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**ANNUAL FINANCIAL
REPORT
JUNE 30, 1985**

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1985

STATE OF COLORADO
RICHARD D. LAMM, GOVERNOR

DEPARTMENT OF INVESTIGATION
STATE TREASURER AND COMPTROLLER
GENERAL INVESTIGATIVE CONTROL
BUREAU OF INVESTIGATION

STATE OF COLORADO
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 1985

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STATE OF COLORADO

DIVISION OF ACCOUNTS & CONTROL

Department of Administration
1525 Sherman Street, Room 706
Denver, Colorado 80203
Phone (303) 866-3281



Richard D. Lamm
Governor

E. Robert Turner
Executive Director

James A. Stroup
State Controller

September 27, 1985

The Honorable Richard D. Lamm
Governor
State of Colorado

Dear Governor Lamm:

I am pleased to submit Colorado's Annual Financial Report for the year ended June 30, 1985. In accordance with statute section 24-30-204, CRS, we are submitting this report to you and the Legislature by September 30. The report includes the combined financial statements for all fund types and account groups.

Highlights of the General Fund financial position are as follows:

- o The unrestricted fund balance decreased slightly from \$16.0 million to \$15.7 million.
- o Expenditures and transfers-out exceeded revenues and transfers-in by \$17.7 million, most of which effected fund balance reserves.
- o General revenues fell short of the original revenue estimate made in March 1984, by \$87.5 million.

Other funds continue to be in good financial condition except for a deficit of \$10.6 million for the Labor Fund, a component of the Special Revenue Funds. Combined fund equity for all funds totaled \$2.48 billion.

Our office will issue a Comprehensive Annual Financial Report in early November. This report will include supplementary data regarding the various funds, graphs and charts, and various statistical data and analysis. A copy of the comprehensive report will be submitted to you upon completion.

Sincerely,

James A. Stroup
State Controller

STATE OF COLORADO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1985
 (Expressed in Thousands)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES			FINANCIAL FUND TYPES		ACCOUNT GROUPS			TOTALS (NONPROFIT ONLY)
	GENERAL	SPECIAL REVENUE	BEAT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE	LOAN, TRUST, AND AGENCY	GENERAL ASSETS	GENERAL LONG-TERM OBLIGATIONS	COLLEGE AND UNIVERSITY FUNDS			
ASSETS:													
Cash	68	812,283	44,952	498,382	6211,967	88	4259,681	88	88	8125,874		4472,988	
Taxes Receivable - net	386,112	29,647	0	0	0	0	0	0	0	116,733		446,492	
Other Receivables - net	18,721	1,987	63	877	48,723	59	7,638	0	0	54,313		132,293	
Due From Other Governments	97,838	41,887	0	3,528	7,437	0	8,288	0	0	3,948		162,889	
Due From Other Funds	2,326	6,548	0	15	68	6,545	1,293	0	0	16,438		33,337	
Inventories	5,133	28,146	0	0	4,386	1,338	4	0	0	22,379		53,269	
Prepaid Expenses	2,629	2,918	321	0	116	15	24	0	0	7,381		13,364	
Advances to Other Funds	0	0	0	0	0	0	0	0	0	0		0	
Property, Plant and Equipment, net	0	0	0	0	18,232	45,382	11,675	472,398	0	1,897,428		1,637,187	
Other Long-term Assets	559	0	0	25,997	223,678	0	92,185	0	0	185,856		457,667	
Amount Available in Beat Service Fund	0	0	0	0	0	0	0	0	0	3,553		3,553	
Amount to be Provided for Retirement of Long-term Obligations	0	0	0	0	0	0	0	0	185,254	0		185,254	
TOTAL ASSETS	9435,418	8214,468	45,336	6138,712	6586,599	653,331	4581,483	6472,398	6188,817	11,442,768		63,959,386	
LIABILITIES:													
Cash Overdraft	625,888	88	88	88	88	6654	88	88	88	88		927,534	
Tax Refunds Payable	158,636	0	0	0	0	0	0	0	0	0		158,636	
Accounts Payable and Accruals	87,799	62,595	1,689	5,136	14,258	1,484	32,187	0	0	59,721		284,781	
Due to Other Governments	27,588	19,494	0	87	0	0	32,212	0	0	0		139,413	
Due to Other Funds	9,295	6,789	94	189	1,813	4	1,375	0	0	14,476		33,335	
Deferred Revenues	17,468	7,282	0	1,611	22,887	23	5,864	0	0	24,445		116,776	
Unpaid Insurance Losses	0	0	0	0	388,663	0	0	0	0	0		388,663	
Capital Lease Obligations	0	0	0	0	11	1,683	0	0	23,333	49,939		71,886	
Accrued Compensated Absences	0	0	0	0	1,329	114	0	0	48,663	26,313		76,418	
Other Long-term Liabilities	0	4	0	0	27,916	4	18,886	0	116,821	183,862		258,613	
TOTAL LIABILITIES	357,718	96,889	1,783	14,983	376,868	3,686	161,988	0	188,817	277,956		1,479,187	
FUND EQUITY:													
Investment in Fixed Assets	0	0	0	0	0	0	0	472,398	0	983,288		1,455,686	
Contributed Capital	0	0	0	0	6,827	37,922	0	0	0	0		44,749	
Retained Earnings	0	0	0	0	123,712	11,683	0	0	0	0		135,395	
Fund Balances:													
Reserved for:													
Related Assets	5,133	28,146	0	0	0	0	4	0	0	0		25,283	
Compensated Absence	0	0	0	0	0	0	0	0	0	(24,687)		(24,687)	
Continuing Appropriations	6,713	0	0	32,381	0	0	0	0	0	0		41,894	
Other Specific Purposes	48,135	98,238	3,553	89,288	0	0	339,571	0	0	39,387		618,172	
Unreserved	15,719	0	0	2,868	0	0	0	0	0	166,816		184,593	
TOTAL FUND EQUITY	77,788	118,384	3,553	123,729	138,539	49,605	339,575	472,398	0	1,164,884		2,488,199	
TOTAL LIABILITIES AND FUND EQUITY	9435,418	8214,468	45,336	6138,712	6586,599	653,331	4581,483	6472,398	6188,817	11,442,768		63,959,386	

See accompanying notes to financial statements.

