

Colorado Agricultural Development Authority

Annual Report
2011

Colorado Agricultural Development Authority

Board Members For the Year Ended December 31, 2011

| Name and City | Position | Expiration of Term | Occupation |
|------------------------------|-------------------|-------------------------------|--|
| John Salazar Lakewood | Ex-officio Member | -- | Commissioner Colo. Dept. Agriculture |
| Mel Rettig Grand Junction | Chairman | June 30, 2012 | Farmer |
| John Stencil Aurora | Member | June 30, 2013 | Retired |
| Tim Lehmann Powderhorn | Member | June 30, 2012 | Rancher |
| Brian Neufeld Center | Member | June 30, 2013 | Farmer |
| Randy Wilkes Burlington | Member | June 30, 2012 | Farmer |
| Ron Lambden Greeley | Member | June 30, 2012 | Attorney |
| Andrew Trainer Pueblo | Member | June 30, 2011 | Banker |

James Rubingh serves as Secretary to the Authority.
Stacy Romero serves as Recording Secretary.

Colorado Agricultural Development 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. Three hundred and twenty-eight loans for a total of \$46,042,403.34 have been made to individual borrowers as of December 31, 2011. In 2011, four loans for \$694,627.00 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. Four bonds have been issued for a total of \$14,895,000 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. In total, three bonds for \$15.75 million have been issued under this program.

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 assisted with 440 loans for \$84,686,403.34. No state money is pledged or at risk under any of these programs.

Colorado Agricultural Development Authority

State of Revenues, Expenses and Changes in Financial Condition For the Year Ended December 31, 2011

| Revenue | 2011 | 2010 |
|---|-------------------|-------------------|
| Interest on Checking Account | 0.00 | 0.00 |
| Interest on CSAFE Money Market Account | 392.71 | 614.61 |
| Interest on Investments | 17,948.94 | 21,527.78 |
| Application Fees | 900.00 | 0.00 |
| Loan Closings | 3,599.07 | 447.88 |
| Annual Fees Collected | 6,735.48 | 13,662.18 |
| | 29,576.20 | 36,252.45 |
| <i>Total Revenue</i> | 29,576.20 | 36,252.45 |
| | | |
| Expenditures | | |
| Allocation Application Fees | 0.00 | 0.00 |
| Telephone | 58.25 | 115.23 |
| Printing/Copying | 0.00 | 70.00 |
| Travel/Staff | 157.16 | 1,681.84 |
| Travel/Board | 530.60 | 808.20 |
| Postage/Shipping | 212.93 | 294.57 |
| Conference Fees | 200.00 | 675.00 |
| Insurance | 377.00 | 377.00 |
| Dues/Subscriptions | 200.00 | 407.48 |
| Bank Charges/Investment Service Charges | 62.50 | 75.00 |
| Accounting Fees | 5,925.00 | 5,900.00 |
| Advertising & Publicity | 8,516.12 | 9,079.70 |
| Official Functions | 610.43 | 632.52 |
| Miscellaneous & Office Supplies | 167.50 | 460.06 |
| Legal Expense | 0.00 | 4,074.93 |
| Personal Services | 11,970.00 | 16,395.70 |
| Exhibitor Fees | 0.00 | 0.00 |
| Contributions | <u>13,400.00</u> | <u>13,800.00</u> |
| | 42,387.49 | 54,847.23 |
| <i>Total Expenditures</i> | 42,387.49 | 54,847.23 |
| | | |
| Revenue Over Expenses | -12,811.29 | -18,594.78 |

Colorado Agricultural Development Authority

Statement of Assets Year End 2011, 2010

| ASSETS: | 2011 | 2010 |
|----------------------------|----------------------------|----------------------------|
| Cash on Hand | 9,856.66 | 11,009.60 |
| Investment Accounts | | |
| CSAFE Money Market Account | 288,378.63 | 397,817.19 |
| Bonds/Notes | 1,153,317.16 | 1,059,139.00 |
| <i>Total Assets</i> | <u>1,451,552.45</u> | <u>1,467,965.79</u> |

Colorado Agricultural Development Authority

Notes to Financial Statement For the Year Ended December 31, 2011

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

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 annually on December 15th for the length of the loan period.

February 1, 2012

The Honorable John Hickenlooper
State Capitol Building
200 East Colfax Ave.
Denver, CO 80203

Dear Governor Hickenlooper:

This is the thirtieth annual report of the Colorado Agricultural Development Authority. In 2011, four bonds for beginning farmers and ranchers were issued. The amount of bonds issued in 2011 through the Beginning Farmer program was \$694,627.

Although the current economy has had a very negative impact on the Beginning Farmer Program, the Authority continues to look for new opportunities to assist the Colorado agricultural industry with its financing needs.

Sincerely,

Mel Rettig
Chairman

Jim Rubingh
Secretary

xc: Representative Frank McNulty
Senator Brandon Shaffer