounting purposes. The State Revolving Fund and Nonrevolving Fund, individually, do not constitute a fund for reporting purposes under generally accepted accounting principles. The regulatory basis in the aggregate is consistent with generally accepted accounting principles.

**Note 2: Grant Administration**

All loan administrative fees revenues and expenses related to the operation of the Water Pollution Control Fund, including the administration of EPA capitalization grants, are accounted for in the Nonrevolving Fund.

**Note 3: Advance Payable**

The Nonrevolving Fund accounts for the advance from the Water Operations Fund. A cash advance is made, as needed, to the Nonrevolving Fund to meet the state match requirement of EPA capitalization grants. The cash transferred to the State Revolving Fund is included in the net transfers line item. The advance is periodically repaid to the Water Operations Fund with revenue generated from loan administrative fees paid by borrowers.

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Regulatory Basis  
Combining Schedule of Net Position  
Drinking Water Fund  
December 31, 2016**

<b>Assets</b>	<b>State Revolving Fund</b>	<b>Nonrevolving Fund</b>	<b>Drinking Water Fund</b>
<b>Current assets:</b>			
Cash and cash equivalents	\$ 61,949,263	\$ 9,085,647	\$ 71,034,910
Federal grants receivable	-	2,653,717	2,653,717
Investment income receivable	48,605	8,542	57,147
Loans receivable	24,514,317	64,842	24,579,159
Accounts receivable – borrowers	1,033,165	1,202,540	2,235,705
<b>Restricted assets:</b>			
Cash and cash equivalents	12,572,769	2,298,280	14,871,049
Investments	2,973,429	-	2,973,429
Investment income receivable	173,359	-	173,359
Total current assets	<u>103,264,907</u>	<u>15,313,568</u>	<u>118,578,475</u>
<b>Noncurrent assets:</b>			
<b>Restricted assets:</b>			
Cash and cash equivalents	8,162,924	-	8,162,924
Investments	45,111,957	-	45,111,957
Investment income receivable	517,565	-	517,565
Loans receivable	275,976,805	-	275,976,805
Total noncurrent assets	<u>329,769,251</u>	<u>-</u>	<u>329,769,251</u>
Total assets	<u>433,034,158</u>	<u>15,313,568</u>	<u>448,347,726</u>
<b>Deferred Outflows of Resources - Refunding Costs</b>	174,726	-	174,726
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Project costs payable – direct loans	19,959,872	-	19,959,872
Project costs payable – leveraged loans	20,816,180	-	20,816,180
Bonds payable	12,825,000	-	12,825,000
Accrued interest payable	1,771,888	-	1,771,888
Accounts payable – borrowers	86,793	-	86,793
Due to other funds	-	3,622,230	3,622,230
Total current liabilities	<u>55,459,733</u>	<u>3,622,230</u>	<u>59,081,963</u>
<b>Noncurrent liabilities:</b>			
Project costs payable – leveraged loans	2,803,232	-	2,803,232
Bonds payable	117,595,000	-	117,595,000
Advance payable	-	6,492,130	6,492,130
Other liabilities	1,535,960	-	1,535,960
Total noncurrent liabilities	<u>121,934,192</u>	<u>6,492,130</u>	<u>128,426,322</u>
Total liabilities	<u>177,393,925</u>	<u>10,114,360</u>	<u>187,508,285</u>
<b>Deferred Inflows of Resources - Refunding Benefits</b>	36,750	-	36,750
<b>Net Position</b>			
Restricted	255,778,209	3,506,477	259,284,686
Unrestricted	-	1,692,731	1,692,731
Total net position	<u>\$ 255,778,209</u>	<u>\$ 5,199,208</u>	<u>\$ 260,977,417</u>

See accompanying notes to regulatory basis schedules

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Regulatory Basis**

**Combining Schedule of Revenues, Expenses and Changes in Net Position  
Drinking Water Fund  
Year Ended December 31, 2016**

	<b>State Revolving Fund</b>	<b>Nonrevolving Fund</b>	<b>Drinking Water Fund</b>
Operating revenues:			
Interest on loans	\$ 3,263,764	\$ 3,454	\$ 3,267,218
Interest on investments	2,181,413	89,839	2,271,252
Loan administrative fees	-	4,059,816	4,059,816
EPA grants:			
Administrative	-	432,982	432,982
Small Systems Training and Technical Assistance Program	-	283,344	283,344
Capacity Development	-	2,399,140	2,399,140
Wellhead Protection	-	1,098,368	1,098,368
Public Water System Supervision	-	1,639,061	1,639,061
Other	58,609	-	58,609
Total operating revenues	5,503,786	10,006,004	15,509,790
Operating expenses:			
Interest on bonds	5,077,639	-	5,077,639
Grant administration – state funded	-	1,920,613	1,920,613
EPA set asides:			
Administrative	-	432,982	432,982
Small Systems Training and Technical Assistance Program	-	283,344	283,344
Capacity Development	-	2,399,140	2,399,140
Wellhead Protection	-	1,098,368	1,098,368
Public Water System Supervision	-	1,639,061	1,639,061
Loan principal forgiven	4,846,392	-	4,846,392
Other	-	32,145	32,145
Total operating expenses	9,924,031	7,805,653	17,729,684
Operating income (loss)	(4,420,245)	2,200,351	(2,219,894)
EPA capitalization grants	20,448,280	-	20,448,280
Transfers in (out)	3,599,613	(3,409,048)	190,565
Change in net position	19,627,648	(1,208,697)	18,418,951
Net position, beginning of year	236,150,561	6,407,905	242,558,466
Net position, end of year	\$ 255,778,209	\$ 5,199,208	\$ 260,977,417

See accompanying notes to regulatory basis schedules

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Regulatory Basis**

**Notes to the Regulatory Basis of the Combining Schedule of Net Position and the  
Combining Schedule of Revenues, Expenses and Changes in Net Position  
Drinking Water Fund  
December 31, 2016**

**Note 1: Purpose**

The Regulatory Basis Combining Schedule of Net Position and the Combining Schedule of Revenues, Expenses and Changes in Net Position have been prepared as required by the EPA for purposes of segregating the activities of the State Revolving Fund and Nonrevolving Fund. The State Revolving Fund and Nonrevolving Fund are activities within the Drinking Water Enterprise Fund, a major fund for accounting purposes. The State Revolving Fund and Nonrevolving Fund, individually, do not constitute a fund for reporting purposes under generally accepted accounting principles. The regulatory basis in the aggregate is consistent with generally accepted accounting principles.

**Note 2: Nonrevolving Fund**

The Authority issues direct loans to eligible municipalities which are funded with money from sources other than the State Revolving Funds. These loans are accounted for in the Nonrevolving Fund. The Drinking Water Fund nonfederal direct loans receivable amounted to \$64,842 at December 31, 2016. There are currently three loans outstanding at year-end that mature in 2017.

**Note 3: Grant Administration**

All administrative expenses, both federally and state (loan surcharge fees) funded, related to the operation of the Drinking Water Fund, including the administration of EPA capitalization grants and set aside programs, are accounted for in the Nonrevolving Fund.

**Note 4: Set Aside Revenue and Expenses**

The set aside activities of the Drinking Water Fund are recorded in the Nonrevolving Fund. Set asides for each capitalization grant, other than for administration, are provided to public and private entities to improve the performance or quality of drinking water systems. The 20% state match for these set asides is deposited to the State Revolving Fund by the Authority.

**Note 5: Advance Payable**

The Nonrevolving Fund accounts for the advance from the Water Operations Fund. A cash advance is made, as needed, to the Nonrevolving Fund to meet the state match requirement of EPA capitalization grants. The cash transferred to the State Revolving Fund is included in the net transfers line item. The advance is periodically repaid to the Water Operations Fund with revenue generated from loan administrative fees paid by borrowers.

**Colorado Water Resources  
and Power Development Authority**  
**(A Component Unit of the State of Colorado)**  
**Schedule of Revenues, Expenditures and Changes in Funds Available – Actual**  
**(Non-GAAP Budgetary Basis) and Budget**  
**Water Operations Fund**  
**Year Ended December 31, 2016**

	<u>Actual</u>	<u>Original budget</u>	<u>Changes</u>	<u>Final budget</u>	<u>Variance – favorable (unfavorable)</u>
<b>Revenues:</b>					
Interest on investments	\$ 299,607	\$ 124,000	\$ -	\$ 124,000	\$ 175,607
WPCRF state match loan repayment	8,000,000	8,000,000	-	8,000,000	-
DWRF state match loan repayment	8,000,000	8,000,000	-	8,000,000	-
Loan principal payments – SWRP	2,033,042	5,000,000	-	5,000,000	(2,966,958)
Loan principal payments – WRBP	12,695,000	57,400,000	-	57,400,000	(44,705,000)
Loan principal payments – Interim	-	13,000,000	-	13,000,000	(13,000,000)
Loan principal payments – WPFHP	-	600,000	-	600,000	(600,000)
Loan principal payments – SHLP	246,361	286,000	-	286,000	(39,639)
Loan principal payments – Water Rights	176,210	224,500	-	224,500	(48,290)
Bond proceeds – WRBP	-	70,000,000	-	70,000,000	(70,000,000)
Refunding bond proceeds – WRBP	-	30,000,000	-	30,000,000	(30,000,000)
Bond proceeds – Watershed Prot.	-	20,000,000	-	20,000,000	(20,000,000)
Refunding bond proceeds – SWRP	-	10,000,000	-	10,000,000	(10,000,000)
Loan interest income – SWRP	416,548	520,000	-	520,000	(103,452)
Loan interest income – WRBP	6,828,488	11,100,000	-	11,100,000	(4,271,512)
Loan interest income – WPFHP	-	1,000,000	-	1,000,000	(1,000,000)
Loan interest income – SHLP	100,519	105,000	-	105,000	(4,481)
Loan interest income – Water Rights	69,769	89,000	-	89,000	(19,231)
Loan interest income – Interim loans	-	600,000	-	600,000	(600,000)
Other	24,380	95,000	-	95,000	(70,620)
Total revenues	<u>38,889,924</u>	<u>236,143,500</u>	<u>-</u>	<u>236,143,500</u>	<u>(197,253,576)</u>
<b>Expenditures:</b>					
WPCRF state match loans	2,137,400	2,600,000	-	2,600,000	462,600
DWRF state match loans	1,080,730	3,300,000	-	3,300,000	2,219,270
General/administrative	1,006,351	3,092,350	-	3,092,350	2,085,999
Interim loans made	-	13,000,000	-	13,000,000	13,000,000
Bond principal payments – SWRP	2,005,000	5,000,000	-	5,000,000	2,995,000
Bond principal payments – WRBP	12,695,000	68,000,000	-	68,000,000	55,305,000
Bond principal payments – WPFHP	-	600,000	-	600,000	600,000
Bond interest expense – SWRP	452,925	535,000	-	535,000	82,075
Bond Cost of Issuance – SWRP	3,765	4,000	-	4,000	235
Bond interest expense – WRBP	6,959,020	12,700,000	-	12,700,000	5,740,980
Bond Cost of Issuance – WRBP	51,661	2,100,000	-	2,100,000	2,048,339
Bond interest expense – WPFHP	-	1,000,000	-	1,000,000	1,000,000
Bond Cost of Issuance – WPFHP	-	800,000	-	800,000	800,000
Loans made – WRBP	-	70,000,000	-	70,000,000	70,000,000
Loans made – WPFHP	-	20,000,000	-	20,000,000	20,000,000
SHLP Loan Draws	644,916	5,000,000	-	5,000,000	4,355,084
SHLP Planning & Design Grants	14,699	195,000	-	195,000	180,301
Refunding Bonds Escrow					
Deposit – SWRP	-	9,650,000	-	9,650,000	9,650,000

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Schedule of Revenues, Expenditures and Changes in Funds Available  
Actual (Non-GAAP Budgetary Basis) and Budget (Continued)  
Water Operations Fund  
Year Ended December 31, 2016**

	<u>Actual</u>	<u>Original budget</u>	<u>Changes</u>	<u>Final budget</u>	<u>Variance – favorable (unfavorable)</u>
Refunding Issuance Costs – SWRP	-	350,000	-	350,000	350,000
Refunding Bonds Escrow					
Deposit – WRBP	-	30,000,000	-	30,000,000	30,000,000
Refunding Issuance Costs – WRBP	-	900,000	-	900,000	900,000
Project expenditures	701,607	3,125,500	-	3,125,500	2,423,893
Principal Forgiveness	292	-	-	-	(292)
Arbitrage rebate – SWRP	-	100,000	-	100,000	100,000
Total expenditures	<u>27,753,366</u>	<u>252,051,850</u>	<u>-</u>	<u>252,051,850</u>	<u>224,298,484</u>
Excess of revenues over (under) expenditures	<u>\$ 11,136,558</u>	<u>\$ (15,908,350)</u>	<u>\$ -</u>	<u>\$ (15,908,350)</u>	<u>\$ 27,044,908</u>

See accompanying notes to budgetary basis reconciliation

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Reconciliation and Note of Non-GAAP Budgetary Basis (Actual) to  
Statement of Revenues, Expenses and Changes in Net Position  
Water Operations Fund  
Year Ended December 31, 2016**

Revenues (budgetary basis):	\$ 38,889,924
Loan principal payments – SWRP (a.)	(2,033,042)
Loan principal payments – WRBP (a.)	(12,695,000)
Loan principal payments – SHLP (a.)	(246,361)
Loan principal payments – Water Rights (a.)	(176,210)
WPCRF state match loan repayment (c.)	(8,000,000)
DWRF state match loan repayment (c.)	<u>(8,000,000)</u>
Revenues (GAAP basis)	<u>7,739,311</u>
Expenditures (budgetary basis):	27,753,366
Depreciation (b.)	9,538
WPCRF and DWRF advance – state match provided (c.)	(3,218,130)
Bond principal payments – SWRP (d.)	(2,005,000)
Bond principal payments – WRBP (d.)	(12,695,000)
Project costs paid – direct loans (e.)	<u>(644,916)</u>
Expenses (GAAP basis)	<u>9,199,858</u>
Change in net position per statement of revenues, expenses and changes in net position	<u>\$ (1,460,547)</u>

The budget for the Water Operations Fund is reported on the same basis as described in the Basis of Accounting section, except as follows:

- a. Leveraged and SHLP loan principal payments are recorded as revenue when received from the borrower.
- b. Depreciation of equipment is not budgeted.
- c. WPCRF and DWRF advance – state match provided is treated as expenditure when transferred to the respective program.
- d. Bond principal payments are treated as expenditures when paid.
- e. Direct loans are treated as expenditures when draws are made from project accounts.

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Schedule of Revenues, Expenditures and Changes in Funds Available –  
Actual (Non-GAAP Budgetary Basis) and Budget  
Water Pollution Control Fund  
Year Ended December 31, 2016**

	<u>Actual</u>	<u>Original budget</u>	<u>Changes</u>	<u>Final budget</u>	<u>Variance – favorable (unfavorable)</u>
<b>Revenues:</b>					
Interest on investments	\$ 4,962,471	\$ 4,135,000	\$ -	\$ 4,135,000	\$ 827,471
Administrative fee	5,530,687	6,093,000	-	6,093,000	(562,313)
Loan interest income	8,508,977	11,317,000	-	11,317,000	(2,808,023)
EPA grants	20,768,237	34,000,000	-	34,000,000	(13,231,763)
Colorado state match	2,137,400	2,600,000	-	2,600,000	(462,600)
Loan principal repayments	49,804,279	40,500,000	-	40,500,000	9,304,279
Bond proceeds	25,685,000	42,000,000	-	42,000,000	(16,315,000)
Refunding bond proceeds	38,850,000	65,500,000	-	65,500,000	(26,650,000)
Other	117,219	-	-	-	117,219
Total revenues	<u>156,364,270</u>	<u>206,145,000</u>	<u>-</u>	<u>206,145,000</u>	<u>(49,780,730)</u>
<b>Expenditures:</b>					
Grant administration	3,463,386	8,195,952	-	8,195,952	4,732,566
Bond principal payments	113,300,000	30,000,000	84,300,000	114,300,000	1,000,000
Advance repayments – state match	8,000,000	8,000,000	-	8,000,000	-
Transfer Administrative to DWRF	190,565	313,000	-	313,000	122,435
Project costs paid – direct loans	12,517,316	47,700,000	(14,640,000)	33,060,000	20,542,684
Loans made – leveraged loans	104,612,168	82,255,000	24,000,000	106,255,000	1,642,832
Planning and design grants to small local governments	59,826	290,000	-	290,000	230,174
Payment to refunded bond escrow	49,262,688	63,535,000	-	63,535,000	14,272,312
Refunding bonds issuance cost	332,136	1,965,000	-	1,965,000	1,632,864
Other	3,184,422	500,000	3,000,000	3,500,000	315,578
Loan principal forgiven	2,568,051	2,130,000	500,000	2,630,000	61,949
Bond interest expense	11,116,572	18,000,000	-	18,000,000	6,883,428
Capital asset acquisitions	-	5,000	-	5,000	5,000
Total expenditures	<u>308,607,130</u>	<u>262,888,952</u>	<u>97,160,000</u>	<u>360,048,952</u>	<u>51,441,822</u>
Excess of revenues over expenditures	<u>\$ (152,242,860)</u>	<u>\$ (56,743,952)</u>	<u>\$ (97,160,000)</u>	<u>\$ (153,903,952)</u>	<u>\$ 1,661,092</u>

See accompanying notes to budgetary basis reconciliation

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Reconciliation and Note of Non-GAAP Budgetary Basis (Actual) to  
Statement of Revenues, Expenses and Changes in Net Position  
Water Pollution Control Fund  
Year Ended December 31, 2016**

Revenues (budgetary basis):	\$	156,364,270
Loan principal payments (a.)		(49,804,279)
Advance – state match provided (b.)		(2,137,400)
Bond proceeds (c.)		(25,685,000)
Refunding bond proceeds (c.)		(38,850,000)
Revenues (GAAP basis)		<u>39,887,591</u>
 Expenditures (budgetary basis):		 308,607,130
Project costs paid – direct loans (d.)		(12,517,316)
Bond principal payments (e.)		(113,300,000)
Leverage loans made (f.)		(104,612,168)
Payment to refunded bond escrow (g.)		(49,262,688)
Refunding bonds issuance cost (h.)		(332,136)
State match repayment (i.)		(8,000,000)
Arbitrage rebate payments (j.)		(3,184,422)
Expenses (GAAP basis)		<u>17,398,400</u>
Change in net position per statement of revenues, expenses and changes in net position	\$	<u><u>22,489,191</u></u>

The budget for the Water Pollution Control Fund is reported on the same basis as described in the Basis of Accounting section, except as follows:

- a. Loan principal payments are recorded as revenue when received from the borrower.
- b. Advance – state match is treated as revenue when transferred from Water Operations.
- c. Bond proceeds are treated as revenue when issued.
- d. Direct loans are treated as expenditures when draws are made from project accounts.
- e. Bond principal payments are treated as expenditures when paid.
- f. Leveraged loans are treated as expenditures when loans are executed.
- g. Payment to a refunded bond escrow is treated as an expenditure when transferred to the escrow.
- h. Refunding bonds issuance costs are treated as expenditures when the bond issue closes.
- i. WPCRF advance – state match provided is treated as expenditure when transferred to the respective program.
- j. Arbitrage rebate payments are treated as expenditures when paid to the United States Treasury.

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Schedule of Revenues, Expenses and Changes in Funds Available –  
Actual (Non-GAAP Budgetary Basis) and Budget  
Drinking Water Fund  
Year Ended December 31, 2016**

	<u>Actual</u>	<u>Original budget</u>	<u>Changes</u>	<u>Final budget</u>	<u>Variance – favorable (unfavorable)</u>
<b>Revenues:</b>					
Interest on investments	\$ 2,271,252	\$ 1,745,000	\$ -	\$ 1,745,000	\$ 526,252
Loan interest income	3,267,218	5,000,000	-	5,000,000	(1,732,782)
Loan principal repayments	24,523,729	26,500,000	-	26,500,000	(1,976,271)
Bond proceeds	-	30,000,000	-	30,000,000	(30,000,000)
Refunding bond proceeds	-	28,000,000	-	28,000,000	(28,000,000)
Capital contributions – EPA	20,448,280	30,800,000	-	30,800,000	(10,351,720)
Colorado state match	1,080,730	3,200,000	-	3,200,000	(2,119,270)
EPA capitalization grant set asides revenue	5,852,895	7,096,526	-	7,096,526	(1,243,631)
Transfer administrative fees – WPCRF	190,565	313,000	-	313,000	(122,435)
Administrative fee income	4,059,816	5,013,000	-	5,013,000	(953,184)
Other	58,609	-	-	-	58,609
Total revenues	<u>61,753,094</u>	<u>137,667,526</u>	<u>-</u>	<u>137,667,526</u>	<u>(75,914,432)</u>
<b>Expenditures:</b>					
Grant administration – State funded	2,353,595	3,024,889	-	3,024,889	671,294
Bond principal payments made	12,515,000	15,000,000	-	15,000,000	2,485,000
Advance repayments – State match	8,000,000	8,000,000	-	8,000,000	-
Project costs paid – direct loans	15,942,061	46,800,000	(12,500,000)	34,300,000	18,357,939
Loans made – leveraged	-	60,000,000	(60,000,000)	-	-
Planning and design grants to small local governments	32,145	275,000	-	275,000	242,855
Payment to refunded bond escrow	-	27,160,000	(27,160,000)	-	-
Refunding bonds issuance cost	-	840,000	(600,000)	240,000	240,000
Loan principal forgiven	4,846,392	1,800,000	3,100,000	4,900,000	53,608
Bond interest expense	5,077,639	9,000,000	-	9,000,000	3,922,361
EPA capitalization grant set asides	5,419,913	5,848,101	-	5,848,101	428,188
Arbitrage rebate payments	455,871	600,000	-	600,000	144,129
Capital asset acquisitions	-	5,000	-	5,000	5,000
Total expenditures	<u>54,642,616</u>	<u>178,352,990</u>	<u>(97,160,000)</u>	<u>81,192,990</u>	<u>26,550,374</u>
Excess of revenues over expenditures	<u>\$ 7,110,478</u>	<u>\$ (40,685,464)</u>	<u>\$ 97,160,000</u>	<u>\$ 56,474,536</u>	<u>\$ (49,364,058)</u>

See accompanying notes to budgetary basis reconciliation

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Reconciliation and Note of Non-GAAP Budgetary Basis (Actual) to  
Statement of Revenues, Expenses and Changes in Net Position  
Drinking Water Fund  
December 31, 2016**

Revenues (budgetary basis):	\$	61,753,094
Loan principal payments (a.)		(24,523,729)
Advance – state match provided (b.)		(1,080,730)
Revenues (GAAP basis)		<u>36,148,635</u>
Expenditures (budgetary basis):		54,642,616
Project costs paid – direct loans (c.)		(15,942,061)
Bond principal payments made (d.)		(12,515,000)
State match repayment (e.)		(8,000,000)
Arbitrage rebate payments (f.)		(455,871)
Expenses (GAAP basis)		<u>17,729,684</u>
Change in net position per statement of revenues, expenses and changes in fund net position	\$	<u><u>18,418,951</u></u>

The budget for the Drinking Water Fund is reported on the same basis as described in the Basis of Accounting section, except as follows:

- a. Loan principal payments are recorded as revenue when received from the borrower.
- b. Advance – state match is treated as revenue when transferred from Water Operations.
- c. Direct loans are treated as expenditures when draws are made from project accounts.
- d. Bond principal payments are treated as expenditures when paid.
- e. DWRF advance – state match provided is treated as expenditure when transferred to the respective program.
- f. Arbitrage rebate payments are treated as expenditures when paid to the United States Treasury.