STATE OF COLORADO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 FOR THE YEAR ENDING JUNE 30, 1985
 (Expressed in thousands)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE		TOTALS (MEMORANDUM) (DOLLARS)
	GENERAL	SPECIAL REVENUE	ACFT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST		
REVENUES & TRANSFERS:							
Taxes	61,328,829	6448,876	60	6828	928,956	62,645,389	
Licenses, Permits, and Fines	61,283	136,539	0	5,995	1,316	204,633	
Charges for goods and Services	58,878	491	2,863	727	293	64,252	
Interest and Bonds	99,883	4,193	177	3,287	34,681	142,121	
Federal Grants and Contracts	647,598	294,698	0	18,896	15,725	976,917	
Contributions	0	0	0	0	26,396	26,396	
Other	159,582	28,487	368	63,194	3,689	253,320	
TOTAL GROSS REVENUES & TRANSFERS	2,946,445	814,386	2,548	84,647	387,876	4,215,842	
Less: Intrafund Revenues	(158,453)	(281,644)	0	(256)	(6,415)	(446,768)	
Interfund Revenues	(98,823)	(72,586)	0	(69,863)	(1,198)	(242,970)	
NET REVENUES	2,789,169	560,156	2,548	15,488	379,163	3,746,564	
EXPENDITURES & TRANSFERS:							
Current							
General Government	255,678	0	0	3,312	49,391	308,381	
Business, Community and Consumer Affairs	175,455	18,262	0	47	796	194,560	
Education	1,291,645	0	0	3,599	279	1,295,523	
Health and Rehabilitation	246,251	0	0	738	338	247,327	
Justice	179,886	0	0	596	2,992	183,474	
Natural Resources	28,646	36,982	0	5,343	7,459	78,430	
Social Assistance	712,982	0	0	19	163,968	876,969	
Transportation	31,325	719,132	0	0	0	750,457	
Capital Outlay	22,615	27,976	0	35,874	31	86,596	
Debt Service	0	0	2,481	0	0	2,481	
TOTAL GROSS EXPENDITURES & TRANSFERS	2,964,125	794,272	2,481	48,728	225,234	4,034,840	
Less: Intrafund Expenditures	(158,453)	(281,644)	0	(256)	(6,415)	(446,768)	
Interfund Expenditures	(436,196)	(58,992)	0	(12,889)	(34,113)	(542,190)	
NET EXPENDITURES	2,370,476	513,636	2,481	35,583	184,706	3,516,872	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	418,693	46,520	67	(20,095)	194,457	229,692	

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	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPE		TOTALS (MEMORANDUM) (DOLLAR)
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST	
OTHER FINANCING SOURCES (USES):						
Operating Transfers In	99,852	72,586	0	69,000	1,199	242,740
Operating Transfers Out	(436,196)	(38,992)	0	(12,009)	(34,113)	(521,300)
Other	3,393	0	0	0	0	3,393
TOTAL OTHER FINANCING SOURCES (USES)	(332,951)	21,514	0	56,991	(32,914)	(296,860)
EXCESS OF REVENUES AND OTHER SOURCES (USES)						
OPERATING REVENUES AND EXPENDITURES	(14,287)	29,834	67	25,937	141,842	182,393
FUND BALANCE, JULY 1	118,132	181,255	22,099	87,792	28,009	357,287
Fund Reallocations	(21,143)	(4,762)	(18,723)	0	3,182	(41,446)
Residual Equity Transfers	0	1,757	0	0	0	1,757
Prior Period Adjustments	0	0	0	0	0	0
FUND BALANCE, JUNE 30	97,700	178,250	3,376	87,792	31,189	308,507

See accompanying notes to financial statements.

STATE OF COLORADO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ALL BUDGETED GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDING JUNE 30, 1965
 (Expressed in Thousands)

	GENERAL FUND			SPECIAL REVENUE FUNDS			TOTALS (INCLUDING DULY)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:									
Sales, Use and Excise Taxes	662,600	661,185	(1,415)	0	0	0	662,600	661,185	(1,415)
Income Taxes									
Individual	1,175,000	1,201,319	26,319	0	0	0	1,175,000	1,201,319	26,319
Corporate	141,100	135,594	(5,506)	0	0	0	141,100	135,594	(5,506)
Local Refunds	(253,100)	(236,254)	(16,846)	0	0	0	(253,100)	(236,254)	(16,846)
Net Income Taxes	1,062,000	1,089,559	27,559	0	0	0	1,062,000	1,089,559	27,559
Inheritance and Gift Taxes	16,000	14,814	(1,186)	0	0	0	16,000	14,814	(1,186)
Other Taxes	64,500	72,429	7,929	0	0	0	64,500	72,429	7,929
Licenses, Permits, and Fees	5,681	6,700	1,019	0	0	0	5,681	6,700	1,019
Interest and Bond	36,500	33,743	(2,757)	0	0	0	36,500	33,743	(2,757)
Federal Overhead Recoveries	4	5	1	0	0	0	4	5	1
Other	15,616	18,659	3,043	0	0	0	15,616	18,659	3,043
Total General Revenues (Estimated)	2,652,901	2,665,382	12,481	0	0	0	2,652,901	2,665,382	12,481
Federal and Cash Funding Sources	1,876,432	981,863	(894,569)	1,262,959	814,386	(448,573)	2,259,391	1,796,249	(463,142)
Total Revenues	4,529,333	3,647,245	(882,088)	1,262,959	814,386	(448,573)	4,812,722	4,462,631	(350,091)
Less: Interfund Revenues		(150,455)	(150,455)		(89,644)	(89,644)		(239,099)	(239,099)
Interfund Revenues		(196,852)	(196,852)		(72,586)	(72,586)		(269,438)	(269,438)
Net Revenues	4,529,333	3,496,390	(1,032,943)	1,262,959	721,740	(541,219)	4,812,722	4,193,192	(619,530)

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	GENERAL FUND			SPECIAL REVENUE FUNDS			TOTALS (REVENUE ONLY)		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
			(UNFAVORABLE)			(UNFAVORABLE)			(UNFAVORABLE)
EXPENDITURES:									
Administration	25,625	25,600	25	0	0	0	25,625	25,600	25
Agriculture	11,431	10,117	1,314	0	0	0	11,431	10,117	1,314
Corrections	53,754	52,739	1,015	0	0	0	53,754	52,739	1,015
Education	929,418	907,818	21,600	0	0	0	929,418	907,818	21,600
Health	78,388	75,640	2,748	0	0	0	78,388	75,640	2,748
Higher Education	394,391	392,355	2,036	0	0	0	394,391	392,355	2,036
Highways	2	2	0	833,176	378,258	454,918	833,178	378,260	454,918
Institutions	196,141	193,571	2,570	0	0	0	196,141	193,571	2,570
Judicial Branch	81,139	80,493	646	0	0	0	81,139	80,493	646
Labor and Employment	52,472	48,913	3,559	21,860	18,262	3,598	74,332	59,175	15,157
Law	29,653	11,491	18,162	0	0	0	29,653	11,491	18,162
Legislative Branch	14,963	12,529	2,434	0	0	0	14,963	12,529	2,434
Local Affairs	118,740	65,885	52,855	0	0	0	118,740	65,885	52,855
Military Affairs	2,666	2,599	67	0	0	0	2,666	2,599	67
Natural Resources	31,239	28,833	2,406	38,955	37,365	1,590	70,194	66,198	3,996
Office of Governor	43,240	28,944	14,296	0	0	0	43,240	28,944	14,296
Personnel	3,878	3,885	(7)	0	0	0	3,878	3,885	(7)
Public Safety	24,431	13,738	10,693	26,570	25,957	613	51,001	39,695	11,306
Regulatory Agencies	38,721	25,493	13,228	0	0	0	38,721	25,493	13,228
Revenue	49,215	47,429	1,786	0	0	0	49,215	47,429	1,786
Secretary of State	2,569	2,494	75	0	0	0	2,569	2,494	75
Social Services	662,948	652,458	10,490	0	0	0	662,948	652,458	10,490
Treasury	118,486	118,393	93	342,426	342,426	0	460,912	460,819	93
Other	6,566	6,461	105	0	4	(4)	6,566	6,465	101
Total Appropriated Expenditures	2,944,399	2,886,296	58,103	1,262,958	794,272	468,686	4,207,357	3,688,568	518,789
Expenditures Provided by Law Other Than by Appropriation		154,436			0			154,436	
GAAP Basis Expenditures		3,033			0			3,033	
Total Expenditures	2,944,399	2,944,123	275	1,262,958	794,272	468,686	4,207,357	3,750,397	446,964
Less: Intrafund Expenditures		(158,455)			(281,644)			(439,099)	
Interfund Expenditures		(436,196)			(58,992)			(495,188)	
Net Expenditures	2,944,399	2,377,472	566,927	1,262,958	512,630	468,686		2,915,110	1,052,341
Excess (Deficiency) of Revenue Over Expenditures	284,734	328,464	(43,730)	(1,262,958)	(1,488)	(468,686)		326,984	(1,918,648)
OTHER FINANCING SOURCES (USES)		(342,751)			21,514			(321,237)	
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	284,734	(14,287)	(299,021)	(1,262,958)	20,026	(468,686)		5,747	(2,919,695)
FUND BALANCES, JULY 1		113,132			181,253			294,385	
Fund Reclassifications		(21,143)			(4,762)			(25,905)	
Residual Equity Transfers		0			1,757			1,757	
Prior Period Adjustments		0			0			0	
FUND BALANCES, JUNE 30		92,989			176,491			269,480	

See accompanying notes to financial statements.

