COMPREHENSIVE ANNUAL FINANCIAL REPORT JUNE 30, 2000

COLORADO

REPORT LAYOUT

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes the controller's transmittal letter, including a financial overview of the state, and the state's organization chart. The Financial Section includes the general purpose financial statements and the combining statements and schedules, as well as the auditor's opinion on the financial statements and schedules. The Statistical Section includes fiscal, economic, and demographic information about the state.

INTERNET ACCESS

The Comprehensive Annual Financial Report and other financial reports are available on the state controller's home page at:

http://www.sco.state.co.us

STATE OF COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2000

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INTRODUCTORY SECTION

STATE OF COLORADO

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Bill Owens
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Department of Personnel
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Executive Director

Arthur L. Barnhart
State Controller

October 17, 2000

To the Citizens, Governor, and Legislators of the State of Colorado

It is our privilege to present the Comprehensive Annual Financial Report (CAFR) on the operations of the State of Colorado for the fiscal year ended June 30, 2000. This report is prepared by the Office of the State Controller and is submitted as required by Colorado Revised Statutes 24-30-204. The state controller is responsible for managing the finances and financial affairs of the state and is committed to sound financial management and governmental accountability.

We believe the financial statements are fairly presented in all material aspects. They are presented in a manner designed to set forth the financial position, results of operations, and changes in fund balances of the various fund types. All required disclosures have been included to assist the members of the General Assembly, the financial community, and the public in understanding the state's financial affairs.

The financial statements contained in the CAFR are prepared in conformity with generally accepted accounting principles applicable to government as prescribed by the Governmental Accounting Standards Board (GASB), and are audited by the state auditor of Colorado. In addition to the general purpose financial statements, the CAFR includes: combining financial statements, presenting information by fund category; supporting schedules; certain narrative information describing individual funds; and statistical tables presenting financial, economic, and demographic data about the state.

The funds and entities included in the CAFR are those for which the state is financially accountable based on criteria for defining the financial reporting entity prescribed by GASB. The primary government is the legal entity that comprises the funds and account groups of the state, its departments, agencies, and state funded institutions of higher education. It also includes certain university foundations that have been included with the institution that is financially accountable for the foundation.

The state's elected officials are financially accountable for legally separate entities that qualify as component units. Financial results of the state's component units are discretely presented in the financial statements. The following entities qualify as component units of the state.

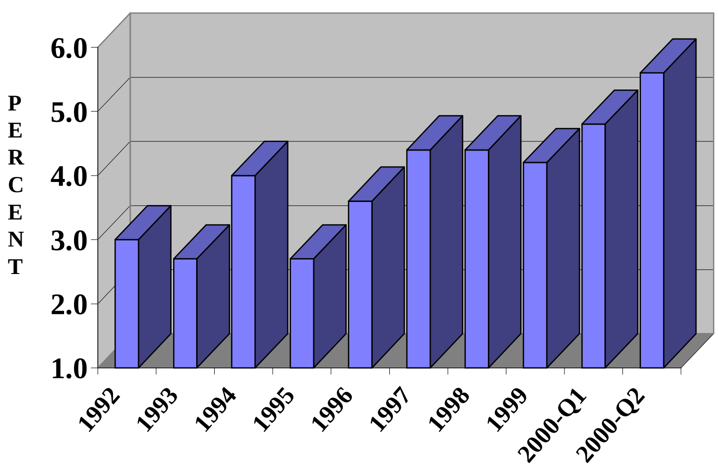
Denver Metropolitan Major League Baseball Stadium District
University of Colorado Hospital Authority
Colorado Water Resources and Power Development Authority
Colorado Uninsurable Health Insurance Plan

Additional information about these component units and other related entities is presented in this report in Note I-A of the footnotes to the general purpose financial statements. Audited financial reports are available from each of these entities.

ECONOMIC CONDITION AND OUTLOOK

In order to carry out budget formulation, the Office of State Planning and Budgeting (OSPB) estimates state revenues. In preparing those revenue estimates, OSPB analyzes the national and state economic conditions. The following synopsis is largely based on OSPB's analysis in the Colorado Economic Perspective that is dated September 20, 2000.

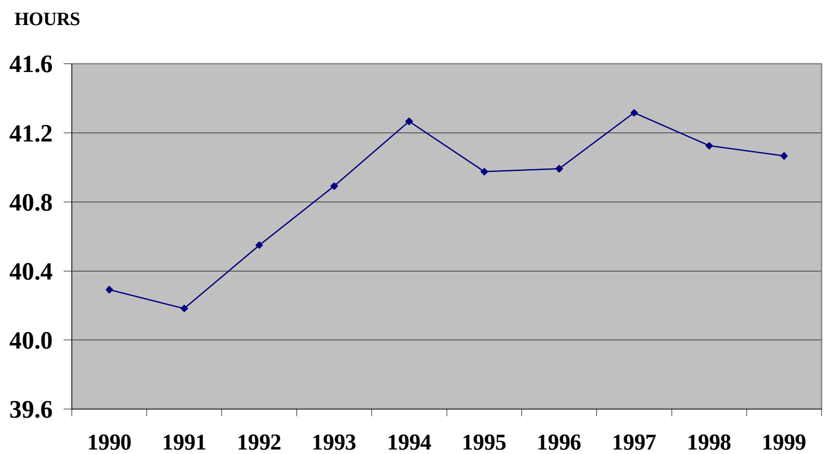
PERCENT CHANGE IN REAL GROSS DOMESTIC PRODUCT



The national economic expansion is on pace to reach an eleventh year, far outlasting the longest previous expansion of the 1960's. The U.S. Department of Commerce reported that real gross domestic product (GDP), the output of goods and services produced in the United States, increased at an annual rate of 5.6 percent in the second quarter of 2000. This followed a first quarter increase in real GDP at an annual rate of 4.8 percent.

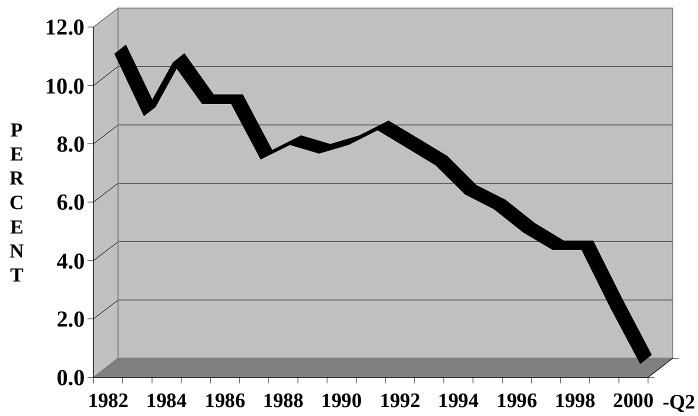
The recent growth in GDP is mainly affected by two factors – productivity and consumer confidence. Productivity increased even faster than GDP at a 5.7 percent pace, which allows for strong growth while keeping price pressures low. Increased use of technology by business underlies the productivity gains. It has allowed businesses to be more efficient and produce more with fewer resources. Technology investment and implementation has also provided business a means to cope with the short labor supply and labor price inflation that would normally attend a national unemployment rate of 3.9 percent. In addition, production workers have maintained a relatively high level of average weekly hours worked during the economic expansion.

AVERAGE WEEKLY HOURS OF PRODUCTION WORKERS



Consumer spending continues to bolster economic activity, and it has grown at an average annual rate of 3.7 percent since 1991. This spending is an indicator of consumer confidence, which has increased over the same period due mainly to the strength of the stock market. Consumers have ignored the recent stock market corrections as consumer confidence increased through the second quarter of 2000. Consumer spending continues to take a toll on personal savings as a percent of disposable personal income. Even though the Bureau of Economic Analysis revised the method of measuring savings rates, this indicator has fallen from 8.3 percent in 1991 to 2.2 percent in 1999. The slide continues as the savings rate dropped to .25 percent in the first six months of 2000. This reduced savings rate increases our national dependence on foreign investment to sustain our economic growth.

PERSONAL SAVINGS AS A PERCENT OF DISPOSABLE PERSONAL INCOME



OSPB has made the following predictions for the national economy in preparing its Colorado economic forecast.

- Inflation-adjusted GDP growth is expected to slow to an annual rate of 4.2 percent through 2005 because the current growth rate is supported by unsustainable levels of business investment and federal spending.
- The economy can sustain growth levels of 3.5 to 3.7 percent without increased inflation because of the efficiency and increased productivity associated with investments in technology.
- The overall inflation rate is expected to rise to 3.2 percent in 2000 due mainly to the increase in oil prices. It will move back toward the 1999 level of 2.2 percent because productivity increases will continue to control wage inflation pressures.
- Employment will grow 2.2 percent in 2000 and trend toward 1.2 percent annual growth in 2005 as a result of the tightening labor market for skilled workers.
- The unemployment rate will increase from 4.0 percent in 2000 to 4.5 percent in 2002.

OSPB hedges these predictions noting that either an inflation-fighting interest-rate increase or a weakening of the dollar could start a series of events that would constrict consumer spending and result in a national recession.

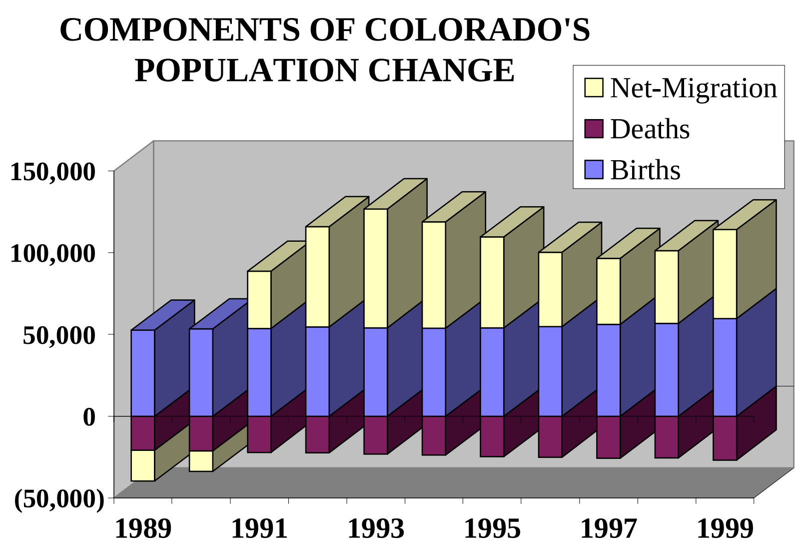
Notwithstanding Colorado's increased diversification and integration with the national economy, its economy has grown much faster than the national average. Colorado was ranked number one among the states in selected economic growth indicators between 1998 and 1999. OSPB cites long-term employment growth and relatively low inflation as the main forces creating Colorado's economic prosperity. The following are some of the signs of the strength of the Colorado economy:

- Nonfarm employment grew 3.6 percent from July 1999 to July 2000.

- Retail sales are up 12.9 percent through July 2000 compared with the first six months of 1999.
- Multi-family construction permits increased 54.8 percent through July 2000 compared with the same period in 1999.
- Unemployment averaged 2.6 percent through July 2000.
- The Denver-Boulder inflation rate was 2.4 and 2.9 percent in 1998 and 1999, respectively.

While these indicators point to a strong economy, inflation increasing to 3.8 percent in the first six months of 2000 and a decline in value of nonresidential construction may signal a future slowing. Although the majority of the inflation increase was related to fuel prices, a generally higher-cost environment is expected to impact Colorado's economy negatively.

OSPB cites a scarcity of labor as the major risk to Colorado's economic expansion. Long-term employment growth has been dependent on two factors of the changing population – births and net migration. Net migration is significant in relation to natural population growth, and it increased again in 1999. However, population increases have been inadequate to prevent the labor scarcity, which is particularly acute in the skilled labor pool. This is significant because sustaining growth and improving per capita income are dependent on the state's ability to continue converting the economy to jobs with higher education and skill requirements.



Construction has been the backbone of Colorado's booming economy during much of the decade. Currently, Colorado is witnessing a mix of infrastructure and private building. In 1999, construction employment increased 10.6 percent at the same time that construction wages were increasing. Multi-family housing permits have increased significantly in 2000. Increases in interest rates and single-family home prices have spurred builders to construct multi-family rental units because first time buyers have been priced out of the housing market. Significant infrastructure borrowing and capital spending by the state will support the construction industry over the next several years.

