

The Colorado Foundation for Water Education

Annual Report

2006-2007



History and Background

Colorado Foundation for Water Education

Staff

Don Glaser
Executive Director

Jeannine Tompkins
Office Manager

Board Officers

President
Diane Hoppe

1st Vice President
Justice Gregory Hobbs, Jr.
Colorado Supreme Court

2nd Vice President
Matt Cook
Coors Brewing Company

Secretary
Wendy Hanophy
Division of Wildlife

Assistant Secretary
Rita Crumpton
Orchard Mesa Irrigation District

Treasurer
Chris Rowe

Assistant Treasurer
Ken Lykens

Board of Trustees

Steve Acquafresca

Becky Brooks

Rep. Kathleen Curry

Veva DeHeza

Alan Hamel

Taylor Hawes

Lynn Herkenhoff

Sen. Jim Isgar

Dan McAuliffe

Margaret Medellin

Dale Mitchell

John Porter

John Redifer

Rick Sackbauer

Robert Sakata, Jr.

Reagan Waskom



The Colorado Foundation for Water Education was created in 2002 by the Colorado General Assembly. It holds the unique position of being the only statewide, non-governmental, non-advocacy, non-profit organization working to provide water resource information and educational programs to the people of the State of Colorado.

The Foundation's dedication to an even-handed representation of water issues is central to its mission. The educational publications and programs offered are designed to benefit public decision-makers, water professionals, business people, and the citizens of Colorado at large.

A key facet of achieving this mission is the CFWE Board of Trustees. Comprised of 21 water and education leaders from across the state, the Board contributes not only expertise to the Foundation, but a diversity of geography and interest. Having a board comprised of environmental, agricultural, industrial and legal experts affords the Foundation the leadership necessary to achieve its mission.

Consequently, all programs and publications coming from the CFWE are subject to a rigorous and structured review process. Publications, including our magazine *Headwaters*, and our *Citizen's Guide* series, are submitted to outside experts for technical assistance and input on balanced representation of the issues. In non-publication activities, like our Water Leaders Program, we strive to bring rising water professionals with unique interests and agendas to the table to focus on professional development. The goal is to provide individuals within the water community and citizens at large the information and perspective necessary to successfully manage our most precious resource into the 21st century.

Staff and Board of Directors.....	1
History and Background.....	1
Mission Statement.....	2
Vision Statements.....	2
Programs: Publications.....	3
Programs: Tours, Events & Programs.....	4
Financials.....	10

Mission Statement

Promote better understanding of Colorado's water resources and issues through balanced and accurate information and education.

Vision Statements

- *Citizens of Colorado make sound water management decisions by working together in an economic, social and environmentally sound manner*
- *People understand limitations to water availability and act accordingly*
- *Children know where their water comes from*
- *Water resource issues remain important in the public consciousness even after periods of drought*

Citizen's Guide Series

The Colorado Foundation for Water Education has published a new Citizen's Guide for 2006-2007. It is a complement to the 6 other guides in the series. Beginning with our flagship *Citizen's Guide to Colorado Water Law*, the series has become a go-to source for water information in the state.



Citizen's Guide to Denver Basin Groundwater

The seventh guide in the series, *The Citizen's Guide to Denver Basin Groundwater* provides an in depth look at the Denver Basin's underground water resources. In addition to exploring the geology and hydrology of the aquifer, there is an in depth discussion of the legal framework which informs the basin's governance and administration. The current development of the resource is probed with an eye on the limitations and sustainability of development, especially in the South Metro Denver region.

Headwaters Magazine

Published three times a year, *Headwaters* magazine has become a trusted source for up-to-date news from the world of Colorado water. This year, the magazine focused on groundwater, energy and added a special report edition that complements the *Citizen's Guide on Colorado Water Law* by discussing court decisions affecting the law since the Guide's publication.