**Colorado Water Resources  
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Schedule of Project Costs Payable – By Borrower  
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The following pages contain information, by borrower, showing balances in project costs payable (loan proceeds remaining) and loans receivable. The borrower accounts are categorized by fund, by programs within the fund and by loan types.

Leveraged loans are funded by bond proceeds and may be partially funded by EPA capitalization grants and Authority resources. These loans are designated by the year and series of bonds providing the related capital, such as 2006A.

Projects in the SHLP, WPCRF and DWRF may be financed by direct loans. Loans are funded by EPA capitalization grants, reloan monies and/or Authority resources. Base program loans are those not funded by 2009 ARRA grants. Disadvantaged Community Loans are discussed in the notes to the financial statements. ARRA loans are listed separately. The Authority provided principal forgiveness on certain 2009 ARRA direct loans and certain base program direct loans after 2009. Therefore, certain borrowers that received principal forgiveness will appear in the project costs payable list, but not in the loans receivable list.

Certain DWRF loans were funded from Authority cash and are listed separately under the State Direct loan heading.

	<u><b>Project costs payable</b></u>
<b>Water Operations Fund:</b>	
WRBP:	
2011C Donala Water and Sanitation District	\$ 3,199,057
2009A North Weld County Water District	1,614,502
2011B Steamboat Springs, City of	2,077,621
SHLP:	
St. Charles Mesa Water District	250,333
Total Water Operations Fund	<u>7,141,513</u>
<b>Water Pollution Control Fund:</b>	
Direct loans:	
Base program:	
Ault, Town of	462,458
Durango, City of	2,500,000
Estes Park Sanitation District	5,964
Fairways Metropolitan District	868,718
Fairways Metropolitan District	332,000
Larimer County LID 2013-1 (Berthoud Estates)	721,150
Larimer County LID 2013-1 (Berthoud Estates)	1,045,900
Larimer County LID 2014-1 (Western Mini Ranches)	1,558,118
Loma Linda Sanitation District	27,539
Pagosa Springs General Improvement District, Town of	10,000
Three Lakes Water & Sanitation District	573,632
Woodland Park, City of	1,645,944

**Colorado Water Resources  
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	<u>Project costs payable</u>
Water Pollution Control Fund (Continued):	
Base program - disadvantaged communities:	
Cedaredge, Town of	2,000
Central Clear Creek Sanitation District	2,500,000
Fowler, Town of	1,322,752
Gilcrest, Town of	787,338
Hotchkiss, Town of	196,709
Monte Vista, City of	968,817
Mountain View Villages Water and Sanitation District	14,222
Pritchett, Town of	143,954
Wray, City of	2,500,000
Base Program - design & engineering:	
Bennett, Town of	43,756
Central Clear Creek Sanitation District	141,206
La Junta, City of	21,727
North La Junta Sanitation District	88,177
Wray, City of	250,000
Total direct loans	<u>18,732,081</u>
Leveraged loans:	
2010B Boxelder Sanitation District	56,517
2016A Evans, City of	38,719,094
2016B Durango, City of	59,700,000
2010A Glenwood Springs, City of	192,900
2015A La Junta, City of	12,747,334
2015A Louisville, City of	11,851,549
2014A Pueblo, City of	515,991
2014A South Adams County Water & Sanitation District	285,014
2016A Woodland Park, City of	6,288,515
Total leveraged loans	<u>130,356,914</u>
Total Water Pollution Control Fund	<u>149,088,995</u>
Drinking Water Fund:	
Direct loans:	
Base program:	
Bennett, Town of	2,346,724
Evans, City of	126,384
Forest View Acres Water District	319,649
Genesee Water & Sanitation District	2,500,000
Grand Junction, City of	1,615,100
Highland Lakes Water District	1,130,498
La Plata Archuleta Water District	2,500,000
Rifle, City of	10,000
Spring Canyon Water & Sanitation District	196,328

**Colorado Water Resources  
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	<b>Project costs payable</b>
Drinking Water Fund (continued):	
Base program - disadvantaged communities:	
Antonito, Town of	1,463,532
Brookside, Town of	107,500
Burlington, City of	2,250,000
Center, Town of	1,103,000
Costilla County Garcia Domestic Water System	97,175
Eads, Town of	404,500
Empire, Town of	208,605
Lake City, Town of	127,507
Lake City, Town of	500,000
Lamar, City of	1,612,800
Larkspur, Town of	3,137
Merino, Town of	977,172
Yampa, Town of	5,000
 Base Program - design & engineering:	
Brookside, Town of	4,200
Burlington, City of	124,061
Eads, Town of	157,000
Lak City, Town of	70,000
Total direct loans	19,959,872
 Leveraged loans:	
2015A Denver Southeast Water & Sanitation District	10,626,094
2015A Genesee Water & Sanitation District	3,521,273
2014A Left Hand Water District	3,089,817
2014A Paonia, Town of	2,101,418
2015A Roxborough Water & Sanitation District (Plum Valley)	4,177,139
2011A Sterling, City of	103,671
Total leveraged loans	23,619,412
 Total Drinking Water Fund	43,579,284
Total project costs payable	\$ 199,809,792

**Colorado Water Resources  
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Schedule of Loans Receivable – By Borrower  
December 31, 2016**

	<u>Loans Receivable</u>
<b>Water Operations Fund:</b>	
<b>Small Hydro Loan Program:</b>	
2009           Cortez, City of	\$       840,235
2011           Northern Water Conservancy District	1,660,736
2016           St. Charles Mesa Water District	873,379
2013           Tri-County Water Conservancy District	<u>1,748,314</u>
Total Water Operations Fund loans receivable – SHLP	<u>5,122,664</u>
<b>General Authority Loans</b>	
2016           Cokedale, Town of	119,853
2013           Durango, City of	<u>3,460,218</u>
Total Water Operations Fund loans receivable – Authority	<u>3,580,071</u>
<b>Small Water Resources Program:</b>	
1997A          Monument, Town of	140,000
1997A          Parker Water and Sanitation District	320,834
2000A          Parker Water and Sanitation District	5,995,833
2003A          Rifle, City of	<u>640,833</u>
Total Water Operations Fund loans receivable – SWRP	<u>7,097,500</u>
<b>Water Revenue Bond Program:</b>	
2004E          Copper Mountain Consolidated Metropolitan District	1,710,000
2005F          Copper Mountain Consolidated Metropolitan District	1,920,000
2011C          Donala Water and Sanitation District	5,890,000
2004B          Englewood, City of	1,855,000
2005B          Fort Lupton, City of	1,255,000
2011A          Fountain, City of	8,620,000
2013A          Fountain, City of	10,925,000
2014A          Fountain, City of	16,425,000
2009A          North Weld County Water District	5,055,000
2010A          Parker Water and Sanitation District	51,485,000
2011B          Steamboat Springs, City of	<u>10,160,000</u>
Total Water Operations Fund loans receivable – WRBP	<u>115,300,000</u>
Total Water Operations Fund loans receivable	<u>131,100,235</u>
<b>Water Pollution Control Fund:</b>	
<b>Federal direct loans:</b>	
<b>Base program:</b>	
2015          Ault, Town of	1,889,530
2013          Bayfield, Town of	524,494
2006          Bennett, Town of	96,440
2006          Boulder County	933,139

**Colorado Water Resources  
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Schedule of Loans Receivable – By Borrower (Continued)  
December 31, 2016**

		<b>Loans Receivable</b>
Water Pollution Control Fund (continued):		
2012	Cherokee Metropolitan District	1,985,000
2010	Cherry Hills Heights Water and Sanitation District	89,378
2011	Colorado Centre Metropolitan District	1,582,921
2007	Cortez Sanitation District	1,220,716
2010	Crested Butte, Town of	1,103,564
2006	Cucharas Sewer and Water District	475,845
2007	Donala Water and Sanitation District	1,341,549
2016	Durango, City of	2,500,000
1991	Eagle, Town of	1,016,639
2007	Elizabeth, Town of	665,903
1997	Erie, Town of	37,722
2009	Erie, Town of	619,030
2014	Estes Park Sanitation District	2,862,936
2015	Estes Park Sanitation District	1,271,299
1998	Evans, City of	71,123
2009	Evergreen Metropolitan District	1,412,646
2008	Fairplay Sanitation District	1,369,230
2013	Fairways Metropolitan District	1,329,140
2016	Fairways Metropolitan District	332,000
2004	Garden Valley Water and Sanitation District	150,574
2015	Granby, Town of	2,177,025
2012	Hayden, Town of	377,578
2013	Hillcrest Water and Sanitation District	471,509
2012	Hot Sulphur Springs, Town of	586,341
2002	Julesburg, Town of	311,007
1999	Kersey, Town of	39,996
2006	Kersey, Town of	1,051,711
2005	Kremmling Sanitation District	509,212
1999	La Junta, City of	87,943
2010	Lamar, City of	1,542,729
2008	Larimer County Local Improvement District	243,157
2010	Larimer County Local Improvement District	194,683
2013	Larimer County Local Improvement District	1,060,368
2014	Larimer County Local Improvement District	904,042
2016	Larimer County Local Improvement District	1,039,889
2016	Larimer County Local Improvement District	1,558,118
1998	Las Animas, City of	155,016
1999	Left Hand Water and Sanitation District	18,642
2000	Left Hand Water and Sanitation District	12,974
2014	Loma Linda Sanitation District	838,667
2016	Loma Linda Sanitation District	500,000
2014	Lyons, Town of	4,823,738
2013	Mansfield Heights Water and Sanitation District	456,006
1997	Manzanola, Town of	3,048
2007	Mead, Town of	1,930,000
1999	Monte Vista, Town of	175,228
2012	Mountain Water and Sanitation District	1,650,000

**Colorado Water Resources  
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Schedule of Loans Receivable – By Borrower (Continued)  
December 31, 2016**

		<u>Loans Receivable</u>
Water Pollution Control Fund (continued):		
2011	Nederland, Town of	1,550,000
1999	New Castle, Town of	84,698
2009	Pagosa Area Water and Sanitation District	683,571
2006	Ralston Valley Water and Sanitation District	688,688
2012	South Durango Sanitation District	669,034
2000	Springfield, Town of	54,159
2011	Tabernash Meadows Water and Sanitation District	273,750
2014	Three Lakes Water & Sanitation District	1,908,682
2010	Upper Blue Sanitation District	1,460,017
2010	Woodland Park, City of	494,471
2015	Woodland Park, City of	1,950,000
Base program-disadvantaged communities:		
2006	Ault, Town of	724,221
2009	Boone, Town of	231,571
2015	Cedaredge, Town of	925,000
2016	Central Clear Creek Sanitation District	1,948,475
2010	Cheyenne Wells Sanitation District #1	203,365
2006	Clifton Sanitation District #2	1,047,619
2014	Cokedale, Town of	155,684
2009	Crested Butte South Metropolitan District	1,650,537
2011	Crowley, Town of	1,566,435
2015	Dinosaur, Town of	92,500
2014	Fowler, Town of	1,260,000
2015	Gilcrest, Town of	1,035,188
2006	Haxtun, Town of	176,102
2015	Hotchkiss, Town of	230,127
2009	Kit Carson, Town of	174,825
2006	La Jara, Town of	356,250
2015	La Jara, Town of	298,587
2014	La Veta, Town of	243,000
2015	La Veta, Town of	111,000
2008	Las Animas, City of	226,200
2011	Las Animas, City of	244,592
2013	Las Animas, City of	111,764
2009	Mancos, Town of	650,000
2011	Mancos, Town of	43,870
2008	Manzanola, Town of	60,000
2015	Monte Vista, City of	1,291,866
2009	Mountain View Villages Water and Sanitation District	1,082,514

**Colorado Water Resources  
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Schedule of Loans Receivable – By Borrower (Continued)  
December 31, 2016**

		<u>Loans Receivable</u>
Water Pollution Control Fund (continued):		
2012	Naturita, Town of	99,003
2013	Olney Springs, Town of	274,550
2006	Ordway, Town of	314,475
2014	Pagosa Springs General Improvement District, Town of	1,899,427
2008	Penrose Sanitation District	86,052
2006	Pierce, Town of	576,479
2015	Pritchett, Town of	170,525
2011	Redstone Water and Sanitation District	1,772,963
2012	Rocky Ford, City of	1,284,990
2014	Rocky Ford, City of	645,436
2007	Romeo, Town of	99,603
2009	Seibert, Town of	101,250
2015	Shadow Mountain Village Local Improvement District	384,020
2011	Silver Plume, Town of	99,561
2012	Simla, Town of	95,700
2013	South Sheridan Water, Sanitary Sewer and Storm Drainage District	1,729,707
2006	Springfield, Town of	280,350
2006	Stratton, Town of	253,388
2006	Sugar City Town of	168,300
2009	Sugar City Town of	30,557
2016	Wray, City of	1,634,200
2015	Yampa Valley Housing Authority	550,719
ARRA direct loans:		
2009	Erie, Town of	1,350,000
2009	Georgetown, Town of	2,565,000
2009	Manitou Springs, City of	56,296
2009	Pagosa Area Water and Sanitation District	4,925,579
2009	Pueblo, City of	1,012,500
	Total WPCRF direct loans	<u>96,018,437</u>
Leveraged loans:		
2007A	Bayfield, Town of	3,325,000
2010B	Boxelder Sanitation District	8,615,000
2010B	Brush!, City of	7,415,000
1998A	Buena Vista Sanitation District	283,285
2006B	Cherokee Metropolitan District	8,943,548
2006A	Clifton Sanitation District #2	5,850,000
2003A	Colorado City Metropolitan District	790,963
1998B	Colorado Springs, City of	6,279,295
2001A	Cortez Sanitation District	2,700,000
2002B	Denver Southeast Suburban Water and Sanitation District	2,675,000
2005A	Denver Southeast Suburban Water and Sanitation District	2,665,000
2006A	Donala Water and Sanitation District	2,911,614
2016B	Durango, City of	58,404,764

**Colorado Water Resources  
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Schedule of Loans Receivable – By Borrower (Continued)  
December 31, 2016**

		<b>Loans Receivable</b>
Water Pollution Control Fund (continued):		
1997A	Eagle, Town of	166,365
2007A	Eagle, Town of	8,556,372
2005A	Eaton, Town of	2,947,051
2008A	Elizabeth, Town of	3,455,618
2004A	Englewood, City of	29,500,063
1997A	Erie, Town of	133,555
1998A	Evans, City of	146,084
2016A	Evans, City of	39,854,188
2001A	Fort Collins, City of	2,825,000
2011A	Fountain Sanitation District	5,396,928
1999A	Fremont Sanitation District	1,647,899
2010A	Fruita, City of	18,650,000
2005B	Glendale, City of	5,557,771
2010A	Glenwood Springs, City of	24,781,950
2006A	Granby Sanitation District	2,846,166
1999A	Grand County Water and Sanitation District	554,506
2015A	La Junta, City of	12,822,457
2001A	Lafayette, City of	2,794,116
2004A	Littleton, City of	26,442,152
2015A	Louisville, City of	30,588,053
2002A	Mesa County	3,940,000
2003A	Milliken, Town of	2,738,216
2001A	Mount Crested Butte Water and Sanitation District	1,623,444
2011A	Nederland, Town of	1,539,602
2008A	New Castle, Town of	5,637,651
2001A	Parker Water and Sanitation District	1,560,924
2002B	Parker Water and Sanitation District	10,649,736
2001A	Plum Creek Wastewater Authority	8,315,000
2002B	Plum Creek Wastewater Authority	1,295,000
2005A	Plum Creek Wastewater Authority	830,000
2003A	Pueblo, City of	3,555,589
2010A	Pueblo, City of	17,525,902
2014A	Pueblo, City of	3,982,005
2011A	Pueblo West Metropolitan District	4,114,659
2007A	Rifle, City of	12,021,352
2005A	Roxborough Water and Sanitation District	5,335,000
2002A	South Adams County Water and Sanitation District	2,647,500
2014A	South Adams County Water and Sanitation District	22,165,161
1999A	Steamboat Springs, City of	573,199
2001A	Steamboat Springs, City of	1,853,230

**Colorado Water Resources  
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Schedule of Loans Receivable – By Borrower (Continued)  
December 31, 2016**

		<b>Loans Receivable</b>
Water Pollution Control Fund (continued):		
2000A	Three Lakes Water and Sanitation District	1,381,212
1998A	Trinidad, City of	918,652
2002A	Wellington, Town of	1,782,095
1997A	Westminster, City of	1,008,002
1998A	Westminster, City of	145,341
2005A	Westminster, City of	7,667,500
2011A	Windsor, Town of	2,200,575
2016A	Woodland Park, City of	6,315,674
	Total WPCRF leveraged loans	<u>463,846,984</u>
	Total Water Pollution Control Fund loans receivable	<u>559,865,421</u>
Drinking Water Fund:		
State direct loans:		
1997	Fairplay, Town of	14,800
1997	Idaho Springs, City of	19,280
1998	Redstone Water and Sanitation District	30,762
Federal direct loans:		
Base program:		
2011	Alma, Town of	317,235
2009	Baca Grande Water and Sanitation District	1,049,410
2002	Basalt, Town of	371,725
2016	Bennett, Town of	2,500,000
2010	BMR Metropolitan District	813,373
2006	Castle Pines Metropolitan District	1,200,724
2006	Castle Pines Metropolitan District	154,898
2014	Castle Pines Metropolitan District	1,405,869
1998	Chatfield South Water District	46,858
2013	Coal Creek, Town of	240,025
2010	Colorado Springs Utilities	6,452,009
2015	Columbine Lake Water District	658,496
2010	Cortez, City of	331,273
2012	Crested Butte, Town of	328,972
2010	Crested Butte South Metropolitan District	774,809
2006	Cucharas Sanitation and Water District	166,670
2012	Cucharas Sanitation and Water District	74,163
2015	Dillon, Town of	1,717,814
2010	Divide MPC Metropolitan District #1	104,089

**Colorado Water Resources  
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Schedule of Loans Receivable – By Borrower (Continued)  
December 31, 2016**

		<b>Loans Receivable</b>
Drinking Water Fund (continued):		
2015	Edgewater, City of	909,006
2011	El Rancho Florida Metropolitan District	1,151,400
2013	Evans, City of	1,096,023
2005	Florence, City of	413,357
2012	Forest View Acres Water District	1,650,000
2016	Forest View Acres Water District	498,296
2015	Genesee Water & Sanitation District	2,375,000
2011	Georgetown, Town of	572,779
2010	Grand Junction, City of	2,789,560
2016	Grand Junction, City of	1,615,100
2002	Hayden, Town of	353,026
2014	Hayden, Town of	659,829
2015	Highland Lakes Water District	1,951,142
2016	La Plata Archuleta Water District	2,491,477
2014	La Plata County Palo Verde Public Improvement District	254,215
2009	Lake Durango Water Authority	1,364,802
2009	Lamar, City of	784,933
2014	Larimer County Local Improvement District	276,002
1998	Left Hand Water and Sanitation District	21,005
2011	Mountain Water and Sanitation District	725,000
2003	Mustang Water Authority	328,800
2009	Nederland, Town of	1,741,762
2003	Oak Creek, Town of	395,994
2005	Olde Stage Water District	52,364
2008	Olde Stage Water District	103,844
2003	Ouray, City of	256,319
2009	Palmer Lake, Town of	1,236,538
2010	Pine Drive Water District	183,016
2004	Pinewood Springs Water District	59,676
2006	Pinewood Springs Water District	422,234
2006	Platte Canyon Water and Sanitation District Subdistrict #1	236,049
2008	Platte Canyon Water and Sanitation District Subdistrict #2	283,009
2006	Ralston Valley Water and Sanitation District	768,843
2013	Rangely, Town of	1,334,054
2012	Rifle, City of	1,630,333
2011	Salida, City of	422,375
2000	Sedalia Water and Sanitation District	71,006
2015	Spring Canyon Water & Sanitation District	2,144,560
2016	Spring Canyon Water & Sanitation District	298,977
2004	Swink, Town of	309,048