The scarcity of labor and increases in the cost of business and living have caused OSPB to temper their Colorado economic forecast as follows:

- Nonfarm employment growth will decline from 3.6 percent in 2000 to 2.9 percent in 2001 due to lack of available skilled workers rather than reduced demand for goods.
- Unemployment will increase from 2.8 percent in 2000 to 3.4 percent in 2002.
- Wages and total personal income will increase by 9.6 and 8.9 percent, respectively, in 2000 and approach a growth rate of 7.0 and 6.9 percent, respectively, by 2005.

- Population is expected to increase 2.3 percent in 2000 and slow to a 1.8 percent rate by 2005.
- The Denver-Boulder inflation rate is forecasted to be 3.6 percent in 2000 and then taper off to around 3.0 percent in subsequent years.
- Retail sales are expected to grow 7.9 percent in 2000.

MAJOR GOVERNMENT INITIATIVES

In the 2000 legislative session, the General Assembly enacted several permanent tax reductions to reduce the collection of excess revenues under Article X, Section 20 (TABOR) of the State Constitution. This action followed several similar tax reductions enacted in the 1999 legislative session. The most significant change reduced the income tax rate from 4.75 percent to 4.63 percent, and the Office of State Planning and Budgeting (OSPB) expects this change to reduce revenue by $131.6 million in Fiscal Year 2001-02. The legislature also reduced the sales tax rate from 3.0 percent to 2.9 percent; OSPB expects a $74.7 million impact from this change in Fiscal Year 2001-02. Employers in the state received a 20 percent credit against unemployment insurance taxes that is anticipated to reduce Fiscal Year 2001-02 revenues by $31.9 million. The Legislature passed nine other bills that OSPB estimates will collectively reduce Fiscal Year 2001-02 revenues by $12.7 million. These bills included items such as tax credits to owners of low-income housing and incentives for the clean up and redevelopment of contaminated land.

The Fiscal Year 1999-00 TABOR refund increased 38.5 percent over the prior year to $941.1 million. In the 2000 legislative session, the General Assembly again addressed ways of refunding the excess TABOR revenues by adding thirteen mechanisms to the five established in 1999. As in the case of the original five, the new mechanisms are dependent on the total refund exceeding certain thresholds. These thresholds are significantly below the currently anticipated total refund amounts even after the permanent tax reductions discussed above. Six of the thirteen mechanisms will not have an impact until the Fiscal Year 2000-01 refund is paid in 2002. The remaining seven are estimated to distribute $85.7 million of the current $941.1 million refund. In order of estimated impact those seven mechanisms are:

- Expand the capital gains tax treatment primarily by reducing the holding period from five years to one year ($28.0);
- Provide an income tax credit for the cost of health benefits plans that are not paid by an employer or deducted from Adjusted Gross Income ($22.1);
- Increase the child care tax credit amount and the phase-out thresholds ($22.1);
- Increase the earned income tax credit from 8.5 percent to 10 percent of the federal tax credit ($5.4);
- Provide income tax exempt Individual Development Accounts to fund education, first home purchase, or business capitalization; provide a 25 percent tax credit for charitable contributions of matching funds to the program ($5.0);
- Exempt certain pollution control equipment from state sales and use tax ($2.8);
- For five years, provide an income tax credit equal to the individual tax liability of health care providers living and working in understaffed areas of Colorado ($.3).

The balance of the $941.1 million will be distributed through the previously existing mechanisms of the sales tax refund; the business personal property tax refund; reductions in the taxable amount of interest, dividends, and capital gains; and the earned income tax credit. Even after these off-the-top refunds, the estimated average sales tax refund per adult increased 15.7 percent from $216 to $250.

In November 1999, Colorado voters approved the issuance of $1.7 billion of Transportation Revenue Anticipation Notes (TRANs) to fund the acceleration of specific transportation projects. The Department of Transportation issued $524.36 million of TRANs on June 1, 2000 (See Note IV-B page 75). The department will use future federal transportation revenues and state matching funds to pay the principle and interest on the TRANs. Additional TRANs will be issued as work progresses on the construction projects. In addition, the state continued the diversion of 10% of sales tax receipts from the General Fund to the Highway Fund. During Fiscal Year 1999-00, the state diverted $188.9 million to the Highway Fund.

The State of Colorado participated in a multi-state suit against tobacco companies to recover state expenditures related to smoking illnesses. The General Assembly created a fund in which to deposit proceeds from Colorado's portion of the multi-billion dollar settlement. The Tobacco Litigation Settlement Fund (a Special Revenue Fund) received $67.1 million of settlements and interest earnings in Fiscal Year 1999-00. The Tobacco Litigation Settlement Trust Fund (a Nonexpendable Trust Fund) received $50.9 million from the same sources. None of the funds were expended in Fiscal Year 1999-00, although, the legislature approved several programs that will use portions of the settlement in subsequent fiscal years. One such program is the Read-to-Achieve Program, which provides an intensive literacy program for students in the third grade of elementary school.

The General Assembly enacted a bill to provide a funding mechanism through Fiscal Year 2010-11 for local school construction and renovation. The act provides for an initial appropriation of $5 million with annual increases of $5 million until the annual appropriation equals $20 million. However, these appropriations are made contingent upon there being an $80 million reserve in the general fund after the following general fund obligations are met:

- Constitutional, statutory, and annual appropriations;
- Diversion of ten percent of sales and use tax to the Highway Users Tax Fund;
- Transfers to the state Capital Projects Fund;
- Transfers to the Controlled Maintenance Trust Fund;
- Any excess-revenue refunds required by Article X, Section 20 of the State Constitution;
- Statutory reserve of four percent of annual appropriations.

The act requires the State Board of Education to approve and prioritize local school district projects; the Capital Development Committee is then required to determine the number of prioritized projects to be funded from the remaining available cumulative appropriations. The bill also authorized the state treasurer to make loans to local school districts for approved capital construction projects.

The Colorado Travel and Tourism Authority and the Colorado Student Obligation Bond Authority became state agencies as a result of bills enacted by the legislature in the 2000 session. The Colorado Travel and Tourism Authority was previously reported as a component unit, and the Colorado Student Obligation and Bonding Authority was previously reported as a related party. Both agencies will be reported as state agencies in the Fiscal Year 2000-01 Comprehensive Annual Financial Report.

BUDGETARY CONTROLS AND ACCOUNTING SYSTEMS

The annual budget of the state for ongoing programs, except for federal and custodial funds, is enacted by the General Assembly. New programs are funded for the first time in the enabling legislation and continued through the Long Appropriations Act in future periods. For the most part, appropriations lapse at the end of the fiscal year unless extenuating circumstances prompt the state controller approves an appropriation roll-forward. Capital construction appropriations are normally effective for three years.

The state records the budget in its accounting system along with federal awards and custodial funds of the various departments. Encumbrances are also recorded and result in a reduction of the budgeted spending authority. Encumbrances represent the estimated amount of expenditures that will be incurred when outstanding purchase orders, contracts, or other commitments are fulfilled. Open encumbrances in the General Fund are not reported as a reservation of fund balance unless the related appropriations are approved for roll-forward to the subsequent fiscal year. Fund balance is reserved for open encumbrances that represent legal or contractual obligations in the Capital Projects Fund and the Department of Transportation's portion of the Special Revenue Fund.

The state's financial records for governmental type funds are accounted for on a modified accrual basis with the revenues recorded when available and measurable, while expenditures are recorded when goods or services are received or a liability is expected to be liquidated from current available resources. The state maintains proprietary and fiduciary fund type accounting records on the full accrual basis. That is, revenues are recorded when earned, and expenses, including depreciation, are recorded when incurred.

In developing the state's accounting system, consideration has been given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition. Those controls also assure the reliability of financial records for preparing financial statements and maintaining the accountability for assets.

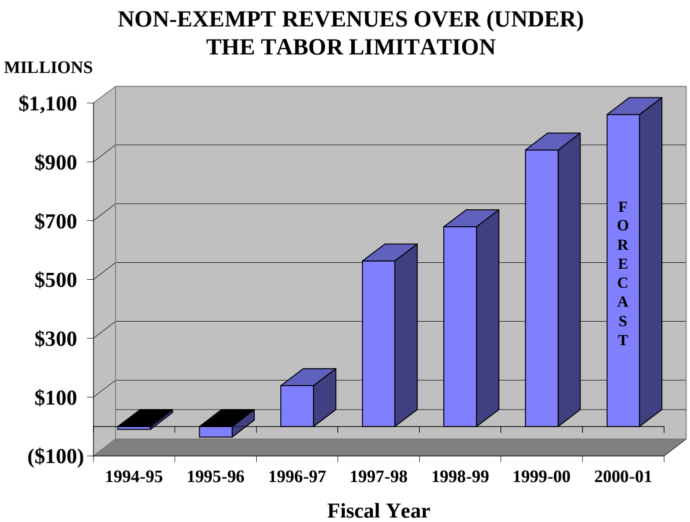
The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control. The evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. We believe that the state's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

FINANCIAL OVERVIEW

Fiscal Year 1999-00 is the seventh year of state operations under the TABOR revenue limitations (Article X, Section 20 of the State Constitution). With certain exceptions, the rate of growth of state revenues is limited to the combination of the percentage change in the state's population and inflation based on the Denver-Boulder CPI-Urban index. The exceptions include federal funds, gifts and donations, sales of property, refunds, damage recoveries, and transfers.

Revenues collected in excess of the limitation must be returned to the citizens unless a vote at the annual election in November allows the state to retain the surplus. TABOR also limits the General

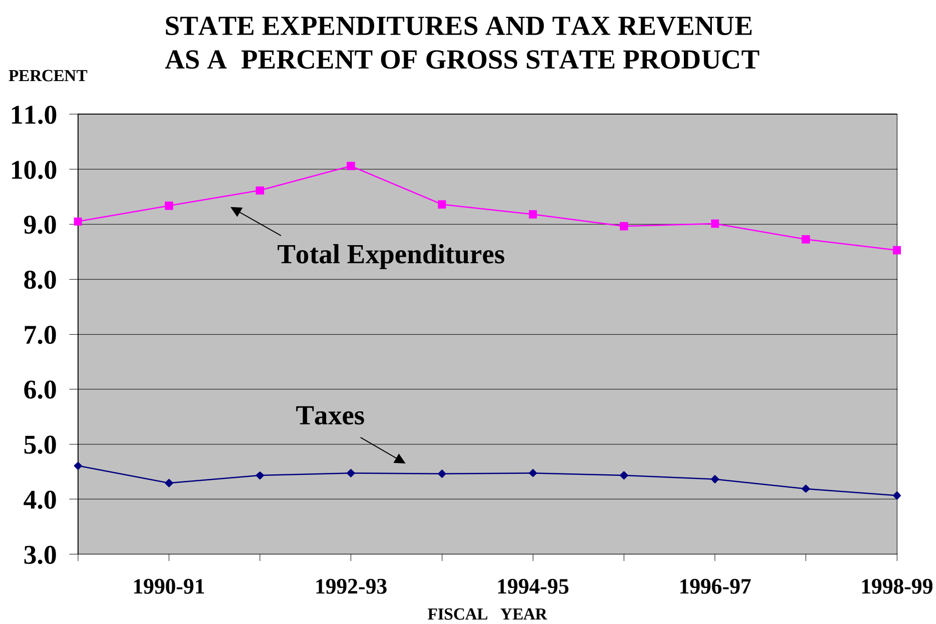
Assembly's ability to raise taxes and borrow money. With the exception of a declared emergency, taxes can only be raised by a vote of the people at the annual election. Multiple year borrowings can only be undertaken after approval by a vote of the people at the annual election.



In the first three years of operation under TABOR, the state did not exceed the revenue limitation. In Fiscal Years 1999-00, 1998-99, 1997-98, and 1996-97, state revenues exceeded the TABOR limitation by $941.1, $679.6, $563.2, and $139.0 million, respectively. The state recorded a liability in the General Fund at June 30 for these amounts in each fiscal year. See Note II-D – Tax, Spending, and Debt Limitations in the notes to the financial statements for additional details.

