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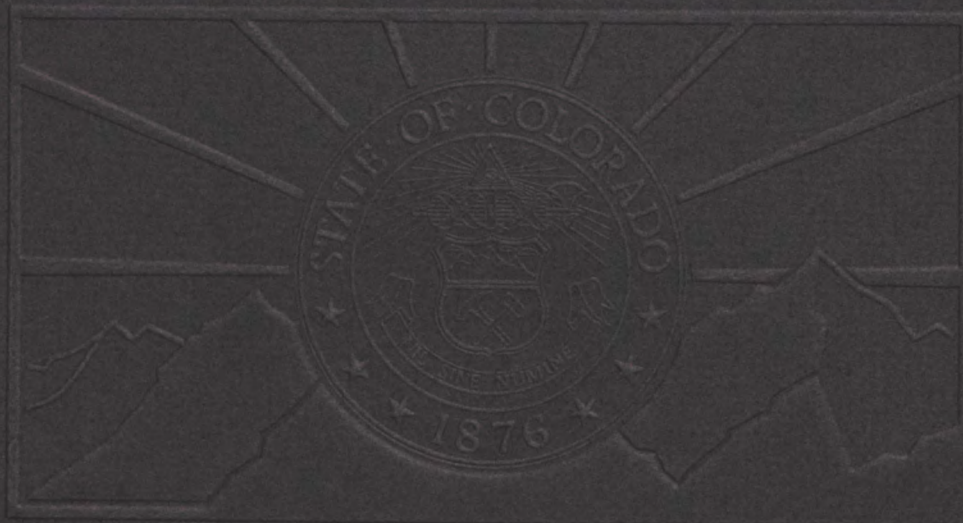
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COLORADO



PRELIMINARY
ANNUAL FINANCIAL REPORT
JUNE 30, 1988



PRELIMINARY ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 1988

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**STATE OF COLORADO
ROY ROMER, GOVERNOR**



**DEPARTMENT OF ADMINISTRATION
FORREST CASON, EXECUTIVE DIRECTOR
JAMES A. STROUP, STATE CONTROLLER**

RECEIVED
OFFICE OF THE ATTORNEY GENERAL
STATE OF TEXAS

STATE OF TEXAS
COMMISSIONER OF THE GENERAL LAND OFFICE

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1100 NORTH GULF STREET
DALLAS, TEXAS 75202

STATE OF COLORADO

DIVISION OF ACCOUNTS & CONTROL
Department of Administration
1525 Sherman Street, Room 700
Denver, Colorado 80202
Phone (303) 864-3331

STATE OF COLORADO ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 1988



September 30, 1988

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Sincerely yours,

James A. Stroup
State Controller

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 ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 1988

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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



September 30, 1988

Roy Romer
Governor

The Honorable Roy Romer
Governor
State of Colorado

Forrest Cason
Executive Director

James A. Stroup
State Controller

Dear Governor Romer:

I am pleased to submit Colorado's Annual Financial Report for the year ended June 30, 1988. This report is unaudited but I believe that it fairly represents the financial position of the State at fiscal year-end. 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 \$55 million to \$100.3 million, while restricted fund balance increased \$11.4 million to \$97.9 million.

General revenues were \$33.7 million short of the original revenue estimate made in March 1987 but were \$20 million above the final estimate made in April 1988.

The State Compensation Insurance Authority is no longer included in the State's financial statements as it is no longer part of the State's entity.

Other funds continue to remain in good financial condition with a combined equity for all funds of over \$3 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. A copy of that report will be submitted to you upon its completion.

Sincerely yours,

James A. Stroup
State Controller

UNAUDITED

STATE OF COLORADO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1988
 (Dollars in Thousands)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS:				
Cash and Short-Term Investments.....	\$5,918	\$148,378	\$9,462	\$145,864
Investments.....	1,464	0	0	0
Taxes Receivable, net.....	345,988	37,957	0	0
Other Receivables, net.....	52,140	2,887	45	1,082
Due From Other Governments.....	125,834	50,975	0	2,155
Due From Other Funds.....	9,967	936	0	0
Inventories.....	57,682	17,792	0	0
Other Current Assets.....	3,287	370	240	6,000
Property, Plant and Equipment, net.....	0	0	0	0
Other Long-Term Assets.....	337	0	0	44,442
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.....	\$602,617	\$259,295	\$9,747	\$199,542
LIABILITIES:				
Net Liability to Pooled Cash.....	\$16,486	\$0	\$0	\$0
Tax Refunds Payable.....	133,442	0	0	0
Accounts Payable and Accruals.....	122,201	50,420	1,484	5,803
Due to Other Governments.....	22,267	33,244	0	0
Due to Other Funds.....	5,390	9,525	0	1,933
Deferred Revenue.....	104,643	13,126	0	6,324
Capital Lease Obligations.....	0	0	0	0
Bonds and Notes Payable.....	0	0	0	0
Accrued Compensated Absences.....	0	0	0	0
Other Liabilities.....	0	0	0	0
TOTAL LIABILITIES.....	404,429	106,314	1,484	14,061
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.....	5,745	0	0	0
Encumbrances.....	3,702	0	0	47,886
Other Specific Purposes.....	88,417	152,981	8,263	130,332
Unreserved:				
Designated for Capital Construction.....	0	0	0	7,264
Designated for Higher Education.....	0	0	0	0
Undesignated.....	100,324	0	0	0
TOTAL FUND EQUITY.....	198,188	152,981	8,263	185,482
TOTAL LIABILITIES AND FUND EQUITY.....	\$602,617	\$259,295	\$9,747	\$199,542

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 ENDED JUNE 30, 1988

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS			TOTALS	
ENTERPRISE	INTERNAL SERVICE	TRUST & AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	COLLEGE AND UNIVERSITY FUNDS	Memorandum Only	
						1988	1987
\$61,602	\$160	\$301,915	\$0	\$0	\$230,410	\$903,709	\$876,979
0	0	216,860	0	0	51,237	269,561	212,065
0	0	98,022	0	0	0	481,967	489,694
1,783	1	6,267	0	0	63,782	127,987	174,824
5,302	191	5,857	0	0	11,806	202,120	186,153
853	8,963	3,413	0	0	23,909	48,041	34,086
5,337	1,424	2	0	0	22,399	104,636	97,515
238	52	215	0	0	9,545	19,948	12,684
14,207	71,993	10,359	620,210	0	1,346,329	2,063,098	1,942,239
57	0	4,636	0	0	0	49,470	47,504
0	0	0	0	8,263	0	8,263	8,286
0	0	0	0	181,936	0	181,936	193,127
\$89,380	\$82,784	\$647,545	\$620,210	\$190,199	\$1,759,416	\$4,460,736	\$4,275,156
\$91	\$1,625	\$0	\$0	\$0	\$0	\$18,202	\$88,679
0	0	0	0	0	0	133,442	133,206
8,526	3,388	14,066	0	0	77,216	283,104	264,317
1,834	0	44,621	0	0	0	101,965	93,763
74	14	5,804	0	0	25,301	48,041	35,545
3,958	51	4,654	0	0	32,682	165,439	193,856
0	5,151	0	0	53,138	108,004	166,294	165,476
335	0	0	0	0	125,366	125,701	122,818
1,102	386	0	0	55,725	33,781	90,993	83,661
0	0	173,589	0	81,336	0	254,926	227,330
15,920	10,615	242,734	0	190,199	402,351	1,388,106	1,408,651
0	0	0	620,210	0	1,106,219	1,726,429	1,652,327
10,637	47,265	0	0	0	0	57,902	52,365
62,823	24,904	0	0	0	0	87,727	84,349
0	0	0	0	0	0	5,745	23,495
0	0	0	0	0	0	51,588	53,196
0	0	403,834	0	0	223,329	1,007,155	915,438
0	0	0	0	0	0	7,264	2,097
0	0	0	0	0	83,260	83,260	72,622
0	0	0	0	0	0	100,324	45,141
73,460	72,169	404,811	620,210	0	1,357,066	3,072,630	2,866,505
\$89,380	\$82,784	\$647,545	\$620,210	\$190,199	\$1,759,416	\$4,460,736	\$4,275,156