**Colorado Water Resources  
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Schedule of Loans Receivable – By Borrower (Continued)  
December 31, 2016**

		<u>Loans Receivable</u>
Drinking Water Fund (continued):		
2010	Teller County Water & Sanitation District	1,350,329
1999	Thunderbird Water and Sanitation District	56,880
2002	Thunderbird Water and Sanitation District	131,246
2013	Timbers Water and Sanitation District	288,750
2010	Tree Haus Metropolitan District	706,613
2001	Wellington, Town of	359,640
2003	Westwood Lakes Water District	207,424
2002	Woodland Park, City of	290,228
Base program-disadvantaged communities:		
2015	Antonito, Town of	975,907
2009	Arriba, Town of	387,167
2006	Bethune, Town of	278,667
2011	Blanca, Town of	266,294
2006	Boone, Town of	357,151
2006	Bristol Water and Sanitation District	126,667
2016	Burlington, City of	1,053,200
2015	Center, Town of	1,047,850
2009	Creede, City of	984,236
2012	Crowley, Town of	90,000
2008	Del Norte, Town of	452,946
2008	East Alamosa Water and Sanitation District	1,433,334
2008	Eckley, Town of	57,500
2015	Flagler, Town of	81,617
2006	Genoa, Town of	119,584
2007	Hillrose, Town of	534,356
2008	Hotchkiss, Town of	410,703
2008	Kim, Town of	86,534
2005	La Jara, Town of	85,000
2008	La Veta, Town of	916,540
2015	Lake City, Town of	475,000
2016	Lamar, City of	195,500
2014	Larkspur, Town of	1,866,667
2008	Las Animas, Town of	595,467

**Colorado Water Resources  
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Schedule of Loans Receivable – By Borrower (Continued)  
December 31, 2016**

		<u>Loans Receivable</u>
Drinking Water Fund (continued):		
2005	Log Lane Village, Town of	691,242
2012	Louviers Water and Sanitation District	123,358
2011	Manassa, Town of	402,535
2012	Merino, Town of	99,994
2011	Mesa Water and Sanitation District	88,908
2011	Monte Vista, City of	295,230
2012	Navajo Western Water District	852,415
2011	Nunn, Town of	372,661
2006	Ordway, Town of	136,667
2007	Ordway, Town of	80,010
2006	Palisade, Town of	1,333,334
2008	Paonia, Town of	261,063
2006	Pritchett, Town of	130,000
2009	Rockvale, Town of	236,677
2009	Rye, Town of	434,658
2006	Sedgwick, Town of	272,350
2013	South Sheridan Water, Sanitary Sewer and Storm Drainage District	1,863,860
2007	Stratton, Town of	376,286
2008	Stratton, Town of	72,010
2013	Stratton, Town of	842,417
2010	Swink, Town of	214,865
2006	Walden, Town of	585,253
2014	Williamsburg, Town of	778,288
2014	Yampa, Town of	505,806
2015	Yampa Valley Housing Authority	189,512
ARRA direct loans:		
2009	Divide MPC Metropolitan District	98,503
2009	Florence, City of	1,300,000
2009	Gateway Metropolitan District	389,188
2009	Georgetown, Town of	904,500
2009	Hot Sulphur Springs, Town of	877,500
2009	La Junta, City of	1,235,250
2009	Lamar, City of	2,667,853
2009	Manitou Springs, City of	837,919
2009	Manitou Springs, City of	362,663
2009	Manitou Springs, City of	837,919
2009	Ophir, Town of	337,500
2009	Ridgway, Town of	303,750
	Total Drinking Water Fund direct loans	<u>90,664,948</u>
Leveraged loans:		
2006B	Alamosa, City of	6,988,858
2006B	Arapahoe County Water and Wastewater PID	7,350,503

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Schedule of Loans Receivable – By Borrower (Continued)  
December 31, 2016**

		<b>Loans Receivable</b>
Drinking Water Fund (continued):		
1997A	Arapahoe Estates Water District	71,728
1998A	Buena Vista, Town of	171,032
2014A	Clifton Water District	13,301,530
2006B	Cottonwood Water and Sanitation District	6,358,097
2006A	Craig, City of	3,582,260
2015A	Denver Southeast Suburban Water & Sanitation District	13,630,631
1997A	Englewood, City of	1,806,638
2008A	Estes Park, Town of	3,780,245
2000A	Evergreen Metropolitan District	1,431,228
2002A	Evergreen Metropolitan District	724,445
2003B	Florence, City of	6,407,847
1997A	Fort Collins, City of	360,047
1999A	Fort Collins, City of	818,562
1998A	Fort Morgan, City of	2,473,965
2000A	Fountain Valley Authority	1,934,879
2003A	Fountain Valley Authority	1,361,587
2015A	Genesee Water & Sanitation District	9,341,248
1999A	Glenwood Springs, City of	529,054
1999A	Grand County Water and Sanitation District	410,614
2002A	Grand Junction, City of	1,352,261
1999A	Greeley, City of	2,948,945
2002A	Idaho Springs, City of	825,811
1999A	Julesburg, Town of	191,269
2002A	La Junta, City of	3,683,654
1999A	Left Hand Water District	1,099,738
2014A	Left Hand Water District	27,178,672
2000A	Limon, Town of	373,744
2006A	Little Thompson Water District	3,593,993
2003A	Longmont, City of	8,026,967
2003A	Lyons, Town of	2,085,914
2008A	Pagosa Area Water and Sanitation District	6,000,241
2006B	Palisade, Town of	2,762,363
2014A	Paonia, Town of	2,728,484
2008B	Project 7 Water Authority	7,222,226
2000A	Pueblo Board of Waterworks	5,778,117
2012A	Rifle, City of	19,310,048
2015A	Roxborough Water & Sanitation District(Plum Valley)	4,969,256
2011A	Sterling, City of	23,525,485
2000A	Westminster, City of	3,398,830
	Total Drinking Water Fund leveraged loans	<u>209,891,016</u>
	Total Drinking Water Fund loans receivable	<u>300,555,964</u>
	Total loans receivable	<u>\$ 991,521,620</u>

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**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Schedule of Bonds Payable – By Issue  
December 31, 2016**

<u>Water Operations Fund</u>	<u>Original issue amount</u>	<u>Current amount outstanding</u>	<u>Interest rate</u>	<u>Due dates</u>	<u>Early redemption</u>
Small Water Resources Program: Small Water Resources Revenue Bonds:					
1997 Series A	\$ 9,725,000	\$ 140,000	4.1% – 5.6%	Serial Bonds through 2012, term bonds subject to mandatory redemption 2013 – 2017. Various bonds totaling \$3,060,000 from 2008 to 2017 were refunded by the 2006A bond issue	After 2009 at par
2003 Series A	9,610,000	655,000	2.0% – 4.50%	Serial Bonds through 2013, term bonds subject to mandatory redemption in 2014 and 2015. Two borrowers prepaid their loans in 2012, resulting in the call of associated bonds of approximately \$6,400,000	2014 – 2023 at par The bonds are not subject to early redemption
2006 Series A	<u>13,970,000</u>	<u>6,525,000</u>	3.75% – 5.00%	Serial Bonds through 2019	
Total Small Water Resources Program Revenue Bonds	<u>33,305,000</u>	<u>7,320,000</u>			

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Schedule of Bonds Payable – By Issue  
December 31, 2016**

<u>Water Operations Fund</u>	<u>Original issue amount</u>	<u>Current amount outstanding</u>	<u>Interest rate</u>	<u>Due dates</u>	<u>Early redemption</u>
Water Revenue Bonds Program:					
Water Resources Revenue Bonds:					
2004 Series B	19,715,000	1,855,000	3.0% – 5.0%	Serial Bonds through 2017	2014 – 2017 at par
2004 Series E	3,540,000	1,710,000	2.0% – 4.54%	Serial Bonds through 2024	2014 – 2024 at par
2005 Series B	2,300,000	1,255,000	3.0% – 4.625%	Serial Bonds through 2017, term bonds subject to mandatory redemption 2020 - 2025	2015 – 2025 at par
2005 Series F	3,690,000	1,920,000	4.0% – 4.5%	Serial Bonds through 2024	2016 – 2024 at par
2009 Series A	6,940,000	5,055,000	2.5% – 4.55%	Serial Bonds through 2029	2020 – 2029 at par
2010 Series A	51,485,000	51,485,000	4.55% – 5.9%	Serial Bonds 2023 - 2027, term bonds subject to mandatory redemption 2030 and 2035	2020 – 2035 at par
2011 Series A	9,350,000	8,620,000	2.0% – 5.125%	Serial Bonds 2013 - 2026, term bonds subject to mandatory redemption 2031, 2036 and 2041	2022 – 2041 at par
2011 Series B	12,350,000	10,160,000	3.0% – 5.0%	Serial Bonds 2012 - 2023, term bonds subject to mandatory redemption 2026 and 2031	2022 – 2031 at par
2011 Series C	5,965,000	5,890,000	2.0% – 5.0%	Serial Bonds 2013 - 2027, term bonds subject to mandatory redemption 2031 and 2036	2022 – 2036 at par
2013 Series A	11,615,000	10,925,000	2.0% – 4.0%	Serial Bonds 2014 - 2027, term bonds subject to mandatory redemption 2033, 2038 and 2043	2023 – 2043 at par
2014 Series A	16,900,000	16,425,000	2.0% – 5.0%	Serial Bonds 2015 - 2027, term bonds subject to mandatory redemption 2029, 2039 and 2044	2025 – 2044 at par
Total Water Revenue Bonds Program	<u>143,850,000</u>	<u>115,300,000</u>			
Total Water Operations Fund	<u>\$ 177,155,000</u>	<u>\$ 122,620,000</u>			

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Schedule of Bonds Payable – By Issue  
December 31, 2016**

<b>Water Pollution Control Revolving Fund</b>	<b>Original issue amount</b>	<b>Current amount outstanding</b>	<b>Interest rate</b>	<b>Due dates</b>	<b>Early redemption</b>
Clean Water Revenue Bonds 1998 Series A (Eagle River Water and Sanitation District, City of Trinidad, City of Westminster, Buena Vista Sanitation District, and City of Evans)	\$ 31,190,000	\$ 45,000	3.7% – 5.125%	Serial Bonds through 2012, term bonds subject to mandatory redemption 2013 – 2018. \$15,375,000 of bonds maturing in 2009 and thereafter were refunded with the issuance of the 2005 Series A Wastewater Revolving Fund Refunding Revenue Bonds	2009 at par
Clean Water Revenue Bonds 1998 Series B (City of Colorado Springs)	20,810,000	190,000	3.7% – 5.375%	Serial Bonds through 2012, term bonds subject to mandatory redemption 2013 – 2016 and 2017 – 2019 \$13,630,000 of bonds maturing in 2009 and thereafter were refunded with the issuance of the 2005 Series A Wastewater Revolving Fund Refunding Revenue Bonds	2009 at par
Clean Water Revenue Bonds 1999 Series A (City of Aurora, Fremont Sanitation District, Grand County Water and Sanitation District, Mt. Werner Water and Sanitation District, and City of Steamboat Springs)	39,220,000	100,000	4.25% – 5.25%	Serial Bonds through 2014, term bonds subject to mandatory redemption 2015 – 2019. Mt. Werner Water and Sanitation District's outstanding bonds in the amount of \$2,700,000 were defeased in 2001. \$15,435,000 of bonds maturing in 2010 and thereafter were refunded with the issuance of the 2005 Series A Wastewater Revolving Fund Refunding Revenue Bonds. In 2012, the City of Aurora prepaid its loan and the 1999A bond totaling \$195,000 were called	2009 at par
Clean Water Revenue Bonds 2001 Series A (Cortez Sanitation District, City of Fort Collins, Fraser Sanitation District, City of Lafayette, Mt. Crested Butte Water and Sanitation District, Parker Water and Sanitation District, Plum Creek Wastewater Authority, and City of Steamboat Springs)	69,710,000	1,155,000	4.0% – 5.625%	Serial Bonds through 2019, term bonds subject to mandatory redemption in 2020 through 2021. \$37,250,000 of bonds maturing in 2012 and thereafter were refunded with the issuance of the 2005 Series A-2 Wastewater Revolving Fund Refunding Revenue Bonds	2012 – 2021 at par

**Colorado Water Resources  
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Schedule of Bonds Payable – By Issue  
December 31, 2016**

<b>Water Pollution Control Revolving Fund</b>	<b>Original issue amount</b>	<b>Current amount outstanding</b>	<b>Interest rate</b>	<b>Due dates</b>	<b>Early redemption</b>
Clean Water Revenue Bonds 2008 Series A (Town of Elizabeth, Town of New Castle)	12,305,000	8,355,000	3.5% – 5.0%	Serial Bonds through 2028, term bond subject to mandatory redemption in 2030	2019 – 2030 at par
Clean Water Revenue Bonds 2010 Series A (City of Fruita, City of Glenwood Springs, City of Pueblo)	73,835,000	58,620,000	2.0% – 5.0%	Serial Bonds through 2030, term bond subject to mandatory redemptions in 2029 and 2032	2020 – 2032 at par
Clean Water Revenue Bonds 2010 Series B (Boxelder Sanitation District, City of Brush!)	19,875,000	16,030,000	2.0% – 4.0%	Serial Bonds through 2032	2020 – 2032 at par
Clean Water Revenue Bonds 2011 Series A (Windsor, Nederland, Fountain SD, Pueblo West)	14,620,000	11,290,000	2.0% – 4.0%	Serial Bonds through 2032	2021 – 2032 at par
Clean Water Revenue Bonds 2014 Series A (South Adams County, Pueblo)	9,075,000	8,985,000	2.0% – 4.0%	Serial Bonds through 2036	2025 – 2036 at par
Clean Water Revenue Bonds 2015 Series A (La Junta, Louisville)	15,650,000	14,865,000	2.0% – 5.0%	Serial Bonds through 2037	2026 – 2037 at par
Clean Water Revenue Bonds 2016 Series A (Evans, Woodland Park)	11,505,000	11,495,000	2.0% – 5.0%	Serial Bonds through 2038	2027 – 2038 at par
Clean Water Revenue Bonds 2016 Series B (Durango)	14,180,000	14,180,000	2.5% – 5.0%	Serial Bonds through 2038	2027 – 2038 at par
Total WPCRF Clean Water Revenue Bonds payable	<u>331,975,000</u>	<u>145,310,000</u>			

**Colorado Water Resources  
and Power Development Authority  
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Schedule of Bonds Payable – By Issue  
December 31, 2016**

<b>Water Pollution Control Revolving Fund</b>	<b>Original issue amount</b>	<b>Current amount outstanding</b>	<b>Interest rate</b>	<b>Due dates</b>	<b>Early redemption</b>
Wastewater Revolving Fund Revenue Bonds 2005 Series A and A2 (Partial refunding of the following Clean Water Bonds: 1998A, 1998B, 1999A, and 2001A)	78,865,000	29,145,000	3.0% – 5.25%	Serial Bonds through 2021	The bonds are not subject to early redemption
Clean Water Refunding Revenue Bonds 2013 Series A (Refunding of the following Clean Water Bonds: 2002A, 2002B, 2003A, and 2004A)	61,215,000	55,550,000	2.0% – 5.00%	Serial Bonds through 2025	2023 – 2025 at par
Clean Water Refunding Revenue Bonds 2016 Series A (Refunding of the following Clean Water Bonds: 1996A, 1997A, 2000A, 2005A, 2005B, 2006A, 2006B, 2007A and 2004AR)	38,850,000	35,720,000	1.5% – 5.00%	Serial Bonds through 2027, term bonds subject to mandatory redemption 2028	2027 – 2028 at par
	<u>178,930,000</u>	<u>120,415,000</u>			
Total Water Pollution Control Revolving Fund	<u>\$ 510,905,000</u>	<u>\$ 265,725,000</u>			

**Colorado Water Resources  
and Power Development Authority  
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Schedule of Bonds Payable – By Issue  
December 31, 2016**

<b>Drinking Water Revolving Fund</b>	<b>Original issue amount</b>	<b>Current amount outstanding</b>	<b>Interest rate</b>	<b>Due dates</b>	<b>Early redemption</b>
Drinking Water Revenue Bonds Series 2006A (City of Craig and Little Thompson Water District)	\$ 11,275,000	\$ 6,640,000	4.0% – 5.0%	Serial Bonds through 2027, term bond subject to mandatory redemption in 2025 and 2026	2017 – 2027 at par
Drinking Water Revenue Bonds Series 2006B (City of Alamosa, Arapahoe County Water & Wastewater PID, Cottonwood Water & Sanitation District, and Town of Palisade)	38,045,000	21,310,000	4.0% – 5.0%	Serial Bonds through 2024, term bonds subject to mandatory redemption in 2025 through 2028	2017 – 2028 at par
Drinking Water Revenue Bonds Series 2008A (Pagosa Area Water and Sanitation District, Town of Estes Park)	11,235,000	8,750,000	3.5% – 4.25	Serial Bonds through 2029	2019 – 2029 at par
Drinking Water Revenue Bonds Series 2008B (Project 7 Water Authority)	8,870,000	6,295,000	3.0% – 5%	Serial Bonds through 2024, term bonds subject to mandatory redemption in 2026 through 2030	2019 – 2030 at par
Drinking Water Revenue Bonds Series 2011A (City of Sterling)	24,795,000	20,425,000	2.0% – 4.375%	Serial Bonds through 2032	2022 – 2032 at par
Drinking Water Revenue Bonds Series 2012A (City of Rifle)	17,970,000	15,875,000	2.0% – 5%	Serial Bonds through 2034	2023 – 2034 at par
Drinking Water Revenue Bonds Series 2014A (Clifton WD, Left Hand WD Town of Paonia)	11,140,000	10,120,000	2.0% – 3.25%	Serial Bonds through 2035	2025 – 2035 at par
Drinking Water Revenue Bonds Series 2015A (Genesee, Denver SE Plum Valley Heights)	8,125,000	7,540,000	2.0% – 4.0%	Serial Bonds through 2028, term bonds subject to mandatory redemption in 2029, 2030, 2035 and 2036	2026 – 2036 at par
Total DWRF Revenue Bonds payable	<u>131,455,000</u>	<u>96,955,000</u>			
Drinking Water Revolving Fund Refunding Revenue Bonds 2005 Series A (Partial Refunding of the Drinking Water Revolving Fund Revenue Bonds Series 2000A)	20,305,000	11,370,000	3.0% – 5.5%	Serial Bonds through 2022	The bonds are not subject to early redemption
Drinking Water Refunding Revenue Bonds 2013 Series A (Refunding of the Drinking Water Revolving Fund Revenue Bonds Series 1997A, 1998A, 1999A, 2002A, 2003A, and 2003B)	35,460,000	22,095,000	2.0% – 5.0%	Serial Bonds through 2025	2023 – 2025 at par
	<u>55,765,000</u>	<u>33,465,000</u>			
Total Drinking Water Revolving Fund	<u>\$ 187,220,000</u>	<u>\$ 130,420,000</u>			

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**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)**

**Schedule of Cash, Cash Equivalents and Investments Held by Trustees – By Investment Type  
December 31, 2016**

	<u>Cash</u>	<u>Cash held by State Treasurer</u>	<u>Money Market</u>	<u>Local Government Investment Pools</u>	<u>U.S. Treasury Notes-SLGS Bonds, and Agency (fair value)</u>	<u>Assets Held for Others</u>	<u>Repurchase agreements</u>	<u>Total cash and investments by bond issue</u>
Water Operations Fund:								
Small Water Resources Projects Program								
Debt Service Reserve Fund	\$ -	\$ -	\$ -	\$ 8,500,000	\$ -	\$ -	\$ -	\$ 8,500,000
Small Water Resources Projects Bonded Funds	-	-	-	395,037	-	-	-	395,037
Water Revenue Bonds Program	-	-	8,146,361	699	-	5,715,000	-	13,862,060
Animas-La Plata Account	-	1,584,336	-	-	-	-	-	1,584,336
Authority Operating	1,196,284	25,027,095	-	302,284	-	-	-	26,525,663
Subtotal – Water Operations Fund	<u>1,196,284</u>	<u>26,611,431</u>	<u>8,146,361</u>	<u>9,198,020</u>	<u>-</u>	<u>5,715,000</u>	<u>-</u>	<u>50,867,096</u>
Water Pollution Control Revolving Fund:								
Clean Water Revenue Bonds, 1998 Series A	-	-	382,859	-	-	-	543,510	926,369
Clean Water Revenue Bonds, 1998 Series B	-	-	315,856	-	-	-	1,971,475	2,287,331
Clean Water Revenue Bonds, 1999 Series A	-	-	398,699	-	-	-	953,021	1,351,720
Clean Water Revenue Bonds, 2001 Series A	-	-	989,353	-	10,084	-	8,205,705	9,205,142
Refunding Revenue Bonds, 2005 Series A and A2	-	-	659,539	-	655,045	-	-	1,314,584
Clean Water Revenue Bonds, 2007 Series A	-	-	1,438,047	-	-	-	-	1,438,047
Clean Water Revenue Bonds, 2008 Series A	-	-	2,558	-	3,691,344	-	-	3,693,902
Clean Water Revenue Bonds, 2010 Series A	-	-	436,100	-	22,514,480	-	-	22,950,580
Clean Water Revenue Bonds, 2010 Series B	-	-	83,844	-	11,241,556	-	-	11,325,400
Clean Water Revenue Bonds, 2011 Series A	-	-	2,845	-	9,808,821	-	-	9,811,666
Refunding Revenue bonds, 2013 Series A	-	-	-	11,099,780	-	-	-	11,099,780
Clean Water Revenue Bonds, 2014 Series A	-	-	-	1,027,183	-	-	-	1,027,183
Clean Water Revenue Bonds, 2015 Series A	-	-	-	10,155,135	-	-	-	10,155,135
Clean Water Revenue Bonds, 2016 Series A	-	-	-	13,336,838	-	-	-	13,336,838
Clean Water Revenue Bonds, 2016 Series B	-	-	-	17,080,234	-	-	-	17,080,234
Refunding Revenue Bonds, 2016 Series A	-	-	-	4,315,873	-	-	-	4,315,873
Direct Loan Project Accounts	-	-	-	583,632	-	-	-	583,632
WPCRF State Match Holding Account	-	2,194,038	-	-	-	-	-	2,194,038
Direct Loan Surplus Matching Account	-	-	2,374,259	-	-	-	-	2,374,259
CWSRF Reloan Account	-	-	-	119,431,509	-	-	-	119,431,509
WPCRF Administrative Fee Account	-	-	-	14,819,163	-	-	-	14,819,163
WPCRF LL Precon-State Match Account	-	-	-	88,244	-	-	-	88,244
WPCRF State Match Precon Account	-	-	-	473,439	-	-	-	473,439
Subtotal – Water Pollution Control Revolving Fund	<u>-</u>	<u>2,194,038</u>	<u>7,083,959</u>	<u>192,411,030</u>	<u>47,921,330</u>	<u>-</u>	<u>11,673,711</u>	<u>261,284,068</u>