Notwithstanding the tax reductions discussed above, the Office of State Planning and Budgeting forecasts revenues greater than the TABOR amendment allows. It should be noted that the Fiscal Year 2000-01 TABOR revenue limitation is 6.5 percent below the pre-refund actual revenues for Fiscal Year 1999-00.

TABOR controls state revenues by limiting their growth to the sum of inflation plus population increases. If, however, the state's economy grows at a rate above the percentage change in inflation and population then state revenues become a smaller percentage of Gross State Product (GSP). The chart at left shows the trend of state expenditures and tax revenues as a portion of GSP. This chart demonstrates several important points:



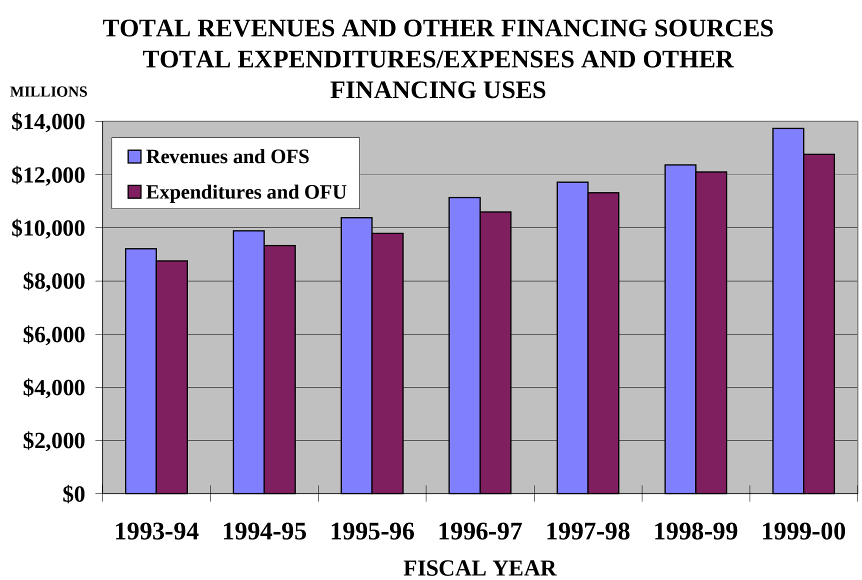
- State expenditures as a portion of GSP expand and contract even when tax revenues remain stable.
- Over the period covered by the graph, state tax revenues have remained between 4.06 and 4.61 percent of GSP. Federal revenues, which are primarily grants, and cash revenues, which are primarily exchanges for goods or services, funded most of the variation in state expenditures.

- The increase in total expenditure percentage between 1990 and 1993 was primarily the result of healthcare inflation under the Medicaid mandate and distributions to school districts to relieve local property tax burdens. The former was funded partially by federal revenue and partially by general-purpose tax revenue, while the latter was funded primarily by general-purpose tax revenues. Neither required a tax increase.
- General tax revenue at 4.06 percent of GSP is at its lowest level in the period covered by the chart.

It is anticipated that state tax revenues will continue to decline relative to the GSP as long as the state's economy continues its expansion. If the economy were to contract abruptly, state revenues could rise as a percentage of the GSP in the short term. However, without a tax increase or retention of the TABOR surplus (both require a vote of the people), the long-term trend would remain downward.

The current combined balance sheet for the state's primary government shows total assets of $15,118 million and liabilities of $4,678 million. Under current accounting principles, this difference of $10,440 million is the financial equity that the citizens of Colorado have in their state government. The state's current accounting practices do not include the recording of infrastructure on the state's books. Thus, the recorded equity is exclusive of such assets as highways, bridges, and parks. Similarly, there is no recording of the estimated cost to maintain those assets.

Total revenues and other financing sources for the primary government, excluding operating transfers-in and excess TABOR revenues, were $13,738 million and $12,355 million in Fiscal Years 1999-00 and 1998-99, respectively. In Fiscal Year 1999-00, the amount shown includes bond proceeds of $524.4 million from Transportation Revenue Anticipation Notes (TRANs) issued by the Department of Transportation. Total expenditures/expenses and financing uses, excluding operating transfers-out were $12,762 million and $12,092 million for each of the same periods.



For Fiscal Year 1999-00, various fund equity accounts changed from the beginning of the fiscal year due to differences between revenues, other financing sources, transfers-in, and expenditures, other financing uses, and transfers-out. The equity of the governmental fund types increased by $438.0 million primarily due to a $88.6 million decline in the General Fund, a $696.4 million increase in the Special Revenue Fund, and a $170.8 million decrease in the Capital Projects Fund. The General Fund decline was related to a $261.5 million increase in the TABOR refund. The increase in the Special Revenue Fund was primarily related to the issuance of the TRANs mentioned above and increases in tax, license, permits, and fines revenue of the Highway Users Tax Fund. The Special Revenue Funds also increased by $67 million due to receipts of the Tobacco Litigation Settlement Fund. The decrease in the Capital Projects Fund was the result of project expenditures exceeding transfers-in from the General Fund. The combined fund equities of the colleges and universities increased by $404.8 million primarily related to increases in capital assets recorded in the Plant Funds, and increased endowments. In addition, Higher Education tuition and fees and transfers from the state exceeded increases in spending. The Trust Fund equity increased by $291.0 million. These funds are not available for state programs, and several factors contributed to the increase including:

- $120 million increase in investments held for the Colorado Compensation Insurance Authority in an Investment Trust Fund,
- $51 million of receipts of the new Tobacco Litigation Settlement Trust Fund,
- $38 million increase in the Deferred Compensation Plan,
- $68 million increase in the Unemployment Insurance Trust Fund.

GENERAL FUND ACTIVITIES

The General Fund is the focal point in determining the state's financial position. This fund accounts for all revenues and expenditures that are not required by law to be accounted for in other funds. Revenues of the General Fund consist of two broad categories, general-purpose revenues and augmenting revenues. General-purpose revenues are taxes, fines, and other similar sources that are raised without regard to how they will be spent. Augmenting revenues consist of federal funds, transfers-in, cash fees and charges, or specific user taxes. Augmenting revenues are usually restricted as to how they can be spent.

In the CAFR, all statements depicting the General Fund in the General Purpose Financial Statements Section include general purpose and augmenting revenues and the related expenditures. The *Schedule of Revenues, Expenditures, and Changes in General Fund Surplus – Budget and Actual,* presented in the Combining Financial Statements and Schedules Section, includes only the general-purpose revenues and expenditures supported by those revenues. Therefore, we use the General Fund Surplus Schedule to discuss budget variances (see page 91).

The revised budget frequently varies from the original budget for several reasons. The departments submit their request for original budget about eight months in advance of the fiscal year. Therefore, conditions may have changed during the time the legislature evaluates and finalizes the original budget. In addition, mandated programs may have overruns beyond the department's control. When such overruns are anticipated, the legislature may enact a supplemental bill increasing the department's budget. Supplemental bills may also reduce a department's budget. In Fiscal Year 1999-00, the following significant variances occurred between original and revised general fund budget.

- The Department of Corrections revised budget was $4.9 million more than the original budget due to a supplemental appropriation to pay for state prisoners temporarily held in local jails because state facilities were not available.
- The Governor's Office revised budget exceeded the original budget by $2.3 million due to a supplemental appropriations for the replacement of embedded computer chips in state

electronic systems. In addition, the Governor's Office budget was increased to continue funding of the New Century Colorado program which is charged with finding ways to improve the efficiency and effectiveness of state government.

- The Department of Health Care Policy and Financing revised budget exceeded the original budget by $24.3 million due to a $20.8 million legislative supplemental and $4.5 million budget transfer from the Department of Human Services for Medicaid matching funds. The Medicaid program expenditures are mandated for the receipt of related federal funds.
- The Department of Human Services original budget exceeded the revised budget by $7.8 million primarily due to the above mentioned $4.6 million transfer to the Department of Health Care Policy and Financing for Medicaid matching funds. The department's original budget was also reduced by a legislative supplemental reduction of $2.9 million.

In Fiscal Year 1999-00, the following significant variances occurred between the revised General Fund budget and the actual expenditures:

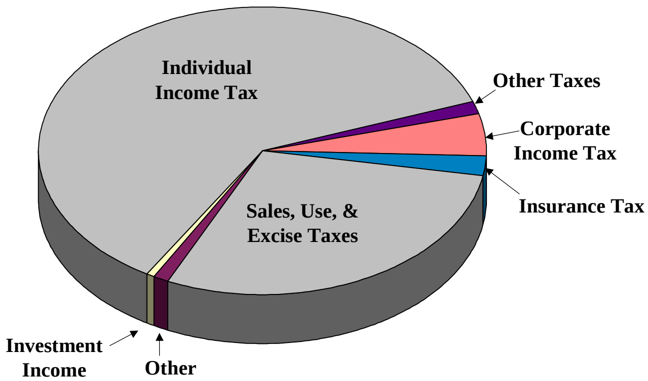
- The Department of Health Care Policy and Financing general fund expenditures related to Medicaid costs exceeded the revised budget by $23.4 million. In the 2000 legislative session, the legislature provided funds to cover a portion of this overexpenditure by retroactively appropriating $7.4 million in the Fiscal Year 1998-99 budget. This appropriation was the amount by which the expenditures of the program were under-estimated in Fiscal Year 1998-99. The balance of the overexpenditure occurred because Medicaid is an entitlement program, and the department is required to pay for the services provided to qualified clients. Because of this, the department is statutorily allowed unlimited Medicaid overexpenditures.
- The Department of Human Services revised budget exceeded the related general fund expenditures by $2.2 million. This variance is the aggregation of multiple budget line items that were underspent – the largest of which was $751,045 in the county contingency line item. This line item is budgeted for unanticipated costs in county social services programs that the department funds.
- The Judicial Branch revised budget exceeded related expenditures by $2.7 million. Approximately $1.0 million of this reversion relates to unexpended amounts originally appropriated for furnishings at county courthouses. The balance of the reversion was spread over many appropriated lines – none of which was individually significant.
- The Department of Revenue revised budget exceeded related expenditures by $2.3 million. The largest single portion of this variance ($.63 million) occurred because the anticipated distributions of cigarette taxes to local taxing districts were lower than expected. In addition, a program to automate driver's license documents was delayed. Several programs in the department experienced lower than expected costs because the tight job market and early retirement incentives cause an unusually high number of employee positions to remain unfilled.

In Fiscal Year 1997-98, the state began allocating 10 percent of the General Fund sales and use tax revenues to the Highway Users Tax Fund (HUTF). These revenues, which amounted to $188.9

million, $170.4 million, and $154.6 million in Fiscal Years 1999-00, 1998-99, and 1997-98 respectively, are no longer recorded as general-purpose revenues.

General-purpose revenues for Fiscal Years 1999-00 and 1998-99 were $6,115 million and $5,623 million, respectively, on the budgetary basis. Sales, use and excise taxes increased by $147.0 million or 9.0 percent, and individual income taxes increased by $391.5 million or 11.8 percent. These increases demonstrate the continued strength of the Colorado economy and related increases in personal income. Other Revenues decreased by $59.7 million or 45.0 percent due to a change in the state's Medicaid Disproportionate Share Hospital program. Formerly, the hospitals provided revenue that the state used as a match for federal Medicaid expenditures; however, that revenue is no longer received under the change to the program.

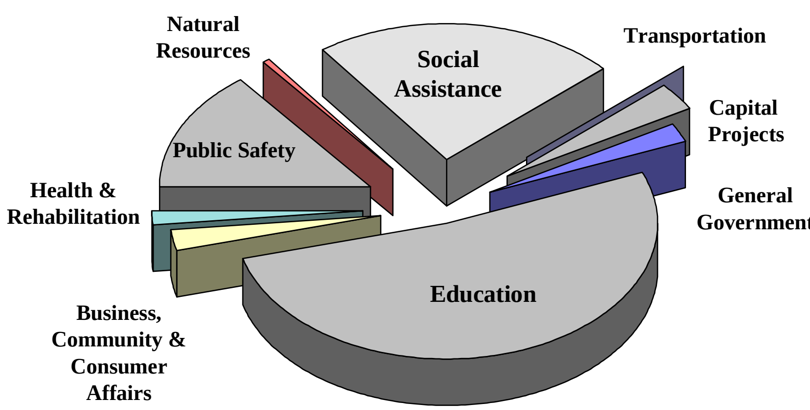
GENERAL PURPOSE REVENUES BY SOURCE



On the budgetary basis and excluding the TABOR refund, total expenditures and transfers-out funded from general-purpose revenues during Fiscal Years 1999-00 and 1998-99 were $5,318.0 million and $5,279.1 million, respectively (see page 91). The total annual increase in general funded expenditures is limited to six percent over the previous year with certain adjustments. The primary adjustments are for changes in federal mandates and lawsuits against the state. This limitation is controlled through the legislative budget process.