UNAUDITED

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, 1988
 (Dollars in Thousands)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
REVENUES:				
Taxes.....	\$2,236,121	\$314,079	\$0	\$2,176
Licenses, Permits, and Fines.....	32,732	110,570	0	4,503
Charges for Goods and Services.....	55,577	749	2,006	1,984
Interest and Rents.....	40,291	3,025	111	16,011
Federal Grants and Contracts.....	833,457	220,742	0	9,001
Other.....	88,055	26,387	365	3,098
TOTAL REVENUES.....	3,286,234	675,553	2,482	36,774
EXPENDITURES:				
Current:				
General Government.....	139,434	7,819	0	0
Business, Community and Consumer Affairs.....	118,606	10,632	0	0
Education.....	32,946	0	0	0
Health and Rehabilitation.....	243,403	0	0	0
Justice.....	224,722	29,675	0	0
Natural Resources.....	32,953	37,247	0	0
Social Assistance.....	651,683	0	0	0
Transportation.....	0	399,526	0	0
Capital Outlay.....	18,920	35,299	0	63,672
Intergovernmental:				
Cities.....	28,074	50,140	0	850
Counties.....	308,252	78,546	0	202
School Districts.....	1,010,467	0	0	13
Special Districts.....	18,920	4,663	0	394
Federal.....	7,598	0	0	1,306
Debt Service.....	0	0	3,193	0
TOTAL EXPENDITURES.....	2,835,977	653,547	3,193	66,436
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES.....	450,257	22,006	(712)	(29,662)
OTHER FINANCING SOURCES (USES):				
Operating Transfers-In.....	92,922	15,700	688	45,765
Operating Transfers-Out.....	(477,129)	(44,381)	0	(13,686)
Future Capital Lease Payments.....	496	0	0	0
TOTAL OTHER FINANCING SOURCES (USES).....	(383,711)	(28,681)	688	32,079
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES.....	66,546	(6,676)	(23)	2,417
FUND BALANCE, JULY 1.....	131,637	159,657	8,286	183,065
NET RESIDUAL EQUITY TRANSFERS IN (OUT).....	5	0	0	0
FUND BALANCE, JUNE 30.....	\$198,188	\$152,981	\$8,263	\$185,482

See accompanying notes to financial statements.

STATE OF CALIFORNIA
 COMBINED STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN FUND EQUITY
 ALL APPROPRIATIONS MUST BE BALANCED
 FOR THE YEAR ENDED IN 1988
 (Amounts in thousands)

FUND TYPE	TOTALS	
	Memorandum Only	
EXPENDABLE TRUST	1988	1987
	\$225,730	\$2,778,107
	6,078	153,884
	13,488	73,804
	21,626	81,064
	9,957	1,073,159
	23,352	141,258
	300,232	4,301,274
	20,953	168,206
	1,178	130,416
	351	33,297
	1,619	245,022
	9,276	263,672
	277	70,477
	195,946	847,628
	0	399,526
	222	118,114
		1,462,398
	550	79,614
	0	387,000
	1	1,010,481
	0	23,977
	7	8,911
	0	3,193
	230,380	3,789,534
	69,852	511,741
	8,237	163,312
	(36,754)	(571,950)
	0	496
	(28,517)	(408,142)
	41,335	103,599
	177,569	660,214
	0	5
	\$218,904	\$763,818
		\$660,214

UNAUDITED

**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, 1988
(Dollars in Thousands)**

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS	
	Enterprise	Internal Service	Nonexpendable Trust	Memorandum Only	
				1988	1987
OPERATING REVENUES:					
Licenses, Permits, and Fines.....	\$88	\$0	\$0	\$88	\$0
Charges for Goods & Services.....	113,134	47,431	0	160,565	163,194
Interest & Rents.....	3,071	1,479	0	4,549	16,775
Federal Grants & Contracts.....	19,210	0	8,822	28,032	18,365
Other.....	4,861	8,674	0	13,535	5,525
TOTAL OPERATING REVENUES.....	140,364	57,584	8,822	206,769	203,859
OPERATING EXPENSES:					
Salaries & Fringe Benefits.....	23,688	16,008	0	39,696	32,237
Operating.....	23,465	25,035	0	48,500	38,929
Depreciation.....	1,125	8,824	0	9,950	6,880
Travel.....	257	18	0	275	308
Intergovernmental.....	440	0	0	440	0
Prizes.....	46,018	0	0	46,018	54,413
Other.....	14,067	1,526	135	15,728	17,275
TOTAL OPERATING EXPENSES.....	109,060	51,411	135	160,607	150,042
INCOME (LOSS) BEFORE OPERATING TRANSFERS.....	31,303	6,173	8,686	46,162	53,817
OPERATING TRANSFERS:					
Operating transfers-In.....	1,252	386	0	1,639	2,114
Operating Transfers-Out.....	(35,000)	0	(1,266)	(36,266)	(32,091)
NET INCOME/CHANGE IN RETAINED EARNINGS.....	(2,445)	6,559	7,420	11,535	23,840
FUND EQUITY, JULY 1.....	75,905	65,615	177,510	319,024	290,384
NET RESIDUAL EQUITY TRANSFERS IN (OUT).....	0	(5)	0	(5)	0
FUND EQUITY, JUNE 30.....	\$73,460	\$72,169	\$184,930	\$330,559	\$314,224

See accompanying notes to financial statements.