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)**

**Schedule of Cash, Cash Equivalents and Investments Held by Trustees – By Investment Type (Continued)  
December 31, 2016**

	Cash	Cash held by State Treasurer	Money Market	Local Government Investment Pools	U.S. Treasury Notes-SLGS Bonds, and Agency (fair value)	Assets Held for Others	Repurchase agreements	Total cash and investments by bond issue
Drinking Water Revolving Fund:								
Refunding Revenue Bonds, 2005 Series A	-	-	498,117	-	-	-	-	498,117
Drinking Water Revenue Bonds, 2006 Series A	-	-	251,181	-	-	-	2,894,525	3,145,706
Drinking Water Revenue Bonds, 2006 Series B	-	-	844,393	-	-	-	9,070,976	9,915,369
Drinking Water Revenue Bonds, 2008 Series A	-	-	124,359	-	4,631,447	-	-	4,755,806
Drinking Water Revenue Bonds, 2008 Series B	-	-	1,848	-	3,912,345	-	-	3,914,193
Drinking Water Revenue Bonds, 2011 Series A	-	-	69,834	-	13,082,218	-	-	13,152,052
Drinking Water Revenue Bonds, 2012 Series A	-	-	11,393	-	14,493,875	-	-	14,505,268
Refunding Revenue Bonds, 2013 Series A	-	-	-	7,885,491	-	-	-	7,885,491
Drinking Water Revenue Bonds, 2014 Series A	-	-	-	2,306,970	-	-	-	2,306,970
Drinking Water Revenue Bonds, 2015 Series A	-	-	-	5,575,718	-	-	-	5,575,718
DWRF State Match Precon Account	-	-	-	1,458,468	-	-	-	1,458,468
DWRF LL Precon-State Match Account	-	-	-	837,437	-	-	-	837,437
Federal Direct Loan Project, Accounts	-	-	-	992,172	-	-	-	992,172
Drinking Water Funding Account	-	187,121	-	-	-	-	-	187,121
Drinking Water State Match Holding Account	-	2,373	-	-	-	-	-	2,373
State Direct Loan Surplus Matching Account	-	-	44,607	-	-	-	-	44,607
State Direct Loan Reloan Account	-	-	-	1,398,061	-	-	-	1,398,061
State Direct Loan Administrative Fee Account	-	-	-	41,019	-	-	-	41,019
Federal Direct Loan Surplus Matching Account	-	-	2,174,216	-	-	-	-	2,174,216
DWRF Reloan Account	-	-	-	61,949,264	-	-	-	61,949,264
DWRF Administrative Fee Account	-	-	-	7,414,841	-	-	-	7,414,841
Subtotal – Drinking Water Revolving Fund	-	189,494	4,019,948	89,859,441	36,119,885	-	11,965,501	142,154,269
Colorado Water Resources and Power Development Authority – total cash and investments	\$ 1,196,284	\$ 28,994,963	\$ 19,250,268	\$ 291,468,491	\$ 84,041,215	\$ 5,715,000	\$ 23,639,212	\$ 454,305,433

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)**

**Schedule of Cash, Cash Equivalents and Investments Held by Trustees – By Account Type  
December 31, 2016**

	<u>Rebate accounts</u>	<u>SWRP revenue or Debt service funds</u>	<u>Debt service reserve funds</u>	<u>Project accounts</u>	<u>DWRF and WPCRF matching accounts</u>	<u>Cost of issuance accounts</u>	<u>Other accounts</u>	<u>Total cash and investments by bond issue</u>
Water Operations Fund:								
Small Water Resources Projects Program								
Debt Service Reserve Fund	\$ -	\$ -	\$ -	\$ 8,500,000	\$ -	\$ -	\$ -	\$ 8,500,000
Small Water Resources Projects Bonded Funds	-	394,962	-	-	-	-	75	395,037
Water Revenue Bonds Program	-	30,649	6,861,831	6,969,580	-	-	-	13,862,060
Animas-La Plata Account	-	-	-	-	-	-	1,584,336	1,584,336
Authority Operating	-	-	-	250,333	-	-	26,275,330	26,525,663
Subtotal – Water Operations Fund	<u>-</u>	<u>425,611</u>	<u>6,861,831</u>	<u>15,719,913</u>	<u>-</u>	<u>-</u>	<u>27,859,741</u>	<u>50,867,096</u>
Water Pollution Control Revolving Fund:								
Clean Water Revenue Bonds, 1998 Series A	371,043	-	-	-	555,326	-	-	926,369
Clean Water Revenue Bonds, 1998 Series B	313,677	-	-	-	1,973,654	-	-	2,287,331
Clean Water Revenue Bonds, 1999 Series A	393,973	-	-	-	957,747	-	-	1,351,720
Clean Water Revenue Bonds, 2001 Series A	935,395	10,085	-	-	8,259,662	-	-	9,205,142
Refunding Revenue Bonds, 2005 Series A and A2	-	1,314,584	-	-	-	-	-	1,314,584
Clean Water Revenue Bonds, 2007 Series A	1,438,047	-	-	-	-	-	-	1,438,047
Clean Water Revenue Bonds, 2008 Series A	-	-	-	-	3,693,902	-	-	3,693,902
Clean Water Revenue Bonds, 2010 Series A	-	154	-	192,900	22,757,526	-	-	22,950,580
Clean Water Revenue Bonds, 2010 Series B	-	60	-	56,518	11,268,822	-	-	11,325,400
Clean Water Revenue Bonds, 2011 Series A	-	-	-	-	9,811,666	-	-	9,811,666
Refunding Revenue Bonds, 2013 Series A	-	140,675	-	-	10,959,105	-	-	11,099,780
Clean Water Revenue Bonds, 2014 Series A	-	-	-	292,577	734,606	-	-	1,027,183
Clean Water Revenue Bonds, 2015 Series A	-	-	-	8,778,637	1,376,498	-	-	10,155,135
Clean Water Revenue Bonds, 2016 Series A	-	16,185	-	12,042,820	1,277,833	-	-	13,336,838
Clean Water Revenue Bonds, 2016 Series B	-	-	-	15,480,519	1,502,948	96,767	-	17,080,234
Refunding Revenue Bonds, 2016 Series A	-	296,652	-	-	4,019,221	-	-	4,315,873
Direct Loan Project Accounts	-	-	-	583,632	-	-	-	583,632
WPCRF State Match Holding Account	-	-	-	-	-	-	2,194,038	2,194,038
Direct Loan Surplus Matching Account	-	-	-	-	-	-	2,374,259	2,374,259
CWSRF Reloan Account	-	-	-	-	-	-	119,431,509	119,431,509
WPCRF Administrative Fee Account	-	-	-	-	-	-	14,819,163	14,819,163
WPCRF LL Precon-State Match Account	-	-	-	-	-	-	88,244	88,244
WPCRF State Match Precon Account	-	-	-	-	-	-	473,439	473,439
Subtotal – Water Pollution Control Revolving Fund	<u>3,452,135</u>	<u>1,778,395</u>	<u>-</u>	<u>37,427,603</u>	<u>79,148,516</u>	<u>96,767</u>	<u>139,380,652</u>	<u>261,284,068</u>

**Colorado Water Resources  
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**Schedule of Cash, Cash Equivalents and Investments Held by Trustees – By Account Type (Continued)  
December 31, 2016**

	<u>Rebate accounts</u>	<u>SWRP revenue or Debt service funds</u>	<u>Debt service reserve funds</u>	<u>Project accounts</u>	<u>DWRF and WPCRF matching accounts</u>	<u>Cost of issuance accounts</u>	<u>Other accounts</u>	<u>Total cash and investments by bond issue</u>
Drinking Water Revolving Fund:								
Refunding Revenue Bonds, 2005 Series A	-	498,117	-	-	-	-	-	498,117
Drinking Water Revenue Bonds, 2006 Series A	44,510	176,896	-	-	2,924,300	-	-	3,145,706
Drinking Water Revenue Bonds, 2006 Series B	809,698	-	-	-	9,105,671	-	-	9,915,369
Drinking Water Revenue Bonds, 2008 Series A	-	113,846	-	-	4,641,960	-	-	4,755,806
Drinking Water Revenue Bonds, 2008 Series B	-	-	-	-	3,914,193	-	-	3,914,193
Drinking Water Revenue Bonds, 2011 Series A	-	50	-	103,671	13,048,331	-	-	13,152,052
Drinking Water Revenue Bonds, 2012 Series A	-	-	-	-	14,505,268	-	-	14,505,268
Refunding Revenue Bonds, 2013 Series A	-	1,228,431	-	-	6,657,060	-	-	7,885,491
Drinking Water Revenue Bonds, 2014 Series A	-	-	-	1,338,193	968,777	-	-	2,306,970
Drinking Water Revenue Bonds, 2015 Series A	-	-	-	4,882,144	693,574	-	-	5,575,718
DWRF State Match Precon Account	-	-	-	-	-	-	1,458,468	1,458,468
DWRF LL Precon-State Match Account	-	-	-	-	-	-	837,437	837,437
Federal Direct Loan Project Accounts	-	-	-	992,172	-	-	-	992,172
Drinking Water Funding Account	-	-	-	-	-	-	187,121	187,121
Drinking Water State Match Holding Account	-	-	-	-	-	-	2,373	2,373
State Direct Loan Surplus Matching Account	-	-	-	-	-	-	44,607	44,607
State Direct Loan Reloan Account	-	-	-	-	-	-	1,398,061	1,398,061
State Direct Loan Administrative Fee Account	-	-	-	-	-	-	41,019	41,019
Federal Direct Loan Surplus Matching Account	-	-	-	-	-	-	2,174,216	2,174,216
DWRF Reloan Account	-	-	-	-	-	-	61,949,264	61,949,264
DWRF Administrative Fee Account	-	-	-	-	-	-	7,414,841	7,414,841
Subtotal – Drinking Water Revolving Fund	<u>854,208</u>	<u>2,017,340</u>	<u>-</u>	<u>7,316,180</u>	<u>56,459,134</u>	<u>-</u>	<u>75,507,407</u>	<u>142,154,269</u>
Colorado Water Resources and Power Development Authority – total cash and investments	<u>\$ 4,306,343</u>	<u>\$ 4,221,346</u>	<u>\$ 6,861,831</u>	<u>\$ 60,463,696</u>	<u>\$ 135,607,650</u>	<u>\$ 96,767</u>	<u>\$ 242,747,800</u>	<u>\$ 454,305,433</u>

## OTHER INFORMATION

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**Colorado Water Resources  
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Matching Account Investments  
Water Pollution Control Revolving Fund and  
Drinking Water Revolving Fund  
December 31, 2016**

<b>Series</b>	<b>Investment Provider</b>	<b>Investment Description</b>	<b>Amount Invested <sup>(1)</sup></b>
WPCRF 2016B	COLOTRUST	Money Market	\$ 1,502,400
WPCRF 2016A	COLOTRUST	Money Market	1,273,150
WPCRF 2016AR	COLOTRUST	Money Market	3,779,388
WPCRF 2015A	COLOTRUST	Money Market	1,365,118
DWRF 2015A	COLOTRUST	Money Market	687,638
WPCRF 2014A	COLOTRUST	Money Market	728,244
DWRF 2014A	COLOTRUST	Money Market	959,263
WPCRF 2013AR	COLOTRUST	Money Market	10,744,750
DWRF 2013AR	COLOTRUST	Money Market	5,080,581
DWRF 2012A	United States	SLGs	14,493,875
DWRF 2011A	United States	SLGs	13,082,218
WPCRF 2011A	United States	SLGs	9,808,821
WPCRF 2010A	United States	SLGs	22,514,480
WPCRF 2010B	United States	SLGs	11,241,556
DWRF 2008A	United States	SLGs	4,631,447
DWRF 2008B	United States	SLGs	3,912,345
WPCRF 2008A	United States	SLGs	3,691,344
DWRF 2006A	Mass Mutual <sup>(2)</sup>	Repurchase Agreement	2,894,525
DWRF 2006B	Assured Guaranty	Repurchase Agreement	9,070,976
WPCRF 2001A	AIG	Repurchase Agreement	8,205,705
WPCRF 1999A	Mass Mutual <sup>(2)</sup>	Repurchase Agreement	953,021
WPCRF 1998A	AIG	Repurchase Agreement	543,513
WPCRF 1998B	AIG	Repurchase Agreement	1,971,475
		<b>Total</b>	<b>\$ 133,135,833</b>

(1) Amount Invested does not include state matching principal and investment earnings.

(2) These agreements were originally entered into with Trinity Plus Funding Company, LLC and were later assigned to Mass Mutual

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The following table estimates for each bond year through the final maturity date of the Bonds (1) the total scheduled loan repayments securing the WPCRF Bonds (adjusted as noted), (2) the aggregate debt service on the WPCRF Senior Bonds outstanding as December 31, 2016 (except as noted), (3) the aggregate debt service on the WPCRF Subordinated Bonds outstanding as December 31, 2016, and (4) the projected aggregate release of moneys from the WPCRF Matching Accounts and repayments of the WPCRF Direct Loans. The table is based on the assumptions that all loan repayments securing WPCRF Bonds will be made on a timely basis and that none of the amounts on deposit in the WPCRF Matching Accounts will be required to provide for payment of the debt service on the WPCRF Bonds. However, there is no assurance that the projections reflected in the following table will be realized. This table is intended to compare the aggregate debt service for the WPCRF Bonds to the scheduled loan repayments securing such bonds and to the estimated matching account release amounts, which would be deposited to the Clean Water Surplus Account and would be available if necessary to pay a portion of such debt service. However, the Authority expects that, absent a failure of the Governmental Agencies (borrowers) to pay the loan repayments when due, the loan repayments will exceed the amount necessary to pay the Bonds when due.

	<b>Total Loan Repayments on all WPCRF Leveraged Loans (1)</b>	<b>Total Debt Service on WPCRF Senior Bonds (2)</b>	<b>Total Debt Service on WPCRF Subordinate Bonds (3)</b>	<b>Projected Moneys Released from WPCRF Matching Accounts and WPCRF Direct Loan Repayments (4)</b>
2017	\$ 42,259,251	\$ 24,058,988	\$ 8,675,250	\$ 10,670,072
2018	42,361,192	24,362,443	8,178,025	10,664,408
2019	43,157,470	24,568,036	7,524,950	9,402,042
2020	39,699,834	23,915,636	4,901,725	8,398,764
2021	39,045,414	23,565,734	4,172,525	13,762,961
2022	34,698,401	23,391,359	-	8,589,272
2023	36,437,795	26,286,323	-	8,703,537
2024	35,795,412	23,926,542	-	8,791,818
2025	34,905,062	15,698,836	-	9,450,876
2026	24,182,291	14,903,624	-	9,429,221
2027	23,366,280	14,137,843	-	10,347,214
2028	20,138,023	12,191,561	-	9,199,138
2029	17,755,881	10,773,836	-	6,375,877
2030	17,485,138	10,336,080	-	7,725,799
2031	15,468,784	8,256,230	-	5,078,023
2032	15,001,725	7,550,661	-	8,485,916
2033	9,891,315	2,431,480	-	2,934,127
2034	10,091,906	2,389,749	-	2,435,367
2035	10,352,130	2,411,011	-	3,032,248
2036	7,871,049	1,643,111	-	1,572,928
2037	6,595,529	1,122,955	-	845,251
2038	5,895,924	887,913	-	2,860,812
<b>Total</b>	<b>\$ 532,455,805</b>	<b>\$ 298,809,952</b>	<b>\$ 33,452,475</b>	<b>\$ 158,755,672</b>

(1) Not including repayments of WPCRF Direct Loans but including the excess portion of the loan repayments allocated to the repayment of funds deposited by the Authority as State matching funds and of

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Water Pollution Control Revolving Fund  
December 31, 2016**

federal capitalization grants or equity funds allocable to certain loans. Also includes scheduled earnings from investment of matching accounts and project loan subaccounts relating to the WPCRF Bonds. Includes debt service on the Bonds. Such debt service on the WPCRF Senior Bonds is shown net of amounts from the Matching Account which will be transferred to the Debt Service Fund to reduce final Loan Repayments for certain borrowers.

- (2) Amounts subject to change. Debt service is shown for all WPCRF Bonds outstanding as of December 31, 2016. There is no restriction on the Authority's ability to issue future additional WPCRF Bonds.
- (3) Amounts subject to change due to additional issuance or refinancings of WPCRF Subordinated Bonds.
- (4) These amounts are only estimated, and are subject to change in the event WPCRF Matching Accounts are diminished due to deficient Loan Repayments on WPCRF Bonds or insufficient investment earnings.

**Colorado Water Resources  
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Cash Flows Sufficiency Table  
Drinking Water Revolving Fund  
December 31, 2016**

The following table estimates for each bond year through the final maturity date of the Bonds (1) the total scheduled loan repayments securing the DWRF Bonds (adjusted as noted), (2) the aggregate debt service on the DWRF Senior Bonds outstanding as of December 31, 2016, (3) the aggregate debt service on the DWRF Subordinated Bonds outstanding as of December 31, 2016, and (4) the projected aggregate release of moneys from the DWRF Matching Accounts and repayments of the DWRF Direct Loans. The table is based on assumptions that all loan repayments securing DWRF Bonds will be made on a timely basis and that none of the amounts on deposit in the DWRF Matching Accounts will be required to provide for payment of the debt service on the DWRF Bonds. However, there is no assurance that the projections reflected in the following table will be realized. This table is intended to compare the aggregate debt service for the DWRF Bonds to the scheduled loan repayments securing such bonds and to the estimated matching account release amounts, which would be deposited to the Drinking Water Surplus Account and would be available if necessary to pay a portion of such debt service. However, the Authority expects that, absent a failure of the Governmental Agencies (borrowers) to pay Loan Repayments when due, the Loan Repayments will exceed the amount necessary to pay the Bonds when due.

	<b>Total Loan Repayments on all DWRF Leveraged Loans (1)</b>	<b>Total Debt Service on DWRF Senior Bonds (2)</b>	<b>Total Debt Service on Subordinate DWRF Bonds (3)</b>	<b>Projected Moneys Released from DWRF Matching Accounts and DWRF Direct Loan Repayments (4)</b>
2017	\$ 23,950,587	\$ 15,349,651	\$ 2,326,413	\$ 7,642,618
2018	23,575,798	14,305,994	2,317,638	8,087,806
2019	21,498,209	11,552,590	2,344,188	7,970,048
2020	19,113,634	12,061,446	2,428,863	8,280,921
2021	16,479,576	11,608,910	523,082	8,150,205
2022	20,478,034	11,288,902	3,734,700	8,517,399
2023	13,429,596	8,665,400	-	7,715,986
2024	13,043,341	8,868,268	-	7,831,389
2025	12,292,812	7,797,238	-	6,955,761
2026	11,959,450	8,191,706	-	6,534,914
2027	11,477,486	7,677,869	-	7,216,633
2028	10,730,434	6,901,031	-	9,026,008
2029	8,285,232	4,634,963	-	7,159,591
2030	8,206,633	4,495,813	-	6,418,552
2031	7,635,136	3,925,369	-	4,517,799
2032	7,803,216	3,956,519	-	5,198,258
2033	6,048,377	2,260,025	-	3,261,098
2034	6,162,937	2,190,956	-	4,044,928
2035	2,316,437	517,075	-	2,418,205
2036	1,121,188	206,250	-	1,905,223
2037	-	-	-	957,457
2038	-	-	-	745,875
<b>Totals</b>	<b>\$ 245,608,109</b>	<b>\$ 146,455,975</b>	<b>\$ 13,674,882</b>	<b>\$ 130,556,675</b>

**Colorado Water Resources  
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December 31, 2016**

- (1) Not including repayments of the DWRF Direct Loans but including the excess portion of the loan repayments allocated to the repayment of the funds deposited by the Authority as State matching funds and of federal capitalization grants or equity funds allocable to certain loans. Also includes scheduled earnings from investment of matching accounts and project loan subaccounts relating to the DWRF Bonds.
- (2) Includes debt service on the Bonds. Such debt service on the DWRF Bonds is shown net of amounts from the Matching Account which will be transferred to the Debt Service Fund to reduce final Loan Repayments for certain borrowers. Amounts subject to change. Debt service is shown for all DWRF Senior Bonds outstanding as of December 31, 2016. There is no restriction on the Authority's ability to issue future and additional DWRF Bonds.
- (3) Amounts subject to changes due to additional issuance or refinancings of DWRF Subordinated Bonds.
- (4) These amounts are only estimated and are subject to change in the event DWRF Matching Accounts are diminished due to deficient Loan repayments on DWRF Bonds or insufficient investment earnings.

