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# COLORADO



PRELIMINARY  
ANNUAL FINANCIAL REPORT  
30, 1989

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COLORADO

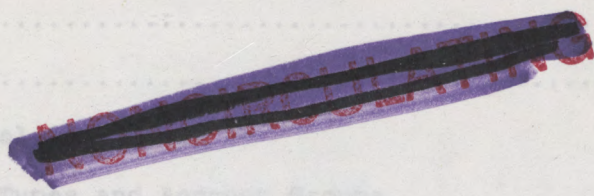
# PRELIMINARY

# ANNUAL FINANCIAL REPORT

## FOR THE YEAR ENDED JUNE 30, 1989

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# STATE OF COLORADO ROY ROMER, GOVERNOR

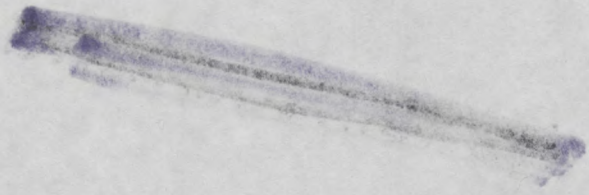


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DEPARTMENT OF ADMINISTRATION  
FORREST CASON, EXECUTIVE DIRECTOR  
CLIFFORD W. HALL, ACTING STATE CONTROLLER

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PRELIMINARY  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 1989



STATE OF COLORADO  
ROY ROMER, GOVERNOR



DEPARTMENT OF ADMINISTRATION  
FOURTH FLOOR, EXECUTIVE CENTER  
1550 CAMDEN STREET, DENVER, COLORADO 80202

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The Honorable Roy Roemer  
Governor  
State of Colorado

I am pleased to submit to you and the citizens of Colorado the Preliminary Annual Financial Report for the year ended June 30, 1989. This report is unaudited but I believe that it fairly represents the financial position of the State at fiscal year-end. This report includes the combined financial statements for all fund types and account groups.

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Highlights of the General Fund financial position: The unrestricted fund balance increased by \$134.8 million, while the restricted fund balance increased \$12.6 million.

Investments were removed by \$5.7 million from the fund balance. The combined fund balance is included in the \$134.8 million.

The unrestricted fund balance at June 30, 1989, was \$245.6 million. The original revenue estimate made as late as April 1988, and \$17.3 million.

Historically, the unrestricted fund balance has averaged approximately \$7 million. 75% of the unrestricted fund balance in excess of the required amount was transferred to the Capital Construction Fund in the special session of the General Assembly.

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Other funds continue to remain in good financial condition. The combined equity of all funds is

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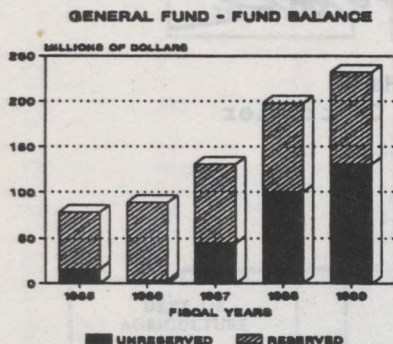
September 29, 1989

**The Honorable Roy Romer**  
Governor  
State of Colorado

I am pleased to submit to you and the citizens of Colorado the Preliminary Annual Financial Report for the year ended June 30, 1989. This report is unaudited but I believe that it fairly represents the financial position of the State at fiscal year-end. This 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 increased by \$34.5 million to \$134.8 million, while restricted fund balance increased \$12.6 million to \$101 million.
- o The restriction of inventories was removed by statutory change resulting in a \$5.7 million increase in unrestricted fund balance. The \$5.7 million is included in the \$134.8 million mentioned above.
- o General revenues were \$2,485.6 million. This was \$135.7 million above the original revenue estimate made in April 1988, and \$17.3 million above the revised estimate made as late as June of 1989.
- o General fund appropriation reversions by State departments were \$14.2 million. Historically reversions have average approximately \$7 million per year.



Statute requires that 75% of the unrestricted General Fund balance in excess of the required reserve be transferred to the Capital Construction Fund as of June 30. The special session of the General Assembly in June, 1989 modified this requirement to 75% of the excess reserve above the combination of the required reserve and the special FY 89-90 appropriation to Corrections and Public Safety. Accordingly, at June 30 \$48.0 million was transferred from the General Fund to the Capital Construction Fund. Without the provision for this transfer the unrestricted general fund balance would have been \$182.8 million.

Other funds continue to remain in good financial condition. The combined equity of all funds is

\$3.5 billion not including the State's investment in infrastructure such as roads, dams, and other similar assets.

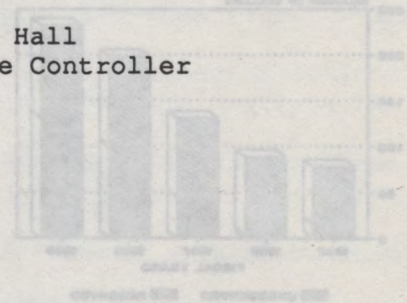
Work is proceeding on the development of the Colorado Financial Reporting System (COFRS). We anticipate that all state agencies will be using COFRS for FY 1990-91. Improvement in the State's financial and management reporting has always remained a top goal of this office and the introduction of COFRS will be a giant step on the way to reaching that goal.

Our office will issue a Comprehensive Annual financial Report later this year upon completion of the State Auditor's examination. That report will include supplementary data regarding the various funds and additional footnote information. A copy of that report will be submitted to you upon its completion.

Sincerely yours,

*Clifford W. Hall*

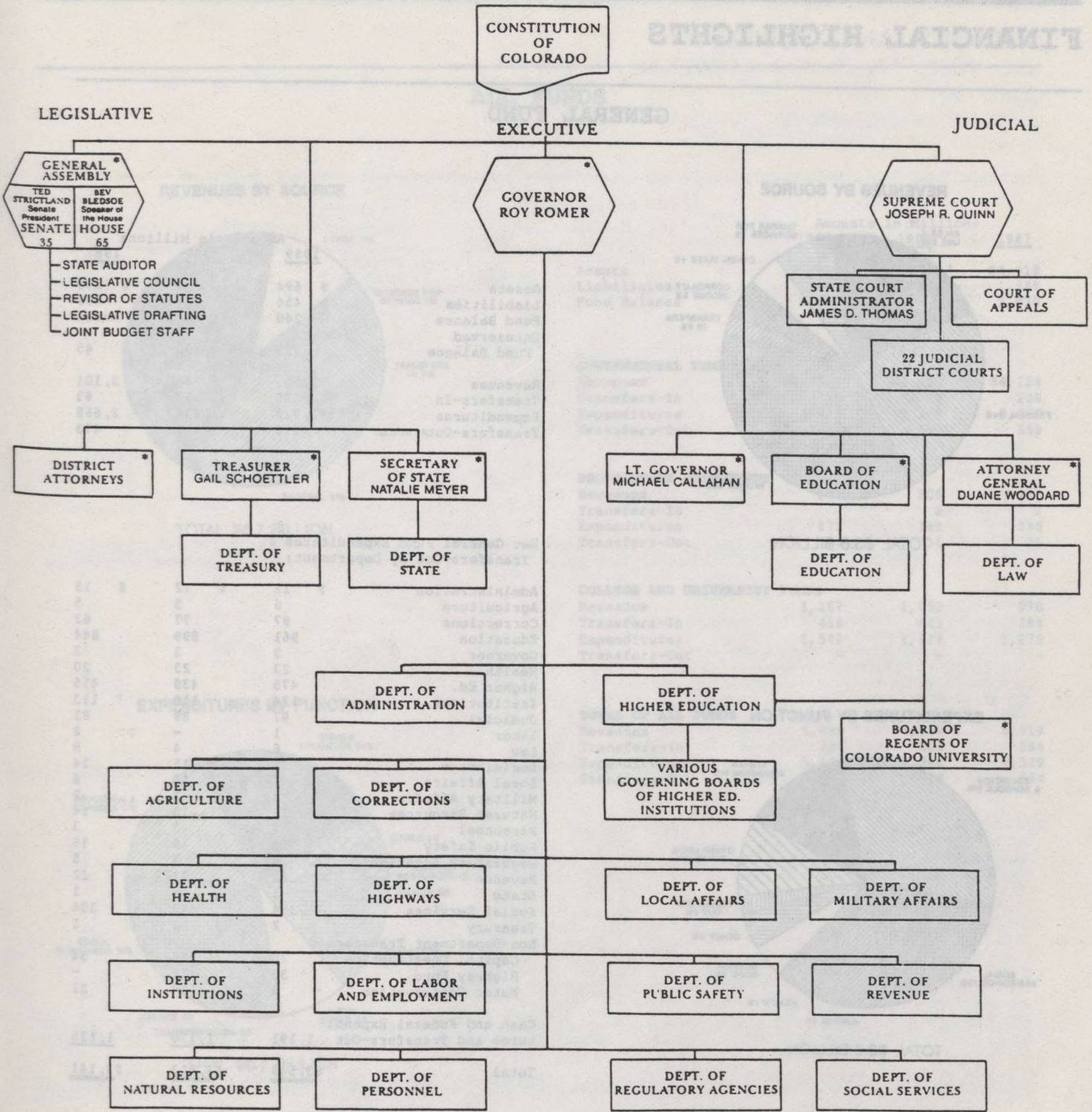
Clifford W. Hall  
Acting State Controller