STATE OF COLORADO
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
 ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
 FOR THE YEAR ENDING JUNE 30, 1965
 (Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (Nonrecurring Only)
	ENTERPRISE	INTERNAL SERVICE	NONREPELABLE TRUST	LOAN	
OPERATING REVENUES:					
Charges for Goods & Services	6246,644	68,320	00	62,295	6251,307
Interest & Divs.	44,857	20,506	25,700	1,500	92,563
Federal Grants & Contracts	1,225	0	0	9,874	10,999
Other	2,866	2,490	110	667	6,113
Total Operating Revenues	289,552	31,752	25,810	13,626	360,750
Less: Intrafund Revenues	0	0	(11,444)	0	(11,444)
Interfund Revenues	(1,918)	0	(132)	(81)	(2,051)
Net Operating Revenues	287,634	31,752	14,234	13,545	347,165
OPERATING EXPENSES:					
Salaries & Fringe Benefits	23,257	6,604	0	1,844	31,705
Operating	22,243	19,370	357	1,421	43,391
Travel	331	16	0	67	414
Grants to Organizations & Individuals	114,783	0	0	0	114,783
Prizes	46,162	0	0	0	46,162
Other	32,673	130	(2,631)	6,532	36,664
Total Operating Expenses	245,371	26,320	(2,274)	11,864	280,261
Less: Intrafund Expenses	0	0	(12,444)	0	(12,444)
Interfund Expenses	(28,553)	0	(1,843)	(172)	(30,568)
Net Operating Expenses	216,818	26,320	(14,287)	11,692	248,527
INCOME (LOSS) BEFORE OPERATING TRANSFERS	70,816	5,432	18,521	1,853	96,622
Operating Transfers In	1,918	0	132	0	2,050
Operating Transfers Out	(28,553)	0	(1,843)	(172)	(30,568)
INCOME BEFORE EXTRAORDINARY ITEM	44,181	5,432	16,810	1,681	68,104
Prior Period Adjustment	1,104	0	4,435	0	5,539
NET INCOME/CHANGE IN ACCUMULATED EARNINGS	45,285	5,432	21,245	1,681	73,643
OTHER CHANGES IN FUND EQUITY:					
Fund Reclassifications	130,321	(8,263)	(18,527)	(57,344)	(114,807)
Residual Equity Transfers	0	(1,757)	0	0	(1,757)
Net Change in Fund Equity	14,966	(4,588)	(1,282)	(55,722)	(46,626)
FUND EQUITY, JULY 1	115,775	56,115	154,001	65,313	391,194
FUND EQUITY, JUNE 30	130,741	51,527	152,719	9,591	344,568

See accompanying notes to financial statements.

STATE OF COLORADO
 COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
 PROPRIETARY FUND TYPES AND STABILIZED TRUST FUNDS
 FOR THE YEAR ENDING JUNE 30, 1985
 (Expressed in Thousands)

	PROPRIETARY FUND TYPES		FINANCIAL FUND TYPES		TOTALS (Non annual) (Only)
	ENTERPRISE	INTERNAL SERVICE	TRUST	LOW	
SOURCES OF MONING CAPITAL:					
Operations:					
Net Income	145,285	83,432	817,317	81,772	867,806
Item Not Requiring Working Capital:					
Depreciation	1,281	4,184	0	0	5,465
Working Capital Provided by Operations	46,466	7,336	17,317	1,772	73,111
Net Decrease In:					
Property, Plant and Equipment	0	0	981	0	981
Other Long-Term Assets	0	5,263	34,188	0	39,451
Net Increase In:					
Unpaid Insurance Losses	3,381	0	0	0	3,381
Other Long-Term Liabilities	4,322	4	0	650	5,016
TOTAL SOURCES OF MONING CAPITAL	194,199	90,823	868,722	83,194	1,136,938
USES OF MONING CAPITAL:					
Net Increase In:					
Property, Plant and Equipment	1,588	8,378	0	0	9,966
Other Long-Term Assets	14,946	0	0	22	14,968
Net Decrease In:					
Capital Lease Obligations	13	73	0	0	86
Accrued Compensated Absences	1,227	618	0	0	1,845
Equity Transfer Out	38,521	18,822	18,527	57,544	133,414
TOTAL USES OF MONING CAPITAL	54,295	27,891	18,527	57,566	158,279
NET INCREASE (DECREASE) IN MONING CAPITAL	139,904	62,932	850,195	25,628	1,018,659
ELEMENTS OF NET INCREASE (DECREASE) IN MONING CAPITAL:					
Cash	(6515)	88	654,473	(6387)	653,579
Receivables, net	(6,663)	(227)	(4,869)	(53,378)	(65,037)
Due From Other Governments	6,525	(8)	192	(1,121)	5,508
Due From Other Funds	(924)	14,788	(524)	84	14,424
Inventories	(12,433)	(5,632)	0	0	(18,065)
Prepaid Expenses	(1,367)	(276)	0	(8)	(1,651)
Cash Overdraft	0	2,295	0	0	2,295
Accounts Payable and Accruals	21,491	1,449	68	(294)	22,714
Due to Other Funds	452	181	62	(84)	611
Deferred Revenue	(738)	28	4,469	18	4,777
NET INCREASE (DECREASE) IN MONING CAPITAL	139,904	62,932	850,195	25,628	1,018,659

See accompanying notes to financial statements.

STATE OF COLORADO
 COMBINED BALANCE SHEET
 HIGHER EDUCATION FUNDS
 JUNE 30, 1985
 (Expressed in Thousands)

	Current Funds				Plant Funds				Total
	State Appropriated Funds	Resiliary and Self-funded Activities	Restricted Fund	Loan Funds	Endowment and Similar Funds	Unexpended	Retirement of Investment in Plant		
ASSETS									
Cash and Short-Term Investments	441,230	132,736	45,340	94,645	16,368	130,204	17,371	90	8135,874
Investments	0	7,878	1	0	13,831	28,858	8,181	0	49,549
Accounts Receivable, net:									0
Tuition, Fees, and Charges for Services	24,832	12,751	8,442	0	578	508	72	0	48,125
Intergovernmental	78	134	3,592	0	0	1	147	0	3,952
Unbilled Charges	0	447	4,599	0	0	0	28	0	5,066
Other	(4)	(41)	247	41	17	116	141	16	500
Total Accounts Receivable	24,186	13,291	16,880	416	595	625	388	16	50,261
Notes and Loans Receivable, net	11	2,419	16	32,378	250	0	0	0	35,187
Investment	3,649	18,721	0	0	0	0	0	0	22,370
Prepaid Expense and Deferred Charges	4,511	2,124	118	32	0	0	0	464	7,341
Due from Other Funds	586	18,952	2,982	5	649	1,864	251	0	16,438
Plant Facilities:									
Land	0	0	0	0	2,289	0	0	25,917	28,206
Buildings	0	0	0	0	0	0	0	643,966	643,966
Construction in Progress	0	0	0	0	0	33,836	0	0	33,836
Improvements Other than Buildings	0	0	0	0	0	0	0	41,289	41,289
Equipment	0	0	0	0	0	0	0	267,528	267,528
Library Books	0	0	0	0	0	0	0	83,876	83,876
Other	0	0	0	0	0	0	0	327	327
Total Assets	876,196	488,159	625,169	87,497	423,174	453,887	916,182	81,862,583	81,442,718