Issue 12, Summer 2006

Issue 12: Summer 2006

The Groundwater Puzzle

Legal Brief • In the News • A River In Debt • San Luis Valley Waits for Judicial Ruling • Denver Basin Aquifers • South Platte Well Owners In Crisis • Colorado Ground Water Commission • River of Words Poetry Winners



Issue 13, Fall 2006

Issue 13: Fall 2006

Special Report: A Decade of Colorado Supreme Court Water Decisions

Introduction • Water is a Public Resource • Instream Values Recognized • Importance of Adjudication and Administration • Federal Involvement in Colorado Water Law & Interstate Compacts • Groundwater and Aquifers Play an Increasingly Important Role • Conclusions



Issue 14, Winter/Spring 2007

Issue 14: Winter/Spring 2007

Ripple Effects - Colorado's New Energy Economy

Surface Concerns • Run of the River • Oil Shale Deja Vu • Legislature and Governor's Office Lead the Way • Significant New Energy Legislation in the General Assembly's 2007 Session • Corn-Based Ethanol Recasts Water's Role • Produced Water Generates Doubts, Data, Disussion • Colorado Students Write Winning Water Poems

Gunnison River Headwaters Tour June 25-26, 2007

Continuing its rich history of informative and educational river basin tours, the CFWE chose the Gunnison for this year's outing. Over two days, a diverse group of water professionals, educators, lawyers and legislators toured the Gunnison. Some of the tour highlights included an investigation of the Aspinall unit and the Uncompahgre project. Also, experts spoke on river recovery, reserved water rights and the Endangered Fish Recovery Program.



Here is what some of the attendees had to say:

"Incredibly informative. I learned a lot, made great contacts, and had fun!"

"A good, diverse agenda -- very balanced and non-biased."

"Far exceeded my expectations."

"It was wonderful to get to see things in the field for the first time."

"Excellent mix of speakers. Presentations were excellent, and timely topics."

"For content and format, this is the best tour I've been on."

"A good tour with good balance on agricultural, municipal, industry, recreation and environmental needs."

"Highly informative and educational."

"Worth doing it again!"



The Inaugural Friends of Water Education Golf Classic

In June of 2006, the Foundation held its inaugural golf tournament. The tournament served as a networking opportunity for leaders in the water field as well as a fundraiser for the Foundation. In the end, 96 golfers took to the links at Arrowhead golf course in Littleton. The tournament raised \$9,000 for the Foundation.

With the help of sponsors like MWH, CH2M Hill, The Applegate Group, Aqua Engineering, Balcolm & Green, P.C., Brown and Caldwell, CWRPDA, Inter-Mountain Corporate Affairs, JR Engineering, Leonard Rice Engineers, North American Golf Experience and Patton Boggs, P.C., the tournament was a great success.



With a shotgun start, Foundation supporters teed off at 7:30 a.m. at the Robert Trent Jones-designed 18-hole Arrowhead course. MWH's teams dominated the winners' circle. Its Americas Team No. 2 and Americas Team No. 1 placed first and second, respectively. Third was Black & Veatch and fourth, Stanek Constructors. Other standouts: closest to the pin, men, Jerry Pena and George Martin; closest to the pin, women, Tara Schutter; longest drive, men, Jason Wolfe; longest drive, women, Donna Alengi. There were no winners in the hole-in-one, putting contest or the shootout.



The Water Leaders Program

The Colorado Foundation for Water Education is committed to providing education and leadership opportunities to professionals throughout the West. The Water Leaders Program was created in 2006 to offer emerging Colorado professionals the opportunity to develop their leadership potential with a focus on water resources issues. The year-long

program provides training in conflict resolution, communication and negotiation to participants from across Colorado. The program also includes extensive self-assessment and networking opportunities.

By identifying emerging leaders in the water field and nurturing their professional development, the CFWE hopes to create a situation where

water leaders from across the state possess the appropriate managerial tools to navigate the contentious world of water.

With professional development training provided by respected management consultants, the water leaders program allows up-and-comers in Colorado water to forge their path with greater connections and confidence.

2006 Participant Roster

Jacob Bornstein—Colorado Watershed Network

John Carney—Colorado Water Trust

Sasha Charney—Boulder County Parks and Open Space

Jeffrey Crane—Crane Associates, LLC

Greg Dewey—City of Loveland, Dept. of Water and Power

Emily Hunt—City of Thornton

Tom Iseman—Nature Conservancy of Colorado

Amy Johnson—Aqua Engineering, Inc.

Mary Presecan—Leonard Rice Engineers, Inc.

Richard Raines—Applegate Group

Mark Shively—Registered Investment Advisor

Kenny Smith—Dolores Water Conservancy District

Alan Ward—Board of Water Works Pueblo

Michael Wilde—Roaring Fork Scholl District, RE-1

The President's Award



John Fetcher started his working life as an engineer in Philadelphia before buying a ranch with his brother in the Elk River Valley in 1949. In the 1950s he and three partners began developing the Steamboat Ski Area, which they sold in 1962. Today, Fetcher is one of Routt County's leaders and a proponent of preserving family ranches from the forces of resort sprawl.

