STATE OF COLORADO

ANNUAL FINANCIAL REPORT
JUNE 30, 1987

STATE CONTROLLER
DIVISION OF ACCOUNTS & CONTROL
DEPARTMENT OF ADMINISTRATION

STATE OF COLORADO
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1987

ROY ROMER, GOVERNOR

DEPARTMENT OF ADMINISTRATION
FORREST M. CASON, EXECUTIVE DIRECTOR
DIVISION OF ACCOUNTS AND CONTROL
JAMES A. STROUP, STATE CONTROLLER

STATE OF COLORADO
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1987

CONTENTS

STATE OF COLORADO

DIVISION OF ACCOUNTS & CONTROL
Department of Administration
1525 Sherman Street, Room 706
Denver, Colorado 80203
Phone (303) 866-3281

Roy Romer
Governor

Forrest Cason
Executive Director

James A. Stroup
State Controller

September 30, 1987

The Honorable Roy Romer
Governor
State of Colorado

Dear Governor Romer:

I am pleased to submit Colorado's Annual Financial Report for the year ended June 30, 1987. In accordance with statute section 24-30-204, CRS, we are submitting this unaudited 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:

- The unrestricted fund balance increased by $46.2 million to $50.5 million, while restricted fund balances increased $1.7 million to $86.4 million.
- Revenues and transfers-in exceeded expenditures and transfers-out by $49.2 million.
- General revenues fell short of the original revenue estimate made in March 1986, by $107 million.

Other funds continue to be in good financial condition. Combined fund equity for all funds totaled $3.0 billion.

Our office will issue a Comprehensive Annual Financial Report in December upon completion of the State Auditor's examination. That 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 its completion.

Sincerely,

James A. Stroup

James A. Stroup
State Controller

U N A U D I T E D

STATE OF COLORADO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1987
(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS:				
Cash and Short-term Investments	$3,484	$153,283	$9,457	$147,362
Investments	1,034	0	0	0
Taxes Receivable, net	357,554	40,642	0	0
Other Receivables, net	44,576	2,976	44	815
Due From Other Governments	122,267	41,547	0	2,106
Due From Other Funds	7,119	1,167	0	16
Inventories	51,972	18,050	0	.0
Other Current Assets	4,651	715	267	0
Property, Plant and Equipment, net	0	0	0	0
Other Long-term Assets	0	0	0	42,034
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided for Retirement of Long-term Obligations	0	0	0	0
TOTAL ASSETS	$592,657	$258,380	$9,768	$192,333
LIABILITIES:				
Liability to Pooled Cash	$84,447	$0	$0	$0
Tax Refunds Payable	133,206	0	0	0
Accounts Payable and Accruals	100,151	59,702	1,482	5,021
Due to Other Governments	23,299	22,221	0	0
Due to Other Funds	6,636	5,519	0	1,213
Deferred Revenue	107,897	11,281	0	3,034
Unpaid Insurance Losses	0	0	0	0
Capital Lease Obligations	0	0	0	0
Notes and Bonds Payable	0	0	0	0
Accrued Compensated Absences	0	0	0	0
Other Liabilities	0	0	0	0
TOTAL LIABILITIES	455,636	98,723	1,482	9,268
FUND EQUITY:				
Investment in Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Unreserved Retained Earnings	0	0	0	0
Fund Balances:				
Reserved for:				
Inventories	5,445	18,050	0	0
Continuing Appropriations	4,426	0	0	48,770
Other Specific Purposes	76,625	141,607	8,286	132,198
Unreserved	50,525	0	0	2,097
TOTAL FUND EQUITY	137,021	159,657	8,286	183,065
TOTAL LIABILITIES AND FUND EQUITY	$592,657	$258,380	$9,768	$192,333

See accompanying notes to financial statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS			
ENTERPRISE	INTERNAL SERVICE	TRUST & AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	COLLEGE AND UNIVERSITY FUNDS	TOTALS (Memorandum) (Only)
$174,454	$117	$288,512	$0	$0	$204,657	$981,326
370,109	0	148,338	0	0	62,617	582,098
0	0	91,498	0	0	0	489,694
59,860	1	4,156	0	0	120,159	232,587
9,587	6	6,838	0	0	4,811	187,162
2,611	3,989	6,233	0	0	14,427	35,562
4,320	1,161	3	0	0	22,009	97,515
475	41	140	0	0	6,435	12,724
16,116	64,684	10,361	592,071	0	1,261,679	1,944,911
23	0	4,729	0	0	718	47,504
0	0	0	0	8,286	0	8,286
0	0	0	0	193,127	0	193,127
$637,555	$69,999	$560,808	$592,071	$201,413	$1,697,512	$4,812,496
$266	$3,966	$0	$0	$0	$0	$88,679
0	0	0	0	0	0	133,206
27,826	1,396	12,912	0	0	63,034	271,524
5,601	0	42,642	0	0	0	93,763
581	5	5,853	0	0	15,755	35,562
20,117	367	3,737	0	0	30,122	176,555
395,651	1,863	0	0	0	0	397,514
38	1,464	0	0	62,954	101,058	165,514
503	0	0	0	0	122,315	122,818
1,973	129	10	0	51,704	30,707	84,523
40,227	0	140,575	0	86,755	0	267,557
492,783	9,190	205,729	0	201,413	362,991	1,837,215
0	0	0	592,071	0	1,060,256	1,652,327
11,904	40,461	0	0	0	0	52,365
132,868	20,348	0	0	0	0	153,216
0	0	0	0	0	0	23,495
0	0	0	0	0	0	53,196
0	0	355,079	0	0	201,643	915,438
0	0	0	0	0	72,622	125,244
144,772	60,809	355,079	592,071	0	1,334,521	2,975,281
$637,555	$69,999	$560,808	$592,071	$201,413	$1,697,512	$4,812,496