(Continued on next page)

	Current Funds			Plant Funds					Total
	State Appropriated Funds	Auxiliary and Self-funded Activities	Restricted Fund	Loan Funds	Endowment and Similar Funds	Unexpended	Retirement of Indebtedness	Investment in Plant	
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable	412,940	94,044	81,750	42	40	91,299	495	40	621,642
Accrued Liabilities	14,690	16,815	5,112	32	56	1,292	1,530	41	30,479
Deferred Credits	16,326	7,473	480	0	34	0	132	0	24,445
Due to Other Funds	6,797	4,118	682	0	51	522	0	2,385	14,476
Notes and Bonds Payable	0	0	0	0	0	3,870	0	86,271	91,141
Capital Lease Obligations	0	0	0	0	0	37,687	0	12,332	49,929
Other Contracts and Mortgages Payable	0	0	0	0	0	50	0	5,371	5,821
Anticipation Warrants Payable	0	0	0	0	0	0	0	2,180	2,180
Accrued Compensated Absences	26,762	4,577	132	173	0	649	0	0	26,313
Total Liabilities	78,515	36,221	8,077	216	141	44,329	1,757	114,780	277,956
Fund Balances:									
Investment in Fixed Assets	0	0	0	0	2,289	33,636	0	947,623	983,208
Unrestricted	12,252	53,930	0	48,834	19,290	13,001	9,974	0	119,271
Designated	12,191	1,140	0	0	476	2,065	1,705	0	17,545
Restricted	0	668	17,161	2,738	900	1,376	2,717	0	25,670
Compensated Absences	(26,762)	(3,776)	(69)	0	0	0	0	0	(31,207)
U.S. Government Grant Refundable	0	0	0	13,789	0	0	0	0	13,789
Total Fund Balances	3,681	51,930	17,092	57,291	23,633	49,478	14,626	947,623	1,164,004
Total Liabilities and Fund Balances	82,196	88,151	25,169	65,487	37,774	93,807	66,383	1,062,403	1,441,960

See accompanying notes to financial statements.

STATE OF COLORADO
 COMBINED STATEMENT OF CHANGES IN FUND BALANCES
 ALL COLLEGE AND UNIVERSITY FUNDS
 FOR THE YEAR ENDING JUNE 30, 1965
 (Expressed in Thousands)

	Trust Funds				Plant Funds				Total
	State Appropriated Funds	Auxiliary and Self-funded Activities	Restricted Fund	Loan Funds	Endowment and Similar Funds	Unexpended	Retirement of Indebtedness	Investment in Plant	
REVENUES AND OTHER ADDITIONS:									
Tuition and Fees	6176,816	631,788	9194	90	90	90	91,145	90	6299,705
Indirect Costs Recovered	23,186	786	0	0	0	0	0	0	23,972
Federal Appropriations	3,134	0	1,463	0	0	0	0	0	4,597
Federal Grants and Contracts	779	146	152,746	1,261	0	514	142	0	156,548
State & Local Grants and Contracts	417	62	18,113	267	0	32	0	0	18,911
Private Gifts, Grants, and Contracts	323	4,281	33,835	26	18	649	0	90	38,742
Investment Income	1,552	7,633	527	447	2,444	2,431	28,947	0	35,981
Sales & Services of Educational Activities	782	33,369	0	0	0	0	0	0	34,151
Sales & Services of Auxiliaries and Hospitals	64,816	118,578	0	0	0	0	0	0	183,394
Business Rate (Loss) on Investments	0	0	0	21	76	0	224	0	321
Interest on Loans Receivable	0	0	0	1,521	0	0	0	0	1,521
Additions to Plant Facilities	0	0	0	0	0	0	0	0	0
Retirement of Indebtedness	0	0	0	0	0	0	0	58,118	58,118
Other Sources	4,897	15,634	7,195	458	2,281	11,991	1,965	65,547	109,878
Total Revenues and Other Additions	273,280	228,849	286,995	3,993	4,819	15,821	24,443	115,747	666,219
EXPENDITURES AND OTHER DEDUCTIONS:									
Educational and General:									
Instruction	241,141	28,457	39,637	0	0	0	0	0	269,235
Research	12,315	5,471	91,498	0	0	0	0	0	109,284
Public Service	11,201	18,891	11,237	0	0	0	0	0	41,329
Academic Support	55,867	3,789	3,894	0	0	0	0	0	63,550
Student Services	27,839	29,294	4,281	631	4	131	387	0	62,487
Institutional Support	49,626	5,359	3,889	0	0	0	0	0	58,874
Operation of Plant	54,677	4,583	6,378	0	0	0	0	0	65,638
Scholarships and Fellowships	646	111	47,974	0	0	0	0	0	48,731
Total Educational and General	472,642	87,355	207,172	631	4	131	387	0	768,242
Auxiliaries and Hospitals	118,246	187,721	324	0	0	0	0	0	306,291
Loan Cancellation and Write-off	57	7	0	3,569	0	0	0	14	4,147
Expended for Plant Facilities	0	0	0	0	0	3,688	0	0	3,688
Retirement of Indebtedness	0	0	0	0	0	0	17,371	0	17,371
Interest on Indebtedness	0	0	0	0	0	0	7,356	0	7,356
Disposal of Plant Facilities	0	0	0	0	0	0	0	5,448	5,448
Other	0	2,584	18,465	118	387	28,853	19,679	38,894	51,113
Total Expenditures and Other Deductions	583,843	197,647	217,922	4,318	311	23,794	44,913	43,486	1,118,256

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	Current Funds				Plant Funds				Total
	State Appropriated Funds	Auxiliary and Self-Funded Activities	Restricted Fund	Loan Funds	Endowment and Similar Funds	Unexpended	Retirement of Indebtedness	Investment in Plant	
TRANSFERS BETWEEN FUNDS - (DEDUCTIONS)/REDUCTIONS:									
Mandatory and Mandatory Transfers	16,314	16,855	6,323	(63)	4	(11,481)	(16,230)	198	0
Operating Transfers In	(319,748)	0	(17,482)	0	0	(10,958)	0	0	(348,188)
Total Expenditures, Other Deductions & Transfers	274,399	286,522	286,843	4,255	315	1,425	28,683	43,684	768,136
NET INCREASE (DECREASE) IN FUND BALANCES	683	11,327	(748)	(262)	4,584	14,386	(4,248)	72,863	98,113
FUND BALANCES:									
Beginning of Year	0	0	0	0	0	0	0	0	0
Fund Reallocations	2,798	16,183	17,848	37,543	18,329	35,092	18,466	875,820	1,064,671
End of Year	3,481	16,183	17,848	37,281	18,333	49,478	14,218	875,820	1,064,671

See accompanying notes to financial statements.