# STATE OF COLORADO

## PRINCIPAL ORGANIZATIONS AND KEY OFFICIALS



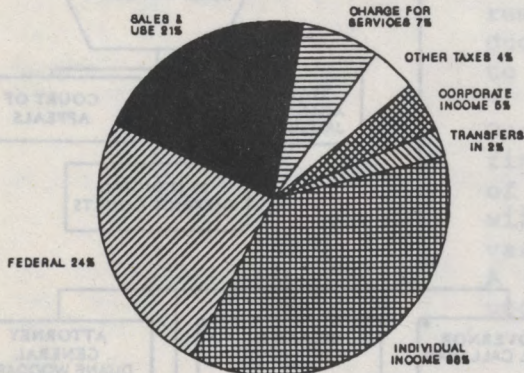
\*Elected Officials  
 All others appointed by the Governor.

# COLORADO

## FINANCIAL HIGHLIGHTS

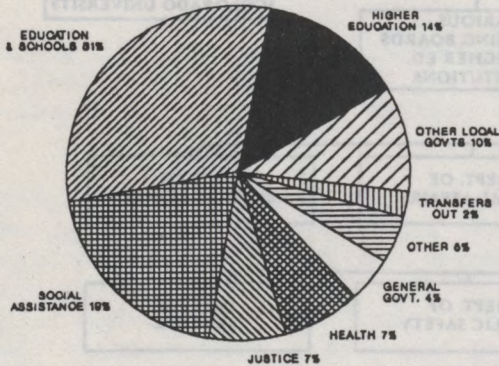
### GENERAL FUND

#### REVENUES BY SOURCE



TOTAL \$3.6 BILLION

#### EXPENDITURES BY FUNCTION



TOTAL \$3.6 BILLION

Amounts in Millions

	1989	1988	1987
Assets	\$ 694	\$ 603	\$ 598
Liabilities	454	404	466
Fund Balance	240	198	132
Unreserved			
Fund Balance	135	100	45
Revenues	3,501	3,286	3,101
Transfers-In	90	92	83
Expenditures	2,973	2,836	2,668
Transfers-Out	576	477	473

#### Net General Fund Expenditures & Transfers-Out by Department:

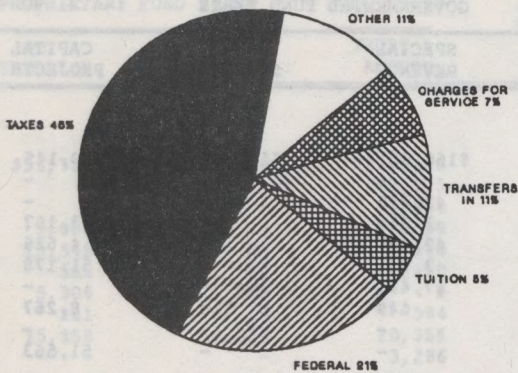
	1989	1988	1987
Administration	\$ 12	\$ 12	\$ 15
Agriculture	6	5	5
Corrections	97	77	63
Education	961	899	844
Governor	3	3	3
Health	23	23	20
Higher Ed.	475	439	415
Institutions	124	118	113
Judicial	97	89	82
Labor	1	-	2
Law	6	4	9
Legislature	17	15	14
Local Affairs	7	10	8
Military Affairs	2	2	2
Natural Resources	15	15	14
Personnel	4	3	3
Public Safety	18	16	16
Regulatory Agencies	8	7	5
Revenue	22	22	22
State	-1	-	1
Social Services	354	340	304
Treasury	2	2	1
Non-Department Transfers			
Capital Construction	70	26	34
Highway Fund	30	16	-
Water Conservation	5	-	21
Cash and Federal Expenditures and Transfers-Out	1,191	1,170	1,125
Total	\$3,549	\$3,313	\$3,141

UNAUDITED

PRELIMINARY FINANCIAL REPORT - JUNE 30, 1989

ALL FUNDS

REVENUES BY SOURCE



TOTAL \$6.7 BILLION

Amounts in Millions

	1989	1988	1987
Assets	\$5,108	\$4,516	\$4,818
Liabilities	1,561	1,390	1,848
Fund Balance	3,547	3,127	2,970

GOVERNMENTAL FUND TYPES

	1989	1988	1987
Revenues	\$4,563	\$4,301	\$4,124
Transfers-In	236	163	208
Expenditures	3,948	3,790	3,666
Transfers-Out	690	572	559

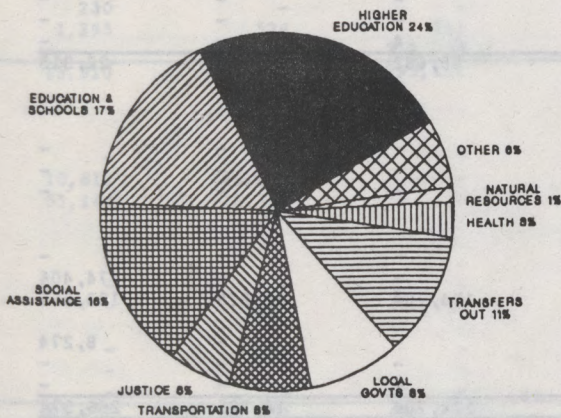
PROPRIETARY FUND TYPES

	1989	1988	1987
Revenues	205	206	425
Transfers-In	-	2	2
Expenditures	171	161	385
Transfers-Out	34	36	36

COLLEGE AND UNIVERSITY FUNDS

	1989	1988	1987
Revenues	1,167	1,052	970
Transfers-In	488	443	384
Expenditures	1,542	1,417	1,278
Transfers-Out	-	-	-

EXPENDITURES BY FUNCTION



TOTAL \$6.5 BILLION

TOTAL OF ALL FUNDS

	1989	1988	1987
Revenues	5,935	5,559	5,519
Transfers-In	724	608	594
Expenditures	5,661	5,368	5,329
Transfers-Out	724	608	594

UNAUDITED

# COLORADO

## COMBINED BALANCE SHEET ALL FUND TYPES AND ACCOUNTS JUNE 30, 1989 (DOLLARS IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
<b>ASSETS:</b>				
Cash and Short-Term Investments.....	\$97,245	\$160,001	\$19,707	\$170,145
Investments.....	1,929	-	-	-
Taxes Receivable, net.....	366,343	43,415	-	-
Other Receivables, net.....	45,091	3,818	256	3,107
Due From Other Governments.....	109,559	42,007	-	4,628
Due From Other Funds.....	11,239	3,005	-	51,178
Inventories.....	58,372	17,491	-	-
Other Current Assets.....	3,208	649	214	8,267
Property, Plant and Equipment, net.....	-	-	-	-
Other Long-Term Assets.....	855	-	-	51,563
Amount Available in Debt Service Fund.....	-	-	-	-
Amount To be Provided For Retirement Of Long-Term Obligations.....	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$693,841</b>	<b>\$270,388</b>	<b>\$20,177</b>	<b>\$288,890</b>
<b>LIABILITIES:</b>				
Net Liability to Pooled Cash.....	-	-	-	-
Tax Refunds Payable.....	137,410	-	-	-
Accounts Payable and Accrued Liabilities.....	132,683	63,430	1,953	10,332
Due To Other Governments.....	25,055	21,610	-	-
Due To Other Funds.....	55,945	372	-	3,297
Deferred Revenue.....	102,594	10,267	-	8,687
Capital Lease Obligations.....	-	-	-	-
Notes and Bonds Payable.....	-	-	-	-
Accrued Compensated Absences.....	-	-	-	-
Other Long-Term Liabilities.....	-	4	-	-
<b>TOTAL LIABILITIES.....</b>	<b>453,688</b>	<b>95,682</b>	<b>1,953</b>	<b>22,315</b>
<b>FUND EQUITY:</b>				
Investment in Fixed Assets.....	-	-	-	-
Contributed Capital.....	-	-	-	-
Unreserved Retained Earnings.....	-	-	-	-
Fund Balances:				
Reserved For:				
Inventories.....	-	-	-	-
Encumbrances.....	4,349	-	-	74,406
Other Specific Purposes.....	100,972	174,704	18,225	183,894
Unreserved:				
Designated for Capital Construction.....	-	-	-	8,274
Designated for Higher Education.....	-	-	-	-
Undesignated.....	134,832	-	-	-
<b>TOTAL FUND EQUITY.....</b>	<b>240,153</b>	<b>174,704</b>	<b>18,225</b>	<b>266,574</b>
<b>TOTAL LIABILITIES AND FUND EQUITY.....</b>	<b>\$693,841</b>	<b>\$270,388</b>	<b>\$20,177</b>	<b>\$288,890</b>

See accompanying notes to the financial statements.