U N A U D I T E D

STATE OF COLORADO
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1987
(Expressed in Thousands)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
REVENUES:				
Taxes	$2,143,377	$315,551	$0	$998
Licenses, Permits, and Fines	36,899	99,835	0	3,360
Charges for Goods and Services	41,833	886	0	771
Interest and Rents	46,453	3,002	596	11,335
Federal Grants and Contracts	789,928	228,690	0	9,783
Contributions	0	0	0	0
Other	37,404	40,396	19	1,416
TOTAL REVENUES	3,095,894	688,360	615	27,663
EXPENDITURES:				
Current:				
General Government	139,573	2,002	0	0
Business, Community and Consumer Affairs	108,783	8,558	0	0
Education	41,886	0	0	0
Health and Rehabilitation	232,297	0	0	0
Justice	202,544	28,611	0	0
Natural Resources	30,959	34,913	0	0
Social Assistance	562,000	0	0	0
Transportation	0	406,342	0	0
Capital Outlay	20,036	27,086	0	71,174
Intergovernmental	1,319,305	141,072	0	2,020
Debt Service	0	0	2,858	0
TOTALS EXPENDITURES	2,657,383	648,584	2,858	73,194
Excess of Revenues Over (Under) Expenditures	438,511	39,776	(2,243)	(45,531)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	82,644	44,470	2,404	70,568
Operating Transfers Out	(473,072)	(44,996)	(307)	(13,574)
Other	1,144	0	4,719	31,301
TOTAL OTHER FINANCING SOURCES (USES)	(389,284)	(526)	6,816	88,295
Excess of Revenues and Other Sources (Uses) Over (Under) Expenditures	49,227	39,250	4,573	42,764
FUND BALANCE, JULY 1	89,075	120,407	3,713	140,301
Prior Period Adjustments	(31)	0	0	0
Residual Equity Transfers	(1,250)	0	0	0
FUND BALANCE, JUNE 30	$137,021	$159,657	$8,286	$183,065

See accompanying notes to financial statements.

FIDUCIARY FUND TYPE	
EXPENDABLE TRUST	TOTALS (Memorandum) (Only)
$207,413	$2,667,339
5,972	146,066
13,095	56,585
21,411	82,797
9,521	1,037,922
0	0
11,308	90,543
268,720	4,081,252
13,783	155,358
121	117,462
239	42,125
1,050	233,347
8,323	239,478
939	66,811
247,960	809,960
0	406,342
390	118,686
1	1,462,398
0	2,858
272,806	3,654,825
(4,086)	426,427
8,399	208,485
(26,616)	(558,565)
0	37,164
(18,217)	(312,916)
(22,303)	113,511
198,622	552,118
0	(31)
1,250	0
$177,569	$665,598

U N A U D I T E D

STATE OF COLORADO
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL ANNUALLY BUDGETED GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1987
(Expressed in Thousands)

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
REVENUES:			
Sales, Use and Excise Taxes	$899,400	$811,231	($88,169)
Income Taxes:			
Individual	1,376,000	1,320,088	(55,912)
Corporate	180,700	159,221	(21,479)
Less: Refunds	(314,200)	(260,631)	53,569
Net Income Taxes	1,242,500	1,218,678	(23,822)
Inheritance and Gift Taxes	13,500	18,433	4,933
Other Taxes	82,500	93,131	10,631
Licenses, Permits, and Fines	0	7,564	7,564
Interest and Rent	21,000	10,868	(10,132)
Other	26,000	18,169	(7,831)
Total General Revenues	2,284,900	2,178,074	(106,826)
Federal and Cash Funding Sources	1,258,153	1,141,169	(116,984)
TOTAL GROSS REVENUES & TRANSFERS	3,543,053	3,319,243	(223,810)
Less: Intrafund Revenues		(140,705)	
Interfund Revenues		(82,644)	
NET REVENUES		3,095,894	
EXPENDITURES:			
Administration	30,716	28,708	2,008
Agriculture	12,771	10,940	1,830
Corrections	65,137	64,160	977
Education	991,155	973,827	17,328
Health	100,024	95,972	4,052
Higher Education	432,849	429,537	3,312
Highways	0	0	0
Institutions	191,747	188,596	3,151
Judicial Branch	84,987	84,415	572
Labor and Employment	61,300	54,541	6,759
Law	15,449	14,456	993
Legislative Branch	16,204	14,091	2,112
Local Affairs	100,653	58,928	41,725
Military Affairs	3,209	2,922	288
Natural Resources	37,604	34,749	2,855
Office of Governor	43,065	31,689	11,376
Personnel	3,320	3,197	123
Public Safety	30,511	23,627	6,885
Regulatory Agencies	61,641	38,207	23,434
Revenue	56,855	55,215	1,639
Secretary of State	4,241	4,165	77
Social Services	868,043	879,780	(11,737
Treasury	1,298	2,183	(885
Other	57,365	57,055	310
Total Appropriated Expenditures & Transfers	3,270,143	3,150,959	119,184

SPECIAL REVENUE FUNDS			TOTALS (Memorandum Only)		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
$0	$0	$0	$899,400	$811,231	($88,169)
0	0	0	1,376,000	1,320,088	(55,912)
0	0	0	180,700	159,221	(21,479)
0	0	0	(314,200)	(260,631)	53,569
0	0	0	1,242,500	1,218,678	(23,822)
0	0	0	13,500	18,433	4,933
0	0	0	82,500	93,131	10,631
0	0	0	0	7,564	7,564
0	0	0	21,000	10,868	(10,132)
0	0	0	26,000	18,169	(7,831)
0	0	0	2,284,900	2,178,074	(229,499)
50,268	44,579	(5,689)	1,308,421	1,185,748	(122,673)
50,268	44,579	(5,689)	3,593,321	3,363,822	(15,847)
	0			(140,705)	
	(3,399)			(86,043)	
	41,180			3,137,074	
0	0	0	30,716	28,708	2,008
0	0	0	12,771	10,940	1,830
0	0	0	65,137	64,160	977
0	0	0	991,155	973,827	17,328
0	0	0	100,024	95,972	4,052
0	0	0	432,849	429,537	3,312
0	0	0	0	0	0
0	0	0	191,747	188,596	3,151
0	0	0	84,987	84,415	572
9,745	8,559	1,186	71,045	63,100	7,945
0	0	0	15,449	14,456	993
0	0	0	16,204	14,091	2,112
0	0	0	100,653	58,928	41,725
0	0	0	3,209	2,922	288
40,523	36,404	4,119	78,127	71,153	6,974
0	0	0	43,065	31,689	11,376
0	0	0	3,320	3,197	123
0	0	0	30,511	23,627	6,885
0	0	0	61,641	38,207	23,434
0	0	0	56,855	55,215	1,639
0	0	0	4,241	4,165	77
0	0	0	868,043	879,780	(11,737)
0	0	0	1,298	2,183	(885)
0	0	0	57,365	57,055	310
50,268	44,963	5,305	3,320,411	3,195,922	124,489

(Continued on next page)

UNAUDITED

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
Expenditures Provided by Law Rather Than by Appropriation.....		119,737	
Currently Recognized Future Capital Lease Payments.....		1,144	
TOTAL GROSS EXPENDITURES & TRANSFERS.....		3,271,840	
Less: Intrafund Expenditures.....		(140,705)	
Interfund Expenditures.....		(473,752)	
NET EXPENDITURES.....		2,657,383	
Excess of Revenues Over (Under) Expenditures.		438,511	
OTHER FINANCING SOURCES (USES).....		(389,284)	
Excess of Revenues and Other Sources (Uses) Over (Under) Expenditures.....		49,227	
FUND BALANCES, JULY 1.....		89,075	
Prior Period Adjustments.....		(31)	
Residual Equity Transfers		(1,250)	
FUND BALANCES, JUNE 30.....		$137,021	

See acompanying notes to financial statements.