The Departments of Education, Health Care Policy and Financing, Higher Education, and Human Services accounted for approximately 79.4 percent of all Fiscal Year 1999-00 general funded expenditures. Of the departments with substantial general funded expenditures, the Department of Local Affairs had the largest annual percentage increase over the previous year at 26 percent. This increase resulted from an appropriation and related expenditures of approximately $5 million for the promotion of tourism in Colorado. The Department of Local Affairs also increased its spending by $1.3 million on the Colorado Affordable Housing Construction Grants and Loans program.

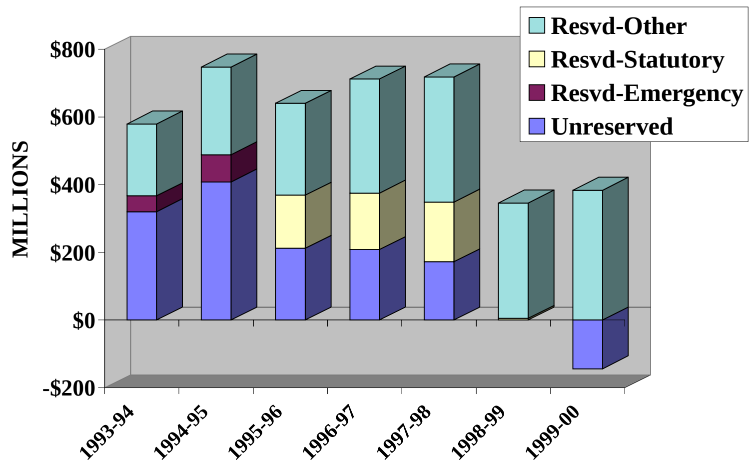
EXPENDITURES BY FUNCTION FROM GENERAL PURPOSE REVENUES



The Department of Corrections and the Department of Public Safety also had significant increases of 12.7 percent each. In the Department of Corrections, the increase represents the cost of additional staffing and operations at new prisons. In the Department of Public Safety, two programs had significant variances. The Colorado Bureau of Investigation Instacheck Program, which provides background checks on individuals purchasing firearms, was reinstated in Fiscal Year 1999-00 and funded from general-purpose revenues. The Community Corrections Program, which provides an alternative to incarceration in a state prison for lower risk offenders, had higher average daily population in Fiscal Year 1999-00 than in previous years. Consequently, the costs associated with this program were higher.

The "Unreserved – Undesignated" title, in the fund equity section of the General Fund on the *Combined Balance Sheet – All Fund Types and Account Groups*, normally represents the accumulated unexpended net general-purpose revenues. For the current fiscal year, the amount shown is a negative $143.9 million. This deficit is primarily the result of the $261.5 million increase in the TABOR refund, which for GAAP purposes is recognized in the year the excess revenues are collected or accrued. The cumulative unexpended net augmenting revenues are represented as "Reserved for Other Specific Purposes." Augmenting revenues of the General Fund were $2,524 million and $2,234 million in Fiscal Year 1999-00 and 1998-99, respectively. Federal grants and contracts made up 86.4 percent and 87.1 percent of this amount in each respective fiscal year. The remainder is cash funds, which consist of revenues of specific programs that are statutorily restricted.

GENERAL FUND FUND BALANCE



During Fiscal Years 1993-94 and 1994-95 a portion of the General Fund fund balance was reserved for emergencies as required by Article X, Section 20 (TABOR) of the State Constitution. Beginning with Fiscal Year 1995-96, a portion of the fund balance of the Controlled Maintenance Trust Fund is designated by the legislature as the TABOR emergency reserve.

Beginning in Fiscal Year 1995-96, the state controller reserved an amount equal to the statutorily required four percent of General Fund appropriation. Before that, the four-percent reserve was determined during the appropriation process but was not formally recognized in the financial statements. In Fiscal Year 1998-99, the required reserve was $200.37 million; however, no funds were available for this reserve on the generally accepted accounting principle basis. Legal compliance was achieved on the budgetary basis because the Fiscal Year 1999-00 TABOR refund of $941.13 million will not be recognized until it is paid in Fiscal Year 2000-01.

PROPRIETARY OPERATIONS

Proprietary type funds are accounted for using the full accrual basis of accounting, as would a private business. Their operations have many of the attributes of a business in that their revenue relates to the provision of goods or services to the state or to the public. Capital investments of these operations are recorded within the fund and depreciation is recorded using methods similar to private enterprise. Proprietary funds consist of enterprise funds that provide services to the citizens of the state, and internal service funds that provide services to the state government.

The Telecommunications Fund, an internal service fund, received $856,912 of fixed assets funded by the Capital Construction Fund. A portion of the fixed assets ($552,131) were transferred but not recorded in a prior year, and therefore, the amount is shown as a prior period adjustment on the *Statement of Revenues, Expenses, and Changes in Fund Equity – All Proprietary Fund Types and Similar Trust Funds.*

Total fund equity for the proprietary funds at June 30, 2000 and June 30, 1999, was $115.5 million and $118.0 million, respectively – a decrease of $2.5 million. Operating revenues for the proprietary operations were $690.0 million for Fiscal Year 1999-00 and $701.4 million for Fiscal Year 1998-99. Operating expenses were $602.5 million and $609.5 million, respectively. During Fiscal Year 1999-00, the major transfers from the Lottery Fund were $35.8 million to the Conservation Trust Fund and $8.9 million to the Wildlife Fund. In addition, the Lottery Fund distributed $43.5 million of net proceeds to the Great Outdoors Colorado Trust Fund, a constitutionally created public authority.

DEBT ADMINISTRATION

The State Constitution prohibits the state from incurring any general obligation debt. However, the state issues revenue anticipation notes to meet short-term cash needs and certificates of participation under a master lease agreement to finance some capital projects. In addition, many higher education institutions have issued bonds and notes with revenues pledged from specific user payments to retire these bonds and notes. On June 1, 2000, The Colorado Department of Transportation issued Transportation Revenue Anticipation Notes, Series 2000 (TRANs) in the amount of $524.4 million. The TRANs are payable solely from certain federal and state funds annually allocated by the State Transportation Commission. Before the November 1999 vote, the Colorado Supreme Court determined that the TRANs do not constitute general obligation debt of the state. Additional information is provided in the footnotes to the general-purpose financial statements and the statistical section of this report.

RISK MANAGEMENT

The state self-insures its agencies, officials, and employees against the risk of loss related to general liability, motor vehicle liability, workers' compensation, and medical claims. The state uses the General Fund and the General Long-Term Debt Account Group to account for the risk management function including operations and all claims or judgments except employee medical claims. (See Notes I-E, IV-C, and IV-E to the General Purpose Financial Statements). Medical claims for officials and employees are managed through the State Employees and Officials Insurance Fund, an internal service fund. Property claims are not self-insured, as the state has purchased insurance. The Regents of the University of Colorado are self-insured for workers' compensation, auto, general, and property liability. (See Note IV-E to the General Purpose Financial Statements.)

CASH MANAGEMENT

Statutes permit the state treasurer to invest cash not immediately needed to pay obligations of the state. These investments may consist of obligations of the United States, commercial paper of prime quality, repurchase agreements, bank acceptance agreements, and other investment instruments. The state treasurer also invests the funds of the Colorado Water Resources and Power Development Authority, a component unit, and the Great Outdoors Colorado Trust Fund. At June 30, 2000, the state treasurer held the following investments at fair value:

Investment Type	Amount in Millions
United States Treasury and Agencies	$ 1,690.6
Asset Backed Securities	834.2
Corporate Bonds	801.9
Commercial Paper	417.3
Mortgages	381.6
Bankers' Acceptance	21.8
Total	$ 4,147.4

Included above is $742.4 million belonging to the Colorado Compensation Insurance Authority that the state treasurer maintains in a separate investment trust fund. The financial statements of that fund are included in this report.

INDEPENDENT AUDIT

The audit of the General Purpose Financial Statements was performed by the state auditor. The opinion of the auditor is on page 28 of this report preceding the financial statements. Besides an audit of the statewide financial statements, the auditor will from time to time audit the financial statements and operations of various departments and institutions within state government.

In 1996, the United States Congress amended the Single Audit Act of 1984. The amended act clarifies the state's and the auditor's responsibility for ensuring that federal moneys are used and accounted for properly. Under the requirements of this act, transactions of major federal programs are tested. The state prepares a Schedule of Expenditures of Federal Awards for inclusion in the state auditor's Statewide Single Audit Report. The state auditor issues reports on the schedule, the financial statements, internal controls, and compliance with the requirements of federal assistance programs.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Colorado for its comprehensive annual financial report for the fiscal year ended June 30, 1999. This was the third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

In conclusion, I thank my staff and the staffs of all the state departments and institutions whose time and dedication have made this report possible. I reaffirm our commitment to maintaining the highest standards of accountability in financial reporting.

Sincerely,

Arthur L. Barnhart

Arthur L. Barnhart
State Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Colorado

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Anne Spray Kinney
President

Jeffrey L. Esser
Executive Director

Org chart

FINANCIAL SECTION

STATE OF COLORADO

J. DAVID BARBA, CPA
State Auditor

OFFICE OF THE STATE AUDITOR
(303) 866-2051
FAX (303) 866-2060

Legislative Services Building
200 East 14th Avenue
Denver, Colorado 80203-2211

October 17, 2000

Independent Auditor's Report

Members of the Legislative Audit Committee:

We have audited the general purpose financial statements of the State of Colorado, as of and for the year ended June 30, 2000. These general purpose financial statements are the responsibility of the State of Colorado's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Colorado, as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Colorado. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The introductory section, graphic presentation, and statistical section were not audited by us and, accordingly, we do not express an opinion on them.

J. David Barba

GENERAL PURPOSE FINANCIAL STATEMENTS

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS AT JUNE 30, 2000
AND DISCRETELY PRESENTED COMPONENT UNITS

(DOLLARS IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS:				
Cash and Pooled Cash	$ 991,329	$1,279,053	$ 122	$432,629
Taxes Receivable, net	772,121	80,282	-	-
Other Receivables, net	82,683	21,176	26	4,357
Due From Other Governments	268,303	149,626	341	2,245
Due From Other Funds	51,790	22,220	-	629
Inventories	8,650	6,918	-	-
Prepaids, Advances, and Deferred Charges	52,206	367	-	2,706
Investments	909	142,548	5,253	-
Property, Plant and Equipment, net	-	-	-	-
Other Long-Term Assets	7,432	145,974	-	194
Amount Available in Debt Service Fund	-	-	-	-
Amount To Be Provided For Retirement Of				
Long-Term Obligations: From State Sources	-	-	-	-
From Federal Revenues	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	$2,235,423	$1,848,164	$ 5,742	$442,760
LIABILITIES:				
Tax Refunds Payable	$ 419,920	$ 510	$ -	$ -
Accounts Payable and Accrued Liabilities	361,833	122,071	-	36,695
TABOR Refund Liability (See Note II-D)	941,129	-	-	-
Due To Other Governments	95,153	68,582	-	739
Due To Other Funds	39,926	43,967	-	3,137
Deferred Revenue	79,236	30,184	-	348
Deposits Held In Custody For Others	11,131	25	-	-
Other Current Liabilities	29,699	13,287	-	113
Capital Lease Obligations	-	-	-	-
Notes and Bonds Payable	-	-	-	-
Accrued Compensated Absences	-	-	-	-
Other Long-Term Liabilities	245	6	-	-
TOTAL LIABILITIES	1,978,272	278,632	-	41,032
FUND EQUITY AND OTHER CREDITS:				
Investment in Fixed Assets	-	-	-	-
Contributed Capital	-	-	-	-
Retained Earnings	-	-	-	-
Fund Balances:				
Reserved For:				
Encumbrances	10,041	701,149	-	132,013
Other Specific Purposes	383,472	453,831	5,742	2,826
Long-Term Assets and Long-Term Receivables	7,548	146,168	-	194
Statutorily Specified Amounts (See Note I-M)	-	-	-	-
Unreserved:				
Designated	-	-	-	262,428
Undesignated	(143,910)	268,384	-	4,267
TOTAL FUND EQUITY AND OTHER CREDITS	257,151	1,569,532	5,742	401,728
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	$2,235,423	$1,848,164	$ 5,742	$442,760