UNAUDITED

PRELIMINARY FINANCIAL REPORT - JUNE 30, 1989

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 1989 (DOLLARS IN THOUSANDS)

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS			TOTALS MEMORANDUM ONLY	
ENTERPRISE	INTERNAL SERVICE	TRUST & AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	COLLEGE AND UNIVERSITY FUNDS	1989	1988
\$36,720	\$7,530	\$387,486	\$ -	\$ -	\$230,813	\$1,109,647	\$903,709
-	-	263,175	-	-	49,747	314,852	269,561
-	-	92,066	-	-	-	501,824	481,967
3,006	3	7,759	-	-	128,398	191,438	183,729
15,549	80	6,006	-	-	14,259	192,090	202,120
566	84	2,670	-	-	29,121	97,864	48,041
5,306	969	2	-	-	23,714	105,854	104,636
261	96	594	-	-	12,827	26,118	19,948
15,858	19,816	10,356	712,825	-	1,442,749	2,261,604	2,063,098
-	-	3,286	-	-	1,893	57,597	49,470
-	-	-	-	18,224	-	18,224	8,263
-	-	-	-	230,539	-	230,539	181,936
\$77,265	\$88,578	\$773,401	\$712,825	\$248,763	\$1,933,521	\$5,107,650	\$4,516,478
-	-	-	-	-	-	-	18,202
-	-	-	-	-	-	137,410	133,442
11,789	6,978	17,265	-	-	84,053	328,483	283,631
-	-	52,906	-	-	-	99,571	101,965
247	3	7,763	-	-	30,238	97,864	48,041
1,750	71	3,182	-	-	35,464	162,015	165,439
-	6,251	-	-	111,023	98,485	215,759	166,294
230	-	-	-	-	134,252	134,482	125,701
1,295	524	761	-	59,675	34,008	96,263	91,970
-	-	211,234	-	78,065	-	289,303	254,926
15,310	13,827	293,111	-	248,763	416,500	1,561,150	1,389,610
-	-	-	712,825	-	1,175,778	1,888,603	1,726,429
10,812	46,611	-	-	-	-	57,423	57,902
51,144	28,140	-	-	-	-	79,284	87,200
-	-	-	-	-	-	-	5,745
-	-	-	-	-	-	78,755	51,588
-	-	480,290	-	-	255,640	1,213,725	1,007,155
-	-	-	-	-	-	8,274	7,264
-	-	-	-	-	85,604	85,604	83,260
-	-	-	-	-	-	134,832	100,324
61,955	74,751	480,290	712,825	-	1,517,022	3,546,500	3,126,868
\$77,265	\$88,578	\$773,401	\$712,825	\$248,763	\$1,933,521	\$5,107,650	\$4,516,478

UNAUDITED

# COLORADO

PRELIMINARY FINANCIAL REPORT

## COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 1989 (DOLLARS IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
<b>REVENUES:</b>				
Taxes.....	\$2,432,493	\$413,803	\$ -	\$ 3,445
License, Permits, and Fines.....	26,546	37,463	-	3,261
Charges for Goods and Services.....	52,785	1,055	329	6,299
Interest and Rents.....	57,214	2,138	689	19,321
Federal Grants and Contracts.....	872,345	221,161	-	13,831
Other.....	59,282	32,136	313	3,779
<b>TOTAL REVENUES.....</b>	<b>3,500,665</b>	<b>707,755</b>	<b>1,331</b>	<b>49,937</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General Government.....	154,647	5,928	-	-
Business, Community and Consumer Affairs.....	102,471	-	-	-
Education.....	36,553	-	-	-
Health and Rehabilitation.....	263,726	-	-	-
Justice.....	261,629	30,492	-	-
Natural Resources.....	31,098	32,111	-	-
Social Assistance.....	652,823	10,147	-	-
Transportation.....	-	414,480	-	-
Capital Outlay.....	17,152	25,675	-	87,796
<b>Intergovernmental</b>				
Cities.....	36,361	54,595	-	473
Counties.....	311,398	89,947	-	349
School Districts.....	1,075,620	-	-	17
Special Districts.....	21,410	4,672	-	644
Federal.....	8,548	-	-	381
Debt Service.....	-	-	6,604	-
<b>TOTAL EXPENDITURES.....</b>	<b>2,973,434</b>	<b>668,047</b>	<b>6,604</b>	<b>89,659</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>527,231</b>	<b>39,708</b>	<b>(5,273)</b>	<b>(39,723)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfer-In.....	89,742	30,000	15,235	100,717
Operating Transfer-Out.....	(576,402)	(47,985)	-	(43,267)
Future Capital Lease Payments.....	1,615	-	-	63,365
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(485,045)</b>	<b>(17,985)</b>	<b>15,235</b>	<b>120,815</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES.....</b>	<b>42,186</b>	<b>21,723</b>	<b>9,962</b>	<b>81,092</b>
<b>FUND BALANCE, JULY 1.....</b>	<b>198,188</b>	<b>152,981</b>	<b>8,263</b>	<b>185,482</b>
Net Residual Equity Transfers-In (Out).....	-	-	-	-
Prior Period Adjustment.....	(221)	-	-	-
<b>FUND BALANCE, JUNE 30.....</b>	<b>\$240,153</b>	<b>\$174,704</b>	<b>\$18,225</b>	<b>\$266,574</b>

See accompanying notes to the financial statements.

UNAUDITED

PRELIMINARY FINANCIAL REPORT - JUNE 30, 1989

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, 1989  
 (DOLLARS IN THOUSANDS)

FIDUCIARY FUND TYPES	TOTALS	
	MEMORANDUM ONLY	
EXPENDABLE TRUST	1989	1988
\$202,158	\$3,051,898	\$2,778,107
6,617	73,886	153,884
22,166	82,634	73,804
27,484	106,847	81,064
11,841	1,119,177	1,073,159
33,013	128,523	141,258
303,278	4,562,966	4,301,274
34,724	195,298	168,206
1,304	103,775	130,416
680	37,233	33,297
2,490	266,216	245,022
10,543	302,664	263,672
201	63,410	70,477
159,822	822,792	847,628
-	414,480	399,526
181	130,804	118,114
-	91,429	79,614
-	401,694	387,000
-	1,075,636	1,010,481
10	26,736	23,977
-	8,928	8,911
-	6,604	3,193
209,954	3,947,699	3,789,533
93,324	615,267	511,741
-	235,693	163,312
(22,534)	(690,187)	(571,950)
-	64,980	496
(22,534)	(389,514)	(408,142)
70,790	225,753	103,599
218,904	763,818	660,214
-	-	5
-	(221)	-
\$289,694	\$989,350	\$763,818

UNAUDITED

# 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, 1989 (DOLLARS IN THOUSANDS)

	GENERAL FUND		
	REVISED ESTIMATE BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
<b>REVENUES:</b>			
Sales and Use Taxes.....	\$ 751,100	\$ 749,548	\$ (1,552)
Other Excise Taxes.....	82,200	85,491	3,291
Income Taxes:			
Individual.....	1,492,900	1,551,411	58,511
Corporate.....	198,700	193,241	(5,459)
Less Refunds.....	(221,800)	(266,589)	(44,789)
Net Income Taxes.....	1,469,800	1,478,063	8,263
Estate Tax.....	16,400	15,464	(936)
Insurance Tax.....	82,000	81,057	(943)
Parimutuel, Courts, and Other.....	46,200	49,680	3,480
Interest Earnings.....	12,000	15,622	3,622
Severance Tax.....	8,600	10,715	2,115
Total General Revenues.....	2,468,300	2,485,640	17,340
Federal and Cash Funding Sources.....	1,401,089	1,246,939	(154,150)
TOTAL GROSS REVENUES & TRANSFERS.....	3,869,389	3,732,579	(136,810)
Less: Intrafund Revenues.....	-	(142,172)	-
Interfund Revenues.....	-	(89,742)	-
NET REVENUES.....		3,500,665	
<b>EXPENDITURES:</b>			
Administration.....	17,977	17,150	828
Agriculture.....	13,828	12,763	1,065
Corrections.....	100,582	99,376	1,205
Education.....	1,132,143	1,101,291	30,852
Governor.....	65,734	49,822	15,852
Health.....	133,313	128,881	4,432
Higher Education.....	481,834	483,101	(1,267)
Institutions.....	205,873	201,815	4,058
Judicial Branch.....	99,731	99,071	660
Labor and Employment.....	65,255	51,596	13,659
Law.....	16,258	14,560	1,698
Legislative Branch.....	19,441	16,708	2,733
Local Affairs.....	116,816	72,637	44,179
Military Affairs.....	4,150	3,916	234
Natural Resources.....	40,173	37,482	2,691
Personnel.....	3,880	3,837	43
Public Safety.....	37,294	29,256	8,038
Regulatory Agencies.....	53,109	30,827	22,282
Revenue.....	59,318	56,360	2,958
State.....	4,459	3,858	602
Social Services.....	994,258	966,413	27,844
Treasury.....	3,932	3,752	181
Other.....	105,877	105,481	396
Total App. Expenditures & Transfers.....	3,775,234	3,590,012	185,222

UNAUDITED



**PRELIMINARY FINANCIAL REPORT - JUNE 30, 1989**

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Cont.)