STATE OF COLORADO
 COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
 ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 1988
 (Dollars in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS	
	Enterprise	Internal Service	Nonexpendable Trust	Memorandum Only	
				1988	1987
SOURCES OF WORKING CAPITAL:					
Operations:					
Net Income.....	(\$2,445)	\$6,559	\$7,420	\$11,535	\$23,840
Item Not Requiring Working Capital:					
Depreciation.....	1,125	8,824	0	9,950	6,880
Working Capital Provided by Operations....	(1,319)	15,383	7,420	21,485	30,720
Net Decrease In:					
Property, Plant and Equipment.....	0	0	3	3	67
Other Long-Term Assets.....	0	0	93	93	502
Net Increase In:					
Capital Lease Obligations.....	0	3,687	0	3,687	70
Accrued Compensated Absences.....	0	257	0	257	146
Beginning Fund Equity.....	0	4,795	0	4,795	3,869
Residual Equity Transfers Out.....	0	5	0	5	0
TOTAL SOURCES OF WORKING CAPITAL.....	(1,319)	24,128	7,516	30,326	35,374
USES OF WORKING CAPITAL:					
Net Increase In:					
Property, Plant and Equipment.....	1,889	16,133	0	18,022	19,739
Other Long-Term Assets.....	34	0	0	34	0
Net Decrease In:					
Capital Lease Obligations.....	0	0	0	0	314
Accrued Compensated Absences.....	9	0	0	9	0
Bonds and Notes Payable.....	168	0	0	168	162
TOTAL USES OF WORKING CAPITAL.....	2,100	16,133	0	18,233	20,215
NET INCREASE (DECREASE) IN WORKING CAPITAL	(\$3,419)	\$7,996	\$7,516	\$12,093	\$15,159
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:					
Cash and Short-Term Investments.....	(\$8,504)	\$43	(\$42,750)	(\$51,211)	(\$1,617)
Investments.....	(76)	0	50,105	50,029	22,349
Receivables, net.....	(314)	0	0	(314)	(523)
Due From Other Governments.....	2,108	185	309	2,602	(604)
Due From Other Funds.....	(282)	4,974	(147)	4,546	(2,108)
Inventories.....	1,017	263	0	1,280	(205)
Other Current Assets.....	(197)	11	0	(185)	203
Liability to Pooled Cash.....	175	2,341	0	2,515	(2,258)
Accounts Payable and Accruals.....	(538)	(129)	0	(666)	196
Due to Other Governments.....	3,767	0	0	3,767	4
Due to Other Funds.....	490	(9)	0	481	(337)
Deferred Revenue.....	(1,066)	316	(1)	(751)	59
NET INCREASE (DECREASE) IN WORKING CAPITAL	(\$3,419)	\$7,996	\$7,516	\$12,093	\$15,159

See accompanying notes to financial statements.

UNAUDITED

STATE OF COLORADO
 COMBINED BALANCE SHEET
 ALL COLLEGE AND UNIVERSITY FUNDS
 JUNE 30, 1988
 (Dollars in Thousands)

	CURRENT FUNDS		LOAN FUNDS
	UNRESTRICTED	RESTRICTED	
ASSETS:			
Cash and Short-Term Investments.....	\$122,245	\$8,531	\$6,665
Investments.....	13,890	4,676	0
Accounts Receivable:			
Tuition, Fees, and Charges for Services, net.....	47,642	6,565	1,675
Intergovernmental.....	110	11,537	109
Other.....	319	5,270	231
	48,071	23,372	2,016
Loans and Notes Receivable, net.....	1,858	42	53,701
Due From Other Funds.....	7,090	3,002	5
Inventories.....	22,309	90	0
Other Current Assets.....	8,685	284	37
Plant Facilities:			
Land and Improvements.....	0	0	0
Buildings and Improvements, net.....	0	0	0
Leasehold Improvements, net.....	0	0	0
Construction in Progress.....	0	0	0
Equipment, net.....	0	0	0
Library Books.....	0	0	0
Other Fixed Assets.....	0	0	0
	0	0	0
TOTAL ASSETS.....	\$224,148	\$39,998	\$62,423
LIABILITIES:			
Accounts Payable and Accruals.....	\$59,762	\$10,226	\$84
Due to Other Funds.....	15,356	713	43
Deferred Credits.....	32,263	190	0
Capital Lease Obligations.....	0	0	0
Bonds and Notes Payable.....	0	0	0
Accrued Compensated Absences.....	33,507	114	154
	140,888	11,243	282
TOTAL LIABILITIES.....	140,888	11,243	282
FUND BALANCES:			
Investment in Fixed Assets.....	0	0	0
Reserved.....	0	28,754	62,142
Unreserved.....	83,260	0	0
	83,260	28,754	62,142
TOTAL FUND BALANCES.....	83,260	28,754	62,142
TOTAL LIABILITIES AND FUND BALANCES.....	\$224,148	\$39,998	\$62,423

See accompanying notes to financial statements.

STATE OF COLORADO
 GOVERNMENT STATEMENT OF CHANGES IN FUND BALANCES
 ALL COLLEGE AND UNIVERSITY FUNDS
 FOR THE YEAR ENDING JUNE 30, 1988
 (Amounts in thousands)

ENDOWMENT FUNDS	PLANT FUNDS			TOTALS	
	UNEXPENDED	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	Memorandum Only	
				1988	1987
\$2,981	\$76,788	\$13,200	\$0	\$230,410	\$204,657
16,679	5,950	10,041	0	51,237	62,617
1,458	80	40	0	57,460	57,759
0	46	4	0	11,806	4,811
8	249	244	0	6,322	8,981
1,466	375	288	0	75,588	71,551
27	114	0	0	55,742	53,419
1,097	12,442	274	0	23,909	14,427
0	0	0	0	22,399	22,009
25	248	266	0	9,545	6,435
2,180	0	0	74,319	76,498	27,070
0	0	0	693,696	693,696	726,171
0	0	0	3,522	3,522	na
0	102,292	0	0	102,292	74,795
0	0	0	360,615	360,615	332,095
0	0	0	109,414	109,414	101,548
0	0	0	291	291	718
2,180	102,292	0	1,241,857	1,346,329	1,262,397
\$24,456	\$198,208	\$24,069	\$1,241,857	\$1,815,158	\$1,697,512
\$61	\$4,005	\$3,079	\$0	\$77,216	\$63,034
0	5,588	0	3,600	25,301	15,755
0	204	25	0	32,682	30,122
0	71,639	0	36,366	108,004	101,058
0	29,693	0	95,673	125,366	122,315
0	6	0	0	33,781	30,707
61	111,135	3,103	135,638	402,351	362,991
0	0	0	1,106,219	1,106,219	1,060,256
24,395	87,073	20,965	0	223,329	201,643
0	0	0	0	83,260	72,622
24,395	87,073	20,965	1,106,219	1,412,808	1,334,521
\$24,456	\$198,208	\$24,069	\$1,241,857	\$1,815,158	\$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, 1988
 (Dollars in Thousands)