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Information Regarding Outstanding Bonds, Loans and Direct Loans Under the  
Water Pollution Control and Drinking Water Revolving Fund Programs by Series  
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Borrowers	CWR & PDA Issue	Program	Security Pledge	Outstanding Bond Principal *	Total Loan Outstanding	Loan Term
<b>Water Pollution Control Revolving Fund Program</b>						
<b>2016 Series B</b>						
City of Durango, Colorado	2016 Series B	WPCRF	Wastewater revenues	\$ 14,180,000	\$ 58,404,764	2038
				<b>14,180,000</b>	<b>58,404,764</b>	
<b>2016 Series A</b>						
Evans (City of), Colorado, acting by and through its wastewater utilities enterprise	2016 Series A	WPCRF	Wastewater revenues	10,020,000	39,854,188	2038
Woodland Park (City of), acting by and through its wastewater activity enterprise	2017 Series A	WPCRF	Wastewater revenues	1,475,000	6,315,674	2038
				<b>11,495,000</b>	<b>46,169,862</b>	
<b>2015 Series A</b>						
La Junta (City of), Colorado, acting by and through its wastewater enterprise	2015 Series A	WPCRF	Wastewater revenues	4,125,000	12,822,457	2037
Louisville (City of), Colorado	2015 Series A	WPCRF	Water, stormwater and wastewater revenues	10,740,000	30,588,053	2035
				<b>14,865,000</b>	<b>43,410,510</b>	
<b>2014 Series A</b>						
Pueblo, City of, Colorado, Acting by and Through its Sewer Enterprise	2014 Series A	WPCRF	Wastewater revenues	1,300,000	3,982,005	2035
South Adams County Water and Sanitation District, acting by and through the South Adams County Water and Sanitation District Activity Enterprise	2014 Series A	WPCRF	Water and wastewater revenues	7,685,000	22,165,161	2036
				<b>8,985,000</b>	<b>26,147,166</b>	

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<b>Borrowers</b>	<b>CWR &amp; PDA Issue</b>	<b>Program</b>	<b>Security Pledge</b>	<b>Outstanding Bond Principal *</b>	<b>Total Loan Outstanding</b>	<b>Loan Term</b>
<b>2011 Series A</b>						
Fountain Sanitation District, acting by and through its Jimmy Camp Creek Basin Wastewater Enterprise	2011 Series A	WPCRF	Wastewater revenues	4,610,000	5,396,928	2032
Nederland (Town of), Colorado	2011 Series A	WPCRF	Wastewater revenues and sales tax revenues	1,315,000	1,539,602	2032
Pueblo West Metropolitan District, acting by and through the Pueblo West Water Enterprise and the Pueblo West Wastewater Enterprise	2011 Series A	WPCRF	Water and wastewater revenues	3,515,000	4,114,659	2032
Windsor (Town of), Colorado, acting by and through its Sewer Utilities Enterprise	2011 Series A	WPCRF	Wastewater revenues	1,850,000	2,200,576	2027
				<b>11,290,000</b>	<b>13,251,764</b>	
<b>2010 Series B</b>						
Boxelder Sanitation District, acting by and through its Water Activity Enterprise	2010 Series B	WPCRF	Wastewater revenues	8,615,000	8,615,000	2032
Brush! (City of), acting by and through its Wastewater Activity Enterprise	2010 Series B	WPCRF	Wastewater revenues	7,415,000	7,415,000	2031
				<b>16,030,000</b>	<b>16,030,000</b>	
<b>2010 Series A</b>						
Fruita (City of), Colorado, acting by and through its Sewer Fund Enterprise	2010 Series A	WPCRF	Wastewater revenues	18,650,000	18,650,000	2032
Glenwood Springs (City of), Colorado, acting by and through its Utility Enterprise	2010 Series A	WPCRF	Water and wastewater revenues	23,490,000	24,781,950	2032
Pueblo (City of), Colorado, acting by and through its Sewer Enterprise	2010 Series A	WPCRF	Wastewater revenues	16,480,000	17,525,902	2030
				<b>58,620,000</b>	<b>60,957,852</b>	

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Information Regarding Outstanding Bonds, Loans and Direct Loans Under the  
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Borrowers	CWR & PDA Issue	Program	Security Pledge	Outstanding Bond Principal *	Total Loan Outstanding	Loan Term
<b>2008 Series A</b>						
Elizabeth (Town of), Colorado	2008 Series A	WPCRF	Sales & use taxes	3,170,000	3,455,618	2029
New Castle (Town of), Colorado, acting by and through its Town of New Castle Water and Sewer Enterprise	2008 Series A	WPCRF	Water and wastewater revenues	5,185,000	5,637,651	2030
				<b>8,355,000</b>	<b>9,093,269</b>	
<b>2007 Series A</b>						
Bayfield (Town of), Colorado, acting by and through its Town of Bayfield Sewer Enterprise	2007 Series A	WPCRF	Wastewater revenues	1,660,000	3,325,000	2028
Eagle, Town of, acting by and through its Wastewater Enterprise	2007 Series A	WPCRF	Wastewater revenues	4,415,000	8,556,372	2028
Rifle (City of), acting by and through its Sewer Enterprise	2007 Series A	WPCRF	Wastewater revenues	6,325,000	12,021,352	2028
				<b>12,400,000</b>	<b>23,902,724</b>	
<b>2006 Series B</b>						
Cherokee Metropolitan District, acting by and through its Water and Wastewater Activity Enterprise	2006 Series B	WPCRF	Water and wastewater revenues	4,640,000	8,943,548	2027
				<b>4,640,000</b>	<b>8,943,548</b>	

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Borrowers	CWR & PDA Issue	Program	Security Pledge	Outstanding Bond Principal *	Total Loan Outstanding	Loan Term
<b>2006 Series A</b>						
Clifton Sanitation District No. 2, acting by and through its sanitary Sewer Activity Enterprise	2006 Series A	WPCRF	Wastewater revenues	2,885,000	5,850,000	2027
Donala Water and Sanitation District, acting by and through its Gleneagle Enterprise	2006 Series A	WPCRF	Water and wastewater revenues	1,385,000	2,911,614	2027
Granby Sanitation District, acting by and through its Water Activity Enterprise	2006 Series A	WPCRF	Wastewater revenues	1,305,000	2,846,166	2027
				<b>5,575,000</b>	<b>11,607,780</b>	
<b>2005 Series B</b>						
Glendale (City of), Colorado, acting by and through its Wastewater Enterprise	2005 Series B	WPCRF	Wastewater revenues	2,395,000	5,557,772	2027
				<b>2,395,000</b>	<b>5,557,772</b>	
<b>2005 Series A</b>						
Denver Southeast Suburban Water and Sanitation District, acting by and through its Water and Wastewater Utility Enterprise	2005 Series A	WPCRF	Water and wastewater revenues	1,275,000	2,665,000	2026
Eaton (Town of), Colorado, acting by and through its Sewer Fund Enterprise	2005 Series A	WPCRF	Wastewater revenues	1,270,000	2,947,051	2027
Plum Creek Wastewater Authority	2005 Series A	WPCRF	Wastewater revenues	340,000	830,000	2026
Roxborough Park Metropolitan District	2005 Series A	WPCRF	General obligation	2,540,000	5,335,000	2026
Westminster (City of), Colorado acting by and through the City of Westminster, Colorado Water and Wastewater Utility Enterprise	2005 Series A	WPCRF	Water and wastewater revenues	3,590,000	7,667,500	2025
				<b>9,015,000</b>	<b>19,444,551</b>	

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Borrowers	CWR & PDA Issue	Program	Security Pledge	Outstanding Bond Principal *	Total Loan Outstanding	Loan Term
<b>2004 Series A</b>						
Englewood (City of), Colorado, acting by and through its Sewer Utility Enterprise	2004 Series A	WPCRF	Wastewater revenues	20,025,000	29,500,063	2025
Littleton (City of), Colorado, acting by and through the City of Littleton, Colorado Sewer Utility Enterprise	2004 Series A	WPCRF	Wastewater revenues	18,325,000	26,442,152	2025
				<b>38,350,000</b>	<b>55,942,215</b>	
<b>2003 Series A</b>						
Colorado City Metropolitan District, acting in the capacity of its Wastewater Enterprise	2003 Series A	WPCRF	Wastewater revenues	415,000	790,963	2024
Milliken (Town of), Colorado, acting by and through its Wastewater Enterprise	2003 Series A	WPCRF	Wastewater revenues	1,515,000	2,738,216	2024
Pueblo (City of), Colorado, acting by and through its Sewer Enterprise	2003 Series A	WPCRF	Wastewater revenues	1,855,000	3,555,589	2024
				<b>3,785,000</b>	<b>7,084,768</b>	
<b>2002 Series B</b>						
Denver Southeast Suburban Water and Sanitation District, acting by and through its Water and Wastewater Utility Enterprise	2002 Series B	WPCRF	Water and wastewater revenues	1,470,000	2,675,000	2023
Parker Water and Sanitation District, acting by and through its Water Activity Enterprise and its Sanitary Sewer Activity Enterprise	2002 Series B	WPCRF	Water and wastewater revenues	6,140,000	10,649,736	2025
Plum Creek Wastewater Authority	2002 Series B	WPCRF	Wastewater revenues	740,000	1,295,000	2023
				<b>8,350,000</b>	<b>14,619,736</b>	

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Borrowers	CWR & PDA Issue	Program	Security Pledge	Outstanding Bond Principal *	Total Loan Outstanding	Loan Term
<b>2002 Series A</b>						
Mesa County, Colorado	2002 Series A	WPCRF	Wastewater revenues	2,380,000	3,940,000	2024
South Adams County Water and Sanitation District, acting by and through the South Adams County Water and Sanitation District Activity Enterprise	2002 Series A	WPCRF	Water and wastewater revenues	1,660,000	2,647,500	2022
Wellington (Town of), Colorado, acting by and through the Town of Wellington, Colorado Sewer Enterprise	2002 Series A	WPCRF	Wastewater revenues	1,025,000	1,782,095	2022
				<b>5,065,000</b>	<b>8,369,595</b>	
<b>2001 Series A</b>						
Cortez Sanitation District	2001 Series A	WPCRF	General obligation	2,590,000	2,700,000	2020
Fort Collins (City of), Colorado, acting by and through the City of Fort Collins, Colorado, Stormwater Utility Enterprise	2001 Series A	WPCRF	Stormwater revenues	2,970,000	2,825,000	2021
Fraser Sanitation District**	2001 Series A	WPCRF	Wastewater revenues	645,000	-	N/A
Lafayette (City of), Colorado, acting by and through its Water Reclamation Fund Enterprise	2001 Series A	WPCRF	Water and wastewater revenue	2,485,000	2,794,116	2021
Mt. Crested Butte Water and Sanitation District	2001 Series A	WPCRF	General obligation	1,440,000	1,623,444	2021
Parker Water and Sanitation District, acting by and through its Water Activity Enterprise and its Sanitary Sewer Activity Enterprise	2001 Series A	WPCRF	Water and wastewater revenue	1,390,000	1,560,924	2021
Plum Creek Wastewater Authority	2001 Series A	WPCRF	Wastewater revenues	7,975,000	8,315,000	2021
Steamboat Springs (City of), Colorado	2001 Series A	WPCRF	Water and wastewater revenue	1,635,000	1,853,230	2021
				<b>21,130,000</b>	<b>21,671,714</b>	

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<b>2000 Series A</b>						
Three Lakes Water & Sanitation District	2000 Series A	WPCRF	General obligation	870,000	1,381,212	2019
				<b>870,000</b>	<b>1,381,212</b>	
<b>1999 Series A</b>						
Fremont Sanitation District, acting by and through its Wastewater Enterprise	1999 Series A	WPCRF	Wastewater revenue	1,470,000	1,647,899	2019
Grand County Water and Sanitation District No. 1, Grand County, Colorado	1999 Series A	WPCRF	General obligation	495,000	554,506	2018
Steamboat Springs (City of), Colorado, acting by and through the City of Steamboat Springs Utilities Fund Enterprise	1999 Series A	WPCRF	Water and wastewater revenue	510,000	573,199	2019
				<b>2,475,000</b>	<b>2,775,604</b>	
<b>1998 Series B</b>						
Colorado Springs Utilities (City of), Colorado	1998 Series B	WPCRF	Wastewater revenue	5,570,000	6,279,295	2019
				<b>5,570,000</b>	<b>6,279,295</b>	
<b>1998 Series A</b>						
Buena Vista Sanitation District	1998 Series A	WPCRF	Wastewater revenue	255,000	283,285	2017
Evans (City of), Colorado, acting by and through its Wastewater Utility Enterprise	1998 Series A	WPCRF	Wastewater revenue	125,000	146,084	2018
Trinidad (City of), Colorado, acting by and through its Wastewater Enterprise	1998 Series A	WPCRF	Wastewater revenue	820,000	918,652	2018
Westminster (City of), Colorado, acting by and through its Water and Wastewater Utility Enterprise	1998 Series A	WPCRF	Water & wastewater revenue	260,000	145,341	2017
				<b>1,460,000</b>	<b>1,493,362</b>	

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<b>1997 Series A</b>						
Eagle Town of, Colorado	1997 Series A	WPCRF	General obligation	90,000	166,365	2017
Erie, Town of, Colorado, acting by and through the Erie Wastewater Enterprise	1997 Series A	WPCRF	Wastewater revenue	80,000	133,555	2017
Westminster (City of), Colorado, acting by and through its Water and Wastewater Utility Enterprise	1997 Series A	WPCRF	Water & wastewater revenue	655,000	1,008,003	2017
				<u>825,000</u>	<u>1,307,922</u>	
<b>TOTALS:</b>				<u>\$ 265,725,000</u>	<u>\$ 463,846,984</u>	

**Direct Loans**

2016 Direct Loans

				Loan Principal Outstanding	
Central Clear Creek SD (DL#2)	2016 Direct	WPCRF	General Obligation	\$ 1,948,475	2047
Durango, City of	2016 Direct	WPCRF	Wastewater revenue	2,500,000	2037
Fairways MD (DL#2)	2016 Direct	WPCRF	Wastewater revenue	332,000	2037
Larimer County LID 2013-1 (Berthoud Estates)	2016 Direct	WPCRF	Special assessment	1,039,889	2036
Larimer County LID 2014-1 (WMR)	2016 Direct	WPCRF	Special assessment	1,558,118	2036
Loma Linda SD (DL#2)	2016 Direct	WPCRF	Wastewater revenue	500,000	2036
Wray, City of (DL#2)	2016 Direct	WPCRF	Wastewater revenue	1,634,200	2037

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2015 Direct Loans						
Ault, Town of (DL#2)	2015 Direct	WPCRF	Wastewater revenue		1,889,530	2035
Cedaredge, Town of	2015 Direct	WPCRF	Wastewater revenue		925,000	2036
Dinosaur, Town of	2015 Direct	WPCRF	Wastewater revenue		92,500	2035
Estes Park Sanitation District (DL#2)	2015 Direct	WPCRF	Wastewater revenue		1,271,299	2035
Gilcrest, Town of	2015 Direct	WPCRF	Wastewater revenue		1,035,188	2035
Granby, Town of	2015 Direct	WPCRF	Wastewater revenue		2,177,025	2035
Hotchkiss, Town of	2015 Direct	WPCRF	Wastewater revenue		230,127	2035
La Jara, Town of (DL#2)	2015 Direct	WPCRF	Water and wastewater revenue		298,587	2035
La Veta, Town of	2015 Direct	WPCRF	Wastewater revenue		111,000	2035
Monte Vista, City of (DL#2)	2015 Direct	WPCRF	Wastewater revenue		1,291,866	2035
Pritchett, Town of	2015 Direct	WPCRF	Wastewater revenue		170,525	2035
Shadow Mountain Village LID	2015 Direct	WPCRF	Special assessment		384,020	2035
Woodland Park, City of	2015 Direct	WPCRF	Wastewater revenue		1,950,000	2036
Yampa Valley Housing Authority	2015 Direct	WPCRF	Lot rent revenue		550,719	2035
2014 Direct Loans						
Cokedale, Town of (DL #2)	2014 Direct	WPCRF	Water and wastewater revenue		155,684	2034
Estes Park SD	2014 Direct	WPCRF	Wastewater revenue		2,862,936	2035
Fowler, Town of	2014 Direct	WPCRF	Wastewater revenue		1,260,000	2034
La Veta, Town of	2014 Direct	WPCRF	Wastewater revenue		243,000	2034
Larimer County LID (Berthoud Estates)	2014 Direct	WPCRF	Special assessment		904,042	2034
Loma Linda SD	2014 Direct	WPCRF	Wastewater revenue		838,667	2035
Lyons, Town of	2014 Direct	WPCRF	Water and wastewater revenue		4,823,738	2034
Pagosa Springs GID (DL#4), Town of	2014 Direct	WPCRF	Wastewater revenue		1,899,427	2035
Rocky Ford, City of	2014 Direct	WPCRF	Wastewater revenue		645,436	2035
Three Lakes WSD	2014 Direct	WPCRF	Wastewater revenue		1,908,682	2035

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2013 Direct Loans						
Bayfield, Town of	2013 Direct	WPCRF	Wastewater revenue		524,494	2033
Fairways MD	2013 Direct	WPCRF	Wastewater revenue		1,329,140	2033
Hillcrest W&SD	2013 Direct	WPCRF	Wastewater revenue		471,509	2033
Larimer County LID - River Glen	2013 Direct	WPCRF	Special assessments		1,060,368	2033
Las Animas, City of	2013 Direct	WPCRF	Wastewater revenue		111,764	2034
Mansfield Heights W&SD	2013 Direct	WPCRF	Wastewater revenue		456,006	2033
Olney Springs, Town of	2013 Direct	WPCRF	Wastewater revenue		274,550	2033
South Sheridan WSS&SDD	2013 Direct	WPCRF	Wastewater revenue		1,729,707	2034
2012 Direct Loans						
Cherokee Metropolitan District	2012 Direct	WPCRF	Water and wastewater revenue		1,985,000	2033
Hayden, Town of	2012 Direct	WPCRF	Water and wastewater revenue		377,578	2033
Hot Sulpher Springs, Town of	2012 Direct	WPCRF	Wastewater revenue		586,341	2032
Mountain W&SD	2012 Direct	WPCRF	General obligation		1,650,000	2033
Naturita, Town of	2012 Direct	WPCRF	Water and wastewater revenue		99,003	2032
Rocky Ford, City of	2012 Direct	WPCRF	Wastewater revenue		1,284,990	2033
Simla, Town of	2012 Direct	WPCRF	Wastewater revenue		95,700	2033
South Durango Sanitation District	2012 Direct	WPCRF	Wastewater revenue		669,034	2032
2011 Direct Loans						
Colorado Centre Metropolitan District	2011 Direct	WPCRF	Wastewater revenue		1,582,921	2031
Crowley, Town of	2011 Direct	WPCRF	Wastewater revenue		1,566,435	2031
Eagle, Town of	2011 Direct	WPCRF	Wastewater revenue		1,016,639	2031
Las Animas, City of	2011 Direct	WPCRF	Wastewater revenue		244,592	2032
Mancos, Town of	2011 Direct	WPCRF	Wastewater revenue		43,870	2031
Nederland, Town of	2011 Direct	WPCRF	Wastewater revenues and sales tax revenues		1,550,000	2032
Redstone Water and Sanitation District	2011 Direct	WPCRF	Water and wastewater revenue and prop. tax		1,772,963	2032
Silver Plume, Town of	2011 Direct	WPCRF	Wastewater revenue		99,561	2031
Tabernash Meadows W&SD	2011 Direct	WPCRF	Water and wastewater revenue		273,750	2031

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2010 Direct Loans						
Cherry Hills Heights Water and Sanitation District	2010 Direct	WPCRF	Property tax revenue		89,378	2020
Cheyenne Wells Sanitation District #1	2010 Direct	WPCRF	Wastewater revenue		203,365	2031
Crested Butte, Town of	2010 Direct	WPCRF	Water and wastewater revenue		1,103,564	2031
Lamar, City of	2010 Direct	WPCRF	Water and wastewater revenue		1,542,729	2031
Larimer County LID 2008-1 (Hidden View Estates)	2010 Direct	WPCRF	Special assessment		194,683	2031
Upper Blue Sanitation District	2010 Direct	WPCRF	Wastewater revenue		1,460,017	2030
Woodland Park, City of	2010 Direct	WPCRF	Wastewater revenue		494,471	2031
2009 Direct Loans						
Boone, Town of	2009 Direct	WPCRF	Water and wastewater revenue		231,571	2030
Crested Butte South Metro District	2009 Direct	WPCRF	Water and wastewater revenue		1,650,537	2030
Erie, Town of #3	2009 Direct	WPCRF	Wastewater revenue		619,030	2030
Evergreen Metropolitan District	2009 Direct	WPCRF	Wastewater revenue		1,412,646	2029
Kit Carson, Town of	2009 Direct	WPCRF	Water and wastewater revenue		174,825	2030
Mancos, Town of	2009 Direct	WPCRF	Wastewater revenue		650,000	2029
Mountain View Water & Sanitation District	2009 Direct	WPCRF	Wastewater revenue		1,082,514	2029
Pagosa Springs Area Water & Sanitation District	2009 Direct	WPCRF	Water and wastewater revenue		683,571	2030
Seibert, Town of	2009 Direct	WPCRF	Wastewater revenue		101,250	2030
Sugar City, Town of	2009 Direct	WPCRF	Wastewater revenue		30,557	2028
2008 Direct Loans						
Fairplay Sanitation District	2008 Direct	WPCRF	General obligation		1,369,230	2028
Larimer County Local Improvement District No. 2007-1	2008 Direct	WPCRF	Special assessment		243,157	2028
Las Animas, City of	2008 Direct	WPCRF	Wastewater revenue		226,200	2028
Manzanola, Town of	2008 Direct	WPCRF	Wastewater revenue		60,000	2029