SPECIAL REVENUE FUNDS			MEMORANDUM TOTALS		
REVISED ESTIMATE \BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE	REVISED ESTIMATE \BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
\$ -	\$ -	\$ -	\$751,100	\$749,548	\$(1,552)
-	-	-	82,200	85,491	3,291
-	-	-	1,492,900	1,551,411	58,511
-	-	-	198,700	193,241	(5,459)
-	-	-	(221,800)	(266,589)	(44,789)
-	-	-	1,469,800	1,478,063	8,263
-	-	-	16,400	15,464	(936)
-	-	-	82,000	81,057	(943)
-	-	-	46,200	49,680	3,480
-	-	-	12,000	15,622	3,622
-	-	-	8,600	10,715	2,115
-	-	-	2,468,300	2,485,640	17,340
87,123	104,305	17,182	1,488,212	1,397,693	(90,519)
87,123	104,305	17,182	3,956,512	3,883,333	(73,179)
-	-	-	-	(142,172)	-
-	-	-	-	(89,742)	-
-	104,305	-	-	3,651,419	-
-	-	-	17,977	17,150	828
-	-	-	13,828	12,763	1,065
-	-	-	100,582	99,376	1,205
-	-	-	1,132,143	1,101,291	30,852
-	-	-	65,734	49,882	15,852
-	-	-	133,313	128,881	4,432
-	-	-	481,834	483,101	(1,267)
-	-	-	205,873	201,815	4,058
-	-	-	99,731	99,071	660
12,391	10,154	2,236	77,646	61,750	15,896
-	-	-	16,258	14,560	1,698
-	-	-	19,441	16,708	2,733
-	-	-	116,816	72,637	44,179
-	-	-	4,150	3,916	234
40,906	39,756	1,150	81,079	77,238	3,841
-	-	-	3,880	3,837	43
33,826	32,583	1,243	71,120	61,839	9,281
-	-	-	53,109	30,827	22,282
-	5,076	(5,076)	59,318	61,436	(2,118)
-	-	-	4,459	3,858	602
-	-	-	994,258	966,413	27,844
-	-	-	3,932	3,752	181
-	-	-	105,877	105,481	396
87,123	87,569	(447)	3,862,357	3,724,029	138,328

(Continued on next page)

UNAUDITED

# COLORADO

PRELIMINARY FINANCIAL REPORT

## COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Cont.)

ALL ANNUALLY BUDGETED GOVERNMENTAL FUND TYPES FOR THE YEAR ENDED JUNE 30, 1969

	GENERAL FUND		
	REVISED ESTIMATE \ BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
Statutorily Authorized Expenditures.....	-	100,382	-
Currently Recognized Future Capital Lease Payments.....	-	1,615	-
<b>TOTAL GROSS EXPENDITURES &amp; TRANSFERS.....</b>	<b>-</b>	<b>3,692,008</b>	<b>-</b>
Less: Intrafund Expenditures.....	-	(142,172)	-
Interfund Expenditures.....	-	(576,402)	-
<b>NET EXPENDITURES.....</b>	<b>-</b>	<b>2,973,434</b>	<b>-</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES.....	-	527,231	-
OTHER FINANCING SOURCES (USES).....	-	(485,045)	-
EXCESS OF REVENUES AND OTHER SOURCES (USES) OVER (UNDER) EXPENDITURES.....	-	42,186	-
FUND BALANCE, JULY 1.....	-	198,188	-
Prior Period Adjustments.....	-	(221)	-
<b>FUND BALANCE, JUNE 30.....</b>	<b>-</b>	<b>\$240,153</b>	<b>-</b>

See accompanying notes to the financial statements.

EXPENDITURES:	REVISED ESTIMATE	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
Administration.....	17,877	17,150	727
Agriculture.....	11,171	12,783	1,612
Corrections.....	447,111	447,001	110
Education.....	1,107,143	1,101,757	5,386
Coverage.....	1,011,101	1,017,734	6,633
Health.....	157,444	153,313	4,131
Higher Education.....	1,011,101	1,011,101	-
Institutional.....	1,011,101	1,011,101	-
Capital Programs.....	1,011,101	1,011,101	-
Labor and Payroll.....	1,011,101	1,011,101	-
Law.....	1,011,101	1,011,101	-
Legislative.....	1,011,101	1,011,101	-
Local Activities.....	1,011,101	1,011,101	-
Military Affairs.....	1,011,101	1,011,101	-
Natural Resources.....	1,011,101	1,011,101	-
Parliament.....	1,011,101	1,011,101	-
Public Safety.....	1,011,101	1,011,101	-
Regulatory Affairs.....	1,011,101	1,011,101	-
Revenue.....	1,011,101	1,011,101	-
Treasury.....	1,011,101	1,011,101	-
Other.....	1,011,101	1,011,101	-
<b>Total</b>	<b>1,011,101</b>	<b>1,011,101</b>	<b>-</b>

(Continued on next page)

**PRELIMINARY FINANCIAL REPORT - JUNE 30, 1989**

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY  
 ALL PROPRIETARY FUNDS AND SIMILAR TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 1989

SPECIAL REVENUE FUNDS			MEMORANDUM TOTALS		
REVISED ESTIMATE \ BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE	REVISED ESTIMATE \ BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
-	-	-	-	100,382	-
-	-	-	-	1,615	-
-	87,569	-	-	3,755,677	-
-	-	-	-	(142,172)	-
-	(7,167)	-	-	(583,569)	-
-	80,403	-	-	3,029,936	-
-	23,902	-	-	551,133	-
-	(7,167)	-	-	(492,212)	-
-	16,736	-	-	61,922	-
-	1,220	-	-	199,408	-
-	-	-	-	(221)	-
-	\$17,956	-	-	\$258,109	-

NET INCREASE (DECREASE) IN WORKING CAPITAL

Accounts receivable, net	2,215	(1,282)	1,933
Due from Other Governments	1,215	(1,282)	1,933
Due from Other Funds	1,215	(1,282)	1,933
Inventories	1,215	(1,282)	1,933
Other Current Assets	1,215	(1,282)	1,933
Liability to Other Funds	(1,215)	1,282	(1,933)
Accounts Payable and Accruals	(1,215)	1,282	(1,933)
Due to Other Governments	(1,215)	1,282	(1,933)
Due to Other Funds	(1,215)	1,282	(1,933)
Deferred Revenue	(1,215)	1,282	(1,933)
<b>NET INCREASE (DECREASE) IN WORKING CAPITAL</b>	<b>27,013</b>	<b>(63,478)</b>	<b>27,013</b>

See accompanying notes to the financial statements.

# COLORADO

## COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 1989 (DOLLARS IN THOUSANDS)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS MEMORANDUM ONLY	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	1989	1988
<b>OPERATING REVENUES:</b>					
License, Permits, and Fines.....	\$ 99	\$ -	\$ -	\$ 99	\$ 88
Charges for Goods and Services.....	108,644	42,156	-	150,800	160,565
Interest and Rents.....	2,016	4,783	7,145	13,944	13,371
Federal Grants and Contracts.....	28,278	4	-	28,282	19,210
Other.....	1,500	10,562	-	12,062	13,535
<b>TOTAL OPERATING REVENUES.....</b>	<b>140,537</b>	<b>57,505</b>	<b>7,145</b>	<b>205,187</b>	<b>206,769</b>
<b>OPERATING EXPENSES:</b>					
Salaries & Fringe Benefits.....	28,651	16,154	-	44,806	40,028
Operating.....	42,849	25,846	-	68,695	48,500
Depreciation.....	1,417	9,504	-	10,921	9,950
Travel.....	246	25	-	271	275
Intergovernmental.....	629	-	-	629	440
Prizes.....	45,122	-	-	45,122	46,018
Other.....	301	335	392	1,028	15,923
<b>TOTAL OPERATING EXPENSES.....</b>	<b>119,216</b>	<b>51,864</b>	<b>392</b>	<b>171,472</b>	<b>161,134</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>21,322</b>	<b>5,640</b>	<b>6,753</b>	<b>33,715</b>	<b>45,635</b>
<b>OPERATING TRANSFERS:</b>					
Operating Transfer-in.....	173	-	-	173	1,639
Operating Transfer-Out.....	(33,000)	-	(1,087)	(34,087)	(36,266)
<b>NET INCOME/CHANGE IN RETAINED EARNINGS</b>	<b>(11,505)</b>	<b>5,640</b>	<b>5,666</b>	<b>(199)</b>	<b>11,008</b>
<b>FUND EQUITY, JULY 1.....</b>	<b>73,460</b>	<b>71,642</b>	<b>184,930</b>	<b>330,032</b>	<b>319,029</b>
Prior Period Adjustment.....	-	(2,531)	-	(2,531)	(5)
<b>FUND BALANCE, JUNE 30.....</b>	<b>\$61,955</b>	<b>\$74,751</b>	<b>\$190,596</b>	<b>\$327,302</b>	<b>\$330,032</b>

See accompanying notes to the financial statements.