See accompanying notes to the financial statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS			MEMORANDUM ONLY	
ENTERPRISE	INTERNAL SERVICE	TRUST & AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	COLLEGE AND UNIVERSITY FUNDS	TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS
$ 83,898	$20,522	$1,147,178	$ -	$ -	$ 315,449	$ 4,270,180	$ 104,625
-	-	133,507	-	-	-	985,910	6,061
13,461	108	32,570	-	-	180,728	335,109	70,596
6,829	43	728	-	-	46,604	474,719	27,718
563	783	45,737	-	-	36,195	157,917	17,407
12,555	575	10	-	-	24,858	53,566	4,936
697	246	-	-	-	22,509	78,731	1,573
239	-	1,734,398	-	-	496,842	2,380,189	540,898
34,066	57,938	13,268	1,849,389	-	3,300,430	5,255,091	419,286
778	-	17,473	-	-	6,166	178,017	426,656
-	-	-	-	5,742	-	5,742	-
-	-	-	-	680,907	-	680,907	-
-	-	-	-	262,180	-	262,180	-
$ 153,086	$80,215	$3,124,869	$ 1,849,389	$ 948,829	$ 4,429,781	$ 15,118,258	$1,619,756
$ -	$ -	$ 903	$ -	$ -	$ -	$ 421,333	$ -
7,980	4,018	28,231	-	-	160,760	721,588	80,363
-	-	-	-	-	-	941,129	-
5,455	-	165,839	-	-	-	335,768	126,710
18,011	3,740	17,549	-	-	31,587	157,917	17,407
2,192	10,734	6,635	-	-	84,826	214,155	755
7	-	140,904	-	-	22,587	174,654	-
16,467	13,773	11,164	-	-	8,688	93,191	24,067
645	27,995	51	-	29,388	113,189	171,268	-
2,210	-	-	-	524,360	346,007	872,577	658,140
3,110	1,130	221	-	112,275	85,207	201,943	5,899
115	207	58,539	-	282,806	30,570	372,488	3,328
56,192	61,597	430,036	-	948,829	883,421	4,678,011	916,669
-	-	-	1,849,389	-	2,515,005	4,364,394	-
24,080	9,719	-	-	-	-	33,799	118,812
72,814	8,899	-	-	-	-	81,713	234,246
-	-	-	-	-	-	843,203	-
-	-	2,435,925	-	-	857,508	4,139,304	113,247
-	-	8,060	-	-	-	161,970	-
-	-	226,911	-	-	-	226,911	-
-	-	23,931	-	-	166,744	453,103	-
-	-	6	-	-	7,103	135,850	236,782
96,894	18,618	2,694,833	1,849,389	-	3,546,360	10,440,247	703,087
$ 153,086	$80,215	$3,124,869	$ 1,849,389	$ 948,829	$ 4,429,781	$ 15,118,258	$1,619,756

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 2000 AND DISCRETELY PRESENTED COMPONENT UNITS

(DOLLARS IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
REVENUES:				
Taxes (See Note II-D)	$5,098,543	$ 819,897	$ -	$ -
Licenses, Permits, and Fines	147,251	331,394	-	145
Charges for Goods and Services	105,203	11,768	-	-
Investment Income	49,956	46,659	231	33,665
Federal Grants and Contracts	2,264,386	387,309	-	7,380
Other	132,079	45,056	800	2,677
TOTAL REVENUES	7,797,418	1,642,083	1,031	43,867
EXPENDITURES:				
Current:				
General Government	205,885	7,273	-	-
Business, Community and Consumer Affairs	204,537	19,488	-	-
Education	67,874	6,037	-	-
Health and Rehabilitation	425,693	7,682	-	-
Justice	719,198	52,015	-	-
Natural Resources	61,822	68,048	-	-
Social Assistance	2,152,077	-	-	-
Transportation	1,117	956,403	-	-
Capital Outlay	36,549	38,601	-	148,217
Intergovernmental:				
Cities	43,671	122,483	-	2,449
Counties	888,834	171,996	-	60
School Districts	2,256,795	454	-	-
Special Districts	57,058	14,659	-	442
Federal	2,669	541	-	274
Other	35,350	5,553	-	598
Deferred Compensation Distributions	-	-	-	-
Debt Service	78	-	5,356	-
TOTAL EXPENDITURES	7,159,207	1,471,233	5,356	152,040
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	638,211	170,850	(4,325)	(108,173)
OTHER FINANCING SOURCES (USES):				
Operating Transfer-In	152,822	63,637	5,356	211,727
Operating Transfer-Out	(883,398)	(81,908)	-	(274,649)
Proceeds of Bond Issuance	-	535,799	-	-
Capital Lease Proceeds	3,775	37	-	-
Advances from Private or Public Sources	-	-	-	267
TOTAL OTHER FINANCING SOURCES (USES)	(726,801)	517,565	5,356	(62,655)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(88,590)	688,415	1,031	(170,828)
FUND BALANCE, FISCAL YEAR BEGINNING	345,741	873,117	4,711	572,556
Prior Period Adjustment (See Note III-M)	-	8,000	-	-
FUND BALANCE, FISCAL YEAR END	$ 257,151	$1,569,532	$ 5,742	$401,728

See accompanying notes to the financial statements.

FIDUCIARY FUND TYPES EXPENDABLE TRUST	MEMORANDUM ONLY TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS
$ 197,703	$ 6,116,143	$ -
26,134	504,924	-
1,086	118,057	-
113,302	243,813	2,577
13,991	2,673,066	-
39,656	220,268	-
391,872	9,876,271	2,577
2,715	215,873	-
166,708	390,733	-
327	74,238	-
393	433,768	-
4,646	775,859	-
172	130,042	-
1	2,152,078	-
-	957,520	-
123	223,490	-
23,871	192,474	-
13,212	1,074,102	-
195	2,257,444	-
4,144	76,303	-
2	3,486	-
19,760	61,261	-
16,749	16,749	-
35	5,469	-
253,053	9,040,889	-
138,819	835,382	2,577
35,890	469,432	-
(48,964)	(1,288,919)	(2,598)
-	535,799	-
-	3,812	-
-	267	-
(13,074)	(279,609)	(2,598)
125,745	555,773	(21)
1,163,103	2,959,228	42,630
-	8,000	-
$ 1,288,848	$ 3,523,001	$ 42,609

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS BUDGET AND ACTUAL - GENERAL FUNDED FOR THE YEAR ENDED JUNE 30, 2000

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Sales and Other Excise Taxes			$1,774,869	
Income Taxes			4,007,436	
Other Taxes			195,883	
Federal Grants and Contracts			383	
Sales and Services			1,056	
Interest Earnings			79,322	
Medicaid Provider Revenues			7,131	
Other Revenues			45,151	
Transfers-In			214,524	
TOTAL REVENUES AND TRANSFERS-IN			6,325,755	
EXPENDITURES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Agriculture	$ 8,305	$ 8,462	8,201	$ 261
Corrections	378,367	383,274	381,669	1,605
Education	2,040,800	2,041,216	2,038,082	3,134
Governor	4,818	8,622	7,843	779
Health Care Policy and Financing	904,124	929,723	952,928	(23,205)
Higher Education	715,748	716,297	715,749	548
Human Services	460,458	452,795	448,973	3,822
Judicial Branch	196,960	197,226	194,442	2,784
Law	9,724	11,532	9,949	1,583
Legislative Branch	26,929	27,596	25,442	2,154
Local Affairs	38,355	40,864	37,747	3,117
Military Affairs	4,110	4,119	3,800	319
Natural Resources	29,538	29,133	28,725	408
Personnel	16,020	16,126	14,978	1,148
Public Health and Environment	23,829	23,762	23,731	31
Public Safety	49,793	49,799	49,484	315
Regulatory Agencies	1,927	1,927	1,919	8
Revenue	169,531	168,959	166,580	2,379
Transportation	302	302	203	99
Treasury	30,905	30,983	30,953	30
Fiscal Year 1998-99 TABOR Refund (Notes II-A, II-D)	686,300	679,634	679,634	-
SUB-TOTAL OPERATING BUDGETS	5,796,843	5,822,351	5,821,032	1,319

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS BUDGET AND ACTUAL - GENERAL FUNDED FOR THE YEAR ENDED JUNE 30, 2000 (Continued)

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
Capital and Multi-Year Budgets:				
Departmental:				
Agriculture	3,825	3,499	919	2,580
Corrections	12,175	133,348	77,729	55,619
Education	666	10,203	2,804	7,399
Governor	-	11,380	6,471	4,909
Health Care Policy and Financing	-	8,517	36	8,481
Higher Education	159,711	347,201	184,898	162,303
Human Services	18,828	67,679	28,352	39,327
Judicial Branch	871	597	25	572
Law	98	98	9	89
Legislative Branch	-	346	346	-
Local Affairs	1,547	3,176	132	3,044
Military Affairs	784	2,470	545	1,925
Natural Resources	1,686	-	-	-
Personnel	46,297	64,281	35,199	29,082
Public Health and Environment	3,000	8,210	2,767	5,443
Public Safety	9,040	14,672	4,770	9,902
Regulatory Agencies	-	4	4	-
Revenue	-	6,017	1,179	4,838
Transportation	53,858	91,418	44,785	46,633
Budgets/Transfers Not Booked by Department	175,492	175,492	175,492	-
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	487,878	948,608	566,462	382,146
TOTAL EXPENDITURES AND TRANSFERS-OUT	$6,284,721	$6,770,959	6,387,494	$ 383,465
EXCESS OF REVENUES AND TRANSFERS-IN OVER (UNDER) EXPENDITURES AND TRANSFERS-OUT			$ (61,739)	

See accompanying notes to the financial statements.

COMBINED STATEMENT OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES IN FUND BALANCES/EQUITY - BUDGETARY BASIS BUDGET AND ACTUAL - CASH FUNDED FOR THE YEAR ENDED JUNE 30, 2000

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Sales and Other Excise Taxes			$ 719,909	
Other Taxes			417,354	
Tuition and Fees			520,075	
Sales and Services			837,781	
Interest Earnings			204,729	
Other Revenues			1,338,784	
Transfers-In			3,789,765	
TOTAL REVENUES AND TRANSFERS-IN			7,828,397	
EXPENDITURES/EXPENSES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Agriculture	$ 19,230	$ 19,249	17,820	$ 1,429
Corrections	50,228	48,059	42,309	5,750
Education	1,965,253	1,946,205	1,938,539	7,666
Governor	10,170	11,133	6,446	4,687
Health Care Policy and Financing	87,280	100,505	100,722	(217)
Higher Education	1,399,065	1,399,250	1,326,083	73,167
Human Services	672,535	263,248	235,120	28,128
Judicial Branch	42,910	44,029	41,472	2,557
Labor and Employment	221,153	221,226	215,509	5,717
Law	21,034	21,365	19,353	2,012
Legislative Branch	2,724	4,849	2,020	2,829
Local Affairs	108,948	124,124	72,081	52,043
Military Affairs	810	810	755	55
Natural Resources	247,071	243,283	152,265	91,018
Personnel	285,287	280,992	261,008	19,984
Public Health and Environment	56,795	57,224	51,072	6,152
Public Safety	79,770	80,032	77,542	2,490
Regulatory Agencies	63,573	63,576	59,224	4,352
Revenue	520,818	529,031	484,068	44,963
State	8,531	14,931	14,440	491
Transportation	131,140	163,666	48,740	114,926
Treasury	998,003	998,283	982,856	15,427
SUB-TOTAL OPERATING BUDGETS	6,992,328	6,635,070	6,149,444	485,626
Capital and Multi-Year Budgets:				
Departmental:				
Corrections	1,707	3,257	1,972	1,285
Governor	-	7,515	229	7,286
Health Care Policy and Financing	-	96	2	94
Higher Education	28,628	62,053	29,499	32,554
Human Services	-	9,452	384	9,068
Labor and Employment	25,252	42,494	16,201	26,293
Law	338	338	5	333
Local Affairs	1,629	-	-	-
Military Affairs	50	134	87	47
Natural Resources	144,095	174,529	38,590	135,939
Personnel	29,358	31,293	9,054	22,239
Public Health and Environment	3,875	17,051	3,340	13,711
Public Safety	1,664	13	13	-
Regulatory Agencies	1,901	581	572	9
Revenue	2,180	2,343	643	1,700
Transportation	1,012,036	1,019,660	594,966	424,694
Budgets/Transfers Not Booked by Department	946	946	946	-
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	1,253,659	1,371,755	696,503	675,252
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS-OUT	$8,245,987	$8,006,825	6,845,947	$1,160,878
EXCESS OF REVENUES AND TRANSFERS-IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS-OUT			$ 982,450	

See accompanying notes to the financial statements.