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Borrowers	CWR & PDA Issue	Program	Security Pledge	Outstanding Bond Principal *	Total Loan Outstanding	Loan Term
2007 Direct Loans						
Cortez Sanitation District	2007 Direct	WPCRF	Wastewater revenue		1,220,716	2027
Donala Water & Sanitation District	2007 Direct	WPCRF	Water and wastewater revenue		1,341,549	2028
Elizabeth (Town of)	2007 Direct	WPCRF	Water and wastewater revenue		665,903	2027
Mead, Town of	2016 Direct	WPCRF	Wastewater revenue		1,930,000	2028
Romeo (Town of)	2007 Direct	WPCRF	Water and wastewater revenue		99,603	2028
2006 Direct Loans						
Ault (Town of)	2006 Direct	WPCRF	Wastewater revenue		724,221	2026
Bennett (Town of)	2006 Direct	WPCRF	Wastewater revenue		96,440	2026
Boulder County	2006 Direct	WPCRF	Special assessment		933,139	2025
Clifton Sanitation District 2	2006 Direct	WPCRF	Wastewater revenue		1,047,619	2027
Cucharas Sanitation & Water District	2006 Direct	WPCRF	Water and wastewater revenue		475,845	2027
Haxtun (Town of)	2006 Direct	WPCRF	Wastewater revenue		176,102	2027
Kersey (Town of) #2	2006 Direct	WPCRF	Wastewater revenue		1,051,711	2026
La Jara (Town of)	2006 Direct	WPCRF	Water and wastewater revenue		356,250	2026
Ordway (Town of)	2006 Direct	WPCRF	Wastewater revenue		314,475	2027
Pierce (Town of)	2006 Direct	WPCRF	Wastewater revenue		576,479	2027
Ralston Valley Water & Sanitation District	2006 Direct	WPCRF	General obligation		688,688	2026
Springfield (Town of)	2006 Direct	WPCRF	Wastewater revenue		280,350	2027
Stratton, (Town of)	2006 Direct	WPCRF	Wastewater revenue		253,388	2027
Sugar City (Town of)	2006 Direct	WPCRF	Wastewater revenue		168,300	2026
2005 Direct Loans						
Kremmling Sanitation District	2005 Direct	WPCRF	Wastewater revenue		509,212	2025
2004 Direct Loans						
Garden Valley Water & Sanitation District	2004 Direct	WPCRF	Water and wastewater revenue		150,574	2024
2002 Direct Loans						
Julesburg (Town of)	2002 Direct	WPCRF	Wastewater revenue		311,007	2022

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Borrowers	CWR & PDA Issue	Program	Security Pledge	Outstanding Bond Principal *	Total Loan Outstanding	Loan Term
2000 Direct Loans						
Left Hand Water & Sanitation District	2000 Direct	WPCRF	General obligation		12,974	2020
Springfield (Town of)	2000 Direct	WPCRF	Wastewater revenue		54,159	2020
1999 Direct Loans						
Kersey (Town of)	1999 Direct	WPCRF	Wastewater revenue		39,996	2020
La Junta (City of)	1999 Direct	WPCRF	Wastewater revenue		87,943	2019
Left Hand Water & Sanitation District	1999 Direct	WPCRF	General obligation		18,642	2018
Monte Vista (Town of ), Colorado	1999 Direct	WPCRF	Wastewater revenue		175,228	2019
New Castle (Town of)	1999 Direct	WPCRF	Water and wastewater revenue		84,698	2019
1998 Direct Loans						
Evans (City of)	1998 Direct	WPCRF	Wastewater revenue		71,123	2019
Las Animas (City of)	1998 Direct	WPCRF	Wastewater revenue		155,016	2018
1997 Direct Loans						
Erie (Town of)	1997 Direct	WPCRF	Wastewater revenue		37,722	2017
Manzanola (Town of)	1997 Direct	WPCRF	General obligation		3,048	2017
				<b>TOTAL:</b>	<b><u>\$ 86,109,063</u></b>	

**Drinking Water Revolving Fund Program**

**2015 Series A**

Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District	2015 Series A	DWRF	General obligation	\$ 1,260,000	\$ 4,969,256	2036
Genesee Water and Sanitation District	2015 Series A	DWRF	General obligation	2,815,000	9,341,248	2036
Denver Southeast Suburban Water and Sanitation District, Colorado, Acting by and through its Water Activity Enterprise	2015 Series A	DWRF	Water and wastewater revenue	3,465,000	13,630,631	2036
				<b><u>7,540,000</u></b>	<b><u>27,941,135</u></b>	

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<b>2014 Series A</b>						
Clifton Water District Mesa County, Colorado, Acting by and through its Water Activity Enterprise	2014 Series A	DWRF	Water revenue	3,090,000	13,301,530	2035
Left Hand Water District, Acting by and through its Water Activity Enterprise	2014 Series A	DWRF	Water revenue	6,320,000	27,178,672	2034
Paonia, Town of, Colorado, Acting by and through its Town of Paonia Water and Sewer Enterprise	2014 Series A	DWRF	Water and wastewater revenue	710,000	2,728,484	2035
				<b>10,120,000</b>	<b>43,208,686</b>	
<b>2012 Series A</b>						
Rifle, City of	2012 Series A	DWRF	Water revenue	15,875,000	19,310,048	2034
				<b>15,875,000</b>	<b>19,310,048</b>	
<b>2011 Series A</b>						
Sterling (City of), Colorado, Acting by and through its Water Enterprise	2011 Series A	DWRF	Water revenue	20,425,000	23,525,485	2032
				<b>20,425,000</b>	<b>23,525,485</b>	
<b>2008 Series B</b>						
Project 7 Water Authority, Colorado, Acting by and through its Water Activity Enterprise	2008 Series B	DWRF	Water revenue	6,295,000	7,222,226	2030
				<b>6,295,000</b>	<b>7,222,226</b>	

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<b>2008 Series A</b>						
Estes Park (Town of), Colorado, acting by and through its Water Activity Enterprise	2008 Series A	DWRF	Water revenue	3,330,000	3,780,245	2028
Pagosa Springs Area Water & Sanitation District, Colorado, acting by and through its Water & Sewer Activity Enterprise	2008 Series A	DWRF	Water and wastewater revenue	5,420,000	6,000,241	2028
				<b>8,750,000</b>	<b>9,780,486</b>	
<b>2006 Series B</b>						
Alamosa (City of), Colorado	2006 Series B	DWRF	Sales tax revenue	6,335,000	6,988,858	2027
Arapahoe County Water & Wastewater PID	2006 Series B	DWRF	General obligation	6,675,000	7,350,503	2022
Cottonwood Water & Sanitation District	2006 Series B	DWRF	General obligation	5,785,000	6,358,097	2027
Palisade (Town of), Colorado	2006 Series B	DWRF	Water revenue	2,515,000	2,762,363	2028
				<b>21,310,000</b>	<b>23,459,821</b>	
<b>2006 Series A</b>						
Craig (City of), Colorado, acting by and through its Water Activity Enterprise	2006 Series A	DWRF	Water revenue	3,265,000	3,582,260	2027
Little Thompson Water District, acting by and through its Water Activity Enterprise	2006 Series A	DWRF	Water revenue	3,375,000	3,593,993	2027
				<b>6,640,000</b>	<b>7,176,253</b>	
<b>2003 Series B</b>						
Florence (City of), Colorado, acting by and through its Water Activity Enterprise	2003 Series B	DWRF	Water revenue	3,815,000	6,407,847	2025
				<b>3,815,000</b>	<b>6,407,847</b>	

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<b>2003 Series A</b>						
Fountain Valley Authority	2003 Series A	DWRF	Water revenue	705,000	1,361,587	2024
Longmont (City of), Colorado	2003 Series A	DWRF	Water revenue	4,635,000	8,026,967	2023
Lyons (Town of), Colorado, acting by and through its Water Fund and Sewer Fund	2003 Series A	DWRF	Water and wastewater revenue	1,100,000	2,085,914	2024
				<b>6,440,000</b>	<b>11,474,468</b>	
<b>2002 Series A</b>						
Evergreen Metropolitan District, acting by and through its Water Enterprise	2002 Series A	DWRF	Water revenue	420,000	724,445	2022
Grand Junction (City of), Colorado	2002 Series A	DWRF	Water revenue	920,000	1,352,261	2022
Idaho Springs (City of), Colorado, acting by and through the City of Idaho Springs Water Activity Enterprise	2002 Series A	DWRF	Water and wastewater revenue	475,000	825,811	2022
La Junta (City of), Colorado, acting by and through its Water Enterprise	2002 Series A	DWRF	Water revenue	2,350,000	3,683,654	2022
				<b>4,165,000</b>	<b>6,586,171</b>	
<b>2000 Series A</b>						
Evergreen Metropolitan District, acting by and through its Water Enterprise	2000 Series A	DWRF	Water revenue	1,215,000	1,431,228	2020
Fountain Valley Authority	2000 Series A	DWRF	Water revenue	1,630,000	1,934,879	2020
Limon (Town of), Colorado, acting by and through its Water Enterprise	2000 Series A	DWRF	Water revenue	310,000	373,744	2020
Board of Water Works, Pueblo Colorado, operating as an enterprise	2000 Series A	DWRF	Water revenue	4,945,000	5,778,117	2022

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Westminster (City of), Colorado, acting by and through its Water and Wastewater Utility Enterprise	2000 Series A	DWRF	Water and wastewater revenue	3,270,000	3,398,830	2020
				<b>11,370,000</b>	<b>12,916,799</b>	
<b>1999 Series A</b>						
Fort Collins (City of), Colorado, acting by and through the city of Fort Collins, Colorado, Water Utility Enterprise	1999 Series A	DWRF	Water revenue	635,000	818,562	2019
Glenwood Springs (City of), Colorado Grand County Water and Sanitation District No. 1, Winter Park, Colorado	1999 Series A	DWRF	Sales & use tax	425,000	529,054	2018
Greeley (City of), Colorado, acting by and through its Water Activity Enterprise	1999 Series A	DWRF	General obligation	255,000	410,614	2018
Julesburg (Town of), Colorado, acting by and through the Town of Julesburg, Colorado, Water Enterprise	1999 Series A	DWRF	Water revenue	2,025,000	2,948,945	2019
Left Hand Water District, Boulder and Weld Counties, Colorado, acting by and through its Water Enterprise	1999 Series A	DWRF	Water revenue	120,000	191,269	2019
				925,000	1,099,738	2019
				<b>4,385,000</b>	<b>5,998,182</b>	
<b>1998 Series A</b>						
Buena Vista (Town of), acting by and through its Water Activity Enterprise	1998 Series A	DWRF	Water revenue	100,000	171,032	2018
Fort Morgan (City of), Colorado, acting by and through its Water Works and Distribution Enterprise	1998 Series A	DWRF	Water revenue	1,725,000	2,473,965	2019
				<b>1,825,000</b>	<b>2,644,997</b>	

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<b>1997 Series A</b>						
Arapahoe Estates Water District	1997 Series A	DWRF	General obligation	20,000	71,728	2017
Englewood (City of), Colorado, acting by and through its Water Utility Enterprise	1997 Series A	DWRF	Water revenue	1,230,000	1,806,638	2018
Fort Collins (City of), Colorado, acting by and through the city of Fort Collins, Colorado, Water Utility Enterprise	1997 Series A	DWRF	Water revenue	215,000	360,047	2017
				<u>1,465,000</u>	<u>2,238,413</u>	
<b>TOTALS:</b>				<u>\$ 130,420,000</u>	<u>\$ 209,891,017</u>	
<b>Direct Loans</b>						
<b>2016 Direct Loans</b>						
Bennett, Town of	2016 Direct	DWRF	Water revenue		\$ 2,500,000	2036
Burlington, City of (DL#2)	2016 Direct	DWRF	Water and wastewater revenue		1,053,200	2047
Forest View Acres WD	2016 Direct	DWRF	Water revenue		498,295	2036
Grand Junction, City of (DL#2)	2016 Direct	DWRF	Water revenue		1,615,100	2036
La Plata Archuleta WD	2016 Direct	DWRF	General obligation		2,491,477	2036
Lamar, City of	2016 Direct	DWRF	Water revenue		195,500	2047
Spring Canyon W&SD (DL#2)	2016 Direct	DWRF	Water and wastewater revenue		298,977	2036
<b>2015 Direct Loans</b>						
Antonito, Town of	2015 Direct	DWRF	Water and wastewater revenue		975,906	2045
Center, Town of	2015 Direct	DWRF	Water revenue		1,047,850	2045
Columbine Lake WD	2015 Direct	DWRF	Water revenue		658,495	2035
Dillon, Town of (DL#2)	2015 Direct	DWRF	Water revenue		1,717,814	2035
Edgewater, City of	2015 Direct	DWRF	Water revenue		909,005	2035
Flagler, Town of (DL)	2015 Direct	DWRF	Water revenue		81,617	2046

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Genesee W&SD	2015 Direct	DWRF	Water and wastewater revenue		2,375,000	2035
Highland Lakes WD	2015 Direct	DWRF	Water revenue		1,951,142	2035
Lake City, Town of	2015 Direct	DWRF	Water and wastewater revenue		475,000	2045
Spring Canyon W&SD	2015 Direct	DWRF	Water and wastewater revenue		2,144,559	2035
Yampa Valley HA (Fish Creek)	2015 Direct	DWRF	Lot rent revenue		189,511	2045
2014 Direct Loans						
Castle Pines Metropolitan District	2014 Direct	DWRF	Water and wastewater revenue		1,405,869	2035
Hayden, Town of	2014 Direct	DWRF	Water and wastewater revenue		659,829	2035
La Plata County Palo Verde PID	2014 Direct	DWRF	Water revenue		254,215	2034
Larimer County LID (Fish Creek)	2014 Direct	DWRF	Special assessment		276,001	2034
Larkspur, Town of	2014 Direct	DWRF	Water, wastewater, property revenue		1,866,667	2044
Williamsburg, Town of	2014 Direct	DWRF	Water revenue		778,288	2044
Yampa, Town of	2014 Direct	DWRF	Water and wastewater revenue		505,805	2045
2013 Direct Loans						
Coal Creek, Town of	2013 Direct	DWRF	Water revenue		240,025	2033
Evans, City of	2013 Direct	DWRF	Water revenue		1,096,053	2023
Rangely, Town of	2013 Direct	DWRF	Water revenue		1,334,054	2033
South Sheridan WSS&SDD	2013 Direct	DWRF	Wastewater revenue		1,863,860	2044
Stratton, Town of (DL#3)	2013 Direct	DWRF	Water revenue		842,417	2044
Timbers W&SD	2013 Direct	DWRF	General obligation		288,750	2033
2012 Direct Loans						
Crested Butte, Town of	2012 Direct	DWRF	Water and wastewater revenue		328,971	2032
Crowley, Town of	2012 Direct	DWRF	Water revenue		90,000	2043
Cucharas S&WD (DL#2)	2012 Direct	DWRF	Water and wastewater revenue		74,163	2033
Forest View Acres WD	2012 Direct	DWRF	Water revenue		1,650,000	2033
Louviers WS&D	2012 Direct	DWRF	Water revenue		123,358	2043
Merino, Town of	2012 Direct	DWRF	Water revenue		99,994	2043

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Navajo Western Water District	2012 Direct	DWRF	Water revenue		852,415	2042
Rifle, City of	2012 Direct	DWRF	Water revenue		1,630,333	2032
2011 Direct Loans						
Alma, Town of	2011 Direct	DWRF	Water revenue		317,235	2031
Blanca, Town of (DL#2)	2011 Direct	DWRF	Water and wastewater revenue		266,294	2041
El Rancho Florida Metropolitan District	2011 Direct	DWRF	General obligation		1,151,400	2032
Georgetown, Town of	2011 Direct	DWRF	Water revenue		572,779	2031
Manassa, Town of	2011 Direct	DWRF	Water revenue		402,535	2041
Mesa Water & Sanitation District	2011 Direct	DWRF	Water and wastewater revenue		88,908	2041
Monte Vista, Town of	2011 Direct	DWRF	Water revenue		295,230	2042
Mountain Water and Sanitation District	2011 Direct	DWRF	General obligation		725,000	2031
Nunn, Town of	2011 Direct	DWRF	Water revenue		372,661	2042
Salida, City of	2011 Direct	DWRF	Water and wastewater revenue		422,375	2032
2010 Direct Loans						
BMR Metropolitan District	2010 Direct	DWRF	Water revenue		813,373	2031
Colorado Springs, City of	2010 Direct	DWRF	Enterprise revenues		6,452,009	2030
Cortez, City of	2010 Direct	DWRF	Water revenue		331,272	2030
Crested Butte South Metropolitan District	2010 Direct	DWRF	Water and wastewater revenue		774,808	2031
Divide MPC Metropolitan District 1	2010 Direct	DWRF	Water revenue		104,089	2030
Grand Junction, City of	2010 Direct	DWRF	Water revenue		2,789,560	2030
Pine Drive Water District	2010 Direct	DWRF	Water revenue		183,016	2030
Swink, Town of	2010 Direct	DWRF	Water revenue		214,865	2041
Teller County Water & Sanitation District 1	2010 Direct	DWRF	Water and wastewater revenue		1,350,329	2031
Tree Haus Metropolitan District	2010 Direct	DWRF	General obligation		706,613	2031

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2009 Direct Loans						
Arriba, Town of	2009 Direct	DWRF	Water revenue		387,167	2039
Baca Grande Water & Sanitation District	2009 Direct	DWRF	General obligation		1,049,410	2029
Creede, City of	2009 Direct	DWRF	Water revenue		984,235	2039
Lake Durango Water Authority	2009 Direct	DWRF	Water revenue		1,364,801	2029
Lamar, City of	2009 Direct	DWRF	Water and wastewater revenue		784,932	2030
Nederland, Town of	2009 Direct	DWRF	Water revenue and sales tax		1,741,761	2030
Palmer Lake, Town of	2009 Direct	DWRF	Water revenue		1,236,538	2030
Rockvale, Town of	2009 Direct	DWRF	Water revenue		236,676	2039
Rye, Town of	2009 Direct	DWRF	Water revenue		434,657	2039
2008 Direct Loans						
Del Norte, Town of	2008 Direct	DWRF	Water revenue		452,946	2029
East Alamosa W&SD	2008 Direct	DWRF	Water and wastewater revenue		1,433,333	2038
Eckley, Town of	2008 Direct	DWRF	Water revenue		57,500	2028
Hotchkiss, Town of	2008 Direct	DWRF	Water revenue		410,703	2028
Kim, Town of	2008 Direct	DWRF	Water revenue		86,533	2038
La Veta, Town of	2008 Direct	DWRF	Water revenue		916,539	2039
Las Animas, City of	2008 Direct	DWRF	Water revenue		595,467	2038
Olde Stage WD	2008 Direct	DWRF	Water revenue		103,844	2029
Paonia, Town of	2008 Direct	DWRF	Water and wastewater revenue		261,063	2029
Platte Canyon Water & Sanitation District, Subdistrict #2	2008 Direct	DWRF	General obligation		283,009	2028
Stratton, Town of	2008 Direct	DWRF	Water revenue		72,010	2039

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2006 Direct Loans						
Bethune (Town of)	2006 Direct	DWRF	Water revenue		278,667	2036
Boone (Town of)	2006 Direct	DWRF	Water and wastewater revenue		357,151	2036
Bristol Water and Sanitation District	2006 Direct	DWRF	Water revenue		126,667	2035
Castle Pines Metropolitan District	2006 Direct	DWRF	Water and wastewater revenue		1,200,724	2026
Castle Pines Metropolitan District #2	2006 Direct	DWRF	Water and wastewater revenue		154,897	2027
Cucharas Sanitation & Water District	2006 Direct	DWRF	Water and wastewater revenue		166,670	2027
Genoa (Town of)	2006 Direct	DWRF	Water revenue		119,583	2037
Ordway (Town of)	2006 Direct	DWRF	Water revenue		136,667	2037
Palisade (Town of)	2006 Direct	DWRF	Water revenue		1,333,333	2036
Pinewood Springs Water District #2	2006 Direct	DWRF	Water revenue		422,234	2026
Platte Canyon Water and Sanitation Subdistrict #1	2006 Direct	DWRF	Water revenue		236,049	2026
Pritchett(Town of)	2006 Direct	DWRF	Water revenue		130,000	2036
Ralston Valley Water and Sanitation District	2006 Direct	DWRF	General obligation		768,843	2027
Sedgwick, (Town of)	2006 Direct	DWRF	Water and wastewater revenue		272,350	2036
Walden (Town of)	2006 Direct	DWRF	Water and wastewater revenue		585,253	2031
2005 Direct Loans						
Florence (City of)	2005 Direct	DWRF	Water revenue		413,357	2025
La Jara (Town of)	2005 Direct	DWRF	Water and wastewater revenue		85,000	2025
Log Lane Village (Town of)	2005 Direct	DWRF	Water revenue		691,241	2035
Olde Stage Water District	2005 Direct	DWRF	Water revenue		52,364	2025
2004 Direct Loans						
Pinewood Springs Water District	2004 Direct	DWRF	General obligation		59,676	2024
Swink (Town of)	2004 Direct	DWRF	Water revenue		309,048	2024

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2003 Direct Loans						
Mustang Water Authority	2003 Direct	DWRF	Water revenue		328,800	2024
Oak Creek (Town of)	2003 Direct	DWRF	Water revenue		395,993	2023
Ouray (City of)	2003 Direct	DWRF	Water revenue and sales tax		256,319	2024
Westwood Lakes Water District	2003 Direct	DWRF	General obligation		207,424	2023
2002 Direct Loans						
Basalt, (Town of)	2002 Direct	DWRF	Water revenue		371,725	2022
Hayden, (Town of)	2002 Direct	DWRF	Water and wastewater revenue		353,026	2022
Thunderbird Water and Sanitation District	2002 Direct	DWRF	Water revenue		131,246	2012
Woodland Park (City of)	2002 Direct	DWRF	Water revenue		290,228	2022
2001 Direct Loans						
Wellington (Town of)	2001 Direct	DWRF	Water revenue		359,640	2022
2000 Direct Loans						
Sedalia Water & Sanitation District	2000 Direct	DWRF	General obligation		71,006	2019
1999 Direct Loans						
Thunderbird Water and Sanitation District	1999 Direct	DWRF	General obligation		56,880	2019
1998 Direct Loans						
Chatfield South Water District	1998 Direct	DWRF	General obligation		46,858	2018
Left Hand Water & Sanitation District	1998 Direct	DWRF	General obligation		21,004	2018

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1997 Direct Loans						
Fairplay (Town of)	1997 Direct	DWRF	Water revenue		14,800	2017
Idaho Springs (City of)	1997 Direct	DWRF	Water and wastewater revenue		19,280	2017
Redstone Water and Sanitation District	1998 Direct	DWRF	General obligation		30,762	2017
				<b>TOTAL:</b>	<b><u>\$ 80,512,404</u></b>	
<b>Grand Totals:</b>				<b><u>\$ 396,145,000</u></b>	<b><u>\$ 840,359,468</u></b>	

\*Bond outstanding  
\*\*Fraser

Note: Total Loans Outstanding column includes principal (used for payment of principal on bonds), principal 2 (state match, deallocated), equity principal (federal/reloan, deallocated). Loan principal usually equals bond principal and is generally the source for payment of bond principal.