UNAUDITED

PRELIMINARY FINANCIAL REPORT - JUNE 30, 1989

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION  
 ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 1989  
 (Dollars in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS MEMORANDUM ONLY	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	1989	1988
<b>SOURCES OF WORKING CAPITAL:</b>					
Operations:					
Net Income.....	(\$11,505)	\$5,640	\$5,666	\$ (199)	\$11,008
Item Not Requiring Working Capital:					
Depreciation.....	1,417	9,504	-	10,921	9,950
Working Capital Provided by Operations.	(10,004)	15,144	5,666	10,806	20,958
Net Decrease In:					
Property, Plant and Equipment.....	23	-	-	23	3
Other Long-Term Assets.....	57	-	1,350	1,407	93
Net Increase In:					
Capital Lease Obligations.....	-	1,618	-	1,618	3,687
Accrued Compensated Absences.....	210	138	-	348	426
Beginning Fund Equity.....	-	-	-	-	4,806
TOTAL SOURCES OF WORKING CAPITAL	(9,798)	16,900	7,016	14,118	29,974
<b>USES OF WORKING CAPITAL:</b>					
Net Increase In:					
Property, Plant and Equipment.....	3,090	17,329	3	20,422	18,022
Other Long-Term Assents.....	-	-	-	-	34
Net Decrease In:					
Accrued Compensated Absences.....	16	-	-	16	179
Capital Lease Obligations.....	-	518	-	518	-
Residual Equity Transfers Out.....	-	-	-	-	5
Bonds and Notes Payable.....	105	-	-	105	168
Beginning Fund Equity.....	-	2,531	-	2,531	-
TOTAL USES OF WORKING CAPITAL	3,211	20,378	3	23,592	18,407
NET INCREASE (DECREASE) IN WORKING CAPITAL	(\$13,009)	(\$3,478)	\$7,013	\$ (9,474)	\$11,568
<b>ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:</b>					
Cash and Short-Term Investments.....	\$ (24,882)	\$7,369	\$ (23,839)	\$ (41,352)	\$ (51,212)
Investments.....	-	-	31,105	31,105	50,029
Receivables, net.....	1,223	2	727	1,952	(312)
Due From Other Governments.....	10,247	(111)	(1,146)	8,990	2,602
Due From Other Funds.....	(287)	(8,879)	157	(9,009)	4,546
Inventories.....	(30)	(455)	-	(485)	1,280
Other Current Assets.....	22	44	-	66	(185)
Liability to Pooled Cash.....	91	1,625	-	1,716	2,516
Accounts Payable and Accruals.....	(3,263)	(3,065)	-	(6,328)	(1,193)
Due to Other Governments.....	1,834	-	-	1,834	3,767
Due to Other Funds.....	(174)	12	-	(162)	481
Deferred Revenue.....	2,210	(20)	9	2,199	(751)
NET INCREASE (DECREASE) IN WORKING CAPITAL	(\$13,009)	(\$3,478)	\$7,013	\$ (9,474)	\$11,568

See accompanying notes to the financial statements.

UNAUDITED

# COLORADO

## COMBINED BALANCE SHEET ALL COLLEGE AND UNIVERSITY FUNDS JUNE 30, 1989 (DOLLARS IN THOUSANDS)

	CURRENT FUNDS		LOAN FUNDS	ENDOWMENT FUNDS
	UNRESTRICTED	RESTRICTED		
<b>ASSETS:</b>				
Cash and Short-Term Investments.....	\$115,440	\$11,769	\$6,460	\$ 3,092
Investments.....	13,075	4,478	-	17,597
Accounts Receivable:				
Tuition, Fees, Charges for Services, net.	48,743	9,756	1,705	1,530
Intergovernmental.....	317	13,677	246	-
Other.....	3,726	5,404	234	32
	<u>52,786</u>	<u>28,837</u>	<u>2,185</u>	<u>1,562</u>
Loans and Notes Receivable, net.....	1,850	38	56,590	26
Due From Other Funds..	14,628	2,891	-	1,001
Inventories.....	23,627	87	-	-
Other Current Assets.....	10,582	202	30	-
Plant Facilities:				
Land and Improvements.....	-	-	-	2,180
Buildings and Improvements, net.....	-	-	-	-
Leasehold Improvements, net.....	-	-	-	-
Construction in Progress.....	-	-	-	-
Equipment, net.....	-	-	-	-
Library Books.....	-	-	-	-
Other Fixed Assets.....	-	-	-	-
Other Long-Term Assets.....	-	-	-	2,180
				<u>1,893</u>
<b>TOTAL ASSETS.....</b>	<b>\$231,988</b>	<b>\$48,303</b>	<b>\$65,265</b>	<b>\$27,351</b>
<b>LIABILITIES:</b>				
Accounts Payable and Accrued Liabilities...	63,919	11,615	30	58
Due To Other Funds.....	13,768	5,378	1	-
Deferred Credits.....	35,097	69	-	-
Capital Lease Obligations.....	-	-	-	-
Notes and Bonds Payable.....	-	-	-	-
Accrued Compensated Absences.....	33,601	107	134	-
<b>TOTAL LIABILITIES.....</b>	<b>146,384</b>	<b>17,170</b>	<b>165</b>	<b>59</b>
<b>FUND BALANCES:</b>				
Investment in Fixed Assets.....				
Reserved.....		31,133	65,100	27,292
Unrestricted.....	85,604			
<b>TOTAL FUND BALANCES.....</b>	<b>85,604</b>	<b>31,133</b>	<b>65,100</b>	<b>27,292</b>
<b>TOTAL LIABILITIES AND FUND EQUITY....</b>	<b>\$231,988</b>	<b>\$48,303</b>	<b>\$65,265</b>	<b>\$27,351</b>

See accompanying notes to financial statements.

UNAUDITED

**PRELIMINARY FINANCIAL REPORT - JUNE 30, 1989**

PLANT FUNDS			TOTALS	
UNEXPENDED	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	MEMORANDUM ONLY	
			1989	1988
\$80,542	\$13,509	\$ -	\$230,813	\$230,410
4,817	9,780	-	49,747	51,237
17	8	-	61,759	57,460
15	4	-	14,259	11,806
433	188	-	10,017	6,322
466	200	-	86,036	75,588
-	-	-	58,504	55,742
10,327	273	-	29,121	23,909
-	-	-	23,714	22,399
100	31	-	10,945	9,545
-	-	80,188	82,368	76,498
-	-	746,035	746,035	693,696
-	-	3,507	3,507	3,522
100,609	-	-	100,609	102,292
-	-	391,650	391,650	360,615
-	-	118,230	118,230	109,414
-	-	349	349	291
100,609	-	1,339,960	1,442,749	1,346,329
-	-	-	1,893	-
<b>\$196,862</b>	<b>\$23,794</b>	<b>\$1,339,960</b>	<b>\$1,933,521</b>	<b>\$1,815,158</b>
\$4,891	\$3,539	\$ -	\$84,053	\$77,216
9,688	-	1,403	30,238	25,301
154	145	-	35,464	32,682
38,356	-	60,129	98,485	108,004
31,592	9	102,651	134,252	125,366
165	-	-	34,008	33,781
84,847	3,693	164,182	416,500	402,351
112,015	20,100	1,175,778	1,175,778	1,106,219
-	-	-	255,640	223,329
-	-	-	85,604	83,260
112,015	20,100	1,175,778	1,517,022	1,412,808
<b>\$196,862</b>	<b>\$23,794</b>	<b>\$1,339,960</b>	<b>\$1,933,521</b>	<b>\$1,815,158</b>

UNAUDITED

# COLORADO

## COMBINED STATEMENT OF CHANGES IN FUND BALANCES ALL COLLEGE AND UNIVERSITY FUNDS FOR THE YEAR ENDED JUNE 30, 1989 (DOLLARS IN THOUSANDS)