	CURRENT FUNDS		LOAN FUNDS
	UNRESTRICTED	RESTRICTED	
REVENUES AND OTHER ADDITIONS:			
Tuition and Fees.....	\$276,524	\$17	\$0
Federal Grants and Contracts.....	4,264	217,288	1,702
State and Local Grants and Contracts.....	1,175	19,294	0
Private Gifts, Grants, and Contracts.....	573	58,365	116
Investment Income.....	10,639	1,244	342
Sales and Services of Educational Activities.....	49,130	10	0
Sales and Services of Auxiliaries and Hospitals.....	224,504	0	0
Realized Gain (Loss) on Investments.....	0	0	31
Gain (Loss) on Debt Extinguishment.....	0	0	0
Interest on Loans Receivable.....	0	0	1,511
Retirement of Indebtedness.....	0	0	0
Additions to Plant Facilities.....	0	0	0
Other Revenue and Additions.....	42,505	351	347
TOTAL REVENUES AND OTHER ADDITIONS.....	609,314	296,569	4,048
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General:			
Instruction.....	368,566	56,667	0
Research.....	17,809	137,042	0
Public Service.....	25,318	13,445	0
Academic Support.....	74,233	9,566	0
Student Services.....	67,914	7,183	491
Institutional Support.....	94,095	6,880	0
Operation of Plant.....	68,017	501	0
Scholarships and Fellowships.....	5,769	58,878	0
TOTAL EDUCATIONAL AND GENERAL.....	721,721	290,162	491
Auxiliaries and Hospitals.....	253,073	696	0
Loan Cancellation and Write-off.....	0	0	506
Expended for Plant Facilities.....	0	0	0
Retirement of Indebtedness.....	0	0	0
Interest on Indebtedness.....	0	0	0
Disposal of Plant Facilities.....	0	0	0
Other Expenditures and Deductions.....	0	26,507	542
TOTAL EXPENDITURES AND OTHER DEDUCTIONS.....	974,793	317,365	1,539
TRANSFERS BETWEEN FUNDS - (ADDITIONS)/DEDUCTIONS:			
Mandatory Transfers.....	19,214	175	(182)
Nonmandatory Transfers.....	14,482	694	127
Net Operating Transfers from State Funds.....	(409,980)	(21,976)	0
TOTAL EXPENDITURES, DEDUCTIONS & TRANSFERS.....	598,510	296,257	1,483
NET INCREASE (DECREASE) IN FUND BALANCES.....	10,804	311	2,565
FUND BALANCE, JULY 1.....	72,456	28,443	59,577
FUND BALANCE, JUNE 30.....	\$83,260	\$28,754	\$62,142

See accompanying notes to financial statements.

STATE OF COLORADO
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDING JUNE 30, 1988
 (Dollars in Thousands)

ENDOWMENT FUNDS	PLANT FUNDS			TOTALS	
	UNEXPENDED	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	Memorandum Only	
				1988	1987
\$0	\$59	\$1,266	\$0	\$277,866	\$280,947
0	119	192	0	223,565	189,890
0	5	0	0	20,474	18,714
1,477	401	0	67	60,999	55,286
692	4,872	2,269	0	20,057	20,097
0	0	0	0	49,141	48,116
0	0	0	0	224,504	207,517
949	2	(68)	0	914	(3,572)
0	(272)	0	0	(272)	na
0	0	0	0	1,511	1,515
0	6,583	0	7,945	14,528	10,220
0	119	0	71,827	71,947	na
33	30,776	754	11,838	86,603	141,336
3,151	42,665	4,413	91,677	1,051,837	970,066
0	0	0	0	425,233	353,803
0	0	0	0	154,851	139,396
0	0	0	0	38,763	37,111
0	0	0	0	83,799	73,675
293	0	10	0	75,891	68,424
0	0	0	0	100,975	91,315
0	0	0	0	68,517	65,169
0	0	0	0	64,647	59,583
293	0	10	0	1,012,676	888,476
0	0	0	0	253,769	238,460
0	0	0	0	506	1,341
0	46,333	0	0	46,333	43,999
0	3,425	10,779	0	14,204	11,142
0	2,619	11,536	0	14,154	13,054
0	0	0	24,613	24,613	17,218
1,896	213	41	21,101	50,299	64,502
2,189	52,590	22,364	45,715	1,416,555	1,278,192
0	(339)	(17,170)	0	1,698	0
3,538	(17,900)	(941)	0	(0)	0
0	(12,865)	(142)	0	(444,963)	(384,003)
5,727	21,487	4,112	45,715	973,290	894,189
(2,576)	21,178	302	45,963	78,547	75,877
26,971	65,895	20,664	1,060,256	1,334,261	1,258,644
\$24,395	\$87,073	\$20,965	\$1,106,219	\$1,412,808	\$1,334,521

UNAUDITED

STATE OF COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN UNRESERVED FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 1988
(Dollars in Thousands)

	ORIGINAL ESTIMATE/BUDGET	REVISED ESTIMATE/BUDGET	FY87-88 ACTUAL	REVERSIONS
REVENUES:				
Sales and Use Taxes	\$754,200	\$720,500	\$724,645	
Other Excise Taxes	90,700	88,500	89,513	
Individual Income Tax, net	1,138,000	1,165,200	1,194,957	
Corporate Income Tax, net	173,400	135,200	112,911	
Estate Tax	15,000	14,500	13,413	
Insurance Tax	92,200	84,700	80,695	
Parimutuel, Courts & Other	41,200	44,600	54,771	
Interest Earnings	4,600	4,000	5,853	
Severance Tax	8,300	6,800	7,115	
TOTAL GENERAL REVENUES	\$2,317,600	\$2,264,000	\$2,283,874	
EXPENDITURES:				
Administration	\$17,259	\$13,205	\$12,272	\$972
Agriculture	5,340	5,434	5,329	137
Corrections	75,966	77,533	77,180	353
Education	904,545	900,577	899,245	1,332
Governor/OSPB	2,876	3,097	3,039	58
Health	23,419	23,578	23,327	250
Higher Education	441,070	439,539	438,663	877
Institutions	118,338	118,635	117,702	933
Judicial	87,108	89,484	88,855	1,581
Law	3,906	3,978	3,769	209
Legislature	16,841	16,470	15,065	1,405
Local Affairs	7,961	10,297	10,069	228
Military Affairs	1,512	1,559	1,559	1
Natural Resources	14,848	15,038	15,033	5
Personnel	3,410	3,467	3,464	3
Public Safety	14,521	16,017	15,936	81
Regulatory Agencies	7,211	7,322	7,139	224
Revenue	21,982	22,315	21,964	351
Social Services	304,593	339,645	339,994	(349)
Secretary of State	0	0	0	1,000
Treasury	1,495	1,682	1,568	114
Capital Construction Fund Transfer	27,632	27,573	27,573	0
Highway Users Tax Fund Transfer	40,000	15,700	15,700	0
NET GENERAL FUND EXPENDITURES	\$2,141,835	\$2,152,145	\$2,144,445	\$9,765
Excess General Revenues over General Fund Expenditures	\$175,765	\$111,855	\$139,429	
Excess Augmenting Revenues	0	0	2,065	
Less: Previously Authorized Expenditures	(132,300)	(88,300)	(86,016)	
Increase in Reserve for Inventory	0	0	(300)	
Excess Net Revenues	\$43,465	\$23,555	\$55,178	
Beginning Unreserved Fund Balance	45,140	45,140	45,140	
Residual Equity Transfer-In	0	0	5	
ENDING UNRESERVED FUND BALANCE	\$88,605	\$68,695	\$100,324	

See accompanying notes to financial statements.