COMBINED STATEMENT OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES IN FUND BALANCES/EQUITY - BUDGETARY BASIS BUDGET AND ACTUAL - FEDERALLY FUNDED FOR THE YEAR ENDED JUNE 30, 2000

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Federal Grants and Contracts			$2,747,995	
TOTAL REVENUES AND TRANSFERS-IN			2,747,995	
Capital and Multi-Year Budgets:				
Departmental:				
Agriculture	$ 442	$ 1,096	571	$ 525
Corrections	4,990	8,231	6,892	1,339
Education	245,075	331,085	245,175	85,910
Governor	13,416	39,894	21,089	18,805
Health Care Policy and Financing	972,230	1,040,309	1,037,881	2,428
Higher Education	8,188	61,239	47,046	14,193
Human Services	447,846	778,517	606,660	171,857
Judicial Branch	1,338	5,736	3,906	1,830
Labor and Employment	87,881	128,363	86,352	42,011
Law	726	821	689	132
Local Affairs	38,151	97,037	44,294	52,743
Military Affairs	121,150	11,822	5,880	5,942
Natural Resources	14,111	38,225	22,647	15,578
Personnel	52	106	61	45
Public Health and Environment	161,414	197,800	164,329	33,471
Public Safety	21,451	67,218	29,665	37,553
Regulatory Agencies	790	2,084	1,549	535
Revenue	835	2,391	1,243	1,148
Transportation	285,322	828,197	375,901	452,296
Treasury	-	55,136	46,097	9,039
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	2,425,408	3,695,307	2,747,927	947,380
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS-OUT	$2,425,408	$3,695,307	2,747,927	$ 947,380
EXCESS OF REVENUES AND TRANSFERS-IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS-OUT			$ 68	

See accompanying notes to the financial statements.

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 2000 AND DISCRETELY PRESENTED COMPONENT UNITS

(DOLLARS IN THOUSANDS)	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
OPERATING REVENUES:		
Licenses and Permits	$ 47	$ -
Charges for Goods and Services	438,535	189,974
Investment and Rental Income	3,452	7,216
Federal Grants and Contracts	50,219	-
Other	475	66
TOTAL OPERATING REVENUES	492,728	197,256
OPERATING EXPENSES:		
Salaries & Fringe Benefits	46,839	19,433
Operating and Travel	95,926	158,014
Cost of Goods Sold	33,293	4,660
Depreciation	3,975	14,501
Intergovernmental Distributions	1,706	-
Prizes and Awards	224,173	-
Other	-	-
TOTAL OPERATING EXPENSES	405,912	196,608
OPERATING INCOME (LOSS)	86,816	648
NON-OPERATING REVENUES AND (EXPENSES):		
Taxes	-	-
Fines and Settlements	1	624
Interest and Rents	2,899	713
Grants and Donations	786	-
Intergovernmental Distributions	(43,488)	-
Federal Grants and Contracts	676	
State Funds	-	-
Debt Service	(222)	(1,859)
Other	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(39,348)	(522)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	47,468	126
OPERATING TRANSFERS:		
Operating Transfer-In	322	332
Operating Transfer-Out	(48,192)	(3,434)
TOTAL OPERATING TRANSFERS	(47,870)	(3,102)
NET INCOME/CHANGE IN RETAINED EARNINGS	(402)	(2,976)
FUND EQUITY, FISCAL YEAR BEGINNING	97,277	20,737
Additions (Deductions) to Contributed Capital (See Note III-N)	19	305
Prior Period/Other Adjustments	-	552
FUND EQUITY, FISCAL YEAR END	$ 96,894	$18,618

See accompanying notes to the financial statements.

FIDUCIARY FUND TYPES	MEMORANDUM ONLY	
NONEXPENDABLE TRUST	TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS
$ -	$ 47	$ -
-	628,509	262,231
19,939	30,607	21,873
-	50,219	-
89	630	19,088
20,028	710,012	303,192
-	66,272	116,460
-	253,940	109,702
-	37,953	58,301
-	18,476	23,752
-	1,706	-
-	224,173	-
-	-	7,778
-	602,520	315,993
20,028	107,492	(12,801)
-	-	33,716
48,838	49,463	-
-	3,612	17,121
14	800	(2,400)
-	(43,488)	-
	676	
-	-	2,045
-	(2,081)	(5,954)
-	-	(1,124)
48,852	8,982	43,404
68,880	116,474	30,603
989	1,643	2,597
(25,243)	(76,869)	-
(24,254)	(75,226)	2,597
44,626	41,248	33,200
578,205	696,219	505,017
-	324	51,623
-	552	-
$622,831	$738,343	$589,840

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2000
AND DISCRETELY PRESENTED COMPONENT UNITS

(DOLLARS IN THOUSANDS)	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from:		
Fees for Service	$ 36,763	$ 147,869
Sales of Products	409,394	43,735
Grants and Contracts	45,646	7
Other Sources	6,717	1,748
Cash Payments to:		
Employees	(41,881)	(16,931)
Suppliers	(70,352)	(55,361)
Lottery Prizes and Sales Commissions	(254,520)	-
Health Claims and Premiums	-	(123,039)
Financial Institutions for Loan Losses	(25,814)	-
Other Governments	(7,819)	-
Other	(7,400)	(434)
Component Unit Cash Flows from Operating Activities	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	90,734	(2,406)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers-In	322	332
Transfers-Out	(48,192)	(3,434)
Intergovernmental Distributions	(43,499)	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	(91,369)	(3,102)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of Capital Assets	(3,854)	(2,636)
Proceeds from Sale of Capital Assets	612	3,618
Income from Property	710	5,801
Proceeds from Issuance of Capital Debt	-	-
Principal Paid on Capital Debt	(445)	-
Interest Payments	(242)	(259)
Capital Lease Payments	(616)	(14,530)
Taxes	-	-
Bond Defeasance and Refunding	-	-
Received from Borrowers	-	-
Disbursements to Borrowers	-	-
Capitalization Grants Received	-	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(3,835)	(8,006)

(Continued)

FIDUCIARY FUND TYPES NONEXPENDABLE TRUST	MEMORANDUM ONLY TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS
$ (38)	$ 184,594	$ -
-	453,129	-
-	45,653	-
50,051	58,516	-
-	(58,812)	-
(235)	(125,948)	-
-	(254,520)	-
-	(123,039)	-
-	(25,814)	-
-	(7,819)	-
(600)	(8,434)	-
-	-	25,919
49,178	137,506	25,919
989	1,643	11,371
(21,122)	(72,748)	(4,029)
-	(43,499)	-
(20,133)	(114,604)	7,342
-	(6,490)	(93,230)
1,340	5,570	-
10,134	16,645	-
-	-	85,632
-	(445)	(29,255)
-	(501)	(10,691)
-	(15,146)	(6)
-	-	33,096
-	-	(13,979)
-	-	15,615
-	-	(97,233)
-	-	25,968
11,474	(367)	(84,083)

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2000
AND DISCRETELY PRESENTED COMPONENT UNITS (Continued)

(DOLLARS IN THOUSANDS)	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends on Investments	5,126	1,441
Proceeds from Sales of Investments	4	-
Purchases of Investments	-	-
Net (Increase)Decrease in Investments	-	-
NET CASH FROM INVESTING ACTIVITIES	5,130	1,441
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	660	(12,073)
CASH AND POOLED CASH , FISCAL YEAR BEGINNING	83,238	32,595
CASH AND POOLED CASH, FISCAL YEAR END	83,898	20,522
RECONCILIATION TO THE COMBINED BALANCE SHEET		
Add: Expendable Trust Funds	-	-
Investment and Pension Trust Funds	-	-
Agency Funds	-	-
CASH AND POOLED CASH, FISCAL YEAR END	$ 83,898	$ 20,522
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 86,816	$ 648
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	3,975	14,501
Investment/Rental Income and Other Revenue in Operating Income	(3,220)	(7,214)
Fines, Donations, and Grants and Contracts in NonOperating	1,464	624
Loss on Disposal of Fixed Assets	143	-
Compensated Absences	130	11
Interest and Other Expense in Operating Income	183	148
Provision for Bad Debts	-	-
Net Changes in Assets and Liabilities Related to Operating Activities:		
(Increase) Decrease in Operating Receivables	7,533	1,631
(Increase) Decrease in Inventories	(365)	86
(Increase) Decrease in Other Operating Assets	(138)	(79)
Increase (Decrease) in Accounts Payable	(5,381)	(1,950)
Increase (Decrease) in Other Operating Liabilities	(406)	(10,812)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 90,734	$ (2,406)
SUPPLEMENTARY INFORMATION - NONCASH TRANSACTIONS (See Note III-B):		
Fixed Assets Transferred from General Fixed Asset Group of Accounts	19	857
Loss on Disposal of Fixed Assets	196	-
Assumption of Capital Lease Obligation	2	14,354

See accompanying notes to the financial statements.

FIDUCIARY FUND TYPES	MEMORANDUM ONLY TOTAL	
NONEXPENDABLE TRUST	PRIMARY GOVERNMENT	COMPONENT UNITS
7,022	13,589	16,136
82,279	82,283	344,592
(160,194)	(160,194)	(331,757)
-	-	7,378
(70,893)	(64,322)	36,349
(30,374)	(41,787)	(14,473)
61,221	177,054	76,698
30,847	135,267	62,225
873,423	873,423	42,400
27,720	27,720	-
215,188	215,188	-
$ 1,147,178	$ 1,251,598	$ 104,625
$ 20,028	$ 107,492	$ (10,903)
-	18,476	24,204
(19,938)	(30,372)	(946)
48,852	50,940	-
-	143	-
-	141	-
-	331	7,325
-	-	12,280
(66)	9,098	(32,292)
-	(279)	(724)
156	(61)	5,482
3,886	(3,445)	20,200
381	(10,837)	1,293
$ 49,178	$ 137,506	$ 25,919
-	876	-
-	196	-
-	14,356	-

STATEMENT OF NET ASSETS
ALL PENSION AND INVESTMENT TRUST FUNDS
AT JUNE 30, 2000
AND DISCRETELY PRESENTED COMPONENT UNITS

(DOLLARS IN THOUSANDS)	PRIMARY GOVERNMENT		COMPONENT UNITS
	INVESTMENT TRUST	PENSION TRUST	PENSION TRUST
	COLORADO COMPENSATION INSURANCE AUTHORITY	DEFINED CONTRIBUTION PLAN	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY
ASSETS:			
Cash and Pooled Cash	$ 27,714	$ 6	$ -
Other Receivables, net	11,249	-	-
Investments	742,387	1,798	-
Externally Restricted Under Pension Plan	-	-	70,638
TOTAL ASSETS	781,350	1,804	70,638
LIABILITIES:			
TOTAL LIABILITIES	-	-	-
NET ASSETS:			
Held in Trust for Pension Plan Participants	-	1,798	70,638
Held in Trust for Investment Trust Participants	781,350	-	-
Unreserved	-	6	-
TOTAL NET ASSETS HELD IN TRUST FOR PARTICIPANTS	$ 781,350	$ 1,804	$ 70,638

See accompanying notes to the financial statements.