	CURRENT FUNDS		LOAN FUNDS	ENDOWMENT FUNDS
	UNRESTRICTED	RESTRICTED		
<b>REVENUES AND OTHER ADDITIONS:</b>				
Tuition and Fees.....	\$305,492	\$ 29	\$ -	\$ -
Federal Grants and Contracts.....	3,706	259,534	1,868	-
State and Local Grants and Contracts.....	439	21,319	-	-
Private Gifts, Grants, and Contracts.....	2,568	59,213	40	517
Investment Income.....	10,698	1,801	364	486
Sales and Svcs of Educational Activities.....	57,875	-	-	-
Sales and Svcs of Auxiliaries and Hospitals..	240,432	-	-	-
Realized Gain (Loss) on Investments.....	-	-	52	207
Gain (Loss) on Debt Extinguishment.....	-	-	-	-
Interest on Loans Receivable.....	-	-	1,633	-
Retirement of Indebtedness.....	-	-	-	-
Additions to Plant Facilities.....	-	-	-	-
Other Revenues and Additions.....	49,582	360	763	2,073
<b>TOTAL REVENUES AND OTHER ADDITIONS.....</b>	<b>670,791</b>	<b>342,256</b>	<b>4,721</b>	<b>3,283</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS:</b>				
<b>Educational and General:</b>				
Instructional.....	405,156	59,828	-	-
Research.....	20,897	155,062	-	-
Public Service.....	27,758	15,628	-	-
Academic Support.....	85,574	7,322	-	-
Student Services.....	73,626	8,274	469	243
Institutional Support.....	97,060	8,123	-	-
Operation of Plant.....	69,275	703	-	-
Scholarships and Fellowships.....	7,377	71,313	-	-
<b>TOTAL EDUCATIONAL AND GENERAL.....</b>	<b>786,723</b>	<b>326,254</b>	<b>469</b>	<b>243</b>
Auxiliaries and Hospitals.....	270,805	443	-	-
Loan Cancellation and Write-off.....	-	-	939	-
Expended for Plant Facilities.....	-	-	-	-
Retirement of Indebtedness.....	-	-	-	-
Interest on Indebtedness.....	-	-	-	-
Disposal of Plant Facilities.....	-	-	-	-
Other Expenditures and Deductions.....	-	35,681	718	7
<b>TOTAL EXPENDITURES AND OTHER DEDUCTIONS...</b>	<b>1,057,528</b>	<b>362,377</b>	<b>2,126</b>	<b>250</b>
<b>TRANSFERS BETWEEN FUNDS - (ADDITIONS)/DEDUCTIONS:</b>				
Mandatory Transfers.....	21,048	413	(241)	-
Nonmandatory Transfers.....	34,328	341	(122)	155
Net Operating Transfers from State Funds.....	(444,456)	(23,254)	-	(19)
<b>TOTAL EXPENDITURES, DEDUCTIONS &amp; TRANSFERS</b>	<b>668,448</b>	<b>339,877</b>	<b>1,763</b>	<b>386</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCES..</b>	<b>2,344</b>	<b>2,379</b>	<b>2,958</b>	<b>2,897</b>
FUND BALANCE, JULY 1.....	83,260	28,754	62,142	24,395
FUND BALANCE, JUNE 30.....	\$85,604	\$31,133	\$65,100	\$27,292

See accompanying notes to the financial statements.

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**PRELIMINARY FINANCIAL REPORT - JUNE 30, 1989**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 UNRESERVED FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 1989  
 (DOLLARS IN THOUSANDS)

PLANT FUNDS			TOTALS	
UNEXPENDED	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	MEMORANDUM ONLY	
			1989	1988
\$ -	\$1,269	\$ -	\$306,790	\$277,866
136	192	-	265,435	223,565
33	-	-	21,791	20,474
373	-	175	62,888	60,999
4,714	2,132	-	20,195	20,057
-	-	-	57,875	49,141
-	-	-	240,432	224,504
4	(16)	-	247	914
-	-	-	-	(272)
-	-	-	1,633	1,511
5,842	-	9,857	15,699	14,528
521	-	86,777	87,298	71,947
19,006	(355)	13,100	84,528	86,603
<u>30,629</u>	<u>3,222</u>	<u>109,909</u>	<u>1,164,811</u>	<u>1,051,837</u>
-	-	-	464,984	425,233
-	-	-	175,959	154,851
-	-	-	43,386	38,763
-	-	-	92,896	83,799
-	20	-	82,632	75,891
-	-	-	105,183	100,975
-	-	-	69,978	68,517
-	-	-	78,690	64,647
-	20	-	<u>1,113,708</u>	<u>1,012,676</u>
-	-	-	271,248	253,769
-	-	-	939	506
53,515	-	-	53,515	46,333
4,003	11,110	-	15,114	14,204
2,317	15,379	-	17,696	14,154
-	-	30,365	30,365	24,613
29	-	9,985	46,419	50,299
<u>59,865</u>	<u>26,508</u>	<u>40,350</u>	<u>1,549,005</u>	<u>1,416,555</u>
1,934	(23,154)	-	-	-
(35,576)	875	-	-	-
(20,536)	(142)	-	(488,408)	(443,265)
<u>5,687</u>	<u>4,087</u>	<u>40,350</u>	<u>1,060,597</u>	<u>973,290</u>
24,942	(865)	69,559	104,214	78,547
87,073	20,965	1,106,219	1,412,808	1,334,261
<u>\$112,015</u>	<u>\$20,100</u>	<u>\$1,175,778</u>	<u>\$1,517,022</u>	<u>\$1,412,808</u>

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# COLORADO

PRELIMINARY FINANCIAL REPORT

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN UNRESERVED FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED JUNE 30, 1989 (DOLLARS IN THOUSANDS)

	ORIGINAL ESTIMATE/BUDGET	REVISED ESTIMATE/BUDGET	FY 88-89 ACTUAL	GENERAL FUND REVERSIONS
<b>REVENUES:</b>				
Sales and Use Taxes.....	\$ 740,700	\$ 751,100	\$ 749,548	
Other Excise Taxes.....	85,400	82,200	85,491	
Individual Income Tax, net.....	1,214,700	1,298,600	1,311,033	
Corporate Income Tax, net.....	148,500	171,200	167,030	
Estate Tax.....	15,000	16,400	15,464	
Insurance Tax.....	88,200	82,000	81,057	
Parimutuel, Courts, and Other.....	46,500	46,200	49,680	
Interest Earnings.....	5,000	12,000	15,622	
Severance Tax.....	5,700	8,600	10,715	
TOTAL GENERAL PURPOSE REVENUES.....	<u>\$2,349,700</u>	<u>\$2,468,300</u>	<u>\$2,485,640</u>	
<b>EXPENDITURES:</b>				
Administration.....	\$ 12,563	\$ 12,539	\$ 11,626	\$ 913
Agriculture.....	5,741	5,754	5,760	(6)
Corrections.....	84,074	97,259	97,039	219
Education.....	961,126	962,136	961,463	674
Governor.....	3,125	3,080	3,081	(1)
Health.....	24,194	24,303	22,634	1,669
Higher Education.....	475,309	475,190	475,069	121
Institutions.....	125,333	125,239	123,571	1,668
Judicial Branch.....	95,750	96,574	96,797	(223)
Labor and Employment.....	-	425	625	(200)
Law.....	5,258	5,926	5,870	56
Legislative Branch.....	18,114	18,458	16,631	1,827
Local Affairs.....	7,258	7,332	7,134	197
Military Affairs.....	1,732	1,838	1,803	35
Natural Resources.....	14,832	15,387	15,346	42
Personnel.....	3,537	3,548	3,546	2
Public Safety.....	17,792	18,127	17,684	443
Regulatory Agencies.....	7,816	7,881	7,684	197
Revenue.....	22,272	22,476	22,116	361
State.....	-	-	(630)	630
Social Services.....	339,472	359,676	354,293	5,384
Treasury.....	1,560	1,814	1,653	161
Capital Construction Fund Transfer.....	19,022	70,481	70,481	-
Highway Users Tax Fund Transfer.....	30,000	30,000	30,000	-
Water Project Construction Fund Transfer.....	5,000	5,000	5,000	-
TOTAL GENERAL FUNDED EXPENDITURES.....	<u>\$2,280,880</u>	<u>\$2,370,443</u>	<u>\$2,356,275</u>	<u>\$14,168</u>
Excess General Revenues over General Fund Expenditures.....	68,820	97,857	129,365	
Less: Rebates.....	(103,900)	(100,500)	(100,382)	
Excess Net Revenues.....	(35,080)	(2,643)	28,983	
Beginning Unreserved Fund Balance.....	90,069	100,324	100,324	
Inventory Reserve Adjustment.....	-	5,745	5,745	
Prior Period Adjustments.....	-	-	(221)	
Ending Unreserved Fund Balance.....	<u>\$ 54,989</u>	<u>\$ 103,426</u>	<u>\$ 134,832</u>	

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**NOTES TO THE FINANCIAL STATEMENTS**

**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 Governmental Accounting Standards Board, in its codification of governmental accounting and financial reporting standards, has established criteria for determining the activities, organizations, and functions of government to be included in the financial statements of the reporting entity. These criteria are:

- o Selection of governing authority;
- o Designation of management;
- o Ability to significantly influence operations;
- o Accountability for fiscal matters; And
- o Scope of public service and special financing relationships.