STATE OF COLORADO
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES,
TRANSFERS, AND REVERSIONS
FOR THE YEAR ENDING JUNE 30, 1965

	APPROPRIATIONS			EXPENDITURES AND TRANSFERS			Unexpended Balances	Restricted Net Income/ (Loss)	Appropriation Differentials	Appropriation Reversions
	Total	Requiring	Not	Total	Requiring	Not				
Legislative Branch:										
General Assembly	55,336,576	478,840	55,268,576	44,478,795	448,345	54,418,410	652,166		819,561	1700,605
Joint Budget Committee	582,194	0	582,194	526,276	(8)	526,276	55,918			55,918
Legislative Council	2,458,864	0	2,458,864	1,847,628	(8)	1,847,628	568,436		543,836	24,600
Office of State Auditor	4,848,861	183,940	3,875,941	2,788,316	183,940	2,956,376	288,565			288,565
Legislative Drafting	1,851,515	0	1,851,515	997,479	(8)	997,479	54,836			54,836
Revision of Statutes	1,462,455	0	1,462,455	848,730	(8)	848,730	621,725		455,708	166,025
Comm. on Uniform State Law	17,188	0	17,188	13,946	(8)	13,946	3,154			3,154
Total Legislative Branch	14,962,785	252,940	14,709,845	12,529,670	252,225	12,876,945	2,431,699	0	1,119,697	1,282,082
Judicial Administration:										
Judicial Administration	69,984,932	2,294,772	67,628,161	65,712,632	2,892,691	67,628,161	0			0
Public Defender	11,224,143	112,863	11,121,280	16,688,513	113,538	16,574,976	546,384		43,854	582,258
Judicial Department	(8)	0	0	0	463,255	(463,255)	463,255			463,255
Total Judicial Branch	81,129,075	2,297,635	78,741,441	82,401,145	2,649,584	77,731,782	1,009,629	0	13,854	966,568
Office of the Governor:										
Administrative Office	3,291,729	1,349,858	2,042,881	2,759,364	891,798	1,877,566	165,115		152,243	12,872
Lieutenant Governor	299,225	1,000	298,225	299,225	1,000	298,225	0			0
Office of State Planning & Budgeting	983,249	683,650	300,000	300,274	683,650	376,624	9,278		5,829	4,246
Governor's Job Training Office	38,649,668	38,649,668	0	24,885,879	24,885,880	111	1			1
Total Office of the Governor	42,214,181	40,683,176	2,636,806	28,843,941	26,381,528	2,462,410	174,291	0	157,272	17,119
Department of Administration:										
Executive Director	2,743,854	1,879,942	1,763,912	2,784,532	1,332,858	1,472,482	21,438		28,328	3,182
Accounts and Control	2,372,529	857,934	1,515,595	2,164,627	748,979	1,415,648	96,547	18,325	66,622	11,591
Archives & Public Records	375,324	0	375,324	369,633	(8)	369,633	5,691		5,580	191
General Government Computer Center	5,485,538	2,878,455	2,615,875	5,384,762	2,852,646	2,532,116	82,919			82,919
Purchasing	531,736	0	531,736	531,273	(8)	531,273	463			463
Division of ADP	551,834	0	551,834	551,885	(8)	551,885	29			29
Capitol Complex	4,988,728	543,389	4,385,419	4,878,432	628,885	4,257,627	187,782		7,283	188,589
Communications	3,656,248	4,257,885	1,395,222	5,588,858	4,979,828	1,488,822	318,288			318,288
Training Officers	814,258	814,258	0	885,122	851,258	(66,864)	46,428			46,428
State Buildings	1,584,876	719,194	1,265,682	1,363,118	724,328	1,238,799	26,883		21,588	5,383
Colorado Minority Business Development	168,864	168,864	0	159,895	159,895	0	0			0
Total Department of Administration	25,635,874	11,318,875	14,324,199	25,888,247	11,486,431	13,687,816	716,383	18,325	129,153	568,895
Department of Agriculture:										
Administration	7,483,589	983,578	6,379,539	6,994,137	781,679	6,212,458	367,481	85,962	259,788	11,729

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	APPROPRIATIONS			EXPENDITURES AND ENCUMBRANCES			Unexpended Balances	Restricted net income/ (loss)	Appropriation Anticipations	Appropriation Reversions
	Total	Appropriating	Net	Total	Appropriating	Net				
Brand Inspection	2,187,822	2,187,822	0	1,865,262	1,818,331	54,731	(54,731)	(54,731)	0	0
Beef Promotion	1,300,000	1,300,000	0	1,148,568	983,233	165,335	(165,335)	(165,335)	0	0
Productory Animal	289,532	289,532	0	56,814	125,170	166,334	64,334	64,334	0	0
Sheep and Wool	58,000	58,000	0	58,000	45,446	12,554	12,554	12,554	0	0
Total Department of Agriculture	11,438,863	4,858,924	6,579,939	18,116,883	3,778,866	6,346,736	233,283	(48,316)	259,788	11,739
Department of Education:										
Education	923,178,000	158,128,548	773,049,452	981,828,811	125,372,548	776,456,263	(12,486,802)	(12,486,802)	48,871	34,859
Colorado School for Deaf & Blind	4,485,151	818,326	4,486,828	4,788,287	785,384	3,999,983	71,845	71,845	0	71,845
Teachers Excess-Residuals	1,255,170	0	1,255,170	1,289,730	(81)	1,289,730	145,448	145,448	0	145,448
Total Department of Education	929,118,321	158,946,874	778,171,446	987,816,828	126,157,852	781,664,176	(12,486,710)	(12,486,512)	48,871	251,251
Department of Health	78,379,395	52,387,582	25,991,813	75,648,841	49,889,788	25,828,381	161,792	(161,825)	5,854	917,763
Department of Higher Education:										
Commission on Higher Education	25,288,629	1,286,483	24,002,146	25,154,287	1,238,672	24,023,615	58,531	58,531	0	58,531
Council on Arts & Humanities	1,428,254	453,892	974,362	1,388,245	478,879	909,366	33,896	33,896	0	33,896
Historical Society	2,483,132	1,825,683	657,449	2,273,645	819,949	1,453,715	(186,264)	(186,264)	14,228	181
Colorado Advanced Technology Institute	388,148	0	388,148	388,288	(81)	388,288	160	160	0	160
Regents-University of Colorado	62,299,673	0	62,299,673	62,299,673	(81)	62,299,673	0	0	0	0
Univ of Colorado Health Sciences Center	78,684,894	0	78,684,894	78,684,894	(81)	78,684,894	638,837	638,837	0	638,837
Colorado School of Mines	8,485,299	0	8,485,299	8,485,299	(81)	8,485,299	0	0	0	0
State Board of Agriculture	55,628,158	0	55,628,158	55,628,158	(81)	55,628,158	0	0	0	0
CSU-Vet. Med. & Student Aid	4,824,216	0	4,824,216	4,816,125	(81)	4,816,125	8,091	8,091	0	8,091
CSU-Experiment Stations	6,646,875	0	6,646,875	6,643,225	(81)	6,643,225	3,650	3,650	0	3,650
Colorado Water Resources Research Institute	67,888	0	67,888	67,888	(81)	67,888	0	0	0	0
CSU-Extension Services	6,852,324	0	6,852,324	6,852,324	(81)	6,852,324	0	0	0	0
CSU-Forest Services	2,838,288	0	2,838,288	2,835,995	(81)	2,835,995	2,363	2,363	0	2,363
Trustees of State Colleges	36,825,677	0	36,825,677	36,825,677	(81)	36,825,677	0	0	0	0
University of Northern Colorado	21,264,855	0	21,264,855	21,264,855	(81)	21,264,855	0	0	0	0
Community Colleges & Occupational Ed	83,828,252	11,316,948	71,781,304	81,712,573	18,862,866	71,649,787	53,685	53,685	0	53,685
Total Department of Higher Education	394,551,136	14,132,198	380,418,938	392,355,138	12,991,567	379,743,871	695,267	(188,486)	47,316	748,437
Department of Highways	2,189	0	2,189	2,189	(81)	2,189	0	0	0	0
Department of Institutions:										
Administrative Offices	6,887,428	2,685,552	4,201,876	5,278,415	1,898,537	3,379,878	22,818	22,818	0	22,818
Admin. Office-Division of Mental Health	23,254,532	4,378,658	18,875,874	22,644,856	4,425,884	18,218,972	49,532	49,532	0	49,532
Colorado State Hospital	42,778,387	14,452,628	28,325,759	42,648,488	14,484,852	28,163,636	39,338	39,338	0	39,338
Col. State Mental Health Center	17,598,257	8,578,119	9,020,138	17,258,316	8,225,999	9,032,317	4,122	4,122	0	4,122
Division for Developmental Disabilities	14,376,843	17,244,478	25,872,371	14,295,408	17,495,264	25,793,756	72,617	72,617	0	72,617
S-15 Grand Junction	15,463,842	12,228,833	3,235,009	12,342,526	12,147,411	196,315	41,344	41,344	0	41,344
S-15-Flag	15,254,844	18,948,845	3,693,999	15,175,889	18,736,832	2,998,857	366,185	366,185	0	366,185
S-15-Pueblo	9,323,818	9,852,822	529,004	9,288,826	9,114,886	173,940	57,847	57,847	0	57,847
Division of Youth Services	21,736,345	1,253,142	20,483,203	21,348,388	968,687	20,374,701	118,587	118,587	0	118,587
Department of Institutions	196,148,252	83,714,211	112,434,041	171,571,838	87,948,252	105,642,686	754,855	0	88,498	683,557