SPECIAL REVENUE FUNDS			TOTALS (Memorandum Only)		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
	0			119,737	
	0			1,144	
	44,963			3,316,803	
	0			(140,705)	
	0			(473,752)	
	44,963			2,702,346	
	(3,783)			434,728	
	(70)			(389,354)	
	(3,853)			45,374	
	12,895			101,970	
	0			(31)	
	0			(1,250)	
	$9,042			$146,063	

U N A U D I T E D

STATE OF COLORADO

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1987
(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	*Memorandum Only*
OPERATING REVENUES:				
Charges for Goods & Services	$314,485	$34,375	$0	$348,860
Interest & Rents	38,956	2,000	20,334	61,290
Federal Grants & Contracts	18,364	1	0	18,365
Other	4,528	2,101	0	6,629
TOTAL OPERATING REVENUES	376,333	38,477	20,334	435,144
OPERATING EXPENSES:				
Salaries & Fringe Benefits	30,456	10,039	0	40,495
Operating	27,883	16,076	126	44,085
Depreciation	1,182	5,827	0	7,009
Travel	360	21	0	381
Grants to Organizations & Individuals	219,773	0	0	219,773
Prizes	54,413	0	0	54,413
Other	17,353	1,804	10,073	29,230
TOTAL OPERATING EXPENSES	351,420	33,767	10,199	395,386
INCOME (LOSS) BEFORE OPERATING TRANSFERS	24,913	4,710	10,135	39,758
OPERATING TRANSFERS:				
Operating Transfers In	1,544	570	0	2,114
Operating Transfers Out	(33,302)	(1,600)	(1,135)	(36,037
NET INCOME/CHANGE IN FUND EQUITY	(6,845)	3,680	9,000	5,835
FUND EQUITY, JULY 1	147,748	57,129	168,510	373,387
Prior Period Adjustment	3,869	0	0	3,869
FUND EQUITY, JUNE 30	$144,772	$60,809	$177,510	$383,091

See accompanying notes to financial statements.

STATE OF COLORADO
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1987
(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	*Memorandum Only*
SOURCES OF WORKING CAPITAL:				
Operations:				
Net Income	($6,845)	$3,680	$9,000	$5,835
Item Not Requiring Working Capital:				
Depreciation	1,182	5,827	0	7,009
Working Capital Provided by Operations	(5,663)	9,507	9,000	12,844
Net Decrease In:				
Property, Plant and Equipment	0	0	67	67
Other Long-Term Assets	0	0	502	502
Net Increase In:				
Unpaid Insurance Losses	47,110	1,004	0	48,114
Capital Lease Obligations	38	70	0	108
Accrued Compensated Absences	473	13	0	486
Other Long-Term Liabilities	5,790	0	0	5,790
Equity Transfer In	3,869	0	0	3,869
TOTAL SOURCES OF WORKING CAPITAL	51,617	10,594	9,569	71,780
USES OF WORKING CAPITAL:				
Net Increase In:				
Property, Plant and Equipment	4,895	14,844	0	19,739
Net Decrease In:				
Capital Lease Obligations	0	314	0	314
Notes and Bonds Payable	162	0	0	162
TOTAL USES OF WORKING CAPITAL	5,057	15,158	0	20,215
NET INCREASE (DECREASE) IN WORKING CAPITAL	$46,560	($4,564)	$9,569	$51,565
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:				
Cash	($86,890)	($15)	($13,041)	(99,946)
Investments	133,511	0	22,538	156,049
Receivables, net	591	(5)	0	586
Due From Other Governments	5,743	(20)	66	5,789
Due From Other Funds	2,249	(2,881)	0	(632)
Inventories	(62)	(143)	0	(205)
Other Current Assets	248	(6)	0	242
Cash Overdraft	(145)	(2,113)	0	(2,258)
Accounts Payable and Accrued Liabilities	(8,852)	717	0	(8,135)
Due to Other Governments	0	4	0	4
Due to Other Funds	2,121	11	0	2,132
Deferred Revenue	(1,954)	(113)	6	(2,061)
NET INCREASE (DECREASE) IN WORKING CAPITAL	$46,560	($4,564)	$9,569	$51,565

See accompanying notes to financial statements.

U N A U D I T E D

STATE OF COLORADO
COMBINED BALANCE SHEET
ALL COLLEGE AND UNIVERSITY FUNDS
JUNE 30, 1987
(Expressed in Thousands)

	CURRENT FUNDS	
	UNRESTRICTED	RESTRICTED
ASSETS:		
Cash and Cash Equivalents	$94,616	$10,469
Investments	12,523	4,884
Accounts Receivable:		
Tuition, Fees, and Charges for Services, net	43,612	10,505
Intergovernmental	18	4,759
Unbilled Charges	246	5,516
Other	1,960	260
Total Accounts Receivable	45,836	21,040
Loans and Notes Receivable, net	2,158	67
Due From Other Funds	8,379	2,899
Inventories	21,924	85
Other Current Assets	6,297	84
Plant Facilities:		
Land and Improvements	0	0
Buildings and Improvements	0	0
Construction in Progress	0	0
Machinery and Equipment	0	0
Library Books	0	0
Other Long-Term Assets	0	0
TOTAL ASSETS	$191,733	$39,528
LIABILITIES:		
Accounts Payable	$17,136	$2,370
Accrued Liabilities	31,188	6,845
Due to Other Funds	11,101	861
Deferred Credits	29,143	813
Capital Lease Obligations	0	0
Revenue Bonds and Other Notes Payable	89	0
Accrued Compensated Absences	30,454	103
TOTAL LIABILITIES	119,111	10,992
FUND BALANCES:		
Investment in Fixed Assets	0	0
Reserved	0	28,536
Unreserved	72,622	0
TOTAL FUND BALANCES	72,622	28,536
TOTAL LIABILITIES AND FUND BALANCES	$191,733	$39,528

See accompanying notes to financial statements.