In March of 2007, John was awarded the Colorado Foundation for Water Education's President's Award and a ceremony was held in his honor.

About the President's Award

Each year the Foundation's Board of Trustees solicits nominations from our members for our annual President's Award. The award is bestowed on a Coloradoan who meets a predetermined set of criteria, including: a body of work in the field of water resources benefitting the Colorado public; reputation among peers; commitment to balanced and accurate information; geographical, gender, ethnic, and constituency diversity; among others.

The Colorado Foundation for Water Education would like to thank its members, who make the pursuit of water education possible

Endowing Partner

Colorado Water Conservation Board

Charter Members

Aurora Water; Bureau of Reclamation; Central Colorado Water Conservancy District; City of Greeley Water & Sewer Department; Colorado Water Resources & Power Development Authority; Colorado Association of Realtors; Colorado River Water Conservation District; Coors Brewing Company; Denver Water; Eagle River Water & Sanitation District; MWH; Northern Colorado Water Conservancy District; Southwestern Water Conservation District; Stanek Constructors, Inc; Ute Water Conservancy District; Winter Park Resort

Pioneer Member

Board of Water Works of Pueblo; HDR Engineering, Inc; Metro Wastewater Reclamation District; Rio Grande Water Conservation District; Triview Metropolitan District

Sustaining Members

Applegate Group; Brown & Caldwell; City of Grand Junction Utilities; City of Thornton Water Resources; Colorado Municipal League; Colorado Springs Utilities; Duncan, Ostrander & Dingess, PC; Maynes, Bradford, Shipp & Sheftel, LLP; Orchard Mesa Irrigation District; PAT/PAC Colorado Dairy Farmers; Porzak, Browning & Bushong; Robert T. Sakata; Rocky Mountain Agribusiness Association; Rocky Mountain Farmers Union; Ryley, Carlock & Applewhite; Summit County Board of Commissioners; Suncor Energy (USA); The Consolidated Mutual Water Company; Upper Arkansas Water Conservancy District; Upper Gunnison River Water Conservancy District; White & Jankowski, LLP

Associate Members

Arkansas River Outfitters Association; Ayres Associates; Black & Veatch Corp; Center Conservation District; Colorado Livestock Association; CRPA/CRMCA; Delta Conservation District; Douglas County Community Development; Gregory J. Hobbs, Jr; Hydrosphere Resource Consultants; Krassa & Miller, LLC; Lower Arkansas Valley Water Conservancy District; Middle Park Water Conservancy District; Platte Canyon Water & Sanitation District; Roxborough Park Metro District; Spur Associates; St Vrain & Left Hand Water Conservancy District; Y-W Electric Association, Inc

Watershed Members

Airstar, Inc; Anderson & Chapin, PC; Anschutz Family Foundation; Bishop-Brogden Associates; City of Westminster; Collins, Cockrel & Cole, PC; Daniel Tyler; Deer & Ault Consultants, Inc; Don Ament; Eagle River Watershed Council; ERO Resources Corporation; Frank McNulty; Gerry Saunders; Huerfano County Water Conservancy District; Hydro Construction Co, Inc; InterMountain Corporate Affairs; James & Martha Webb; Jeanne & Miles Davies; Jody Williams; John & Susan Maus; John C Halepaska & Associates, Inc; Ken & Ginger Lykens; McKinley Farm & Ranch; Meurer & Associates, Inc; Nina Stulp; Patty Stulp; Reagan Waskom; Rex & Sally Miller; Rick Sackbauer; San Luis Valley Water Conservancy District; Scott Hummber & Sally Roscoe; Southeastern Colorado Water Conservancy District; State Representative Diane Hoppe; States West Water; Steven Acquafresca; Town of Frisco; Tri-Star Masonry Inc; WaterColorado, LLC

Thank You!

