

Colorado Agricultural Development Authority

Annual Report
1996

Colorado Agricultural Development Authority
Board Members
For the Year Ended December 31, 1996

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, 2000	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. One hundred twelve loans for a total of \$15,839,346.10 have been made to individual borrowers as of December 31, 1996. In 1996, thirteen loans for a total of \$1,505,804.50 were made to assist beginning farmers and ranchers.

Agricultural Processing Loan Program. This program utilizes tax exempt bonds to assist in the purchase of facilities and equipment for the processing of agricultural goods. Under this program one bond for \$295,000 was issued in 1996.

Agricultural Sewage Facility Bonds. This program utilizes tax exempt bonds to assist with the purchase of equipment and facilities for the handling of agricultural sewage and waste material. One bond for \$10 million was issued for this purpose in 1996.

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 219 loans for \$34,134,346.10. No state money is pledged or at risk under any of these programs.

Quality Agricultural Loans (QAL). 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. Since the beginning of this program in 1990, thirty five loans for \$5,401,319. have been purchased. No Quality Agricultural Loans were made in 1996.

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 1996, one loan was made through this program for \$62,000. To date, twelve CCR-Ag loans have been made for a total of \$473,860. The average loan size is \$39,488.33.

Colorado Agricultural Development Authority
 State of Revenues, Expenses and Changes in Financial Condition
 For the Year Ended December 31, 1996

Revenue	1996	1995
Interest on Checking Account	239.27	\$ 332.84
Interest on Dreyfus Money Market Account	3,716.62	2,372.62
Interest on Federal Home Loans	21,162.00	19,692.00
Interest on Federal Farm Credit Bonds	47,682.50	27,805.00
Interest on T-Bills	0.00	11,653.13
Application Fees	1,550.00	1,500.00
Loan Closings	3,114.52	5,085.24
Annual Fees Collected	12,424.12	4,123.83
Miscellaneous Reimbursements	<u>403.45</u>	<u>178.00</u>
 Total Revenue	 90,292.48	 \$72,742.66
 Expenditures		
Telephone	1,047.77	\$771.38
Equipment/Supplies	0.00	5,239.00
Printing/Copying	1,232.69	205.61
Travel/Staff	79.70	1,075.97
Travel/Board	1,291.86	3,874.23
Postage	409.86	256.08
Conference Fees	380.00	2,595.00
Insurance	502.00	389.00
Dues/Subscriptions	250.00	620.00
Intern Compensation	3,482.50	5,410.00
Bank Charges/Investment Service Charges	37.50	69.59
Accounting Fees	1,950.00	1,700.00
Advertising & Publicity	5,404.70	3,613.12
Official Functions	204.81	498.47
Miscellaneous	60.40	350.72
Legal Expense	2,488.38	750.83
Exhibitor Fees	565.00	300.00
Contributions	<u>8,100.00</u>	<u>2,500.00</u>
 Total Expenditures	 <u>27,487.17</u>	 <u>\$30,219.00</u>
 Revenue Over Expenses	 62,805.31	 \$42,523.66

Colorado Agricultural Development Authority
Statement of Assets
For the Year Ended December 31, 1996

ASSETS:

	1996	1995
Cash on Hand	24,355.75	\$ 3,766.89
Investment Accounts		
Dreyfus Money Market Account	44,577.87	49,342.13
Federal Farm Credit Bonds	754,449.34	430,739.60
Federal Home Loan	<u>301,237.13</u>	<u>598,531.76</u>
Total Assets	<u>1,124,620.09</u>	<u>1,082,380.38</u>

Colorado Agricultural Development Authority
Notes to Financial Statement
For the Year Ended December 31, 1996

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 21, 1997
SUBJECT: 1996 Annual Report

Enclosed is the authority's 1996 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.