LOAN FUNDS	ENDOWMENT FUNDS	PLANT FUNDS UNEXPENDED	PLANT FUNDS RETIREMENT OF INDEBTEDNESS	PLANT FUNDS INVESTMENT IN PLANT	TOTALS
$6,495	$6,193	$72,958	$13,926	$0	$204,657
0	16,522	19,606	9,082	0	62,617
1,768	1,009	739	126	0	57,759
30	0	0	4	0	4,811
0	0	0	5	0	5,767
297	36	475	186	0	3,214
2,095	1,045	1,214	321	0	71,551
51,154	28	12	0	0	53,419
0	1,096	1,809	244	0	14,427
0	0	0	0	0	22,009
32	1	0	0	21	6,435
0	2,180	0	0	24,890	27,070
0	0	0	0	726,171	726,171
0	0	74,795	0	0	74,795
0	0	0	0	332,095	332,095
0	0	0	0	101,548	101,548
0	0	172	0	546	718
$59,776	$27,065	$170,566	$23,573	$1,185,271	$1,697,512
$15	$0	$1,899	$9	$0	$21,429
17	62	729	2,764	0	41,605
17	2	342	0	3,432	15,755
0	30	0	136	0	30,122
0	0	78,785	0	22,273	101,058
0	0	22,916	0	99,310	122,315
150	0	0	0	0	30,707
199	94	104,671	2,909	125,015	362,991
0	0	0	0	1,060,256	1,060,256
59,577	26,971	65,895	20,664	0	201,643
0	0	0	0	0	72,622
59,577	26,971	65,895	20,664	1,060,256	1,334,521
$59,776	$27,065	$170,566	$23,573	$1,185,271	$1,697,512

UNAUDITED

STATE OF COLORADO
COMBINED STATEMENT OF CHANGES IN FUND BALANCES
ALL COLLEGE AND UNIVERSITY FUNDS
FOR THE YEAR ENDED JUNE 30, 1987
(Expressed in Thousands)

	CURRENT FUNDS	
	UNRESTRICTED	RESTRICTED
REVENUES AND OTHER ADDITIONS:		
Tuition and Fees	$277,561	$16
Federal Grants and Contracts	3,677	183,903
State & Local Grants and Contracts	935	17,779
Private Gifts, Grants, and Contracts	1,611	49,861
Investment Income	11,020	1,100
Sales & Services of Educational Activities	48,088	28
Sales & Services of Auxiliaries and Hospitals	207,517	0
Realized Gain (Loss) on Investments	0	0
Interest on Loans Receivable	0	0
Retirement of Indebtedness	0	0
Other	11,692	463
TOTAL REVENUES AND OTHER ADDITIONS	562,101	253,150
EXPENDITURES AND OTHER DEDUCTIONS:		
Educational and General:		
Instruction	308,383	45,420
Research	19,046	120,350
Public Service	25,704	11,407
Academic Support	66,525	7,150
Student Services	61,031	6,630
Institutional Support	86,556	4,759
Operation of Plant	64,854	315
Scholarships and Fellowships	4,863	54,720
TOTAL EDUCATIONAL AND GENERAL	636,962	250,751
Auxiliaries and Hospitals	237,718	742
Loan Cancellation and Write-off	0	0
Expended for Plant Facilities	0	0
Retirement of Indebtedness	0	0
Interest on Indebtedness	0	0
Disposal of Plant Facilities	0	0
Other	0	23,394
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	874,680	274,887
TRANSFERS BETWEEN FUNDS - (ADDITIONS)/DEDUCTIONS:		
Mandatory Transfers	13,861	(771)
Nonmandatory Transfers	17,915	1,561
Operating Transfers from State Funds	(349,655)	(24,260)
TOTAL EXPENDITURES, DEDUCTIONS & TRANSFERS	556,801	251,417
Net Increase (Decrease) in Fund Balances	5,300	1,733
FUND BALANCE, JULY 1	67,322	26,803
FUND BALANCE, JUNE 30	$72,622	$28,536

See accompanying notes to financial statements.

LOAN FUNDS	ENDOWMENT FUNDS	PLANT FUNDS UNEXPENDED	PLANT FUNDS RETIREMENT OF INDEBTEDNESS	PLANT FUNDS INVESTMENT IN PLANT	TOTALS
$0	$0	$1,757	$1,613	$0	$280,947
1,105	0	1,037	168	0	189,890
0	0	0	0	0	18,714
66	359	1,782	0	1,607	55,286
229	914	5,006	1,828	0	20,097
0	0	0	0	0	48,116
0	0	0	0	0	207,517
30	1,993	(2,157)	177	(3,615)	(3,572)
1,515	0	0	0	0	1,515
0	0	3,193	0	7,027	10,220
394	239	20,737	20,398	87,412	141,335
3,339	3,505	31,355	24,184	92,431	970,065
0	0	0	0	0	353,803
0	0	0	0	0	139,396
0	0	0	0	0	37,111
0	0	0	0	0	73,675
364	396	0	3	0	68,424
0	0	0	0	0	91,315
0	0	0	0	0	65,169
0	0	0	0	0	59,583
364	396	0	3	0	888,476
0	0	0	0	0	238,460
1,341	0	0	0	0	1,341
0	0	43,999	0	0	43,999
0	0	2,693	8,449	0	11,142
0	0	351	12,703	0	13,054
0	0	0	0	17,218	17,218
886	118	1,627	20,732	17,745	64,502
2,591	514	48,670	41,887	34,963	1,278,192
(106)	0	582	(13,566)	0	0
(327)	(300)	(18,671)	(178)	0	0
0	0	(9,942)	(146)	0	(384,003)
2,158	214	20,639	27,997	34,963	894,189
1,181	3,291	10,716	(3,813)	57,468	75,876
58,396	23,680	55,179	24,477	1,002,788	1,258,645
$59,577	$26,971	$65,895	$20,664	$1,060,256	$1,334,521