**Memberships as of January, 2007*

Individual Members

Alpine Cascade Corp; Andrea Bendlin; Aqua Engineering, Inc; AWWA, Rocky Mountain Section; Barbara Dallemand; Barbara Horn; Big Thompson Watershed Forum; Bloomin – Planned Outdoor Environments; Boulder County Parks & Open Space; Boyle Engineering Corp; Brad Udall; Bruce Jackson; Bruce Kroeker; Bucher, Willis & Ratliff; Burry Ranch; Carl Bachhuber; Carl Trick II; Case Ranch; Charles McKay; Christ Kraft; Chris Reichard; Chris Rowe; City of Boulder Water Quality & Environmental Services; City of Northglenn; Clay & Dodson, PC; Clifford Hoelscher; Cold Creek Outfitting Company; Collins Ranch Co, Inc; Colorado Department of Local Affairs; Colorado Division of Wildlife; Colorado Water Workshop; Colorado Watershed Assembly; Conejos Water Conservancy District; Connie Peterson; CSURF Real Estate Office; Curry Rosato; Dan Smith; Daniel L Ritchie; David & Linda Overlin; David A Reinertsen; David Batts; David Bernhardt; David Berry; David Hallford; David Hayes; David Nelson; Debby Pfauntsch; Deborah Hathaway; Dick Unzelman; Dick Wolfe; Donald Schwindt; Douglas County; Douglas Shriver; Drew Peternell; Eagle County Community Development; East Grand Water Quality Board; Edith Zagona; Elaine Davis; Environmental Process Control; Evans Group, LLC; Fairfield & Woods, PC; Ferdinand Hagden Chapter, Trout Unlimited; Frank Anesi; Fred Wolf; Friends of the Animas River; G E McNally Inc; Garald Barber; Gary Grinnell; Gene Bradley; Geo-Smith Engineering, LLC; Gerald L Adams; Gregory Hoskin; Gretchen Cerveney; H Gordon Johnson; Hall and Hall; Harold Miskel; Harvest Farm (Denver Rescue Mission); High Line Canal Preservation Association; The Honorable Richard Decker; Inverness Water & Sanitation District; J T Pickarts; Jack Fox; Jack Perrin; Jake Klein; Jane Sharkoff; Janet Enge; Jason Wolfe; Jean Anderson; John Bliese; John Kaufman; John Porter; John Redifer; Joy Kinard; Julio Iturreria; Karen Wiley; Kathleen Butler; Kathleen Zoller; Kathy Jeffrey; Katryn Leone; Lambert Realty; Lawrence J MacDonnell; Lee Stierwalt; Les Shaver; Luther & Jolene Stromquist; Mark & Sara Hermundstad; Martin & Wood Water Consultants; Marty Feeds; Marvin Kembel; Mary Miller; Mary Sue Liss; McCarty Land & Water Valuation; Megan Estep; Melvin Rettig; Merrill, Anderson, King & Harris; Minion Hydrologic; Mr & Mrs Jerry Varela; Murray McCaig; Nancy Porter; National Park Service Black Canyon/Curecanti; New Consolidated Lower Boulder Reservoir & Ditch Co; Northwest Colorado Council of Governments; Patricia Locke; Patrick, Miller & Kropf, PC; Paul Harms; Penny Lewis; Pete Crabb; Pete Gunderson; Pikes Peak Association of Realtors; Protect Our Wells; Randy See; RHN Water Resources Consultants Inc; Richard Lichtenheld; Rio Blanco Water Conservancy District; Rita Crumpton; RJH Consultants Inc; Roaring Fork Conservancy; Robert Ward; Roger Camper; Round Mountain Water & Sanitation District; Russell Kemp; Russell Waring; Rutt Bridges; San Juan Water Conservancy District & Pagosa Area Water & Sanitation District; Sand Creek Regional Greenway; Scott Williams; Silverlined Productions; Skip Dinges; South Pueblo County Conservation District; South Reservation Ditch Company; Southeast Business Partnership; State Senator Lewis H Entz; Sue Petersmann; Susan Andrews; Tanya Unger Holtz; Taylor Hawes; The Hudson Gardens; The Tisdell Law Firm, PC; The Wangnild Real Estate Co; Tillie Bishop; Tom Looby; Tom Pointon; Tom Sharp; Tomlinson & Associates; Town of Breckenridge Water Division; Town of Fraser; Treatment & Technology Inc; Tri-County Water Conservancy District; Troy Bauder; TST Infrastructure, LLC; Turkey Creek Soil Conservation District; Tyler Martineau; Virgil Cochran; Vranesh & Raisch, LLP; W W Wheeler & Associates Inc; Walter I Knudsen Jr; Warner Ranch; Washington Group International, Inc; Wat H2O ER; Water Information Program; Wendy Hanophy; Wendy Wempe; WestWater Engineering; William & Donna Patterson; Wyoming Water Association; Zach Margolis; Chuck Wanner

Student Members

Jonathan Wheelhouse; Remington Box; Sarah Catherine Hester; Thomas Barry

Thank You!