The State includes within its reporting entity all departments, agencies, commissions, boards, and all State funded institutions of higher education. Excluded from the entity are the college and university foundations and the public authorities for which the State assumes no day to day management control, obligation, moral or legal, for their debts, nor reserves for itself any entitlement to their surplus assets.

The following authorities or associations constitute the principal entities that are excluded from these statements:

- Colorado Housing Finance Authority
- Colorado Student Obligation Bonding Authority

- Public Employees Retirement Association
- Colorado Postsecondary Education Facilities Authority
- Colorado Agricultural Development Authority
- State Compensation Insurance Authority
- Colorado Water Resources and Power Development Authority

Although the appointment of the governing boards is similar in many instances to the methods used to appoint management of the organizations included within the entity, the State does not control the appointment of staff nor does it assume responsibility for their debts or reserve for itself any entitlement to their excess funds. Detailed financial information may be obtained directly from these organizations.

**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.

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## GOVERNMENTAL FUNDS

### General Fund

Transactions related to resources obtained and used for those services traditionally provided by 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 accounts for the accumulation of resources, principally transfers from other funds, for the payment of long-term debt principal and interest. The primary debt of the State consists of certain long-term lease purchase agreements.

### 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.

## PROPRIETARY FUNDS

### Enterprise Funds

Account for operations that are financed and operated in a manner much like private business enterprises. Costs of providing goods and services to the general public, including depreciation, are recovered primarily through user charges.

### Internal Service Funds

These funds account for the functions of State agencies that provide goods or services within the State or other governmental units on a cost-reimbursement basis.

## FIDUCIARY FUND TYPES

### Trust and Agency Funds

These funds account for assets held by the State in a trustee capacity or as an agent for other organizations or individuals. They include agency funds, expendable and nonexpendable trust funds. Agency funds are used to account for assets held for other funds, governments, or individuals. They are custodial in nature and do not involve measurement of operations. The expendable trust fund classification is used when both the principal and revenue earned may be expended for purposes designated by the trust agreement. Nonexpendable trust funds require that the principal of the fund remains intact while only the earnings of the fund are expendable.

## ACCOUNT GROUPS

### General Fixed Assets Account Group

Capital assets purchased, constructed, or donated to the State for its use, with the exception of infrastructure, are accounted for in this group. Capital assets utilized by Enterprise, Fiduciary, and Trust and Agency Funds are recorded in those respective funds and depreciated there.

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General fixed assets are recorded at historical cost except for donated assets which are recorded at their fair market value at the time they were donated. No depreciation is recorded on general fixed assets.

### General Long-term Debt Account Group

This group accounts for unmatured long-term lease-purchase obligations, and certain leave obligations accrued by the State's employees. In addition, the State records the liability it has under the Worker's Compensation Act to assist injured workers in the State who have exceeded the benefits defined by their workmen's compensation insurance.

### COLLEGE AND UNIVERSITY FUNDS

These funds account for the operations of the State supported system of higher education as well as those of the University of Colorado Health Sciences Center. The College and University Funds consists of the following funds:

Current Unrestricted Funds account for economic resources which are expendable for any purpose in accomplishing the institutions primary objectives.

Current Restricted Funds account for resources received from donors or other outside agencies that are restricted for specific purposes.

Loan Funds account for resources available for loans.

Endowment Funds account for resources which the donor has stipulated that the principal must remain intact but earnings may be added to the principal or expended for restricted or unrestricted purposes.

Plant Funds account for resources available to acquire or repair institutional properties, to service debt incurred to acquire such properties, and the cost of fixed

assets and the related liabilities used to acquire them.

Agency Funds account for resources held by the institution acting in the capacity as agent for distribution to designated beneficiaries.

### BASIS OF ACCOUNTING

Governmental, Expendable Trust, and Agency Funds are reported on the modified accrual basis. This basis of accounting recognizes revenues when they are measurable and available to finance current operations or to liquidate liabilities existing at fiscal year-end. Historical data, adjusted for economic trends is used in the estimation of the following accruals:

Sales, use, liquor, and cigarette taxes are accrued based on filings received and due by June 30th. Amounts expected to be collected after 12 months are offset by deferred revenue.

Income taxes from individuals, corporations, and trusts are accrued based on current income earned by the taxpayer prior to June 30th. Quarterly filings, withholding statements, and other historical data is used to estimate the taxpayer's current income. Amounts expected to be collected after twelve months are recorded as deferred revenue. An estimate of the uncollectible income taxes is credited to an allowance for bad debts with the revenue accrued net of this allowance.

Revenues earned under the terms of agreements with federal, local governments, or private sources are recorded at the time that the related expenditures are made.

Expenditures are recognized during the period in which the fund liability is incurred except for the interest on long-term debt which is recorded when due and accumulated employee leave time which is recorded when paid.

Special reporting treatment at year-end is accorded to encumbrances. Fund balance is reserved at year-end for the appropriation that will be rolled-forward to cover encumbrances.

Proprietary Funds are reported on an accrual basis. Using this basis, revenues are recognized when earned and

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# COLORADO

expenses, including depreciation, are recognized when incurred.

College and University Funds are reported on the accrual basis except for depreciation related to plant fund assets which is not recorded, and revenues and expenditures related to summer school programs which are recorded primarily in the subsequent fiscal year in accordance with the National Association of College and University Business Officer's College and University Business Administration.

## C. BUDGETARY ACCOUNTING

The financial operations of the legislative, judicial, and executive branches of the State's government, with the exception of the Highway Department portion of the Highway Fund, are controlled by annual appropriation made by the General Assembly. The Highway Department appropriation is made by the State Highway Commission and approved by the Governor. The legislative appropriation is constitutionally limited to the unrestricted funds held at the beginning of the year plus revenues estimated to be received during the year as determined by the modified accrual basis of accounting. The Governor has line item veto authority over the Long Appropriations Bill but the General Assembly may override each individual line item veto by a two-thirds majority enacted in each house.

General and cash fund appropriations, with the exception of capital construction, lapse at year-end unless executive action is taken to roll-forward all or part of the remaining unspent budget authority. Appropriations that meet the strict criteria for roll-forward are reserved at year-end. Capital construction appropriations are available, generally, for three years after appropriation.

The appropriation controls the combined expenditures and encumbrances of the State at a minimum to the agency level and in the majority of the cases, to the level of line item within the agency. Expenditures are determined using the accrual basis of accounting even if that accrual will result in an overexpenditure. The appropriation may be adjusted in the following session of the legislature by a supplemental appropriation. If cash or federal revenues earned on a modified accrual basis are less than expenditures then an overexpenditure exists even if the expenditures did not exceed the legislative appropriation. Overexpenditures are determined using the accrual basis of accounting. Appropriations in the subsequent year are restricted when an overexpenditure occurs. This requires the offenders to seek either a supplemental appropriation from the Legislature or a reduction of the subsequent years expenditures to match the restricted appropriation.

## D. ELIMINATIONS

Substantially all intrafund transactions and balances have been eliminated. Substantially all revenues from interfund transactions have been reclassified as operating transfers-in using the account "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. Nor are they

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## PRELIMINARY FINANCIAL REPORT - JUNE 30, 1989

comparable to a consolidation as inter-fund 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.

### G. INVESTMENTS

Items classified as investments are long-term investments, which are generally stated at cost or amortized cost, which approximates market. The investments of the deferred compensation plan are carried at current market value in accordance with generally accepted accounting principles.

### H. TAXES RECEIVABLE

The taxes receivable of \$501.8 million results from the recording of self-assessed taxes on the accrual basis. Of this amount \$481.5 million is estimated to be collected between July 1, 1989 and June 30, 1990 while \$20.3 million to be collected subsequent to June 30, 1990 and thus offset by an equal charge to deferred revenue. Tax refunds payable of \$137.4 million is the estimated liability for refunds associated with the above taxes receivable amount.

### I. OTHER RECEIVABLES

The other receivables of \$191.4 million are net of the deduction for \$120.3 million in allowance for doubtful accounts.

### J. INVENTORY

Inventories of the various state agencies consists primarily of consumable items including office and institutional supplies, fuel and maintenance items, and finished goods inventories held for resale by Correctional Industries. Inventories are stated at the lower of cost or market using various valuation methods (fifo, average, etc.) depending upon the state agency. The method used in each agency is consistent from year to year.