UNAUDITED

STATE OF COLORADO
GENERAL FUND
SCHEDULE OF APPROPRIATIONS, EXPENDITURES,
TRANSFERS, AND REVERSIONS
FOR THE YEAR ENDING JUNE 30, 1987

State Department/Agency	APPROPRIATIONS Total	Augmenting	Net
LEGISLATIVE BRANCH:			
General Assembly	$5,663,486	$73,000	$5,590,486
Joint Budget Committee	639,130	0	639,130
Legislative Council	2,866,734	250,000	2,616,734
Office of State Auditor	4,404,901	0	4,404,901
Legislative Drafting	2,629,508	0	2,629,508
Total Legislative Branch	16,203,759	323,000	15,880,759
JUDICIAL BRANCH:			
Judicial Administration	72,146,475	2,389,091	69,757,384
Public Defender	12,840,361	142,400	12,697,961
Judicial Department	0	0	0
Total Judicial Branch	84,986,836	2,531,491	82,455,345
OFFICE OF THE GOVERNOR:			
Administrative Office	4,692,045	2,938,189	1,753,856
Lieutenant Governor	225,953	0	225,953
Office of State Planning & Budgeting	1,053,090	204,647	848,443
Governor's Job Training Office	37,093,922	37,093,922	0
Total Office of the Governor	43,065,010	40,236,758	2,828,252
DEPARTMENT OF ADMINISTRATION:			
Executive Director	5,067,400	1,738,935	3,328,465
Accounts and Control	2,364,963	895,062	1,469,901
Archives & Public Records	402,028	0	402,028
General Government Computer Center	5,849,100	3,515,686	2,333,414
Purchasing	651,864	80,000	571,864
Division of ADP	666,747	0	666,747
Capitol Complex	5,032,435	594,525	4,437,910
Communications	6,459,957	5,053,044	1,406,913
Hearing Officers	1,017,771	1,017,771	0
State Buildings	2,455,061	923,815	1,531,246
Colorado Minority Business Development	177,955	137,955	40,000
Risk Management	570,375	0	570,375
Non-Operating (Controller)	56,927,389	1,294,825	55,632,564
Total Department of Administration	87,643,045	15,251,618	72,391,427
DEPARTMENT OF AGRICULTURE:			
Administration	7,894,257	2,127,076	5,767,181
Brand Inspection	2,222,483	2,222,483	0
Beef Promotion	2,501,100	2,501,100	0
Predatory Animal	77,821	77,821	0
Sheep and Wool	75,000	75,000	0
Total Department of Agriculture	12,770,661	7,003,480	5,767,181

EXPENDITURES AND TRANSFERS				Restricted		
Total	Augmenting	Net	Unexpended Balances	Net Income/ (Loss)	Appropriation Rollforwards	Appropriation Reversions
$5,179,075	$74,665	$5,104,410	$486,076	$0	$110,651	$375,425
590,532	0	590,532	48,598	0	0	48,598
2,239,099	19,800	2,219,299	397,435	0	153,417	244,019
4,044,456	0	4,044,456	360,445	0	0	360,445
2,038,160	0	2,038,160	591,348	0	368,193	223,155
14,091,322	94,465	13,996,857	1,883,902	0	632,261	1,251,642
71,871,224	2,113,821	69,757,403	(19)	0	0	(19)
12,543,453	127,781	12,415,672	282,289	0	119,303	162,986
0	20,142	(20,142)	20,142	0	0	20,142
84,414,678	2,261,744	82,152,934	302,411	0	119,303	183,109
3,384,589	1,636,117	1,748,472	5,384	0	5,172	213
225,095	0	225,095	858	0	0	858
1,048,164	204,647	843,517	4,926	0	0	4,926
27,031,170	27,031,170	0	0	0	0	0
31,689,017	28,871,934	2,817,083	11,169	0	5,172	5,997
4,721,397	1,406,608	3,314,789	13,676	0	0	13,676
2,323,518	1,011,335	1,312,183	157,718	25,949	0	131,769
401,929	0	401,929	99	0	0	99
5,585,127	3,451,371	2,133,756	199,658	0	0	199,658
619,527	47,711	571,816	48	0	0	48
636,758	0	636,758	29,989	0	0	29,989
4,888,286	587,713	4,300,573	137,337	0	12,612	124,725
5,990,396	5,861,582	128,814	1,278,099	0	72,020	1,206,079
1,013,936	1,027,649	(13,713)	13,713	0	0	13,713
2,414,899	956,033	1,458,866	72,380	0	0	72,380
112,330	75,342	36,988	3,012	0	0	3,012
0	0		570,375	0	0	570,375
57,054,878	1,199,011	55,855,867	(223,303)	0	0	(223,303)
85,762,980	15,624,355	70,138,625	2,252,802	25,949	84,632	2,142,220
7,380,097	2,023,975	5,356,122	411,059	177,338	142,536	91,185
2,232,886	2,189,768	43,118	(43,118)	(43,118)	0	0
1,216,425	1,696,214	(479,790)	479,790	479,790	0	0
37,747	39,836	(2,089)	2,089	2,089	0	0
73,306	53,097	20,209	(20,209)	(20,209)	0	0
10,940,461	6,002,891	4,937,569	829,612	595,891	142,536	91,185