Note: For purpose of this financial report this note is to reconcile the difference between loans receivable from direct loans on this schedule to the loan receivables balance on the financial statements. The difference of \$9,909,374 and \$10,152,544 between the WPCRF direct loan receivable balance and the DWRF direct loan receivable balance, respectively, on the financial statements and the WPCRF and DWRF Direct Loans by Series are amounts due from loans funded under the American Reinvestment & Recovery Act of 2009 (ARRA). Payments from ARRA loans are not included as security for the bonds.

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Borrowers	CWR & PDA Issue	Program	Security Pledge	Total Bond Principal Outstanding	Total Loan(s) Outstanding	Loan Term
City of Durango, Colorado	2016 Series B	WPCRF	Wastewater revenue	\$ 14,180,000	\$ 60,904,764	2038
	2016 Direct	WPCRF	Wastewater revenues			2037
Evans (City of), Colorado, acting by and through its wastewater utilities enterprise	2016 Series A	WPCRF	Wastewater revenues	10,145,000	40,071,395	2038
	1998 Direct	WPCRF	Wastewater revenue			2019
	1998 Series A	WPCRF	Wastewater revenue			2018
Louisville (City of), Colorado	2015 Series A	WPCRF	Water, stormwater and wastewater revenues	10,740,000	30,588,053	2035
Englewood (City of), Colorado, acting by and through its Sewer Utility Enterprise	2004 Series A	WPCRF	Wastewater revenues	20,025,000	29,500,063	2025
	Left Hand Water District, Acting by and through its Water Activity Enterprise	2014 Series A	DWRF			
Littleton (City of), Colorado, acting by and through the City of Littleton, Colorado Sewer Utility Enterprise	1999 Series A	DWRF	Water revenue	18,325,000	26,442,152	2025
	2004 Series A	WPCRF	Wastewater revenues			
Pueblo, City of, Colorado, Acting by and Through its Sewer Enterprise	2010 Series A	WPCRF	Wastewater revenues	19,635,000	25,063,496	2030
	2003 Series A	WPCRF	Wastewater revenues			2024
	South Adams County Water and Sanitation District, acting by and through the South Adams County Water and Sanitation District Activity Enterprise	2014 Series A	WPCRF			Water and wastewater revenues
Glenwood Springs (City of), Colorado, acting by and through its Utility Enterprise	2002 Series A	WPCRF	Water and wastewater revenues	23,490,000	24,781,950	2022
	2010 Series A	WPCRF	Water and wastewater revenues			2032
Sterling (City of), Colorado, Acting by and through its Water Enterprise	2011 Series A	DWRF	Water revenue	20,425,000	23,525,485	2032

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Borrowers	CWR & PDA Issue	Program	Security Pledge	Total Bond Principal Outstanding	Total Loan(s) Outstanding	Loan Term
Rifle, City of	2012 Series A	DWRF	Water revenue	15,875,000	20,940,381	2034
	2012 Direct	DWRF	Water revenue			2032
Denver Southeast Suburban Water and Sanitation District, Colorado, Acting by and through its Water Activity Enterprise	2015 Series A	DWRF	Water and wastewater revenue	6,210,000	18,970,631	2036
	2002 Series B	WPCRF	Water and wastewater revenues			2023
	2005 Series A	WPCRF	Water and wastewater revenues			2026
Fruita (City of), Colorado, acting by and through its Sewer Fund Enterprise Clifton Water District Mesa County, Colorado, Acting by and through its Water Activity Enterprise	2010 Series A	WPCRF	Wastewater revenues	18,650,000	18,650,000	2032
	2014 Series A	DWRF	Water revenue			2035
La Junta (City of), Colorado, acting by and through its wastewater enterprise	2015 Series A	WPCRF	Wastewater revenues	4,125,000	12,910,400	2037
	1999 Direct	WPCRF	Wastewater revenue			2019
Westminster (City of), Colorado acting by and through the City of Westminster, Colorado Water and Wastewater Utility Enterprise	2005 Series A	WPCRF	Water and wastewater revenues	7,775,000	12,219,674	2025
	2000 Series A	DWRF	Water and wastewater revenues			2020
	1998 Series A	WPCRF	Water and wastewater revenue			2017
	1997 Series A	WPCRF	Water and wastewater revenue			2017
Parker Water and Sanitation District, acting by and through its Water Activity Enterprise and its Sanitary Sewer Activity Enterprise	2002 Series B	WPCRF	Water and wastewater revenues	7,530,000	12,210,660	2025
	2001 Series A	WPCRF	Water and wastewater revenue			2021
Rifle (City of), acting by and through its Sewer Enterprise	2007 Series A	WPCRF	Wastewater revenues	6,325,000	12,021,352	2028

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Cherokee Metropolitan District, acting by and through its Water and Wastewater Activity Enterprise	2006 Series B	WPCRF	Water and wastewater revenues	4,640,000	10,928,548	2027
	2012 Direct	WPCRF	Water and wastewater revenue			2033
Plum Creek Wastewater Authority	2005 Series A	WPCRF	Wastewater revenues	9,055,000	10,440,000	2026
	2002 Series B	WPCRF	Wastewater revenues			2023
	2001 Series A	WPCRF	Wastewater revenues			2021
Eagle, Town of, acting by and through its Wastewater Enterprise	2007 Series A	WPCRF	Wastewater revenues	4,415,000	9,573,011	2028
	2011 Direct	WPCRF	Wastewater revenue			2031
Genesee Water and Sanitation District Woodland Park (City of), acting by and through its wastewater activity enterprise	2015 Series A	DWRF	General obligation	2,815,000	9,341,248	2036
	2017 Series A	WPCRF	Wastewater revenues			2038
	2015 Direct	WPCRF	Wastewater revenue			2036
Boxelder Sanitation District, acting by and through its Water Activity Enterprise	2010 Series A	WPCRF	Wastewater revenues	8,615,000	8,615,000	2032
	2003 Series A	DWRF	Water revenue			2023
Brush! (City of), acting by and through its Wastewater Activity Enterprise	2010 Series B	WPCRF	Wastewater revenues	7,415,000	7,415,000	2031
Arapahoe County Water & Wastewater PID Project 7 Water Authority, Colorado, Acting by and through its Water Activity Enterprise	2006 Series B	DWRF	General obligation	6,675,000	7,350,503	2022
Alamosa (City of), Colorado	2008 Series B	DWRF	Water revenue	6,295,000	7,222,226	2030
Lyons (Town of), Colorado, acting by and through its Water Fund and Sewer Fund	2006 Series B	DWRF	Sales tax revenue	6,335,000	6,988,858	2027
	2003 Series A	DWRF	Water and wastewater revenue	1,100,000	6,909,653	2024
	2014 Direct	DWRF	Water and wastewater revenue			

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Clifton Sanitation District No. 2, acting by and through its sanitary Sewer Activity Enterprise	2006 Series A	WPCRF	Wastewater revenues	2,885,000	6,897,619	2027
	2006 Direct	WPCRF	Wastewater revenue			2027
Florence (City of), Colorado, acting by and through its Water Activity Enterprise	2003 Series B	DWRF	Water revenue	3,815,000	6,821,204	2025
	2005 Direct	DWRF	Water revenue			2025
Pagosa Springs Area Water & Sanitation District, Colorado, acting by and through its Water & Sewer Activity Enterprise	2008 Series A	DWRF	Water and wastewater revenue	5,420,000	6,683,812	2028
	2009 Direct	WPCRF	Water and wastewater revenue			2030
Colorado Springs, City of	2010 Direct	DWRF	Enterprise revenues		6,452,009	2030
Cottonwood Water & Sanitation District	2006 Series B	DWRF	General obligation	5,785,000	6,358,097	2027
Colorado Springs Utilities (City of), Colorado Board of Water Works, Pueblo Colorado, operating as an enterprise	1998 Series B	WPCRF	Wastewater revenue	5,570,000	6,279,295	2019
Grand Junction (City of), Colorado	2000 Series A	DWRF	Water revenue	4,945,000	5,778,117	2022
	2002 Series A	DWRF	Water revenue	920,000	5,756,921	2022
	2010 Direct	DWRF	Water revenue			2030
	2016 Direct	DWRF	Water revenue			2036
New Castle (Town of), Colorado, acting by and through its Town of New Castle Water and Sewer Enterprise	2008 Series A	WPCRF	Water and wastewater revenues	5,185,000	5,722,349	2030
	1999 Direct	WPCRF	Water and wastewater revenue			2019
Glendale (City of), Colorado, acting by and through its Wastewater Enterprise	2005 Series B	WPCRF	Wastewater revenues	2,395,000	5,557,772	2027

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Fountain Sanitation District, acting by and through its Jimmy Camp Creek Basin Wastewater Enterprise	2011 Series A	WPCRF	Wastewater revenues	4,610,000	5,396,928	2032
Roxborough Park Metropolitan District	2005 Series A	WPCRF	General obligation	2,540,000	5,335,000	2026
Plum Valley Heights Subdistrict of the Roxborough Water and Sanitation District	2015 Series A	DWRF	General obligation	1,260,000	4,969,256	2036
Donala Water and Sanitation District, acting by and through its Gleneagle Enterprise	2006 Series A	WPCRF	Water and wastewater revenues	1,385,000	4,253,163	2027
	2007 Direct	WPCRF	Water and wastewater revenue			2028
Estes Park Sanitation District (DL#2)	2015 Direct	WPCRF	Wastewater revenue		4,134,235	2035
	2014 Direct	WPCRF	Wastewater revenue			2035
Pueblo West Metropolitan District, acting by and through the Pueblo West Water Enterprise and the Pueblo West Wastewater Enterprise	2011 Series A	WPCRF	Water and wastewater revenues	3,515,000	4,114,659	2032
Palisade (Town of), Colorado	2006 Series B	DWRF	Water revenue	2,515,000	4,095,696	2028
	2006 Direct	DWRF	Water revenue			2036
Mesa County, Colorado	2002 Series A	WPCRF	Wastewater revenues	2,380,000	3,940,000	2024
Bayfield (Town of), Colorado, acting by and through its Town of Bayfield Sewer Enterprise	2007 Series A	WPCRF	Wastewater revenues	1,660,000	3,849,494	2028
	2013 Direct	WPCRF	Wastewater revenue			2033
Estes Park (Town of), Colorado, acting by and through its Water Activity Enterprise	2008 Series A	DWRF	Water revenue	3,330,000	3,780,245	2028
La Junta (City of), Colorado, acting by and through its Water Enterprise	2002 Series A	DWRF	Water revenue	2,350,000	3,683,654	2022
Little Thompson Water District, acting by and through its Water Activity Enterprise	2006 Series A	DWRF	Water revenue	3,375,000	3,593,993	2027

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South Sheridan WSS&SDD	2013 Direct	WPCRF	Wastewater revenue		3,593,567	2034
	2013 Direct	DWRF	Wastewater revenue			2044
Craig (City of), Colorado, acting by and through its Water Activity Enterprise Elizabeth (Town of), Colorado	2006 Series A	DWRF	Water revenue	3,265,000	3,582,260	2027
	2008 Series A	WPCRF	Sales & use taxes	3,170,000		2029
Fountain Valley Authority	2003 Series A	DWRF	Water revenue	2,335,000	3,296,466	2024
	2000 Series A	DWRF	Water revenue			2020
Nederland (Town of), Colorado	2011 Series A	WPCRF	Wastewater revenues and sales tax revenues	1,315,000	3,089,602	2032
	2011 Direct	WPCRF	Wastewater revenues and sales tax revenues			2032
Paonia, Town of, Colorado, Acting by and through its Town of Paonia Water and Sewer Enterprise	2014 Series A	DWRF	Water and wastewater revenue	710,000	2,989,547	2035
	2008 Direct	DWRF	Water and wastewater revenue			2029
Greeley (City of), Colorado, acting by and through its Water Activity Enterprise	1999 Series A	DWRF	Water revenue	2,025,000	2,948,945	2019
Eaton (Town of), Colorado, acting by and through its Sewer Fund Enterprise	2005 Series A	WPCRF	Wastewater revenues	1,270,000	2,947,051	2027
Granby Sanitation District, acting by and through its Water Activity Enterprise	2006 Series A	WPCRF	Wastewater revenues	1,305,000	2,846,166	2027
Fort Collins (City of), Colorado, acting by and through the City of Fort Collins, Colorado, Stormwater Utility Enterprise	2001 Series A	WPCRF	Stormwater revenues	2,970,000	2,825,000	2021
Lafayette (City of), Colorado, acting by and through its Water Reclamation Fund Enterprise	2001 Series A	WPCRF	Water and wastewater revenue	2,485,000	2,794,116	2021

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Borrowers	CWR & PDA Issue	Program	Security Pledge	Total Bond Principal Outstanding	Total Loan(s) Outstanding	Loan Term	
Castle Pines Metropolitan District	2014 Direct	DWRF	Water and wastewater revenue		2,761,490	2035	
	2006 Direct	DWRF	Water and wastewater revenue			2026	
	2006 Direct	DWRF	Water and wastewater revenue			2027	
Milliken (Town of), Colorado, acting by and through its Wastewater Enterprise	2003 Series A	WPCRF	Wastewater revenues	1,515,000	2,738,216	2024	
	Cortez Sanitation District	2001 Series A	WPCRF	General obligation		2,590,000	2020
	Ault, Town of (DL#2)	2015 Direct	WPCRF	Wastewater revenue			2035
Lamar, City of	2006 Direct	WPCRF	Wastewater revenue		2,523,161	2026	
	2010 Direct	WPCRF	Water and wastewater revenue			2031	
	2009 Direct	DWRF	Water and wastewater revenue			2030	
Bennett, Town of La Plata Archuleta WD	2016 Direct	DWRF	Water revenue		2,500,000	2036	
	2016 Direct	DWRF	General obligation			2036	
	Fort Morgan (City of), Colorado, acting by and through its Water Works and Distribution Enterprise	1998 Series A	DWRF	Wastewater revenue		1,725,000	2,473,965
Spring Canyon W&SD (DL#2)	2016 Direct	DWRF	Water and wastewater revenue		2,443,537	2036	
	2015 Direct	DWRF	Water and wastewater revenue			2035	
Steamboat Springs (City of), Colorado, acting by and through the City of Steamboat Springs Utilities Fund Enterprise	1999 Series A	WPCRF	Water and wastewater revenue	2,145,000	2,426,429	2019	
	2001 Series A	WPCRF	Water and wastewater revenue			2021	
	Crested Butte South Metropolitan District	2010 Direct	DWRF	Water and wastewater revenue			2,425,345
Mountain W&SD	2009 Direct	WPCRF	Water and wastewater revenue		2,375,000	2030	
	2012 Direct	WPCRF	General obligation			2033	
Genesee W&SD	2011 Direct	DWRF	General obligation		2,375,000	2031	
	2015 Direct	DWRF	Water and wastewater revenue			2035	

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Borrowers	CWR & PDA Issue	Program	Security Pledge	Total Bond Principal Outstanding	Total Loan(s) Outstanding	Loan Term
Windsor (Town of), Colorado, acting by and through its Sewer Utilities Enterprise	2011 Series A	WPCRF	Wastewater revenues	1,850,000	2,200,576	2027
Granby, Town of	2015 Direct	WPCRF	Wastewater revenue		2,177,025	2035
Evergreen Metropolitan District, acting by and through its Water Enterprise	2002 Series A	DWRF	Water revenue	1,635,000	2,155,674	2022
	2000 Series A	DWRF	Water revenue			2020
Forest View Acres WD	2012 Direct	DWRF	Water revenue		2,148,295	2033
	2016 Direct	DWRF	Water revenue			2036
Highland Lakes WD	2015 Direct	DWRF	Water revenue		1,951,142	2035
Central Clear Creek SD (DL#2)	2016 Direct	WPCRF	General obligation		1,948,475	2047
Larimer County LID 2013-1 (Berthoud Estates)	2016 Direct	WPCRF	Special assessment		1,943,931	2036
	2014 Direct	WPCRF	Special assessment			2034
Rocky Ford, City of	2014 Direct	WPCRF	Wastewater revenue		1,930,427	2035
	2012 Direct	WPCRF	Wastewater revenue			2033
Mead, Town of	2016 Direct	WPCRF	Water revenue		1,930,000	2028
Three Lakes WSD	2014 Direct	WPCRF	Water revenue		1,908,682	2035
Pagosa Springs GID (DL#4), Town of	2014 Direct	WPCRF	Water revenue		1,899,427	2035
Larkspur, Town of	2014 Direct	DWRF	Water, wastewater, property revenue		1,866,667	2044
Englewood (City of), Colorado, acting by and through its Water Utility Enterprise	1997 Series A	DWRF	Water revenue	1,230,000	1,806,638	2018
Wellington (Town of), Colorado, acting by and through the Town of Wellington, Colorado Sewer Enterprise	2002 Series A	WPCRF	Wastewater revenues	1,025,000	1,782,095	2022

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Borrowers	CWR & PDA Issue	Program	Security Pledge	Total Bond Principal Outstanding	Total Loan(s) Outstanding	Loan Term
Redstone Water and Sanitation District	2011 Direct	WPCRF	Water and wastewater revenue and prop. tax		1,772,963	2032
Nederland, Town of	2009 Direct	DWRF	Water revenue and sales tax		1,741,761	2030
Dillon, Town of (DL#2)	2015 Direct	DWRF	Water revenue		1,717,814	2035
Fairways MD	2013 Direct	WPCRF	Wastewater revenue		1,661,140	2033
	2016 Direct	WPCRF	Wastewater revenue			2037
Fremont Sanitation District, acting by and through its Wastewater Enterprise	1999 Series A	WPCRF	Wastewater revenue	1,470,000	1,647,899	2019
Wray, City of (DL#2)	2016 Direct	WPCRF	Wastewater revenue		1,634,200	2037
Mt. Crested Butte Water and Sanitation District	2001 Series A	WPCRF	General obligation	1,440,000	1,623,444	2021
Colorado Centre Metropolitan District	2011 Direct	WPCRF	Wastewater revenue		1,582,921	2031
Crowley, Town of	2011 Direct	WPCRF	Wastewater revenue		1,566,435	2031
Larimer County LID 2014-1 (WMR)	2016 Direct	WPCRF	Special assessments		1,558,118	
Monte Vista, City of (DL#2)	2015 Direct	WPCRF	Wastewater revenue		1,467,094	2035
	1999 Direct	WPCRF	Wastewater revenue			2019
Upper Blue Sanitation District	2010 Direct	WPCRF	Wastewater revenue		1,460,017	2030
Ralston Valley Water & Sanitation District	2006 Direct	WPCRF	General obligation		1,457,531	2026
	2006 Direct	DWRF	General obligation			2027
East Alamosa W&SD	2008 Direct	DWRF	Water and wastewater revenue		1,433,333	2038
Crested Butte, Town of	2012 Direct	DWRF	Water and wastewater revenue		1,432,536	2032
	2010 Direct	WPCRF	Water and wastewater revenue			2031
Evergreen Metropolitan District	2009 Direct	WPCRF	Wastewater revenue		1,412,646	2029
Hayden, Town of	2014 Direct	DWRF	Water and wastewater revenue		1,390,432	2035
	2012 Direct	WPCRF	Water and wastewater revenue			2033
	2002 Direct	DWRF	Water and wastewater revenue			2022
Three Lakes Water & Sanitation District	2000 Series A	WPCRF	General obligation	870,000	1,381,212	2019
Fairplay Sanitation District	2008 Direct	WPCRF	General obligation		1,369,230	2028