Consumable inventories that are material are expended at the time they are consumed. Immaterial consumable inventories are expended at time of purchase, while inventories held for resale are expended at the time of sale.

### K. PROPERTY, PLANT AND EQUIPMENT

General fixed assets are reported at cost or estimated historical cost. Donated fixed assets are stated at fair market value at the time of the donation. Infrastructure assets, including highways, bridges, and right-of-way land is not capitalized. No depreciation is provided on general fixed assets nor generally on the fixed assets of the college and university funds.

Depreciation is recorded on the fixed assets of the proprietary fund types and nonexpendable trust funds. Depreciation of these assets is recorded

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over their useful life using the straight-line method. The following lives are used:

Buildings . . . . .	25-40 years
Improvements other than buildings . . . .	10-17 years
Furniture, machinery and equipment . . . . .	5-2 years

## L. OTHER LONG-TERM ASSETS

The \$51.6 million reported in the Capital Projects Fund represents long-term loans made to local entities by the Water Conservation Board for the purpose of constructing water projects in the State. These loans are made for periods ranging from 10 to 40 years at interest rates of 2 to 4 percent. The entities make a yearly payment of principal and interest.

## M. DEFERRED REVENUE

Revenues received from the Federal government and other program sponsors is deferred until such time as the related expenditures are made. Taxes receivable beyond the following year are also deferred as mentioned in Note H. It is also the policy of state higher education institutions to defer summer school tuition to the following fiscal year.

## N. FUND EQUITY

The fund balance of the General Fund consists of a reserved and an unreserved portion. Amounts are reserved as provided by statute or as provided by generally accepted accounting principles. The unreserved portion of fund equity is available for future use as working capital or to be appropriated, and since the State is prohibited by its Constitution from incurring general obligation debt then the unreserved fund equity must be positive at year-end.

Reserves of the fund equity of the General Fund at June 30, 1989 consist of:

Reserve for Encumbrances - This reserve is for the portion of the Fiscal Year 1988-89 appropriation that was encumbered for goods and services that were, due to extenuating circumstances, not received prior to June 30, 1989 and for which the Controller has determined that the intent of the FY 1988-89 appropriation was to be spent on these items. Thus, the specific appropriation related to these items is to be rolled-forward to FY 1989-90.

Reserve for Other Specific Purposes - These reserves are used to indicate that a portion of fund balance is restricted as to its use. The restriction of the representative assets may have been placed there by their donor in the case of fiduciary funds, by statute in the General and other governmental type funds, or reserved for special purposes such as the payment of debt principal in the case of the debt service funds.

## NOTE II. COMMITMENTS AND CONTINGENCIES

### A. CONTINGENCIES

The State is defendant in numerous law suits incident to the operations of state government. A material case involving the taxability of access charges to long distance carriers has been heard by the Colorado Supreme Court. The court has sided with the State in this issue over AT&T. At risk is approximately \$30 million in already collected taxes.

Another material case involves the unequitable tax treatment of retirement income. The State has changed its tax code to cease this practice. However, if the plaintiffs prevail, tax refunds for the years 1984 through 1988 may be incurred for as much as \$20 million.

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**PRELIMINARY FINANCIAL REPORT - JUNE 30, 1989**

**NOTE III. PENSION SYSTEM AND OBLIGATIONS**

Virtually all State of Colorado employees participate in a defined benefit retirement plan. The plan is a cost-sharing multiple-employer public employee retirement system administered by the Public Employees' Retirement Association.

**A. FUNDING STATUS**

At December 31, 1988 and 1987 assets in excess of (or less than) pension obligation for the State Division of PERA were (expressed in thousands):

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits .....	\$1,461,380
Terminated members not yet receiving benefits .....	19,282
Current Members:	
Accumulated member contributions	
Vested .....	1,190,519
Non-vested .....	<u>43,677</u>
Total Pension Benefit Obligation .....	3,244,926
Net assets available for benefits .....	<u>3,116,290</u>
Assets in excess (or less than) pension benefit obligation .....	\$ (128,636)

**B. FUNDING PROGRESS**

Calendar Year	(1) Net Assets Available For Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1)/(2)	(4)	(5)	(6)
				UPBO Unfunded Pension Benefit Obligation	Annual Covered Payroll	UPBO as percent of Covered Payroll (4)/(5)
1988	\$3,116	\$3,245	96.0%	\$129	\$1,047	12.3%
1987	2,764	3,007	91.9	243	1,001	24.2

**NOTE IV. SUBSEQUENT EVENTS**

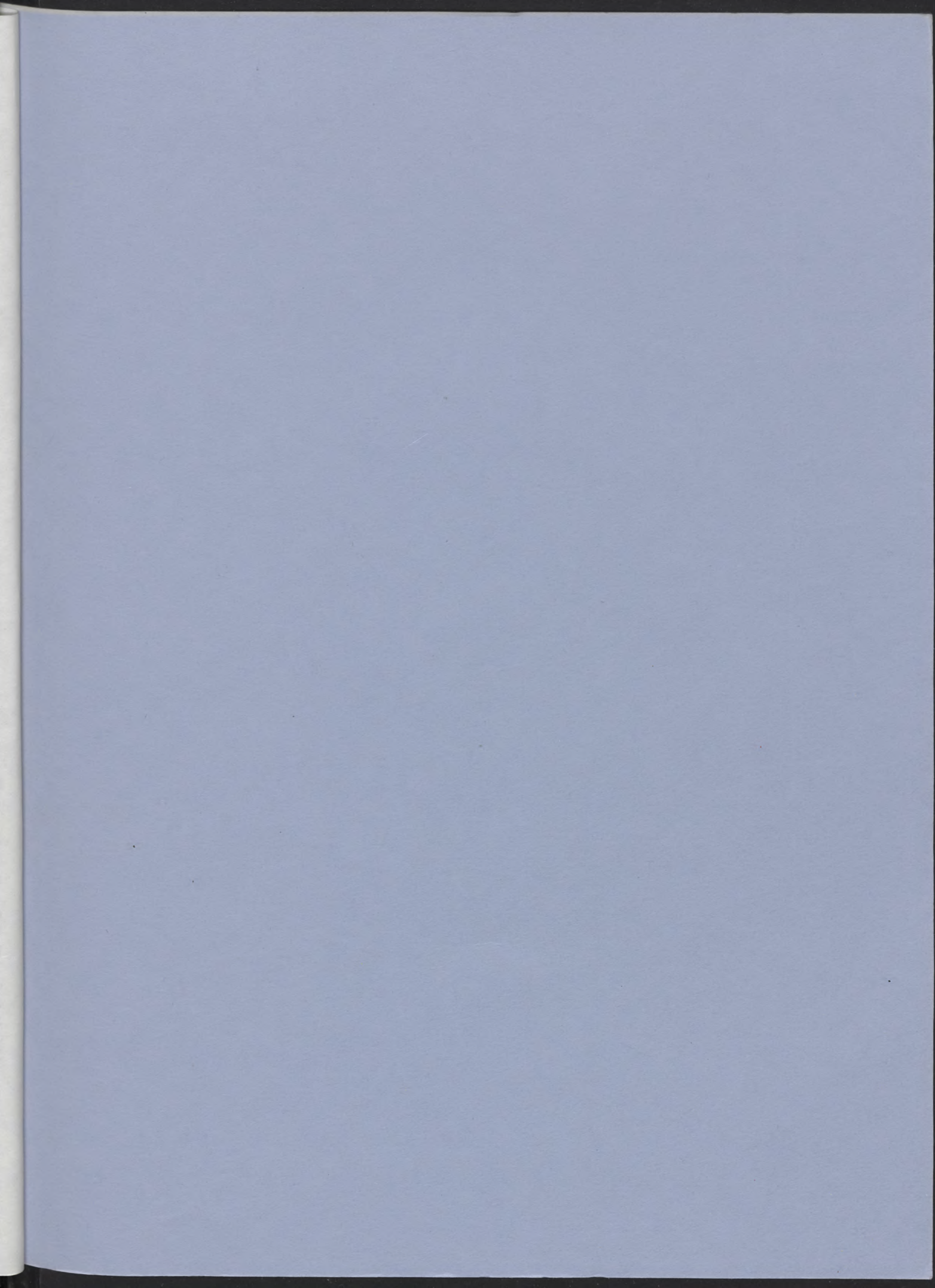
**NOTE ISSUE**

On July 13, 1989 the Treasurer issued \$145 million in General Fund Tax and Revenue Anticipation Notes, Series 1989. These notes are exempt from federal taxation and carry an interest rate of 5.8%. The notes were issued to fund the State's anticipated cash flow deficit for the fiscal year ending June 30, 1990.

The proceeds of the sale were deposited in the General Fund to be used to meet ordinary disbursements of the State. Issuance of the notes was authorized by the Funds Management Act of 1986 and under that law must be repaid by June 27, 1990.

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