UNAUDITED

State Department/Agency	APPROPRIATIONS Total	Augmenting	Net
DEPARTMENT OF EDUCATION:			
Education	984,516,139	149,505,201	835,010,938
Colorado School for Deaf & Blind	5,574,477	993,128	4,581,349
Teachers Emeritus-Annuitants	1,064,090	0	1,064,090
Total Department of Education	991,154,706	150,498,329	840,656,377
DEPARTMENT OF HEALTH	100,023,602	76,102,505	23,921,097
DEPARTMENT OF HIGHER EDUCATION:			
Commission on Higher Education	31,598,670	3,288,805	28,309,865
Council on Arts & Humanities	2,130,370	479,196	1,651,174
Historical Society	2,412,241	954,496	1,457,745
Colorado Advanced Technology Institute	1,441,350	0	1,441,350
Regents-University of Colorado	69,796,029	0	69,796,029
Univ of Colo-Health Sciences Center	82,497,190	0	82,497,190
Colorado School of Mines	9,881,513	0	9,881,513
State Board of Agriculture	60,737,757	0	60,737,757
CSU-Vet. Med. & Student Aid	5,230,199	0	5,230,199
CSU-Experiment Stations	6,805,367	0	6,805,367
CSU-Extension Services	5,666,807	0	5,666,807
CSU-Forest Services	2,369,915	0	2,369,915
Trustees of State Colleges	38,927,648	0	38,927,648
University of Northern Colorado	23,217,869	0	23,217,869
Colo. Community College & Occupational Ed. System	90,122,307	11,870,443	78,251,864
Auraria Higher Education Center	13,964	0	13,964
Total Department of Higher Education	432,849,196	16,592,940	416,256,256
DEPARTMENT OF HIGHWAYS	0	0	0
DEPARTMENT OF INSTITUTIONS:			
Administrative Offices	5,334,279	3,171,294	2,162,985
Admin. Office-Division of Mental Health	24,932,393	4,816,720	20,115,673
Colorado State Hospital	45,080,413	13,771,019	31,309,394
Fort Logan Mental Health Center	19,773,943	9,410,890	10,363,053
Division for Developmental Disabilities	28,535,640	2,407,275	26,128,365
Regional Training Center-Grand Junction	12,936,793	12,895,129	41,664
Regional Training Center-Wheatridge	19,734,909	19,699,587	35,322
Regional Training Center-Pueblo	8,265,007	8,246,395	18,612
Division of Youth Services	25,069,585	1,420,820	23,648,765
Public Housing Authority	2,084,119	2,084,119	0
Total Department of Institutions	191,747,081	77,923,248	113,823,833
DEPARTMENT OF LABOR & EMPLOYMENT	61,300,166	58,909,083	2,391,083
DEPARTMENT OF LAW	15,449,459	5,574,821	9,874,638
DEPARTMENT OF LOCAL AFFAIRS	100,652,875	93,175,600	7,477,275
DEPARTMENT OF MILITARY AFFAIRS	3,209,402	1,686,688	1,522,714

EXPENDITURES AND TRANSFERS						
Total	Augmenting	Net	Unexpended Balances	Restricted Net Income/ (Loss)	Appropriation Rollforwards	Appropriation Reversions
967,329,841	128,958,259	838,371,583	(3,360,645)	(3,886,006)	220,266	305,095
5,433,438	909,209	4,524,229	57,120	0	23,106	34,014
1,063,690	0	1,063,690	400	0	0	400
973,826,970	129,867,468	843,959,502	(3,303,125)	(3,886,006)	243,372	339,509
95,971,559	75,827,019	20,144,540	3,776,557	3,403,090	13,389	360,078
31,250,050	2,991,624	28,258,426	51,439	0	10,340	41,099
1,499,377	464,194	1,035,183	615,991	0	615,366	625
2,325,288	890,457	1,434,831	22,914	22,914	0	0
1,440,665	0	1,440,665	685	0	0	685
69,796,029	0	69,796,029	0	0	0	0
82,497,190	0	82,497,190	0	0	0	0
9,881,513	0	9,881,513	0	0	0	0
60,737,757	0	60,737,757	0	0	0	0
5,190,747	0	5,190,747	39,452	0	0	39,452
6,805,367	0	6,805,367	0	0	0	0
5,666,807	0	5,666,807	0	0	0	0
2,304,995	0	2,304,995	64,920	0	55,063	9,857
38,927,648	0	38,927,648	0	0	0	0
23,217,869	0	23,217,869	0	0	0	0
87,981,526	10,135,606	77,845,920	405,944	0	0	405,944
13,964	0	13,964	0	0	0	0
429,536,792	14,481,881	415,054,911	1,201,345	22,914	680,769	497,662
0	0	0	0	0	0	0
4,774,046	2,775,476	1,998,570	164,415	0	150,685	13,730
24,175,383	4,332,487	19,842,896	272,777	0	0	272,777
44,877,731	13,574,609	31,303,121	6,273	0	6,093	180
19,579,220	9,237,628	10,341,592	21,461	0	2,716	18,745
28,167,139	2,051,929	26,115,210	13,155	0	0	13,155
12,815,243	12,773,973	41,270	394	0	0	394
19,518,285	19,599,020	(80,735)	116,057	0	0	116,057
8,264,572	8,256,830	7,743	10,869	0	0	10,869
24,770,450	1,176,446	23,594,004	54,761	0	13,086	41,675
1,654,421	1,678,209	(23,788)	23,788	(12,271)	0	36,059
188,596,491	75,456,607	113,139,883	683,950	(12,271)	172,580	523,641
54,541,106	52,441,083	2,100,023	291,060	278,951	0	12,109
14,456,325	5,477,965	8,978,360	896,278	285,849	501,580	108,849
58,927,947	50,788,322	8,139,624	(662,349)	(1,111,136)	314,770	134,017
2,921,887	1,407,163	1,514,723	7,991	0	7,867	124

UNAUDITED

State Department/Agency	APPROPRIATIONS Total	Augmenting	Net
DEPARTMENT OF NATURAL RESOURCES:			
Executive Director	7,128,166	5,041,649	2,086,517
Board of Land Commissioners	1,728,308	1,728,308	0
Water Conservation	1,669,962	1,005,123	664,839
Water Resources	8,835,552	240,922	8,594,630
Soil Conservation	1,133,988	727,606	406,382
Bureau of Mines	428,011	234,546	193,465
Oil & Gas Conservation Board	1,277,784	1,277,784	0
Geological Survey	1,173,102	910,235	262,867
Parks	10,758,179	7,811,655	2,946,524
Mined Land Reclamation	3,470,500	2,722,910	747,590
Total Department of Natural Resources	37,603,552	21,700,738	15,902,814
DEPARTMENT OF PERSONNEL	3,320,346	227,627	3,092,719
DEPARTMENT OF REGULATORY AGENCIES:			
Executive Director	423,548	358,816	64,732
Administrative Services	872,042	823,406	48,636
Division of Banking	2,475,046	0	2,475,046
Civil Rights	1,398,174	435,579	962,595
Office of Energy Conservation	35,564,935	35,564,935	0
Insurance Division	2,485,361	19,352	2,466,009
Public Utilities Commission	7,765,969	7,765,969	0
Racing Commission	885,027	2,000	883,027
Real Estate Commission	1,843,766	1,843,766	0
Division of Registration	6,917,096	6,917,096	0
Savings & Loan Division	284,254	0	284,254
Division of Securities	725,463	725,463	0
Total Department of Regulatory Agencies	61,640,681	54,456,382	7,184,299
DEPARTMENT OF REVENUE	56,854,657	34,939,456	21,915,201
DEPARTMENT OF SOCIAL SERVICES:			
Social Services-Administration	867,383,638	581,117,484	286,266,154
State Veterans Center	287,142	0	287,142
Colo State Veterans Nursing Home	7,000	0	7,000
Garfield County Nursing Home	365,321	0	365,321
Total Department of Social Services	868,043,101	581,117,484	286,925,617
DEPARTMENT OF STATE	4,241,447	4,241,447	0
DEPARTMENT OF TREASURY:			
Treasury-Distributions	0	0	0
Treasury-Administration	1,297,610	438,910	858,700
Total Department of Treasury	1,297,610	438,910	858,700