STATE OF COLORADO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1988

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 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 and the Wildlife Fund.

Debt Service Fund:

This fund is used to account for the accumulation of resources, 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.

Ending Unreserved Fund Balance	287,265	223,201	255,178
Beginning Unreserved Fund Balance	22,140	42,140	45,140
Net Change	265,125	181,061	210,038
Ending Unreserved Fund Balance	287,265	223,201	255,178

FIDUCIARY FUND TYPES

Trust and Agency Funds:

These funds are similiar 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 the 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 primarily 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 personnel 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 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 filings received and filings due for periods ending before or on June 30, 1988. Accruals and 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 offset by a deferred revenue liability.

Income taxes from individuals, corporations, and trusts are accrued based on current income earned by taxpayers prior to June 30, 1988. Income earned and taxes due on income are estimated thru 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 also 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 roll-forward into the subsequent period.

Long-term investments of Governmental Funds are reported on their respective 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 \$51.9 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-thru federal grants.

Proprietary Fund Types and Nonexpendable Trust Funds

The Proprietary Funds and Nonexpendable Trust Funds are reported using the accrual basis of accounting. Using 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 expense or program category. Appropriation may be adjusted in the following session of the legislature by means of a supplemental appropriation. Such appropriations were passed during the reported fiscal 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.

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 Fund which is 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 and are included in the "Other Financing Source (Uses)" section of these statements. Likewise, the interfund expenditures/expenses have been reflected as operating transfers-out.

E. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on 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 these statements.

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 for current operations. 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, the Department of Labor and Employment, the Department of Health, and the Department of Highways. Such bonds are not included in the financial statements.

I. TAXES RECEIVABLE

The taxes receivable of \$482 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 \$152.9 million allowance for doubtful accounts.

Tax refunds payable of \$133.4 million recognizes the refund liability relating to these self-assessed taxes.

J. OTHER RECEIVABLES

The receivables are net of a \$58.7 million allowance for doubtful accounts.

K. INVENTORY

The State's inventories consist primarily of consumable items such as office supplies, vehicle fuel, 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 or cost or market utilizing a variety of methods (fifo, average cost, etc.), the method remaining consistent from year to year in each specific State agency. Material inventories are expensed when consumed, immaterial inventories are expensed 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.

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, 1988 consist of:

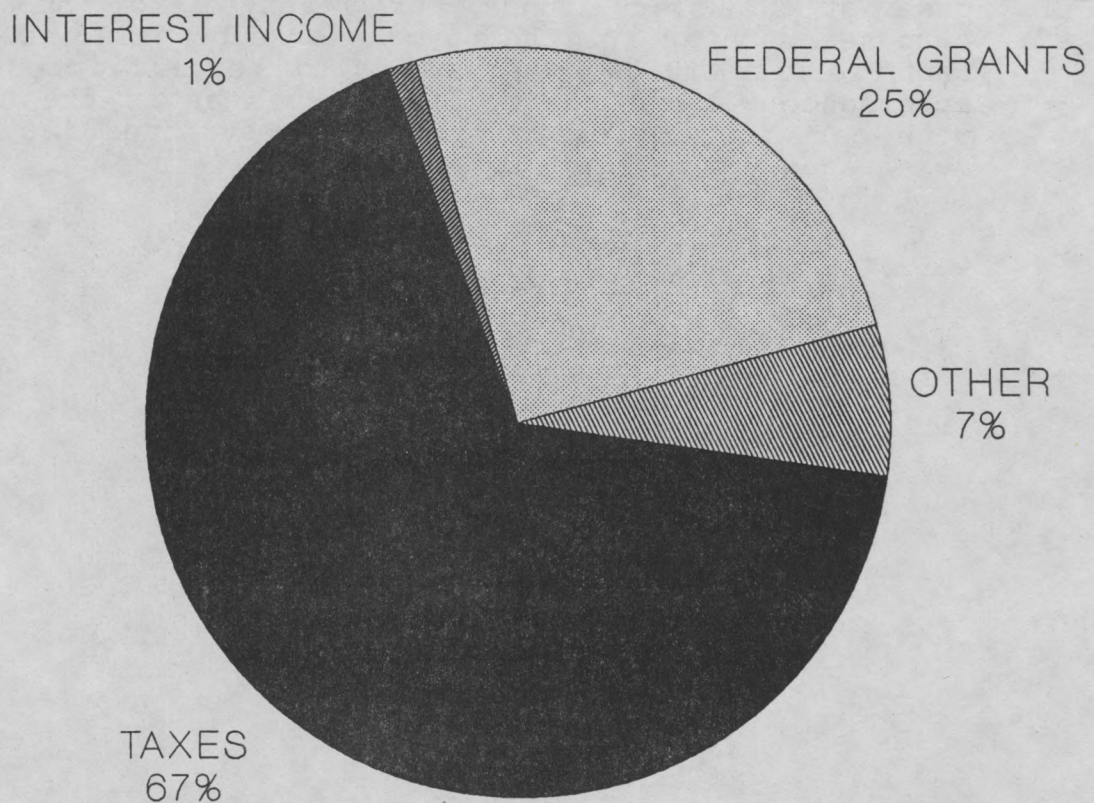
- o Reserves for Inventories - These reserves were established to indicate that a portion of fund balance is represented by assets which are not available as spendable resources.

- o 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.

- o 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.

