

The Honorable Governor Roy Romer  
State of Colorado  
State Capitol Building  
200 East Colfax Avenue  
Denver, Colorado 80203

Dear Governor Romer:

This is the twelfth annual report of the Colorado Agricultural Development Authority. In 1992 the Authority made two Beginning Farmer loans for a total of \$335,000. Although four additional loans were approved for \$547,000, these loans could not be closed because federal authorization for the program expired on June 30, 1992. It is anticipated that legislation reauthorizing the use of tax exempt bonds for first time farmers will be signed by the President in early 1993.

The Authority has also worked with the Colorado Housing and Finance Authority in issuing seven loans for \$914,709 for the Quality Agricultural Loan Program. No state money is pledged or at risk in either the Beginning Farmer program or the Quality Agricultural Loan program.

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

Annual Report  
1992

Colorado Agricultural Development Authority  
Board Members  
For the Year Ended December 31, 1992

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 Agriculture	Rancher, 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.

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**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-two loans for a total of \$10,139,689 have been made to individual borrowers as of December 31, 1992. In 1992, two loans for \$335,000 were made to assist beginning farmers and ranchers. The low number of loans made this year is due primarily to the small window (March - June 30) granted by Congress to issue tax-exempt bonds. It should be noted that four loans totalling \$547,700 approved during 1992 cannot close until Congress passes legislation to again allow the issuance of tax-exempt bonds.

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

In total, CADA has made 167 loans for \$18,139,689. 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 1992, seven loans with a total value of \$914,709 were purchased. Since the beginning of this program in 1990, 11 loans for \$1,360,606 have been purchased.

Colorado Agricultural Development Authority  
 State of Revenues, Expenses and Changes in Financial Condition  
 For the Year Ended December 31, 1992

Revenue	1992	1991
Trustee Payment	\$ 390.00	\$ 1,585.00
Interest on Checking Account	204.34	715.08
Interest on Certificate of Deposit	2,230.46	3,345.50
Bond Residual	914,092.87	.00
Interest on Dreyfus Investment	28,768.21	.00
Application Fees	1,150.00	300.00
Loan Closings	857.50	1,966.30
Annual Fees Collected	4,386.16	4,832.05
QAL Fees	76.05	1,465.15
Total Revenue	<u>\$ 952,155.59</u>	<u>\$ 14,209.08</u>
 Expenditures		
Telephone	\$ 33.63	\$ 480.01
Equipment/Supplies	19.82	2.60
Printing/Copying	107.33	611.08
Travel/Staff	699.15	531.92
Travel/Board	4,565.83	4,191.02
Postage	134.44	59.19
Conference Fees	1,545.00	625.00
Insurance	389.00	421.00
Dues/Subscriptions	250.00	238.00
Intern Compensation	2,298.11	3,342.14
Express Mail	.00	130.50
Bank charge	1,971.58	21.10
Accounting Fees	1,500.00	4,630.00
Advertising & Publicity	1,090.90	357.85
Official Functions	455.40	744.71
Miscellaneous	35.55	30.00
Allocation Application Fee	<u>500.00</u>	<u>.00</u>
Total Expenditures	<u>\$( 15,595.74)</u>	<u>\$(16,416.12)</u>
 Revenue Over Expenses	 <u>\$ 936,559.85</u>	 <u>\$( 2,207.04)</u>

Colorado Agricultural Development Authority  
Statement of Assets  
For the Year Ended December 31, 1992

	1992	1991
Cash on Hand	\$ 4,912.73	\$ 9,973.75
Investment Accounts	<u>999,487.66</u>	<u>56,367.70</u>
Total Assets	<u>\$ 1,004,400.39</u>	<u>\$ 66,341.45</u>

Colorado Agricultural Development Authority  
Notes to Financial Statement  
For the Year Ended December 31, 1992

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.

Colorado Agricultural Development Authority  
Notes to Financial Statement  
For the Year Ended December 31, 1992

4. Bond Revenues

- a. 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.
- b. 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.
- c. The authority received a one-time payment of \$914,062.87 in 1992 which represents residual proceeds from its 1987 bond issue.