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	EXPENDITURES			EXPENDITURES AND TRANSFERS			Unexpended Balances	Restricted Net Income/Loss	Appropriation Buffers/Reserves	Appropriation Reversions
	Total	Requesting	Net	Total	Requesting	Net				
Department of Labor & Employment	52,672,702	52,342,700	2,129,922	44,913,113	47,310,067	1,643,046	326,076	506,851		22,025
Department of Law	26,653,634	7,750,619	12,982,820	11,491,377	7,134,210	4,357,167	6,345,652	0	3,217,615	5,328,837
Department of Local Affairs	118,748,412	99,767,120	18,973,294	65,004,046	50,191,000	7,632,567	3,279,718	(901,673)	762,340	3,419,051
Department of Military Affairs	2,646,045	1,132,547	1,513,498	2,598,796	1,076,505	1,528,290	13,200			13,200
Department of Natural Resources										
Executive Director	3,432,642	4,261,650	1,078,953	5,361,916	4,327,375	1,034,541	36,411		34,485	1,927
Wildlife	200	0	200	200	0	200	0	0	0	0
Board of Land Commissioners	1,483,781	1,483,781	0	1,372,572	1,378,060	15,489	5,409	5,409		0
Water Conservation	1,942,516	818,915	623,999	1,382,552	759,506	623,046	623			623
Water Resources	7,960,790	327,826	7,632,964	7,905,326	254,791	7,650,535	2,629			2,629
Soil Conservation	342,000	0	342,000	342,000	0	342,000	2			2
Bureau of Mines	364,003	206,892	157,111	301,169	145,970	155,199	0	0		0
Oil & Gas Conservation Board	1,194,620	1,194,620	0	1,135,901	1,133,289	15,612	57,620			57,620
Geological Survey	1,274,770	1,093,574	181,196	983,379	778,765	204,614	123,419	123,419		0
Parks	7,709,063	8,724,094	904,969	7,651,065	6,573,551	1,077,514	(92,745)	(92,745)		0
Reed Land Reclamation	3,091,153	3,204,691	609,462	2,396,783	1,700,448	696,335	1,207			1,207
Total Department of Natural Resources	31,229,002	19,610,252	11,620,830	26,833,877	17,200,004	11,632,994	(12,164)	(118,679)	34,485	64,026
Department of Personnel	2,077,747	283,620	2,794,127	3,005,302	258,020	2,754,562	39,564		34,922	4,642
Department of Regulatory Agencies										
Executive Director	229,797	224,227	135,570	343,000	224,227	118,773	15,996		1,079	14,117
Administrative Services	740,497	446,795	73,702	756,560	686,795	69,765	3,929			3,929
Division of Banking	2,107,019	0	2,107,019	2,154,566	0	2,154,566	33,254			33,254
Civil Rights	1,554,727	650,303	904,424	1,351,760	455,542	896,218	0,296			0,296
Office of Energy Conservation	6,079,264	6,079,264	0	2,044,066	2,044,066	0	0			0
Insurance Division	2,118,258	40,000	2,078,258	2,078,217	5,748	2,072,469	59,049			59,049
Public Utilities Commission	8,009,205	8,009,205	0	6,773,046	6,378,276	139,770	(194,770)			0
Racing Commission	1,147,138	117,113	130,152	909,092	299,541	609,551	46,641			46,641
Real Estate Commission	1,668,019	1,668,019	0	1,637,426	1,900,250	(262,824)	262,824			0
Division of Registration	5,965,520	5,965,520	0	5,790,053	6,402,175	(612,122)	612,122			0
Savings & Loan Division	254,501	0	254,501	253,829	0	253,829	672			672
Division of Securities	296,194	596,194	0	571,000	458,161	112,839	(120,839)		(120,839)	0
Total Department of Regulatory Agencies	30,721,044	24,336,417	6,384,567	25,453,425	19,650,791	5,842,633	121,932	509,346	1,079	160,707
Department of Revenue	49,214,959	29,726,763	19,488,194	47,429,124	28,506,400	18,922,724	565,470	147,771	601,900	11,269
Department of Social Services										
Social Services Admin	641,303,744	610,416,430	290,969,254	650,906,314	641,976,259	246,930,325	2,036,929	93,592	57,363	1,005,975
State Veterans Center	1,492,740	1,249,776	243,964	1,493,427	1,257,063	236,364	7,600			0
Garfield County - Nursing Home	78,524	0	78,524	50,313	0	50,313	12,211			12,211
Total Department of Social Services	642,946,008	611,666,206	291,292,742	652,450,054	643,233,322	249,227,001	2,056,741	101,192	57,363	1,018,186
Department of State	2,568,738	2,568,738	0	2,493,517	3,290,817	1,045,270	805,270	119,730		1,000,000