STATE OF COLORADO
PRELIMINARY FINANCIAL STATEMENTS
JUNE 30, 1988

GENERAL FUND REVENUES

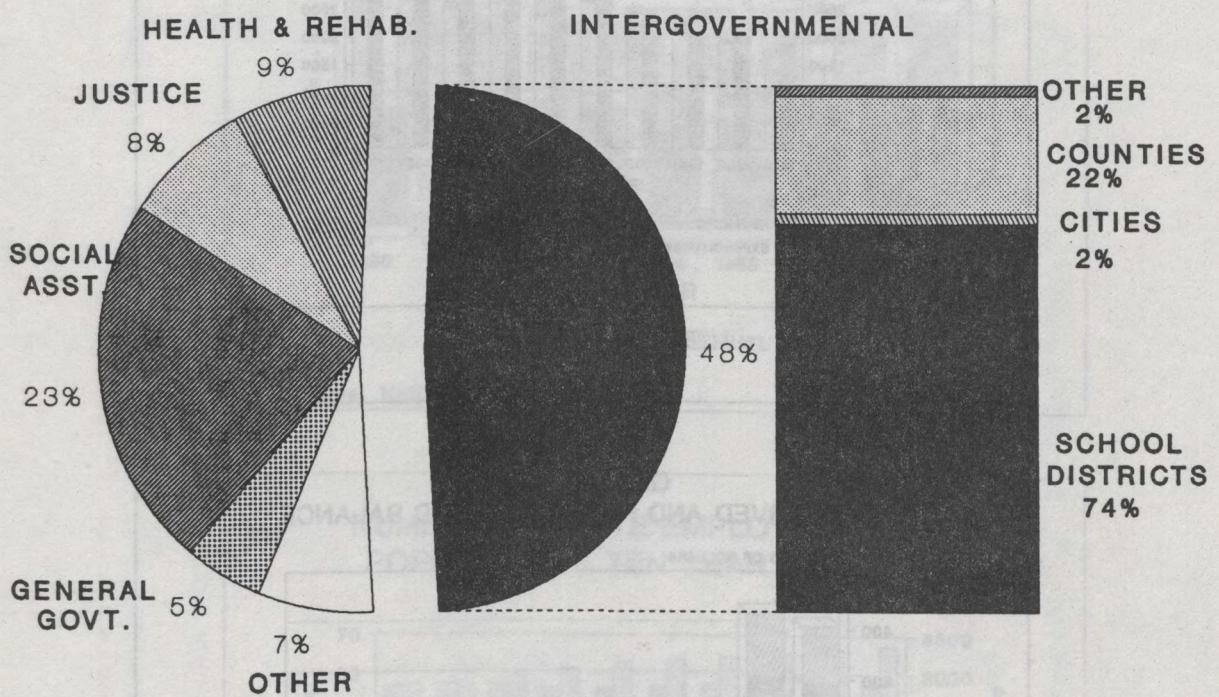


TOTAL REVENUES \$3,286

AMOUNTS IN MILLIONS

STATE OF COLORADO PRELIMINARY FINANCIAL STATEMENTS JUNE 30, 1988

GENERAL FUND EXPENDITURES



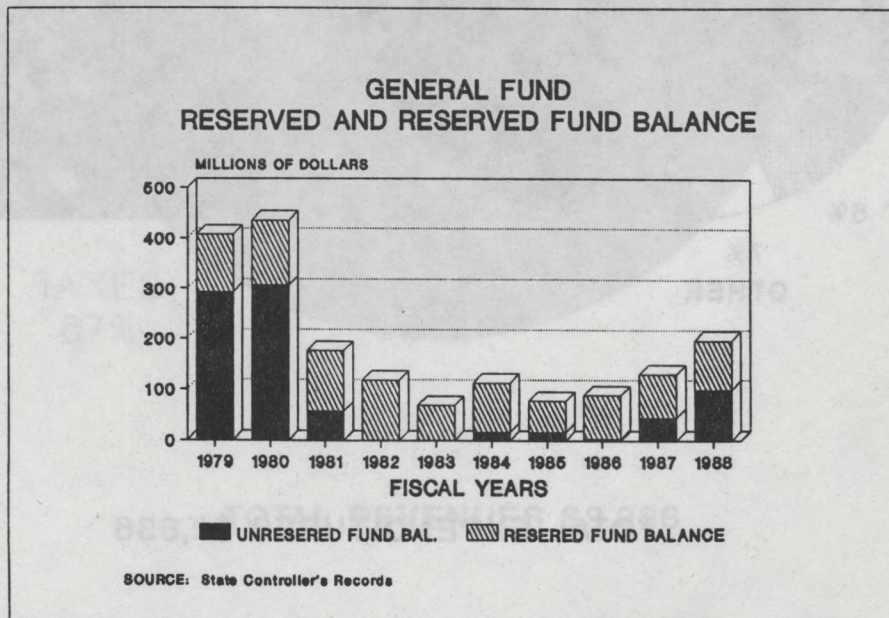
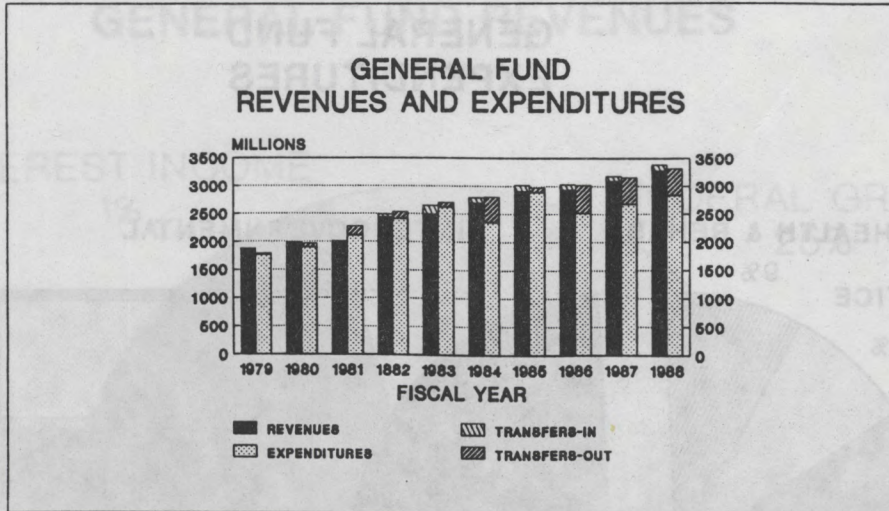
TOTAL EXPENDITURES \$2,836

