

Colorado Agricultural Development Authority

Annual Report
1991

February 20, 1992

General Assembly State of Colorado
State Capitol

Members of the General Assembly:

This is the eleventh annual report of the Colorado Agricultural Development Authority. In 1991, the Authority made five Beginning Farmer loans for a total of \$883,320. In addition, the Authority worked with the Colorado Housing and Finance Authority in issuing four loans for \$445,897 under the Quality Agricultural Loan program. Under these programs, no state money is pledged or at risk.

At this time, Congress is considering giving permanent tax-exempt bonds status to beginning farmer programs. This action would increase the ability of the Authority to work both with borrowers and lenders and should result in more agricultural loans being made.

The Board and staff of the Authority will continue to look for new ways to assist Colorado farmers and ranchers with their financing needs.

Sincerely,

Patricia K. Murray
Chair

Jim Rubingh
Secretary

Colorado Agricultural Development Authority
Board Members
For the Year Ended December 31, 1991

Name and City	Position	Expiration of Term	Occupation
Steven W. Horn Denver	Ex-officio Member	--	Commissioner Colo. Dept. Agriculture
Patricia K. Murray Brighton	Chairman	June 30, 1993	C.P.A., Farmer
John Frezieres Fruita	Member	June 30, 1993	Rancher, Agriculture Consultant
David Foy Otis	Vice-Chairman	June 30, 1992	Farmer
Lynn Whiteman Meeker	Member	June 30, 1993	Real Estate Broker, Rancher Rural Appraiser
Gerland Klein Yuma	Member	June 30, 1994	Farmer
J. Rodney Uhrich Denver	Member	June 30, 1995	Retired Banker
Robert B. Wiley Boone	Member	June 30, 1996	Farmer

James Rubingh serves as Secretary to the Authority.

Colorado Agricultural Development Authority
Annual Report
For the Year Ended December 31, 1991

Beginning Farmer Program. This program utilizes tax exempt bonds to assist first time farmers and ranchers with the purchase of land, equipment and other capital expenditures. Sixty loans for a total of \$9,804,689 have been made to individual borrowers as of December 31, 1991. In 1991, five loans for \$883,320 were made to assist beginning farmers and ranchers.

Loan to Lenders Program. This program was conducted in 1983 with six-year equipment loans (completed in 1989) and ten-year land loans (to be completed in 1993). A total of 105 loans for \$8,000,000 were made.

In total, CADA has made 165 loans for \$17,804,689. No state money is pledged or at risk under any of these program.

Quality Agricultural Loans. This program is carried out through the Colorado Housing and Finance Authority and utilizes low interest funds to purchase the guaranteed portion of Farmers Home Administration loans. In 1991, four loans with a total value of \$445,897 were purchased.

Colorado Agricultural Development Authority
 State of Revenues, Expenses and Changes in Financial Condition
 For the Year Ended December 31, 1991

Revenue	1991	1990
Trustee Payment	\$ 1,585.00	\$ 0
Interest on Checking Account	715.08	979.30
Interest on Certificate of Deposit	3,345.50	3,986.15
Application Fees	300.00	300.00
Loan Closings	1,966.30	1,989.00
Annual Fees Collected	4,832.05	6,940.74
QAL Fees	1,465.15	
Other	0	386.32
 Total Revenue	 \$ 14,209.08	 \$ 14,571.51
 Expenditures		
Telephone	\$ 480.01	\$ 60.21
Equipment/Supplies	2.60	128.00
Printing/Copying	611.08	213.09
Travel/Staff	531.92	2,074.88
Travel/Board	4,191.02	4,353.35
Postage	59.19	267.33
Conference Fees	625.00	800.00
Insurance	421.00	421.00
Dues/Subscriptions	238.00	0
Intern Compensation	3,342.14	2,585.96
Express Mail	130.50	0
Bank charge	21.10	12.00
Accounting Fees	4,630.00	0
Advertising & Publicity	357.85	0
Official Functions	744.71	248.72
Miscellaneous	30.00	629.36
 Total Expenditures	 \$ 16,416.12	 \$ 11,793.90
 Revenue Over Expenses	 \$(2,207.04)	 2,777.61
 Investment (CD) Balance	 \$ 56,367.70	 \$ 53,022.20
Cash Balance, End of Year	\$ 9,973.75	\$ 15,525.99
Fund Balance, End of Year	\$ 66,341.45	\$ 68,548.19

Colorado Agricultural Development Authority
Statement of Assets
For the Year Ended December 31, 1991

	1991	1990
Cash on Hand	\$ 9,973.75	\$ 15,525.99
Balance of Certificate of Deposit	56,367.70	53,022.20
Total Assets	\$ 66,341.45	\$ 68,548.19

Colorado Agricultural Development Authority
Notes to Financial Statement
For the Year Ended December 31, 1991

1. Authorizing Legislation

The Colorado Agricultural Development Authority (the Authority) is an independent public body politic and corporate and political Subdivision, created June 19, 1981 by an Act of the General Assembly of the State of Colorado.

The purpose of the Authority is to provide low interest financing to Colorado farmers, ranchers and agricultural processors for capital expenditures necessary for agricultural production.

The Authority may issue tax-exempt bonds and notes or other obligations, which shall not constitute a debt of the State of Colorado, its legislature or any political subdivision other than the Authority. Obligations are issued by and are the limited obligations of the Authority, payable solely from collections from the borrowing entity.

2. Nature of Funds

The funds maintained by the Authority are described below:

Operating Fund - The operating fund was established by the Authority to account for expenses necessary for the operation of the Authority.

Bond Funds - Resolutions adopted by the Authority and bond documents intended to implement the resolutions establish the specific funds to account for the proceeds of the bond issues and debt service payments. (Also see Note 4.)

3. Accounting Policies

The significant accounting policies of the Authority are:

a. The Authority's financial statements reflect the accrual basis of accounting.

b. The Authority may impose upon any borrower a service fee in amounts determined by the Authority. These fees may be used to pay various expenses of the Authority, including administrative and operating expenses, and to provide funds for anticipated future expenses. These fees are payable in part at the time of application and in part at the time of closing and thereafter on the anniversary date of closing for the length of the loan period.

Colorado Agricultural Development Authority
Notes to Financial Statement
For the Year Ended December 31, 1991

4. Bond Revenues

Assets held by the trustee in the Authority's 1983 Loan to Lenders Program consist of payments by lenders which are transferred by the trustee to bondholders. The Authority receives an annual payment from the trustee as a result of this bond issue which is reflected in the budget.