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Borrowers	CWR & PDA Issue	Program	Security Pledge	Total Bond Principal Outstanding	Total Loan(s) Outstanding	Loan Term
Lake Durango Water Authority	2009 Direct	DWRF	Water revenue		1,364,801	2029
Teller County Water & Sanitation District 1	2010 Direct	DWRF	Water and wastewater revenue		1,350,329	2031
Loma Linda SD	2014 Direct	WPCRF	Wastewater revenue		1,338,667	2035
	2016 Direct	WPCRF	Wastewater revenue			2036
Rangely, Town of	2013 Direct	DWRF	Water revenue		1,334,054	2033
Stratton, Town of (DL#3)	2013 Direct	DWRF	Water revenue		1,290,712	2044
	2008 Direct	DWRF	Water revenue			2039
	2007 Direct	DWRF	Water revenue			2038
Fowler, Town of	2014 Direct	WPCRF	Wastewater revenue		1,260,000	2034
Palmer Lake, Town of	2009 Direct	DWRF	Water revenue		1,236,538	2030
Cortez Sanitation District	2007 Direct	WPCRF	Wastewater revenue		1,220,716	2027
Fort Collins (City of), Colorado, acting by and through the city of Fort Collins, Colorado, Water Utility Enterprise	1999 Series A	DWRF	Water revenue	850,000	1,178,609	2019
	1997 Series A	DWRF	Water revenue			2017
El Rancho Florida Metropolitan District	2011 Direct	DWRF	General obligation		1,151,400	2032
Evans, City of	2013 Direct	DWRF	Water revenue		1,096,053	2023
Kersey (Town of) #2	2006 Direct	WPCRF	Wastewater revenue		1,091,707	2026
	1999 Direct	WPCRF	Wastewater revenue			2020
Mountain View Water & Sanitation District	2009 Direct	WPCRF	Wastewater revenue		1,082,514	2029
Larimer County LID - River Glen	2013 Direct	WPCRF	Special Assessments		1,060,368	2033
Burlington, City of	2016 Direct	DWRF	Water and wastewater revenue		1,053,200	2047
Baca Grande Water & Sanitation District	2009 Direct	DWRF	General obligation		1,049,410	2029

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Borrowers	CWR & PDA Issue	Program	Security Pledge	Total Bond Principal Outstanding	Total Loan(s) Outstanding	Loan Term
Center, Town of	2015 Direct	DWRF	Water revenue		1,047,850	2045
Gilcrest, Town of	2015 Direct	WPCRF	Wastewater revenue		1,035,188	2035
Creede, City of	2009 Direct	DWRF	Water revenue		984,235	2039
Antonito, Town of	2015 Direct	DWRF	Water and wastewater revenue		975,906	2045
Grand County Water and Sanitation District No. 1, Winter Park, Colorado	1999 Series A	DWRF	General obligation	750,000	965,120	2018
	1999 Series A	WPCRF	General obligation			2018
Boulder County	2006 Direct	WPCRF	special assessment		933,139	2025
Cedaredge, Town of	2015 Direct	WPCRF	Wastewater revenue		925,000	2036
Trinidad (City of), Colorado, acting by and through its Wastewater Enterprise	1998 Series A	WPCRF	Wastewater revenue	820,000	918,652	2018
La Veta, Town of	2008 Direct	DWRF	Water revenue		916,539	2039
Edgewater, City of	2015 Direct	DWRF	Water revenue		909,005	2035
Navajo Western Water District	2012 Direct	DWRF	Water revenue		852,415	2042
Idaho Springs (City of), Colorado, acting by and through the City of Idaho Springs Water Activity Enterprise	2002 Series A	DWRF	Water and wastewater revenue	475,000	845,091	2022
	1997 Direct	DWRF	Water and wastewater revenue			2017
BMR Metropolitan District	2010 Direct	DWRF	Water revenue		813,373	2031
Colorado City Metropolitan District, acting in the capacity of its Wastewater Enterprise	2003 Series A	WPCRF	Wastewater revenues	415,000	790,963	2024
Erie, Town of, Colorado, acting by and through the Erie Wastewater Enterprise	1997 Series A	WPCRF	Wastewater revenue	80,000	790,307	2017
	2009 Direct	WPCRF	Wastewater revenue			2030
	1997 Direct	WPCRF	Wastewater revenue			2017
Williamsburg, Town of	2014 Direct	DWRF	Water revenue		778,288	2044
Yampa Valley Housing Authority	2015 Direct	WPCRF	Lot rent revenue		740,227	2035
	2015 Direct	DWRF	Lot rent revenue			2045

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Borrowers	CWR & PDA Issue	Program	Security Pledge	Total Bond Principal Outstanding	Total Loan(s) Outstanding	Loan Term
La Jara, Town of (DL#2)	2015 Direct	WPCRF	Water and wastewater revenue		739,837	2035
	2006 Direct	WPCRF	Water and wastewater revenue			2026
	2005 Direct	DWRF	Water and wastewater revenue			2025
Las Animas, City of	2013 Direct	WPCRF	Wastewater revenue		737,572	2034
	2011 Direct	WPCRF	Wastewater revenue			2032
	2008 Direct	WPCRF	Wastewater revenue			2028
	1998 Direct	WPCRF	Wastewater revenue			2018
Cucharas Sanitation & Water District	2012 Direct	DWRF	Water and wastewater revenue		716,677	2033
	2006 Direct	WPCRF	Water and wastewater revenue			2027
	2006 Direct	DWRF	Water and wastewater revenue			2027
Tree Haus Metropolitan District Mancos, Town of	2010 Direct	DWRF	General obligation		706,613	2031
	2011 Direct	WPCRF	Wastewater revenue		693,870	2031
Log Lane Village (Town of) South Durango Sanitation District	2009 Direct	WPCRF	Wastewater revenue			2029
	2005 Direct	DWRF	Water revenue		691,241	2035
Elizabeth (Town of)	2012 Direct	WPCRF	Wastewater revenue		669,034	2032
	2007 Direct	WPCRF	Water and wastewater revenue		665,903	2027
Columbine Lake WD Las Animas, City of	2015 Direct	DWRF	Water revenue		658,495	2035
	2008 Direct	DWRF	Water revenue		595,467	2038
Boone (Town of)	2006 Direct	DWRF	Water and wastewater revenue		588,722	2036
	2009 Direct	WPCRF	Water and wastewater revenue			2030
Hot Sulpher Springs, Town of Walden (Town of)	2012 Direct	WPCRF	Wastewater revenue		586,341	2032
	2006 Direct	DWRF	Water and wastewater revenue		585,253	2031
Pierce (Town of) Georgetown, Town of	2006 Direct	WPCRF	Wastewater revenue		576,479	2027
	2011 Direct	DWRF	Water revenue		572,779	2031
Hillrose (Town of) Glenwood Springs (City of), Colorado	2007 Direct	DWRF	Water revenue		534,356	2037
	1999 Series A	DWRF	Sales & use tax	425,000	529,054	2018

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Borrowers	CWR & PDA Issue	Program	Security Pledge	Total Bond Principal Outstanding	Total Loan(s) Outstanding	Loan Term
Swink, Town of	2010 Direct	DWRF	Water revenue		523,912	2041
	2004 Direct	DWRF	Water revenue			2024
Kremmling Sanitation District	2005 Direct	WPCRF	Wastewater revenue		509,212	2025
Yampa, Town of	2014 Direct	DWRF	Water and wastewater revenue		505,805	2045
Lake City, Town of	2015 Direct	DWRF	Water and wastewater revenue		475,000	2045
Hillcrest W&SD	2013 Direct	WPCRF	Wastewater revenue		471,509	2033
Mansfield Heights W&SD	2013 Direct	WPCRF	Wastewater revenue		456,006	2033
Del Norte, Town of	2008 Direct	DWRF	Water revenue		452,946	2029
Rye, Town of	2009 Direct	DWRF	Water revenue		434,657	2039
Salida, City of	2011 Direct	DWRF	Water and wastewater revenue		422,375	2032
Pinewood Springs Water District #2	2006 Direct	DWRF	Water revenue		422,234	2026
Hotchkiss, Town of	2008 Direct	DWRF	Water revenue		410,703	2028
Manassa, Town of	2011 Direct	DWRF	Water revenue		402,535	2041
Oak Creek (Town of)	2003 Direct	DWRF	Water revenue		395,993	2023
Arriba, Town of	2009 Direct	DWRF	Water revenue		387,167	2039
Shadow Mountain Village LID	2015 Direct	WPCRF	Special assessment		384,020	2035
Limon (Town of), Colorado, acting by and through its Water Enterprise	2000 Series A	DWRF	Water revenue	310,000	373,744	2020
Nunn, Town of	2011 Direct	DWRF	Water revenue		372,661	2042
Basalt, (Town of)	2002 Direct	DWRF	Water revenue		371,725	2022
Wellington (Town of)	2001 Direct	DWRF	Water revenue		359,640	2022
La Veta, Town of	2015 Direct	WPCRF	Wastewater revenue		354,000	2035
	2014 Direct	WPCRF	Wastewater revenue			2034
Springfield (Town of)	2006 Direct	WPCRF	Wastewater revenue		334,509	2027
	2000 Direct	WPCRF	Wastewater revenue			2020
Cortez, City of	2010 Direct	DWRF	Water revenue		331,272	2030
Mustang Water Authority	2003 Direct	DWRF	Water revenue		328,800	2024

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Borrowers	CWR & PDA Issue	Program	Security Pledge	Total Bond Principal Outstanding	Total Loan(s) Outstanding	Loan Term
Alma, Town of	2011 Direct	DWRF	Water revenue		317,235	2031
Ordway (Town of)	2006 Direct	WPCRF	Wastewater revenue		314,475	2027
Julesburg (Town of)	2002 Direct	WPCRF	Wastewater revenue		311,007	2022
Monte Vista, Town of	2011 Direct	DWRF	Water revenue		295,230	2042
Woodland Park (City of)	2002 Direct	DWRF	Water revenue		290,228	2022
Timbers W&SD	2013 Direct	DWRF	General obligation		288,750	2033
Buena Vista Sanitation District	1998 Series A	WPCRF	Wastewater revenue	255,000	283,285	2017
Platte Canyon Water & Sanitation District, Subdistrict #2	2008 Direct	DWRF	General obligation		283,009	2028
Bethune (Town of)	2006 Direct	DWRF	Water revenue		278,667	2036
Larimer County LID (Fish Creek)	2014 Direct	DWRF	Special assessment		276,001	2034
Olney Springs, Town of	2013 Direct	WPCRF	Wastewater revenue		274,550	2033
Tabernash Meadows W&SD	2011 Direct	WPCRF	Water and wastewater revenue		273,750	2031
Sedgwick, (Town of)	2006 Direct	DWRF	Water and wastewater revenue		272,350	2036
Blanca, Town of (DL#2)	2011 Direct	DWRF	Water and wastewater revenue		266,294	2041
Ouray (City of)	2003 Direct	DWRF	Water revenue and sales tax		256,319	2024
La Plata County Palo Verde PID	2014 Direct	DWRF	Water revenue		254,215	2034
Stratton, (Town of)	2006 Direct	WPCRF	Wastewater revenue		253,388	2027
Larimer County Local Improvement District No. 2007-1	2008 Direct	WPCRF	Special assessment		243,157	2028
Coal Creek, Town of	2013 Direct	DWRF	Water revenue		240,025	2033
Rockvale, Town of	2009 Direct	DWRF	Water revenue		236,676	2039
Platte Canyon Water and Sanitation Subdistrict #1	2006 Direct	DWRF	Water revenue		236,049	2026
Hotchkiss, Town of	2015 Direct	WPCRF	Wastewater revenue		230,127	2035
Ordway (Town of )	2007 Direct	DWRF	Water revenue		216,677	2037
	2006 Direct	DWRF	Water revenue			2037

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Larimer County LID 2008-1 (Hidden View Estates)	2010 Direct	WPCRF	Special assessment		194,683	2031
Julesburg (Town of), Colorado, acting by and through the Town of Julesburg, Colorado, Water Enterprise	1999 Series A	DWRF	Water revenue	120,000	191,269	2019
Pine Drive Water District	2010 Direct	DWRF	Water revenue		183,016	2030
Haxtun (Town of)	2006 Direct	WPCRF	Wastewater revenue		176,102	2027
Kit Carson, Town of	2009 Direct	WPCRF	Water and wastewater revenue		174,825	2030
Buena Vista (Town of), acting by and through its Water Activity Enterprise	1998 Series A	DWRF	Water revenue	100,000	171,032	2018
Pritchett, Town of	2015 Direct	WPCRF	Wastewater revenue		170,525	2035
Eagle Town of, Colorado	1997 Series A	WPCRF	General obligation	90,000	166,365	2017
Olde Stage WD	2008 Direct	DWRF	Water revenue		156,208	2029
	2005 Direct	DWRF	Water revenue			2025
Cokedale, Town of (DL #2)	2014 Direct	WPCRF	Water and wastewater revenue		155,684	2034
Garden Valley Water & Sanitation District	2004 Direct	WPCRF	Water and wastewater revenue		150,574	2024
Thunderbird Water and Sanitation District	2002 Direct	DWRF	Water revenue		131,246	2012
Pritchett(Town of)	2006 Direct	DWRF	Water revenue		130,000	2036
Bristol Water and Sanitation District	2006 Direct	DWRF	Water revenue		126,667	2035
Louviers WS&D	2012 Direct	DWRF	Water revenue		123,358	2043
Genoa (Town of)	2006 Direct	DWRF	Water revenue		119,583	2037
Divide MPC Metropolitan District 1	2010 Direct	DWRF	Water revenue		104,089	2030
Seibert, Town of	2009 Direct	WPCRF	Wastewater revenue		101,250	2030
Merino, Town of	2012 Direct	DWRF	Water revenue		99,994	2043
Romeo (Town of)	2007 Direct	WPCRF	Water and wastewater revenue		99,603	2028
Silver Plume, Town of	2011 Direct	WPCRF	Wastewater revenue		99,561	2031
Naturita, Town of	2012 Direct	WPCRF	Water and wastewater revenue		99,003	2032

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Borrowers	CWR & PDA Issue	Program	Security Pledge	Total Bond Principal Outstanding	Total Loan(s) Outstanding	Loan Term
Bennett (Town of)	2006 Direct	WPCRF	Wastewater revenue		96,440	2026
Simla, Town of	2012 Direct	WPCRF	Wastewater revenue		95,700	2033
Dinosaur, Town of	2015 Direct	WPCRF	Wastewater revenue		92,500	2035
Crowley, Town of	2012 Direct	DWRF	Water revenue		90,000	2043
Cherry Hills Heights Water and Sanitation District	2010 Direct	WPCRF	Property tax revenue		89,378	2020
Mesa Water & Sanitation District	2011 Direct	DWRF	Water and wastewater revenue		88,908	2041
Kim, Town of	2008 Direct	DWRF	Water revenue		86,533	2038
Penrose Sanitation District	2008 Direct	WPCRF	Wastewater revenue		86,052	2029
Flagler, Town of (DL)	2015 Direct	DWRF	Water revenue		81,617	2046
Arapahoe Estates Water District	1997 Series A	DWRF	General obligation	20,000	71,728	2017
Sedalia Water & Sanitation District	2000 Direct	DWRF	General obligation		71,006	2019
Manzanola, Town of	2008 Direct	WPCRF	Wastewater revenue		60,000	2029
Pinewood Springs Water District	2004 Direct	DWRF	General obligation		59,676	2024
Eckley, Town of	2008 Direct	DWRF	Water revenue		57,500	2028
Thunderbird Water and Sanitation District	1999 Direct	DWRF	General obligation		56,880	2019
Left Hand Water & Sanitation District	2000 Direct	WPCRF	General obligation		52,621	2020
	1999 Direct	WPCRF	General obligation			2018
	1998 Direct	DWRF	General obligation			2018

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Chatfield South Water District	1998 Direct	DWRF	General obligation		46,858	2018
Redstone Water and Sanitation District	1998 Direct	DWRF	General obligation		30,762	2017
Fairplay (Town of)	1997 Direct	DWRF	Water revenue		14,800	2017
Manzanola (Town of)	1997 Direct	WPCRF	General obligation		3,048	2017
Fraser Sanitation District*	2001 Series A	WPCRF	Wastewater revenue	645,000		2021
<b>Grand Total</b>				<b>\$ 396,145,000</b>	<b>\$ 840,359,471</b>	

\* Fraser

Note: Total Loans Outstanding column includes principal (used for payment of principal on bonds), principal 2 (state match, deallocated), equity principal (federal/reloan, deallocated). Loan principal usually equals bond principal and is generally the source for payment of bond principal.

Note: For purpose of this financial report this note is to reconcile the difference between total loans receivable on this schedule to the loan receivables balance on the financial statements for the WPCRF and DWRF funds. The difference of the amounts included in the financials and the WPCRF and DWRF Direct Loans by Aggregate are amounts due from loans funded under the American Reinvestment & Recovery Act of 2009 (ARRA). Payments from ARRA loans are not included as security for the bonds.

**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters Based on an  
Audit of the Financial Statements Performed in Accordance with  
Government Auditing Standards**

Board of Directors  
Colorado Water Resources and  
Power Development Authority  
Denver, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major fund of Colorado Water Resources and Power Development Authority (the Authority), a component unit of the State of Colorado, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated April 12, 2017.

***Internal Control Over Financial Reporting***

Management of the Authority is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit of the financial statements, we considered the Authority's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors  
Colorado Water Resources and  
Power Development Authority

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**BKD, LLP**

Denver, Colorado  
April 12, 2017

## Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Board of Directors  
Colorado Water Resources and  
Power Development Authority  
Denver, Colorado

### Report on Compliance for Each Major Federal Program

We have audited Colorado Water Resources and Power Development Authority's (the Authority), a component unit of the State of Colorado, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2016. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, contracts and the terms and conditions of its federal awards applicable to its federal programs.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination on the Authority's compliance.

Board of Directors  
Colorado Water Resources and  
Power Development Authority

### ***Opinion on the Major Federal Program***

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

### **Report on Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*BKD, LLP*

Denver, Colorado  
April 12, 2017

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2016**

Grantor Program title	Federal CFDA number	Grant award	Passed Through to Subrecipients	Accrued January 1, 2016	Receipts	Expenditures	Accrued December 31, 2016
U.S. Environmental Protection Agency:							
Direct payments:							
Clean Water State Revolving Fund Cluster							
Capitalization Grants for Clean Water							
State Revolving Funds:							
2014 Grant	66.458	11,216,000	\$ 10,470,908	\$ -	\$ 10,470,908	\$ 10,470,908	-
2015 Grant	66.458	11,158,000	10,165,531	236,709	10,468,376	10,231,667	-
2016 Grant	66.458	10,687,000	-	-	-	65,662	65,662
Total federal awards – Clean Water State Revolving Fund Cluster			<u>20,636,439</u>	<u>236,709</u>	<u>20,939,284</u>	<u>20,768,237</u>	<u>65,662</u>
Drinking Water State Revolving Fund Cluster							
Capitalization Grants for Drinking							
Water State Revolving Funds:							
2012 Grant	66.468	15,920,000	-	219,988	219,988	-	-
2013 Grant	66.468	14,937,000	5,390,726	506,013	6,201,940	5,695,927	-
2014 Grant	66.468	15,394,000	-	1,441,570	2,820,317	1,886,081	507,334
2015 Grant	66.468	15,293,000	10,552,172	676,444	12,165,126	13,319,190	1,830,508
2016 Grant	66.468	14,468,000	4,505,382	-	5,084,102	5,399,977	315,875
Total federal awards – Drinking Water State Revolving Fund Cluster			<u>20,448,280</u>	<u>2,844,015</u>	<u>26,491,473</u>	<u>26,301,175</u>	<u>2,653,717</u>
Total federal awards			<u>\$ 41,084,719</u>	<u>\$ 3,080,724</u>	<u>\$ 47,430,757</u>	<u>\$ 47,069,412</u>	<u>\$ 2,719,379</u>

See accompanying notes to schedule of expenditures of federal awards.

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2016**

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Colorado Water Resources and Power Development Authority (the Authority) under programs of the federal government for the year ended December 31, 2016. The accompanying notes are an integral part of this Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

**Note 2: Subrecipients**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB A-87 or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3: Set Asides**

For the year ended December 31, 2016, the following DWRF grant amounts were used for the set aside programs:

	<u>Set aside amount</u>
DWRF program year:	
2013	\$ 305,201
2014	1,886,081
2015	2,767,018
2016	<u>894,595</u>
Total	<u>\$ 5,852,895</u>

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**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2016**

8. Dollar threshold used to distinguish between Type A and Type B programs: \$1,412,082
9. Auditee qualified as low-risk auditee?  Yes  No

**Section II – Financial Statement Findings**

Reference Number	Finding
No matters are reportable.	

**Section III – Federal Award Findings and Questioned Costs**

Reference Number	Finding
No matters are reportable.	

**Colorado Water Resources  
and Power Development Authority  
(A Component Unit of the State of Colorado)  
Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2016**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
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No matters are reportable.