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	REVENUES			EXPENDITURES AND TRANSFERS			Unexpended Balances	Restricted Net Income/ (Loss)	Appropriation Rollforwards	Appropriation Reversions
	Total	Augmenting	Net	Total	Augmenting	Net				
Department of Treasury:										
Treasury Distributions	53,881,888	0	53,881,888	53,882,312	1,867	53,881,245	(157)	(157)		0
Treasury Reimbursement	1,848,790	569,838	478,552	1,825,758	811,888	224,799	253,793	241,162	6,564	6,868
Fiscal Emergency Fund	63,256,888	63,256,888	0	63,255,990	63,255,990	0	0	0	0	0
Total Department of Treasury	118,985,566	64,125,526	54,279,640	118,964,060	64,367,157	54,826,894	253,636	241,005	6,564	6,868
Department of Corrections:										
Department of Corrections	53,382,828	976,638	52,326,190	52,287,488	888,126	51,407,253	918,837	8,557	153,137	757,143
Correctional Industries	451,524	17,277	434,247	451,524	17,277	434,247	0	0	0	0
Total Department of Corrections	53,834,352	993,915	52,760,437	52,739,012	897,403	51,841,500	918,837	8,557	153,137	757,143
Department of Public Safety	24,431,372	15,697,126	8,734,246	13,737,638	6,992,853	6,744,785	1,988,688	18,317	1,928,999	57,364
non-Operating (Controller)	6,498,913	1,642,968	4,855,945	6,459,398	1,731,399	4,727,999	157,154	0	0	157,154
Recovery of Prior Year Overexpenditures	75,491	0	75,491	0	(8)	0	75,491	0	0	75,491
TOTAL GENERAL FUND	202,964,686	81,526,631	81,044,168	82,086,726	198,162,221	81,825,234	422,534,813	194,282,861	68,713,379	818,422,648

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STATE OF COLORADO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1985

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the State of Colorado conform to generally accepted accounting principles applicable to governmental units.

A. REPORTING ENTITY

The National Council on Governmental Accounting (NCGA) has issued Statement 3 which establishes the criteria for determining the activities, organizations, and functions of government to be included in the financial statements of the reporting entity. The basic criterion for inclusion in the financial statements is the exercise of oversight responsibility by the State.

The extent of oversight responsibility was evaluated, based upon several criteria including: selection of governing authority; designation of management; the ability of the State to significantly influence operations; and accountability for fiscal matters including the level of State financing and/or moral or legal responsibility for the long-term debt of the organizations; and materiality of organization to State operations.

The evaluations precluded the inclusion of the following organizations as component units of the State of Colorado entity:

- Colorado State Fair Authority
- Colorado Housing Finance Authority
- Colorado Water Resources and Power Development Authority
- Colorado Agricultural Development Authority
- Colorado Student Obligation Board Authority
- Colorado Post-Secondary Educational Facilities Authority
- Colorado Health Facilities Authority
- Cumbres and Toltec Scenic Railroad Commission
- Public Employees' Retirement Association of Colorado

B. ACCOUNTING CHANGES

Statement 7 issued by the NCGA permits the discrete presentation for component units that have adopted acceptable accounting principles which are not consistent with generally accepted accounting principles (GAAP) for governmental entities. Beginning with fiscal year ending June 30, 1985, all balances and transactions for all State higher education institutions have been transferred to a separate set of college and university funds.

Prior to fiscal year ending June 30, 1985, the Employment Fund was accounted for in the Special Revenue Fund. NCGA interpretation 9 required that State unemployment compensation benefit plans be accounted for in an expendable trust fund and records provided for administrative costs of state unemployment programs be accounted for in the general fund. For fiscal year ending June 30, 1985 these activities have been reclassified according to the NCGA interpretation.

C. FUND STRUCTURE AND BASIS OF ACCOUNTING

The accounts of the State are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

For financial statement presentation, like kinds of funds have been combined into fifteen generic fund types and four broad fund types. For example, the State may have a number of individual Loan, Trust, and Agency funds which are grouped together in the financial statements. Account groups are presented for general fixed assets and general long-term debt.

GOVERNMENTAL FUNDS

General Fund:

The general fund is the principal operating fund in state government. It includes all those operations financed from the unrestricted general revenues of the State. The general fund includes all the transactions not recorded in other funds.

The fund's primary revenues include general taxes and revenues generated by agency operations that augment State sources such as institutional care and Federal grants and contracts. A significant portion of the fund's expenditures are monies passed through to local elementary and secondary school districts and to colleges and universities.

Special Revenue Funds:

Special revenue funds account for specific revenues designated to finance specific activities. The individual funds included in this group are:

- o Highway Fund - Proceeds from excise taxes on motor fuels, driver and vehicle registration fees, and ton-mile taxes provide the revenues of this fund which are used primarily for the construction and maintenance of public highways in the State.
- o Wildlife Fund - Hunting and fishing license fees are used to preserve the State's wildlife and provide outdoor recreational

facilities.

- o Labor Fund - This fund is designed to provide additional medical, injury, or vocational rehabilitation benefits to those provided by Workmen's Compensation insurers in the State of Colorado. The primary sources of revenue for this fund are taxes on compensation insurance programs and interest on investments.

Debt Service Fund:

This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related cost.

Capital Projects Funds:

The capital projects funds are comprised of what is regularly referred to as the "capital construction fund" and another non-appropriated capital construction fund. The distinction between these two categories within the capital construction funds sub-group is primarily the source of the monies which are used for the acquisition and construction of plant facilities in both instances.

Revenues of the "capital construction fund" consist of the general revenues transferred from the general fund and Federal sources.

The revenues of the "special capital construction fund" are normally special sources, such as donations, fees, or Federal sources.

All governmental type funds are accounted for on a modified accrual basis of accounting. This means that their revenues are recognized when they become susceptible to accrual, i.e., when they become both measurable and available to finance expenditures of the current period. Each of the primary sources of revenue of the governmental type funds susceptible to accrual are offset by related refund liabilities recorded where appropriate.

Excise taxes such as sales, liquor, cigarette, and use taxes are accrued based on filings received and filings due for filing periods on or before June 30, 1985. Accruals are established from inventories of excise tax filings in process, assessments in various stages of collectibility, and other filings expected to be received for those filing periods. Estimates are based on reliable historical data modified for economic trends and include a reasonable allowance for uncollectible amounts. Amounts expected to be collected after twelve months are recorded as deferred revenue.

Income taxes from individuals, corporations, and trusts are accrued based on current income earned by taxpayers prior to June 30, 1985.

Income earned and taxes due on income are estimated through the use of quarterly filings, withholding statements, and historical data modified for current economic trends. Accrued tax revenue is reduced for amounts estimated to be uncollectible. Amounts expected to be collected

after twelve months are recorded as deferred revenue.

Income from licenses, permits, fines, and forfeits is recorded when a court order, billing statement, or other legally enforceable notice of assessment issued.

Investment earnings are recorded in the year when earned.

Revenues earned under the terms of agreements with outside sources (e.g., contracts and grants from the Federal Government or private sources) are recorded at the time the expenditures are made.

Expenditures are recorded at the time liabilities are incurred except:

- o Interest on long-term debt is recorded when due.
- o Accumulated unpaid vacation and sick pay are recorded when paid.

Encumbrance accounting is used during the year for budgetary control purposes. Encumbrances outstanding at year end are charged against the subsequent year's operating budget when liquidated and therefore have no impact on ending fund balance of the current year.

Long-term investments of governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatment is used to indicate, however, that they are not considered "available spendable resources" since they do not represent net current assets. Long-term investments are offset by fund balance reserve accounts.

Special reporting treatment is also applied to governmental fund inventories to indicate that they do not represent "available spendable resources" even though they are a component of net current assets. Such amounts are offset by fund balance reserve.

PROPRIETARY FUNDS

Enterprise Funds:

This type of fund is used to account for the operations of self-sustaining State agencies rendering services to the general public on a user charge basis, such as the Compensation Insurance Fund.