COLORADO FOUNDATION FOR WATER EDUCATION

FINANCIAL STATEMENTS

June 30, 2007

TABLE OF CONTENTS

	PAGE
Accountants' Review Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 7
Supplementary Information	
Schedule of Functional Expenses	8



Board of Directors
Colorado Foundation for Water Education
Denver, Colorado

ACCOUNTANTS' REVIEW REPORT

We have reviewed the statement of financial position of the Colorado Foundation for Water Education as of June 30, 2007, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Colorado Foundation for Water Education.

A review consists principally of inquiries of Colorado Foundation for Water Education personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modification that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The financial statements as of and for the year ended June 30, 2006, were audited by us, and we expressed an unqualified opinion on them in our report dated October 20, 2006, but we have not performed auditing procedures since that date.

Swanhorst & Company LLC

December 18, 2007

FINANCIAL STATEMENTS

COLORADO FOUNDATION FOR WATER EDUCATION

STATEMENT OF FINANCIAL POSITION

June 30, 2007

	<u>2007</u>	<u>2006</u>
ASSETS		
Current Assets		
Cash	\$ 16,576	\$ 52,862
Accounts Receivable	72,241	800
Inventory	58,666	54,184
Security Deposits	<u>1,719</u>	<u>1,719</u>
TOTAL ASSETS	<u>\$ 149,202</u>	<u>\$ 109,565</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 26,596	\$ -
Payroll Taxes Payable	1,574	4,148
Accrued Liabilities	12,159	-
Line of Credit	<u>18,235</u>	<u>9,218</u>
TOTAL LIABILITIES	<u>58,564</u>	<u>13,366</u>
Net Assets		
Unrestricted	<u>90,638</u>	<u>96,199</u>
TOTAL NET ASSETS	<u>90,638</u>	<u>96,199</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 149,202</u>	<u>\$ 109,565</u>

See accompanying notes and accountants' report.

COLORADO FOUNDATION FOR WATER EDUCATION

STATEMENT OF ACTIVITIES

Year Ended June 30, 2007

	Unrestricted	
	2007	2006
REVENUES, GAINS AND OTHER SUPPORT		
CWCB Endowment	\$ 150,000	\$ 150,000
Grants	9,375	36,718
Donations	32,037	86,205
Sale of Materials	20,594	31,697
Membership Fees	58,650	69,025
Educational Services	25,940	97,320
Investment Income	-	15
Other Revenue	-	838
	<hr/>	<hr/>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	296,596	471,818
	<hr/>	<hr/>
EXPENSES		
Program Services		
Water Education	135,621	164,270
	<hr/>	<hr/>
Supporting Services		
Management and General	160,774	231,734
Fundraising	5,762	32,702
	<hr/>	<hr/>
Total Supporting Services	166,536	284,436
	<hr/>	<hr/>
TOTAL EXPENSES	302,157	448,706
	<hr/>	<hr/>
CHANGE IN NET ASSETS	(5,561)	23,112
NET ASSETS, Beginning	96,199	73,087
	<hr/>	<hr/>
NET ASSETS, Ending	\$ 90,638	\$ 96,199
	<hr/>	<hr/>

See accompanying notes and accountants' report.

COLORADO FOUNDATION FOR WATER EDUCATION

STATEMENT OF CASH FLOWS

Year Ended June 30, 2007

Increase (Decrease) in Cash

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from		
CWCB Endowment	\$ 77,759	\$ 150,000
Grants	9,375	36,718
Donations	32,037	86,205
Sale of Materials	21,394	30,897
Membership Fees	58,650	69,025
Educational Services	25,940	97,320
Interest	-	15
Other Sources	-	838
Payments to Employees	(66,668)	(108,866)
Payments to Suppliers	(213,008)	(363,972)
	(54,521)	(1,820)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Line of Credit	18,235	-
	(36,286)	(1,820)
NET INCREASE (DECREASE) IN CASH		
	52,862	54,682
CASH, Beginning		
	\$ 16,576	\$ 52,862
CASH, Ending		
	\$ 16,576	\$ 52,862
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES		
Change in Net Assets	\$ (5,561)	\$ 23,112
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities		
Changes in Assets and Liabilities		
Accounts Receivable	(71,441)	(800)
Inventory	(4,482)	(32,694)
Accounts Payable	17,378	7,567
Payroll Taxes Payable	(2,574)	995
Accrued Liabilities	12,159	-
	(54,521)	(1,820)
Net Cash Used by Operating Activities	\$ (54,521)	\$ (1,820)

See accompanying notes and accountants' report.

