

Colorado Agricultural Development Authority

Annual Report
1997

Colorado Agricultural Development Authority
Board Members
For the Year Ended December 31, 1997

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, 2000	Legislator
Ron Lambden Greeley	Member	June 30, 2001	Attorney
Don Schulz Monte Vista	Member	June 30, 2001	Financial Planner
Loren Whittemore Rush	Member	June 30, 2001	Rancher
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 thirty loans for a total of \$18,574,346.10 have been made to individual borrowers as of December 31, 1997. In 1997, eighteen loans for a total of \$2,735,000 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. One bond for \$2,000,000 was issued in 1997 giving a total of two bonds for \$2,295,000 under this program.

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 has been issued for this purpose.

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 238 loans for \$38,869,346.10. 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-eight loans for \$5,849,519 have been purchased. Three Quality Agricultural Loans were made in 1997 for a total of \$448,200.

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. No loans were made through this program in 1997. To date, twelve CCR-Ag loans have been made for a total of \$468,060. The average loan size is \$39,005.

Colorado Agricultural Development Authority
 State of Revenues, Expenses and Changes in Financial Condition
 For the Year Ended December 31, 1997

Revenue	<u>1997</u>	<u>1996</u>
Interest on Checking Account	287.78	239.27
Interest on Dreyfus Money Market Account	4,137.53	3,716.62
Interest on Investments	57,895.00	68,844.50
Application Fees	2,750.00	1,550.00
Loan Closings	7,118.26	3,114.52
Annual Fees Collected	19,970.90	12,424.12
Miscellaneous Reimbursements	<u>0.00</u>	<u>403.45</u>
 Total Revenue	 92,159.47	 90,292.48
 Expenditures		
Telephone	745.86	1,047.77
Printing/Copying	470.40	1,232.69
Travel/Staff	1,091.75	79.70
Travel/Board	3,755.19	1,291.86
Postage	357.07	409.86
Conference Fees	2,445.00	380.00
Insurance	316.00	502.00
Dues/Subscriptions	425.00	250.00
Intern Compensation	1,250.00	3,482.50
Bank Charges/Investment Service Charges	54.00	37.50
Accounting Fees	1,900.00	1,950.00
Advertising & Publicity	6,020.37	5,404.70
Official Functions	379.50	204.81
Miscellaneous	0.00	60.40
Legal Expense	683.00	2,488.38
Exhibitor Fees	200.00	565.00
Contributions	<u>4,100.00</u>	<u>8,100.00</u>
 Total Expenditures	 <u>24,193.14</u>	 <u>27,487.17</u>
 Revenue Over Expenses	 67,966.33	 62,805.31

Colorado Agricultural Development Authority
Statement of Assets
For the Year Ended December 31, 1997

ASSETS:	<u>1997</u>	<u>1996</u>
Cash on Hand	30,289.55	24,355.75
Investment Accounts		
Dreyfus Money Market Account	107,025.77	44,577.87
Bonds/Notes	1,054,032.84	1,055,686.47
Total Assets	<u>1,191,348.16</u>	<u>1,124,620.09</u>

Colorado Agricultural Development Authority
Notes to Financial Statement
For the Year Ended December 31, 1997

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, 1997

4. Bond Revenues

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.

MEMORANDUM

TO: Rod Urich
FROM: Jim Rubingh
DATE: March 31, 1998
SUBJECT: 1997 Annual Report

Enclosed is the authority's 1997 Annual Report. Please sign the cover letter and return it to me. I will make copies and distribute them to the Board, Governor's office and legislature.

Enc.