The Investment Trust and Pension Trust Fund balances of the Primary Government shown above are included in the Trust and Agency Fund Type balances shown on the *Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units.* The Pension Trust Fund balances of the University of Colorado Hospital Authority shown above are included in the Component Units column of the *Combined Balance Sheet - All Fund Types, Account Groups, and Discretely Presented Component Units.*

STATEMENT OF CHANGES IN NET ASSETS
ALL PENSION AND INVESTMENT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2000
AND DISCRETELY PRESENTED COMPONENT UNITS

(DOLLARS IN THOUSANDS)	PRIMARY GOVERNMENT		COMPONENT UNITS
	INVESTMENT TRUST	PENSION TRUST	PENSION TRUST
	COLORADO COMPENSATION INSURANCE AUTHORITY	DEFINED CONTRIBUTION PLAN	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY
ADDITIONS:			
Additions By Participants	$ 434,592	$ 1,299	$ 4,981
Investment Income	31,833	125	2,525
Employee Deferral Fees	-	27	-
TOTAL ADDITIONS	466,425	1,451	7,506
DEDUCTIONS:			
Deductions By Participants	347,180	25	1,942
Administrative Expense	-	-	487
Other Deductions	-	21	-
TOTAL DEDUCTIONS	347,180	46	2,429
NET INCREASE (DECREASE) IN ASSETS	119,245	1,405	5,077
NET ASSETS AVAILABLE			
Beginning of the Year	662,105	399	65,561
End of the Year	$ 781,350	$ 1,804	$ 70,638

See accompanying notes to the financial statements.

COMBINED BALANCE SHEET
ALL COLLEGE AND UNIVERSITY FUNDS
AT JUNE 30, 2000

(DOLLARS IN THOUSANDS)	CURRENT FUNDS UNRESTRICTED	CURRENT FUNDS RESTRICTED	LOAN FUNDS	ENDOWMENT FUNDS
ASSETS:				
Cash and Pooled Cash	$157,023	$ 6,731	$ 4,058	$ 8,605
Accounts Receivable:				
Tuition, Fees, Charges for Services, net	61,939	25,689	129	9
Intergovernmental	480	45,417	207	-
Other	2,593	36	196	5
Subtotal Accounts Receivable	65,012	71,142	532	14
Loans and Notes Receivable, net	1,013	-	84,462	-
Due From Other Funds	22,655	5,188	-	153
Inventories	24,858	-	-	-
Other Current Assets	20,139	1,071	26	-
Investments	199,526	33,248	5,520	91,382
Plant Facilities:				
Land and Improvements	-	-	-	4,323
Buildings and Improvements, net	-	-	-	-
Leasehold Improvements, net	-	-	-	-
Construction in Progress	-	-	-	-
Equipment, net	-	-	-	-
Library Books	-	-	-	-
Other Fixed Assets	-	-	-	-
Subtotal Plant Facilities	-	-	-	4,323
Other Long-Term Assets	4,597	1	-	-
TOTAL ASSETS	$494,823	$117,381	$94,598	$ 104,477
LIABILITIES:				
Accounts Payable and Accrued Liabilities	$100,900	$ 29,610	$ 40	$ -
Due To Other Funds	11,682	7,828	-	1,730
Deferred Revenue	78,303	6,143	-	-
Other Current Liabilities	15,165	1,143	1,522	68
Capital Lease Obligations	-	-	-	-
Notes and Bonds Payable	35	28	-	-
Accrued Compensated Absences	84,927	280	-	-
Other Long-Term Liabilities	29,964	-	200	-
TOTAL LIABILITIES	320,976	45,032	1,762	1,798
FUND BALANCE:				
Investment in Fixed Assets	-	-	-	-
Restricted	-	72,349	92,836	102,679
Unrestricted:				
Designated	166,744	-	-	-
Undesignated	7,103	-	-	-
TOTAL FUND BALANCE	173,847	72,349	92,836	102,679
TOTAL LIABILITIES AND FUND BALANCE	$494,823	$117,381	$94,598	$ 104,477

See accompanying notes to the financial statements.

PLANT FUNDS				MEMORANDUM ONLY
UNEXPENDED	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	AGENCY FUNDS	TOTALS
$125,486	$ 5,160	$ -	$ 8,386	$ 315,449
2,515	-	-	918	91,199
293	87	-	120	46,604
223	101	-	-	3,154
3,031	188	-	1,038	140,957
900	-	-	-	86,375
7,323	554	-	322	36,195
-	-	-	-	24,858
1,189	-	-	84	22,509
148,615	13,798	-	4,753	496,842
-	-	208,155	-	212,478
-	-	1,836,291	-	1,836,291
-	-	19,749	-	19,749
381,706	-	-	-	381,706
-	-	563,909	-	563,909
-	-	285,309	-	285,309
-	-	988	-	988
381,706	-	2,914,401	-	3,300,430
301	-	1,267	-	6,166
$668,551	$19,700	$2,915,668	$14,583	$4,429,781
$ 22,484	$ 3,402	$ 4	$ 4,320	$ 160,760
1,515	-	8,505	327	31,587
231	-	148	1	84,826
9	254	3,179	9,935	31,275
4,026	213	108,950	-	113,189
65,095	1,056	279,793	-	346,007
-	-	-	-	85,207
62	260	84	-	30,570
93,422	5,185	400,663	14,583	883,421
-	-	2,515,005	-	2,515,005
575,129	14,515	-	-	857,508
-	-	-	-	166,744
-	-	-	-	7,103
575,129	14,515	2,515,005	-	3,546,360
$668,551	$19,700	$2,915,668	$14,583	$4,429,781

COMBINED STATEMENT OF CHANGES IN FUND BALANCE
ALL COLLEGE AND UNIVERSITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2000

(DOLLARS IN THOUSANDS)	CURRENT FUNDS			
	UNRESTRICTED	RESTRICTED	LOAN FUNDS	ENDOWMENT FUNDS
REVENUES AND OTHER ADDITIONS:				
Tuition and Fees	$ 653,278	$ -	$ -	$ -
Federal Grants and Contracts	9,367	727,993	1,212	-
State and Local Grants and Contracts	629	41,245	-	-
Private Gifts, Grants, and Contracts	1,291	145,482	43	1,160
Indirect Cost Recoveries	102,826	-	-	-
Investment Income	23,640	5,900	434	10,505
Sales and Services of Educational Activities	102,999	67	-	-
Sales and Services of Auxiliaries and Hospitals	302,968	-	-	-
Interest on Loans Receivable	-	-	2,036	-
Retirement of Indebtedness	-	-	-	-
Additions to Plant Facilities	-	-	-	-
Other Revenues and Additions	52,843	597	837	2,236
TOTAL REVENUES AND OTHER ADDITIONS	1,249,841	921,284	4,562	13,901
EXPENDITURES AND OTHER DEDUCTIONS:				
Educational and General:				
Instructional	743,139	113,641	-	-
Research	35,833	378,640	-	-
Public Service	52,786	43,182	-	-
Academic Support	170,465	12,481	-	-
Student Services	129,411	12,381	-	-
Institutional Support	157,615	9,301	-	-
Operation of Plant	137,739	1,751	-	-
Scholarships and Fellowships	39,030	296,649	-	-
Subtotal Educational and General	1,466,018	868,026	-	-
Auxiliaries and Hospitals	292,684	6,575	2	-
Indirect Cost Charges	563	101,951	312	-
Loan Cancellation and Write-off	-	-	1,170	-
Expended for Plant Facilities	-	-	-	-
Retirement of Indebtedness	-	-	-	-
Interest on Indebtedness	-	-	-	-
Disposal of Plant Facilities	-	-	-	-
Other Expenditures and Deductions	49	4	909	459
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	1,759,314	976,556	2,393	459
TRANSFERS BETWEEN FUNDS - ADDITIONS (DEDUCTIONS):				
Mandatory Transfers In (Out)	(49,445)	(63)	291	12
Nonmandatory Transfers In (Out)	(69,438)	(12,228)	19	4,360
Net Operating Transfers From State Funds	639,905	65,537	-	174
TOTAL EXPENDITURES, DEDUCTIONS AND TRANSFERS	1,238,292	923,310	2,083	(4,087)
NET INCREASE (DECREASE) IN FUND BALANCE	11,549	(2,026)	2,479	17,988
FUND BALANCE, JULY 1	160,537	74,374	89,524	84,691
Addition of Northwestern Community College	1,761	1	833	-
FUND BALANCE, JUNE 30	$ 173,847	$72,349	$92,836	$ 102,679

See accompanying notes to the financial statements.

PLANT FUNDS			MEMORANDUM ONLY
UNEXPENDED	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	TOTALS
$ -	$ -	$ -	$ 653,278
248	168	-	738,988
-	-	-	41,874
7,197	849	2,742	158,764
-	-	-	102,826
13,125	1,107	-	54,711
-	-	-	103,066
-	-	-	302,968
-	-	-	2,036
3,457	-	25,643	29,100
202	-	240,697	240,899
43,561	-	29,528	129,602
67,790	2,124	298,610	2,558,112
-	-	-	856,780
-	-	-	414,473
-	-	-	95,968
-	-	-	182,946
-	-	-	141,792
-	-	-	166,916
-	-	-	139,490
-	-	-	335,679
-	-	-	2,334,044
-	-	-	299,261
-	-	-	102,826
-	-	-	1,170
167,396	-	-	167,396
400	28,908	-	29,308
1,223	22,616	28	23,867
-	-	72,565	72,565
22,789	377	17,648	42,235
191,808	51,901	90,241	3,072,672
9,317	46,963	(7,075)	-
102,788	1,868	(27,369)	-
189,097	-	-	894,713
(109,394)	3,070	124,685	2,177,959
177,184	(946)	173,925	380,153
397,945	15,461	2,319,072	3,141,604
-	-	22,008	24,603
$575,129	$14,515	$2,515,005	$3,546,360

NOTES TO THE FINANCIAL STATEMENTS

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying general purpose financial statements of the State of Colorado have been prepared in conformance with generally accepted accounting principles for governments as prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard setting body for establishing governmental accounting and financial reporting principles.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosed amount of contingent liabilities at the date of the financial statements, and the reported amounts of revenues, expenditures/expenses during the reporting period. Actual results could differ from those estimates.

A. REPORTING ENTITY

For financial reporting purposes, the State of Colorado's primary government includes all funds and account groups of the state, its departments, agencies, and state funded institutions of higher education that make up the state's legal entity. The state's reporting entity also includes those component units, which are legally separate entities, for which the state's elected officials are financially accountable.

Financial accountability is defined in GASB Statement No. 14 – The Financial Reporting Entity. The state is financially accountable for those entities for which the state appoints a voting majority of the governing board, and either is able to impose its will upon the entity or there exists a financial benefit or burden relationship with the state. For those entities that the state does not appoint a voting majority of the governing board, GASB Statement No. 14 includes them in the reporting entity if they are fiscally dependent. Entities that do not meet the criteria for inclusion may still be included if it would be misleading to exclude them.

Discretely presented in the combined financial statements for the state are the following entities:

Denver Metropolitan Major League Baseball Stadium District
University of Colorado Hospital Authority
Colorado Water Resources and Power Development Authority
Colorado Uninsurable Health Insurance Plan

With the exception of the University of Colorado Hospital Authority, the majority of each governing board for these entities is appointed by the Governor and confirmed by the Senate. The Board of Regents of the University of Colorado appoints the board of the University of Colorado Hospital Authority.

The University of Colorado Hospital Authority and the Colorado Uninsurable Health Insurance Plan are included because they present a financial burden on the state. The Baseball Stadium District is included because its board serves at the pleasure of the Governor, and therefore, the state is able to impose its will upon the entity. The Water Resources and Power Development Authority is included because the state is able to impose its will upon the authority. Detailed financial information may be obtained directly from these organizations.

The following related organizations, for which the state appoints a voting majority of their governing boards, are not part of the reporting entity based on the criteria of GASB Statement No. 14:

Colorado Compensation Insurance Authority (D.B.A. Pinnacol Assurance)
Colorado Educational and Cultural Facilities Authority
Colorado Health Facilities Authority
Colorado Student Obligation Bond Authority
Colorado Agricultural Development Authority
Colorado Housing and Finance Authority
Colorado Sheep and Wool Authority
Colorado Beef Council Authority
Fire and Police Benefit Association
The State Board of the Great Outdoors Colorado Trust Fund

Even though the appointment of governing boards of these authorities is similar to those included in the reporting entity, the state does not impose its will, nor does it have a financial benefit or burden relationship with these entities. Detailed financial information may be obtained directly from these organizations.