Internal Service Fund:

These funds are established to finance and account for services and commodities furnished by a designated agency to their department of State government on a cost reimbursement basis. Examples of services are: central stores, motor pool, and print shop operations.

All proprietary funds are accounted for on the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses, including depreciation, are recognized when they are incurred. Depreciation has been recorded over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Buildings - 25 to 40 years
Improvements - 10 to 17 years
Equipment - 5 to 12 years

FIDUCIARY FUNDS

Trust and Agency Funds:

These funds are similar in nature and therefore are combined and reported on as a group. The basic similarity of the funds is the custodianship of monies received.

Loan Funds account for the receipt of trust monies from private sources and Federal student loan assistance programs and the loaning of these monies to students, faculty, and staff. The terms of gift agreements usually specify that the funds operate on a revolving fund basis, i.e., repayments of principal and interest are loaned to other individuals. Loan funds are accounted for on the accrual basis of accounting.

Nonexpendable trust and endowment funds are funds with respect to which donors or other outside agencies have stipulated, as a condition of the gift, that the principal must be retained intact and invested for the purpose of producing present and future income which may either be expended or added to the principal. Nonexpendable trust and endowment funds are accounted for on the accrual basis of accounting.

Expendable trust funds are accounted for on a modified accrual basis essentially in the same manner as governmental funds.

Agency funds are strictly custodial in nature and do not involve measurement of results of operations.

ACCOUNT GROUPS

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

o Fixed Asset Group of Accounts

Fixed assets used in governmental fund type operations such as land, buildings, other improvements, and equipment are accounted for in the General Fixed Assets Account Group rather than in governmental funds. Generally all items having a cost in excess of \$500 and an estimated useful life of two years or more are capitalized. Fixed assets utilized in enterprise, internal service, and trust and agency funds operations are recorded in those funds and depreciation of those assets is charged as an expense of operation in those funds.

Investments in roads, bridges, electrical systems, and similar public domain ("infrastructure") general fixed assets are neither capitalized nor reflected in the financial statements.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. Depreciation of exhaustible fixed assets is recorded only in the proprietary funds.

o General Long Term Obligations Group of Accounts

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Obligations Account Group, not in the governmental funds. Amounts due within one year may be recorded in the Debt Service Fund. Debt to be financed from proprietary funds is recorded in those funds.

COLLEGE AND UNIVERSITY FUNDS

Transactions related to the financial activities of the State's higher education institutions and the University of Colorado Health Sciences Center are accounted for in the college and university funds. The financial statements for these funds have been prepared in accordance with the AICPA "Industry Audit Guide - Audits of Colleges and Universities" and accordingly, are presented in a separate column in the combined balance sheet along with a separate combined balance sheet and a statement of changes in fund balances for all college and university funds.

D. BUDGETS AND BUDGETARY ACCOUNTING

The financial operations of the three branches of government are controlled by the annual appropriation made by the State Legislature. This annual appropriation is limited to the unrestricted funds held at the beginning of the year plus the revenues estimated to be generated during the year based on a modified accrual basis. The appropriation controls the expenses of the State at the agency level, predominately by category of expense or program. Appropriation may be shifted from one category to another, increased or decreased in the following session of the legislature by means of a supplemental appropriation. Supplemental legislation was passed during the reported year. An unexpended appropriation lapses at the end of a fiscal year unless executive action is taken to roll-forward a specific unexpended appropriation into the next year. Appropriations which meet the strict criteria for roll-forward are reserved at year-end.

E. ELIMINATIONS

Substantially all the intrafund receivable and payable balances have been eliminated. Eliminations have been made to gross revenues and expenditures and appear as deductions in arriving at net revenues and expenditures. Interfund revenues have been reclassified as operating transfers-in in the "Other Financing Sources (Uses)" section of the statements. Likewise, interfund expenditures are classified as operating transfers-out.

F. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the Combined Statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

G. CASH

The State Treasurer acts as a bank for all State agencies. Monies deposited with the Treasurer are invested until the cash is needed. Interest earnings on these investments are credited to the General Fund unless a specific statute directs otherwise. The detailed composition of the cash and investments is shown in the annual Treasurer's Report. The State maintains numerous cash accounts for administrative purposes. The cash reflected on the balance sheet is the composite amount of all accounts although some of the individual accounts may be periodically overdrawn. Any deficit cash balances on a fund basis are shown in the liability section of the balance sheet. This classification also includes all short-term investments such as certificates of deposit and U.S. Treasury Bills, most of which are held by the State Treasurer. These investments are stated at cost at June 30, 1985 which approximates market.

H. INVESTMENTS

These are long-term investments, generally stated at cost or amortized cost, which approximates market.

I. SECURITIES HELD IN TRUST

Securities are held by the State Treasurer for the Division of Mined Land Reclamation to insure land restoration where permits have been issued to mine operators. In addition, surety bonds in the amount of \$172.8 million are also held for this purpose but are not included in the financial statements.

J. TAXES RECEIVABLE

The taxes receivable of \$448.5 million results from recording of self-assessed taxes on the accrual basis. They are collected subsequent to June 30, but are considered earned as of that date. They are net of a \$63.7 million allowance for doubtful accounts.

Tax refunds payable of \$158.7 million recognize the refund liability relating to these self-assessed taxes.

K. RECEIVABLES

The receivables are net of a \$70.3 million allowance for doubtful accounts.

L. INVENTORY

The State's inventories consist primarily of consumable items such as office supplies, institutional medical and linen inventories, repair and maintenance items, and vocational shop materials. Also included in the inventory is an immaterial amount of finished goods produced and held for resale by units such as the Department of Corrections.

Inventories are stated at the lower of cost or market utilizing a variety of methods (i.e., LIFO, FIFO, average), the method remaining consistent from year to year in each specific State agency.

M. DEFERRED REVENUE

Summer school tuition revenues collected by institutions of higher education and associated expenditures at June 30, are deferred to the subsequent year.

Revenue collected (by agencies other than Higher Education) from the Federal government and other sponsors is recorded as deferred until such time as expenditures are made. State Compensation Insurance premiums are recognized as earned in the period of coverage.

N. FUND EQUITY

The fund balance of the General Fund is made up of restricted and unrestricted amounts. Items are restricted as provided by statute or the State Constitution are otherwise unavailable for expenditure. The old age pension reserve is an example of the former and the reserve for inventories is an example of the latter. Those amounts left unrestricted represent that portion of General Fund equity (net assets less liabilities) available for future use as working capital or as determined by the Legislature.

O. RESERVES

Reserves for the State of Colorado at June 30, 1985 consist of:

Reserve for Related Assets - These reserves were established to indicate that a portion of fund balance is represented by assets which are not available, spendable resources even though they are a component of assets.

Reserve for Continuing Appropriations - These reserves are used to segregate a portion of fund balance appropriated prior to the end of the fiscal year or net receipts legally restricted for use by an agency. Because of extenuating circumstances, agencies have been unable to expend their appropriation and executive action has been taken to roll-forward a specific appropriation into the next year.

Reserve for Other Specific Purposes - These reserves are used to indicate that a portion of fund balance is restricted as to the use of the assets represented. The restriction can be from the donor in the case of fiduciary funds or in the payment of debt principal by debt service funds. It is also possible for the fund balance of a certain fund like higher education's current restricted fund to be fully reserved. A portion of the lottery enterprise fund balance is reserved for statutory distributions.