AMOUNTS IN MILLIONS

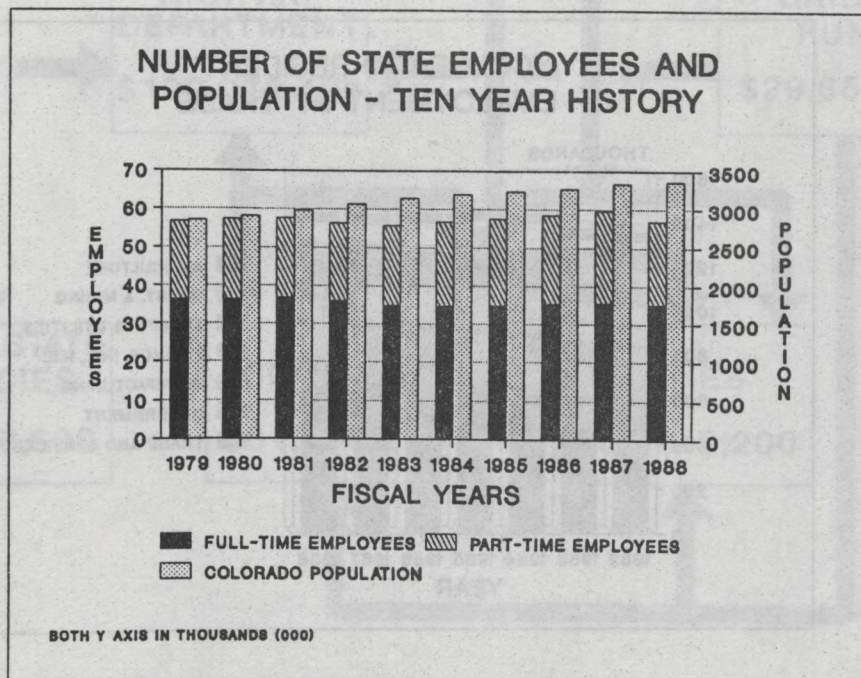
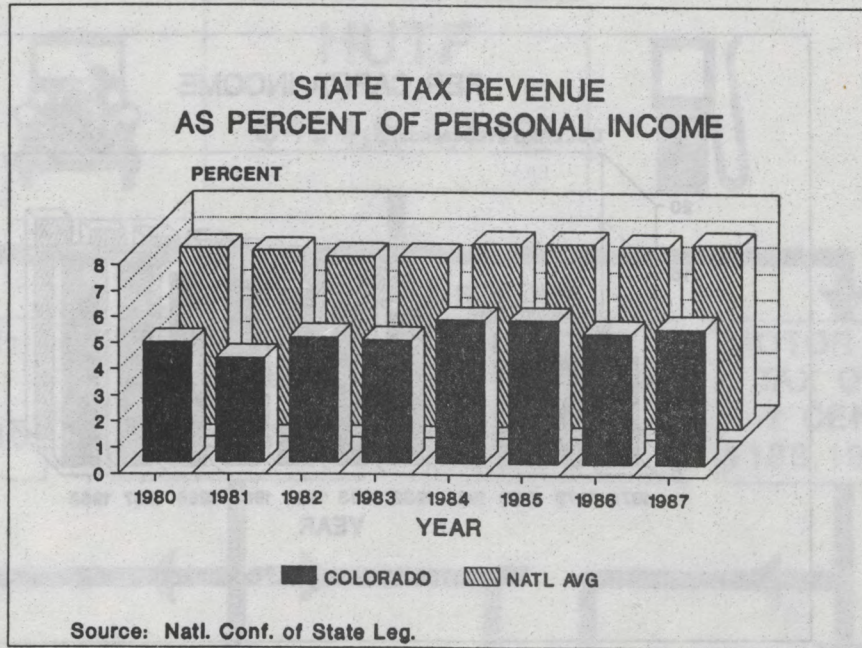
STATE OF COLORADO

PRELIMINARY FINANCIAL STATEMENTS

JUNE 30, 1988



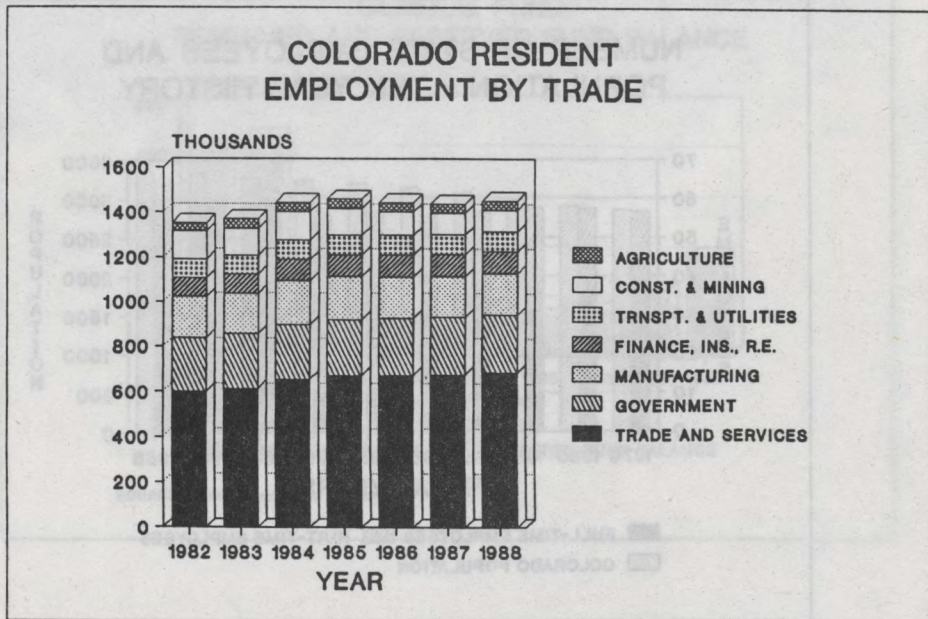
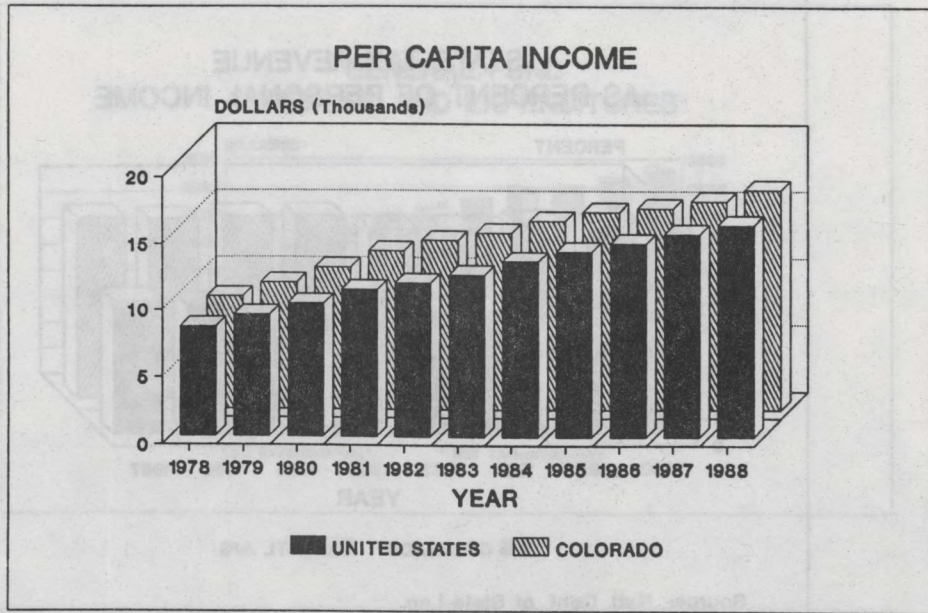
STATE OF COLORADO PRELIMINARY FINANCIAL STATEMENTS JUNE 30, 1988



