

Colorado Agricultural Development Authority

Annual Report
1995

Colorado Agricultural Development Authority
Board Members
For the Year Ended December 31, 1995

Name and City	Position	Expiration of Term	Occupation
Thomas A. Kourlis Lakewood	Ex-officio Member	--	Commissioner Colo. Dept. Agriculture
J. Rodney Uhrich Denver	Chairman	June 30, 1999	Retired Banker
Gerland Klein Yuma	Vice Chairman	June 30, 1997	Farmer
Jim Dyer Durango	Member	June 30, 1996	Educator Legislator
Ron Lambden Greeley	Member	June 30, 1997	Attorney
Don Schulz Monte Vista	Member	June 30, 1997	Financial Planner
Loren Whittemore Rush	Member	June 30, 1997	Rancher\County Commissioner
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. Ninety-nine loans for a total of \$14,333,541.60 have been made to individual borrowers as of December 31, 1995. In 1995, twenty two loans for \$2,377,947.60 were made to assist beginning farmers and ranchers.

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

In total, CADA has made 204 loans for \$22,333,541.60. No state money is pledged or at risk under any of these programs.

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 1995, nine loans with a total value of \$1,209,819. were purchased. Since the beginning of this program in 1990, 35 loans for \$5,401,319. have been purchased.

Colorado Credit Reserve (CCR) - Ag Loans. This program became available in March of 1994 and encourages rural lenders to approve small loan requests from agricultural producers and processors. CCR is based on a pooled loan reserve concept, run through the Colorado Housing and Finance Authority and funded by the Colorado Agricultural Development Authority. In 1995, five loans were made through this program for a total of \$143,000. To date, eleven CCR-Ag loans have been made for a total of \$411,860. The average loan size is \$43,482.11.

Colorado Agricultural Development Authority
 State of Revenues, Expenses and Changes in Financial Condition
 For the Year Ended December 31, 1995

Revenue	1995	1994
Interest on Checking Account	\$ 332.84	\$ 488.25
Interest on Dreyfus Money Market Account	2,372.62	0.00
Interest on Federal Home Loans	19,692.00	0.00
Interest on Federal Farm Credit Bonds	27,805.00	0.00
Interest on Certificate of Deposit	0.00	501.32
Interest on T-Bills	11,653.13	35,283.55
Excess Investment Funds	0.00	216.55
Application Fees	1,500.00	650.00
Loan Closings	5,085.24	2,502.50
Annual Fees Collected	4,123.83	4,452.94
Miscellaneous Reimbursements	<u>178.00</u>	<u>75.00</u>
 Total Revenue	 \$72,742.66	 \$ 44,170.11
 Expenditures		
Telephone	\$771.38	\$ 3.48
Equipment/Supplies	5,239.00	204.63
Printing/Copying	205.61	892.89
Travel/Staff	1,075.97	1,986.79
Travel/Board	3,874.23	4,666.17
Postage	256.08	205.00
Conference Fees	2,595.00	1,425.00
Insurance	389.00	680.78
Dues/Subscriptions	620.00	250.00
Intern Compensation	5,410.00	4045.00
Bank Charges/Investment Service Charges	69.59	324.49
Accounting Fees	1,700.00	1,500.00
Advertising & Publicity	3,613.12	2,207.80
Official Functions	498.47	337.64
Miscellaneous	350.72	53.00
Legal Expense	750.83	0.00
CCR-Ag Funding	0.00	10,000.00
Exhibitor Fees	300.00	340.00
Contributions	2,500.00	3,500.00
 Total Expenditures	 <u>30,219.00</u>	 <u>\$ 32622.67</u>
 Revenue Over Expenses	 <u>42,523.66</u>	 <u>\$ 11,547.44</u>

Colorado Agricultural Development Authority
Statement of Assets
For the Year Ended December 31, 1995

ASSETS:	1995	1994
Cash on Hand	\$ 3,766.89	\$ 20,613.15
Investment Accounts		
Dreyfus Money Market Account	49,342.13	39,266.71
Treasury Bills	0.00	559,791.41
Federal Farm Credit Bonds	430,739.60	415,259.38
Federal Home Loan	<u>598,531.76</u>	<u>0.00</u>
Total Assets	<u>1,082,380.38</u>	<u>\$ 1,034,930.65</u>

Colorado Agricultural Development Authority
Notes to Financial Statement
For the Year Ended December 31, 1995

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
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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.

MEMORANDUM

TO: Rod Urich
FROM: Jim Rubingh
DATE: February 13, 1996
SUBJECT: 1995 Annual Report

Enclosed is the authority's 1995 Annual Report. Please sign the cover letter and return it to me. I will make copies for the Board, governor's office and legislature and distribute them.

Enc.