COLORADO FOUNDATION FOR WATER EDUCATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Colorado Foundation for Water Education (the "Foundation") was incorporated on September 23, 2002. The Foundation was established to promote a better understanding of water issues through educational opportunities and resources so Colorado citizens will understand water as a limited resource and will make informed decisions.

Basis of Reporting

The Foundation follows the standards of accounting and financial reporting for non-profit organizations which are in conformity with the recommendations of the American Institute of Certified Public Accountants. The Foundation uses the accrual basis of accounting.

Financial Statement Presentation

Receivables -- Accounts receivable consists primarily of grants due from governmental agencies.

Inventory -- Inventories for use and sale are stated at cost, with cost determined by the first-in, first-out method.

Property and Equipment -- Property and equipment are recorded at cost. Donated property and equipment are recorded at market value on the date of donation. The Foundation's policy is to capitalize all property and equipment with a useful life of more than one year, and a unit cost of \$5,000 or greater.

Net Assets -- The Foundation reports its financial position and activities in three classes of net assets; unrestricted, temporarily restricted and permanently restricted. Currently, the Foundation has only unrestricted net assets.

Contributions -- All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

An endowment received from the Colorado Water Conservation Board ("CWCB") was the primary support for the Foundation's activities through June 30, 2006. The Foundation also receives grants, donations, membership fees, and revenue from the sale of educational products and programs.

Contributions of equipment and donations of services are recorded at fair market value on the date of donation and are reported in the financial statements as in-kind donations.

COLORADO FOUNDATION FOR WATER EDUCATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Financial Statement Presentation (Continued)

Expenses -- The Foundation does not allocate overhead expenses to its program services. Therefore, all indirect expenses are reported as supporting services in the financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the United States Internal Revenue Code. However, income from activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income.

Comparative Information

Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 2: LINE OF CREDIT

The Foundation has obtained a line of credit with Wells Fargo Bank for cash flow purposes. Monthly payments are required, including interest accruing at 13%. The line of credit is renewable on an annual basis. At June 30, 2007, the balance of the line of credit was \$18,235.

NOTE 3: RETIREMENT PLAN

The Foundation's employees are eligible to participate in a Simplified Employee Pension (SEP) Plan. Contributions are made by the employer at a rate of 12 percent of the employee's salary. Contributions are immediately vested. Individual Retirement Accounts (IRAs) are established for each participant in the Plan, such that employees control their own investments. All interest, dividends, and capital gains for this retirement plan accumulate tax-deferred until withdrawal. For the year ended June 30, 2007, the Foundation contributed \$12,569 to this Plan.

COLORADO FOUNDATION FOR WATER EDUCATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE 4: CONCENTRATION OF RISK

The Foundation receives a substantial amount of its support from the Colorado Water Conservation Board pursuant to House Bill 02-1152. A significant reduction in this level of support, if it were to occur, may have an effect on the Foundation's programs and activities.

SUPPLEMENTARY INFORMATION

COLORADO FOUNDATION FOR WATER EDUCATION

SCHEDULE OF FUNCTIONAL EXPENSES

Year Ended June 30, 2007

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>	
	<u>Water Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2007</u>	<u>2006</u>
EXPENSES					
Educational Programs	\$ 96,154	\$ -	\$ -	\$ 96,154	\$ 164,270
Administrative Expenses	-	51,680	-	51,680	67,163
Payroll Costs	39,467	109,094	1,750	150,311	184,571
Conferences and Outreach	-	-	4,012	4,012	32,702
TOTAL EXPENSES	\$ <u>135,621</u>	\$ <u>160,774</u>	\$ <u>5,762</u>	\$ <u>302,157</u>	\$ <u>448,706</u>

See accompanying Accountants' Review Report.