EXPENDITURES AND TRANSFERS				Restricted		
Total	Augmenting	Net	Unexpended Balances	Net Income/ (Loss)	Appropriation Rollforwards	Appropriation Reversions
6,316,375	4,540,536	1,775,839	310,678	0	309,153	1,525
1,568,569	1,581,256	(12,688)	12,688	12,688	0	0
1,561,679	896,843	664,836	3	0	0	3
8,713,264	132,431	8,580,833	13,797	1,288	12,494	15
889,936	483,555	406,381	1	0	0	1
373,930	190,661	183,269	10,196	10,114	0	82
1,157,771	1,265,519	(107,748)	107,748	107,748	0	0
1,036,525	775,396	261,129	1,738	1,738	0	0
10,504,380	8,995,562	1,508,818	1,437,706	1,437,706	0	0
2,626,458	1,879,420	747,038	552	0	0	552
34,748,887	20,741,180	14,007,707	1,895,107	1,571,282	321,647	2,178
3,196,854	109,489	3,087,364	5,355	0	2,918	2,437
410,347	358,816	51,531	13,201	0	8,591	4,610
855,577	823,406	32,171	16,465	0	0	16,465
2,466,989	0	2,466,989	8,057	0	0	8,057
1,383,176	299,142	1,084,034	(121,439)	(121,690)	0	251
13,001,912	14,872,294	(1,870,382)	1,870,382	1,841,824	0	28,558
2,432,660	15,021	2,417,639	48,370	0	0	48,370
7,268,454	7,209,025	59,429	(59,429)	(59,429)	0	0
886,249	500	885,749	(2,722)	0	0	(2,722)
1,798,551	1,785,728	12,823	(12,823)	(12,823)	0	0
6,730,811	6,631,359	99,452	(99,452)	(99,452)	0	0
277,419	0	277,419	6,835	0	0	6,835
694,435	881,734	(187,299)	187,299	187,299	0	0
38,206,579	32,877,025	5,329,554	1,854,745	1,735,729	8,591	110,424
55,215,389	33,385,202	21,830,187	85,014	(49,514)	90,046	44,482
879,120,854	581,132,626	297,988,228	(11,722,074)	17,036	318,305	(12,057,415)
287,142	0	287,142	0	0	0	0
7,000	0	7,000	0	0	0	0
365,321	0	365,321	0	0	0	0
879,780,317	581,132,626	298,647,691	(11,722,074)	17,036	318,305	(12,057,415)
4,164,600	3,507,964	656,636	(656,636)	(656,561)	0	(75)
918,299	1,019,217	(100,917)	100,917	100,917	0	0
1,264,401	741,064	523,338	335,362	255,303	0	80,059
2,182,701	1,760,280	422,420	436,280	356,220	0	80,059

UNAUDITED

State Department/Agency	APPROPRIATIONS Total	Augmenting	Net
DEPARTMENT OF CORRECTIONS:			
Corrections-Administration	64,235,748	1,400,504	62,835,244
Correctional Industries	901,044	0	901,044
Total Department of Corrections	65,136,792	1,400,504	63,736,288
DEPARTMENT OF PUBLIC SAFETY	30,511,488	13,821,144	16,690,344
Recapture of Prior Year Overexpenditures	437,527	0	437,527
TOTAL GENERAL FUND	$3,270,142,999	$1,258,153,253	$2,011,989,746

EXPENDITURES AND TRANSFERS			Unexpended Balances	Restricted Net Income/ (Loss)	Appropriation Rollforwards	Appropriation Reversions
Total	Augmenting	Net				
63,258,561	1,130,695	62,127,866	707,378	62,844	309,181	335,353
901,044	0	901,044	0	0	0	0
64,159,605	1,130,695	63,028,910	707,378	62,844	309,181	335,353
23,626,685	7,921,738	15,704,947	985,397	47,670	456,752	480,975
0	0	0	437,527	0	0	437,527
$3,150,959,148	$1,141,169,098	$2,009,790,050	$2,199,696	$2,687,938	$4,425,670	($4,913,912)

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

For financial reporting purposes the State of Colorado entity includes all fund types, account groups, departments and agencies as well as colleges and universities over which the state's executive, legislative and judicial branches exercise oversight responsibility. This is in accordance with the National Council on Government Accounting Statement 3 which has since been adopted by the Governmental Accounting Standards Board in their Statement 1. Oversight responsibility is defined to include the following:

1. Selection of governing authority;
2. Designation of management;
3. Ability to significantly influence operations;
4. Accountability for fiscal matters:
5. Scope of public service and special financing relationships.

B. FUND STRUCTURE AND BASIS OF ACCOUNTING

The financial activities of the State are organized on the basis of individual funds and account groups. The operations of each fund, which are separate accounting entities, are recorded in discrete sets of self-balancing accounts that comprise the assets, liabilities, fund equity, revenues and expenditures or expenses of that entity. For financial statement presentation, similar funds have been combined into fund types and categories.

GOVERNMENTAL FUND TYPES

General Fund:

Transactions related to resources obtained and used for those services traditionally provided by a state government, which are not accounted for in other funds are accounted for in the General Fund. Resources obtained from federal grants which support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements.

Special Revenue Funds:

Transactions related to resources obtained from specific sources, which are restricted to specific purposes are accounted for in the special revenue funds. The individual funds include the Highway Fund, Wildlife Fund, and the Labor Fund.

Debt Service Fund:

This fund is used to account for the accumulation of resources for, and the payment of interest and principal for certain long-term lease purchase agreements which are recorded in the Long-Term Debt Group of Accounts.