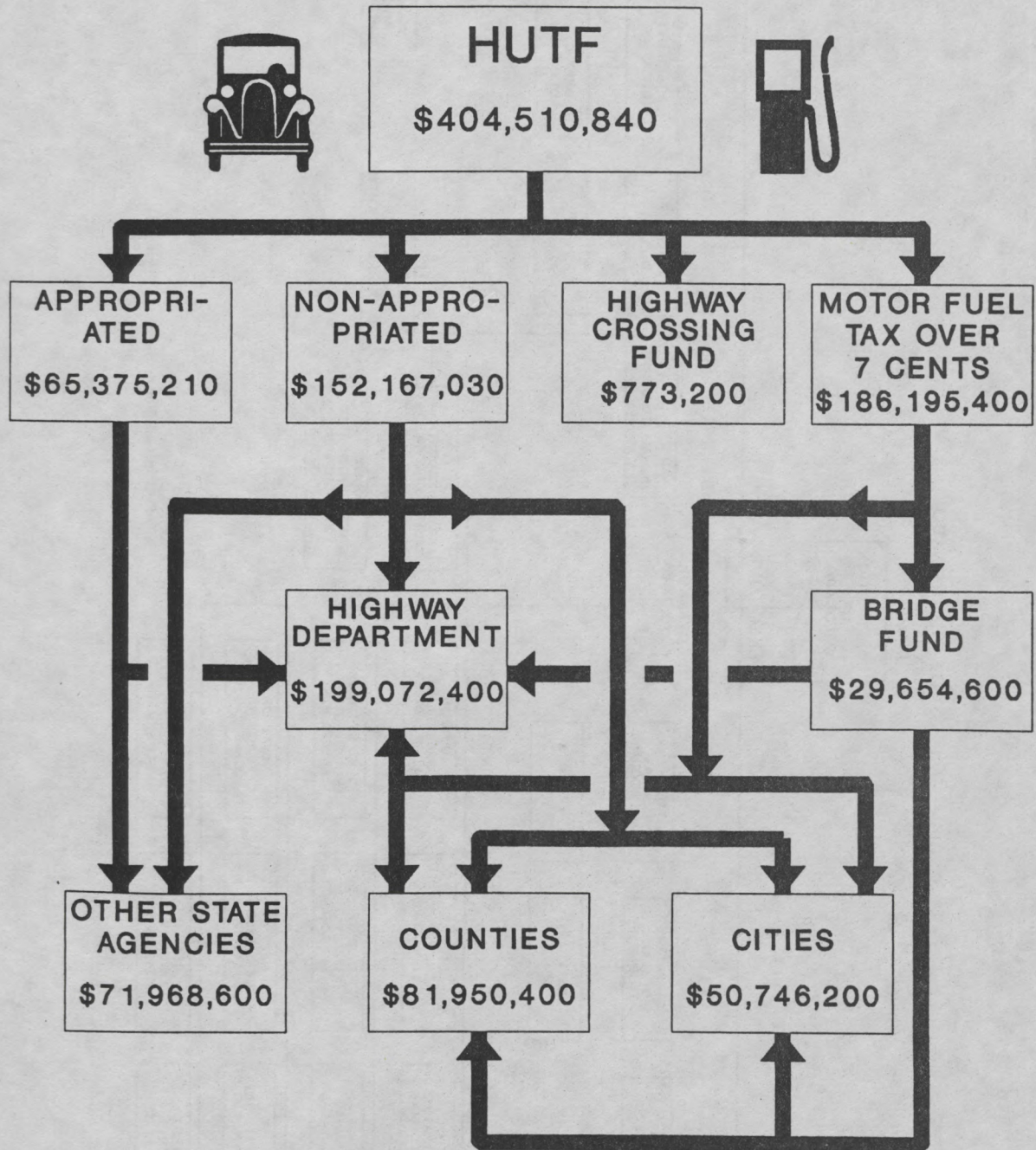
STATE OF COLORADO

PRELIMINARY FINANCIAL STATEMENTS

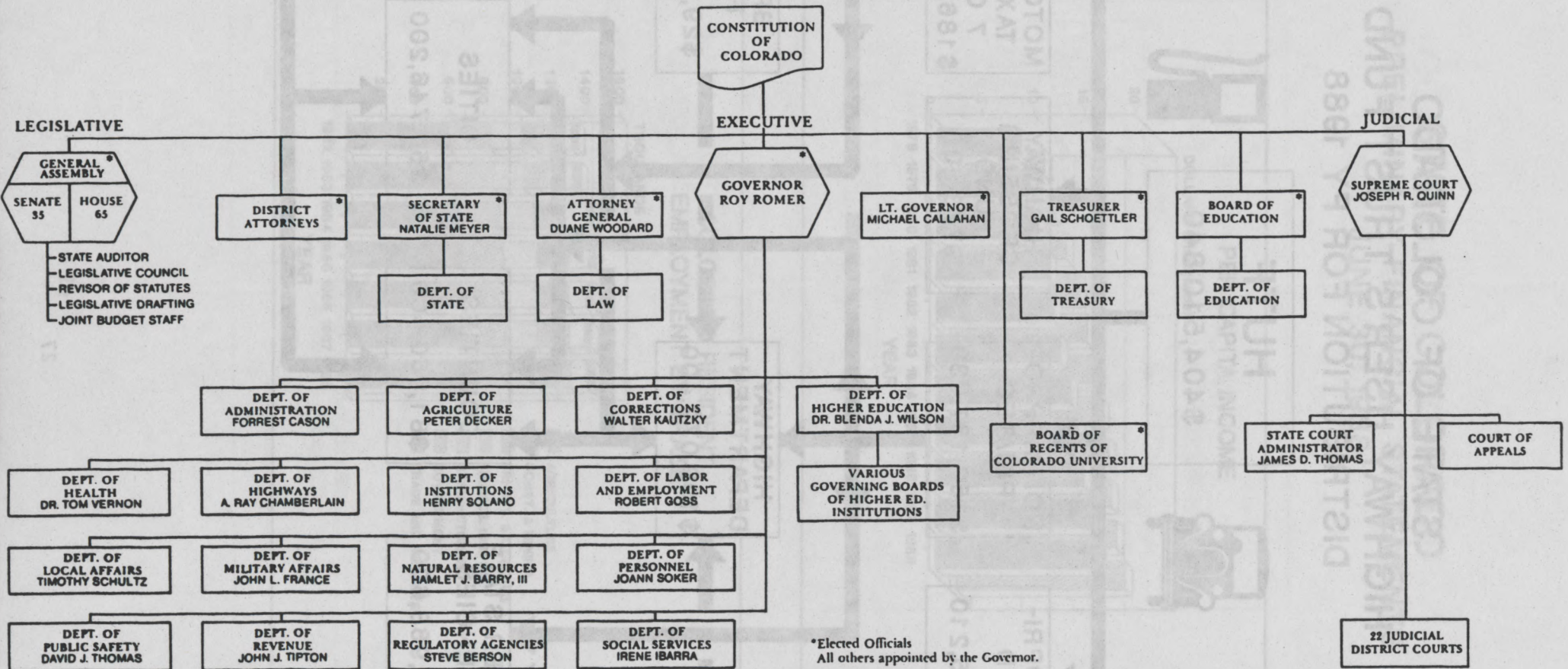
JUNE 30, 1988



STATE OF COLORADO HIGHWAY USER'S TRUST FUND DISTRIBUTION FOR FY 1988



STATE OF COLORADO
 PRINCIPAL ORGANIZATIONS AND KEY OFFICIALS
 JUNE 30, 1988



*Elected Officials
 All others appointed by the Governor.