Capital Projects Funds:

Transactions related to resources obtained and used for acquisition, construction, or improvement of State owned facilities other than those financed by college and university fund types are accounted for in the capital projects funds. Construction projects which are provided to political subdivisions or other organizations are also recorded in these funds. The Capital Construction Fund accounts for projects that have been appropriated by the Legislature and are financed from operating transfers from the general fund, lottery fund and federal grants. The revenues for the non-appropriated Special Capital Construction fund are largely from private grants and donations as well as federal grants.

PROPRIETARY FUND TYPES

Enterprise Funds:

Enterprise funds account for operations where it is the intent of the State that the functions be self-sustaining while providing goods or services to the general public.

Internal Service Fund:

Internal Service funds account for the operation of state agencies which provide services and commodities to other state agencies on a cost reimbursement basis.

FIDUCIARY FUND TYPES

Trust and Agency Funds:

These funds are similar in nature, with the State being custodian of monies received, and therefore are combined and reported as a group.

Expendable Trust funds account for assets held by the State in a trustee capacity where income as well as principal may be expended for designated operations.

Nonexpendable Trust funds account for assets held by the State in a trustee capacity where only income earned on the principal may be expended for designated operations. The principal must remain intact.

Agency funds are strictly custodial in nature with the State acting as an agent to maintain and distribute the funds to other governmental units or designated beneficiaries.

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.

ACCOUNT GROUPS

General 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 fund operations are recorded in those funds and depreciation of those assets is charged as an expense of operation in those funds.

Infrastructure assets, consisting principally of highways, roads, and bridges are not recorded as general fixed assets.

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 has not been recorded for general fixed assets.

General Long-Term Debt Group of Accounts

Unmatured long-term lease-purchase obligations and accrued leave costs related to Governmental fund activities are recorded in the General Long-Term Debt Group of Accounts. Also included are other long-term liabilities related to the Labor Fund and tax refunds payable.

BASIS OF ACCOUNTING

Governmental Funds , Expendable Trust, and Agency Funds

All Governmental fund types, the Expendable Trust funds and the Agency funds are reported using the modified accrual basis of accounting. The modified accrual basis recognizes revenues when they are measurable and available to finance operations during the year or to liquidate liabilities which exist at the end of the fiscal year; expenditures and liabilities are recognized upon receipt of goods or services.

Excise taxes such as sales, liquor, cigarette, and use taxes are accrued based on filing received and filings due for filing

periods on or before June 30, 1987. Accruals and estimated 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, 1987. 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.

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 that interest on long-term debt is recorded when due and 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 unless funds were allowed to rollforward into the subsequent period.

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 that 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 a fund balance reserve. The exception to this is the treatment of the $46.5 million food stamp and donated food commodity inventories which have been offset by deferred revenue and for which no fund balance was reserved. This is consistent with the accounting for other pass-through federal grants.

Proprietary Fund Types and Nonexpendable Trust Funds

The Proprietary funds and the Nonexpendable Trust funds are reported using the accrual basis of accounting. Under such a basis, revenues are recognized when earned and expenses, including depreciation, are recognized when incurred. Depreciation has been recorded, when appropriate, over the estimated useful lives of the assets 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

College and University Funds

The accounts of the University and College funds are reported using the accrual basis of accounting except that depreciation expense related to plant fund assets is generally not recorded and revenues and expenditures related to summer school programs are reported in the subsequent fiscal year in which the programs are predominantly conducted.

C. 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 as determined on a modified accrual basis. The appropriation controls the expenses of the State at the agency level, predominantly by category of expense or program. Appropriation may be adjusted in the following session of the legislature by means of a supplemental appropriation. Supplemental appropriation 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 rollforward are reserved at year-end.

Budget to actual comparisons are presented in the financial statements for governmental funds that are appropriated on an annual basis; these include the General Fund, and the Wildlife and Labor Funds which are part of the Special Revenue Funds. The revenues and expenditures are reported on the modified accrual basis but do include operating transfers for budgetary comparisons. Budgetary compliance is only shown to the department or agency level. Reports showing budgetary compliance to the general ledger account level are available from the State Controller's Office.

D. ELIMINATIONS

Substantially all the intrafund transactions and balances have been eliminated. Substantially all revenues from interfund transactions have been reclassified as operating transfers-in in the "Other Financing Sources (Uses)" section of the statements. Likewise, the interfund expenditures/expenses have been reflected as operating transfers-out.

E. 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.

F. CASH AND SHORT-TERM INVESTMENTS

The State Treasury acts as a bank for all State agencies. Monies deposited in the Treasury 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.

G. INVESTMENTS

These are long-term investments, generally stated at cost or amortized cost, which approximates market. Deferred compensation plan investments are carried at current market value in accordance with generally accepted practice.

H. SURETY BONDS

Surety bonds, performance bonds and other surety agreements are held by the State Treasurer for the Division of Mined Land Reclamation, the Division of Motor Vehicles, State Compensation Insurance, the Industrial Commission, the Department of Health, and the Department of Highways but are not included in the financial statements.

I. TAXES RECEIVABLE

The taxes receivable of $489.7 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 $166.2 million allowance for doubtful accounts.

Tax refunds payable of $133.2 million recognize the refund liability relating to these self-assessed taxes.

J. OTHER RECEIVABLES

The receivables are net of a $118.3 million allowance for doubtful accounts.

K. 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 (fifo, average, etc.), the method remaining consistent from year to year in each specific State agency. Material inventories are expensed when consumed, immaterial inventories when purchased.

L. 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.

M. FUND EQUITY

The fund balance of the General Fund is made up of reserved and unreserved amounts. Items are reserved as provided by statute or generally accepted accounting principles. The Old Age Pension Reserve (part of the Reserve for Other Specific Purposes) is an example of the former and the Reserve for Inventories is an example of the latter. Those amounts left unreserved represent that portion of General Fund equity (net assets less liabilities) available for future use as working capital or to be appropriated by the Legislature.

N. RESERVES

Reserves for the State of Colorado at June 30, 1987 consist of:

- Reserve for Inventories - These reserves were established to indicate that a portion of fund balance is represented by assets which are not available as spendable resources.

- Reserve for Continuing Appropriations - These reserves are used to segregate a portion of fund balance encumbered prior to the end of the fiscal year. 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 reserved for special purposes such as for the payment of debt principal by debt service funds. It can also be restricted in accordance with statutory intent such as is the case with certain net receipts legally restricted for use by an agency.