Various college and university foundations exist for the benefit of the related state higher education institutions. These entities are included in the various note disclosures if they qualify as related parties or omitting them would be misleading.

The state has entered a joint operating agreement with the Huerfano County Hospital District to provide patient care at the Colorado State Veterans Nursing Home at Walsenburg. The facility is owned by the state but is operated by the hospital district under a twenty year contract that is renewable at the district's option for successive ten year terms up to 99 years from the original commencement date in November 1993.

The state's contract with the district states that the district is responsible for funding the operating deficits of the nursing home; however, since the state owns the nursing home, it retains ultimate financial responsibility for the home. Only the state's share of assets, liabilities, revenues and expenses associated with the joint operation are shown in these financial statements. These include the land, building, and some of the equipment for the nursing home as well as revenues and expenses associated with the state's on-site contract administrator. The state's pass-through of U.S. Veterans Administration's funds to the district is also shown as revenue and expense of the state.

B. FUND STRUCTURE

Primary Government

The financial activities of the state are organized on the basis of individual funds and account groups. Each fund is a separate accounting entity, in which the operations 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 FUNDS

<u>General Fund</u>

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 that support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements.

<u>Special Revenue Funds</u>

Transactions related to resources obtained from specific sources, and restricted to specific purposes are accounted for in the special revenue funds. The individual funds include the Highway Fund, the Wildlife Fund, the Labor Fund, the Gaming Fund, the Water Projects Construction Fund, and the Tobacco Litigation Settlement Fund.

<u>Debt Service Fund</u>

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 serviced by this fund consists of certain long-term lease purchase agreements and notes issued by the Department of Transportation to fund infrastructure.

<u>Capital Projects Fund</u>

Transactions related to resources obtained and used for acquisition, construction, or improvement of state owned facilities and certain equipment are accounted for in the capital projects fund.

PROPRIETARY FUNDS

<u>Enterprise Funds</u>

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

<u>Internal Service Funds</u>

These funds account for the operations that provide goods or services on a cost-reimbursement basis to state agencies.

FIDUCIARY FUND TYPES

<u>Trust and Agency Funds</u>

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, investment trust funds, and pension 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 the 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.

Individual investment trust funds are used to account for investments that are not in the treasurer's investment pool but are managed by the state treasurer for external entities.

A pension trust fund is used to account for the assets and liabilities arising from the contributions and benefits payable to participants in one of the state's pension plans. Participation in this plan is limited to select employees – primarily legislators. Most state employees are covered by another plan operated by the Public Employees Retirement Association. (See Note V).

ACCOUNT GROUPS

General Fixed Assets Account Group

Land, buildings, equipment and other capital assets, of the governmental fund types are accounted for in this group. Capital assets of the proprietary, trust, and the college and university funds are recorded in their respective funds and may be depreciated there. Infrastructure is not recorded in the state's accounting system or financial statements.

General Long-term Debt Account Group

This group accounts for long-term liabilities of the governmental type funds, such as general liability, lease purchase obligations, employee leave obligations, notes, and employee workers' compensation claims. It also accounts for short-term risk management liabilities for which expendable financial resources are not available. Long-term obligations of the proprietary funds, trust funds, and the college and universities are accounted for in their respective funds.

COLLEGE AND UNIVERSITY FUNDS

These funds account for the operations of the state-supported system of higher education. The College and University Funds consist of the following funds:

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

Current Funds Restricted account for resources received from donors or other outside agencies, primarily the federal government, that are restricted for specific purposes.

Loan Funds account for resources available for student loans.

Endowment Funds account for resources contributed by donors. While the principal portion of the contribution must remain intact, earnings may be added to the principal or expended for restricted or unrestricted purposes.

Plant Funds account for resources available, acquisition costs, debt service requirements, and liabilities related to acquiring or repairing institutional properties.

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

Component Units

The Denver Metropolitan Major League Baseball Stadium District uses proprietary fund accounting in preparation of its financial statements. The Colorado Uninsurable Health Insurance Plan (CUHIP) uses practices prescribed or permitted by the state's Division of Insurance. However, CUHIP's financial statements have been recast to conform to generally accepted accounting principles for presentation in these financial statements. The financial information for both entities is presented as of December 31, 1999.

The Colorado Water Resources and Power Development Authority uses proprietary fund accounting for its operations except for its expendable trust fund, which uses governmental fund accounting, and its agency fund, which records assets and liabilities on the modified accrual basis. The expendable trust fund accounts for assets held in a trustee capacity for Animas – LaPlata dam project in southwest Colorado. The agency fund accounts for unspent bond proceeds held in trustee capacity for local governments. The Authority's financial information is presented as of December 31, 1999.

The University of Colorado Hospital Authority uses proprietary fund accounting for their operations. The financial statements for the Hospital Authority's noncontributory defined benefit pension plan are prepared under the accrual basis of accounting. Financial information for the Hospital Authority is presented as of June 30, 2000.

C. BASIS OF ACCOUNTING

Primary Government

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. Nonexpendable trust funds and proprietary funds are accounted for on a flow of economic resources measurement focus.

Governmental fund types, expendable trust funds, 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 an estimate of filings due by June 30.

- Net income taxes from individuals, corporations, and trusts are accrued based on current income earned by the taxpayer before June 30. Quarterly filings, withholding statements, and other historical data are used to estimate the taxpayer's current income. The revenue is accrued net of an allowance for uncollectable taxes.

In Fiscal Year 1999-00 the state implemented the requirements of GASB Statement No. 33 – Accounting and Financial Reporting for Nonexchange Transactions. The state was largely in compliance with the requirements before implementation, and therefore, the effect was not material and no prior period adjustment resulted. Revenues earned under the terms of reimbursement agreements with other governments or private sources are recorded at the time the related expenditures are made if other eligibility requirements have been met.

Expenditures are recognized during the period in which the fund liability is incurred, except for accumulated employee leave time, principal and interest on long-term debt, which is recorded when due, risk management liabilities in excess of the available current financial resources appropriated for that purpose, and inventories which are generally considered expenditures when consumed.

Special reporting treatment at year-end is accorded to encumbrances. In the General Fund, a reserve for encumbrances is recorded at year-end for the appropriation that will be rolled-forward to cover encumbrances. In the Capital Projects Fund and the Highway Fund, a reserve for encumbrances is established for the contracted legal obligations of the funds.

Proprietary fund types, and nonexpendable, investment and pension trust funds are reported on the full accrual basis. Using this basis, revenues are recognized when earned, and expenses, including depreciation, are recognized when the economic benefit of an asset is consumed or a liability is incurred.

College and university funds are reported on the accrual basis, except for depreciation related to plant fund assets which is generally 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.

The state has determined that proprietary and nonexpendable trust funds will apply all applicable GASB pronouncements, regardless of issue date, as well as the following pronouncements issued on or before November 10, 1989: FASB Statements and Interpretations, Accounting Principle Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with, or contradict, GASB pronouncements.

Component Units

The University of Colorado Hospital Authority has elected to adopt the provisions of the American Institute of Certified Public Accountants' Audit and Accounting Guide for Health Care Organizations, which are required for financial statements for periods beginning on or after June 15, 1996. Under these provisions, the hospital has qualified as a governmental entity. In applying governmental GAAP, the hospital has elected to apply the provisions of all relevant pronouncements of FASB, including those issued after November 30, 1989 that do not conflict with or contradict GASB pronouncements.

D. ELIMINATIONS

Substantially all intrafund transactions and balances of the primary government have been eliminated. Substantially all interfund transactions are classified as operating transfers-in or operating transfers-out after the revenues and expenditures/expenses are reported on each of the operating statements.

E. INSURANCE

The state has agreements with the Colorado Compensation Insurance Authority (CCIA), a related party, to administer a Paid Loss/Retro Plan for workers' compensation insurance claims through June 30, 1996. For claims arising after that date, the state is self-insured for workers' compensation. The state reimburses CCIA for the current cost of claims paid and related administrative expenses. Actuarially determined liabilities are accrued for claims to be paid in future years.

The state insures its property through private carriers and is self-insured for general liability for both its officials and employees.

F. TOTAL COLUMN ON COMBINED STATEMENTS

The total columns on the combined statements for the primary government 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 cash flows in conformity with generally accepted accounting principles. Nor are they comparable to a consolidation, as interfund eliminations have not been made in the aggregation of this data.

G. CASH AND POOLED CASH

Primary Government

For purposes of reporting cash flows, cash and pooled cash is defined as cash-on-hand, demand deposits, certificates of deposit with financial institutions, and pooled cash with the state treasurer. Amounts reported in previous years as warrants payable are now reported as a reduction of cash and pooled cash.

Component Units

The University of Colorado Hospital Authority and the Colorado Uninsurable Health Insurance Plan consider highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Denver Metropolitan Major League Baseball Stadium District, and the Colorado Water Resources and Power Development Authority consider investments with a maturity of three months or less when purchased to be cash equivalents.

H. INVENTORY

Inventories of the various state agencies primarily comprise finished goods inventories held for resale by Correctional Industries, and consumable items such as office and institutional supplies, fuel, and maintenance items.

Inventories of the governmental funds are stated at cost, while inventories of the proprietary funds are stated at the lower of cost or market. The state uses 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 deemed material are expended at the time they are consumed. Immaterial consumable inventories are expended at the time of purchase, while inventories held for resale are expensed at the time of sale.

I. INVESTMENTS

For the primary government, items classified as investments, including those held by the state treasurer and represented as pooled cash, are both short and long-term investments. These are stated at fair value except for certain money market investments (See Note III-G). Investments that do not have an established market are reported at their estimated fair value. The state treasurer records interest based on book yield as adjusted for amortization of premiums and discounts.

J. PROPERTY, PLANT, AND EQUIPMENT

Primary Government

Capital assets are carried at cost on the balance sheet. Donated capital assets are carried at their fair market value at the date of donation. The state capitalizes assets whose cost exceeds $5,000.

Generally, the state capitalizes interest during the construction of general fixed assets. General fixed assets do not include infrastructure and are not depreciated. Assets in proprietary and nonexpendable trust are depreciated using the straight-line method.

The following useful lives are used for depreciation:

Buildings	25-40 years
Improvements other than buildings	10-17 years
Furniture, machinery, and equipment	5-12 years

Component Units

The Denver Metropolitan Major League Baseball Stadium District and the University of Colorado Hospital Authority capitalize interest during the construction of fixed assets. Both entities depreciate fixed assets over the estimated useful live of the asset class using the straight-line method.

K. DEFERRED REVENUE

Under reimbursement agreements, receipts from the federal government and other program sponsors are deferred until the related expenditures are made. Revenues related to taxes receivable that the state does not expect to collect until after the following fiscal year are deferred. In addition, it is the policy of the state's higher education institutions to defer summer school tuition to the following fiscal year.

L. ACCRUED COMPENSATED ABSENCES LIABILITY

Primary Government

State law concerning the accrual of sick leave was changed effective July 1, 1988. After that date all employees in classified permanent positions within the State Personnel System accrue sick leave at the rate of 6.66 hours per month. Total sick leave per employee is limited to their respective accrued balance on July 1, 1988 plus 360 additional hours. After earning the maximum accrual each employee may convert five hours of sick leave to one hour of annual leave. Employees are paid for one-fourth of their unused sick leave upon death or retirement.

Annual leave is earned at increasing rates based on employment service longevity. In no event can a classified employee accumulate more than 42 days of annual leave at the end of a fiscal year. Employees are paid 100% of their annual leave balance upon leaving state service.

Compensated absence liabilities related to the governmental funds are recorded in the General Long-Term Debt Account Group. For all other fund types, both current and long-term portions are recorded as individual fund liabilities.

Component Units

Employees of the University of Colorado Hospital Authority use paid time off (PTO) for vacation, holidays, short-term illness, and personal absences. Extended illness pay (EIP) is used to continue salary during extended absences due to medical disability or serious health conditions. Both PTO and EIP earnings are based on length of service and actual hours worked. The hospital records PTO expense as earned. Accrued EIP is based solely on amounts estimated to become payable to that portion of the employee base which will ultimately retire from the hospital.

The Colorado Water Resources and Power Development Authority recognizes unused vacation benefits as they are earned.

M. FUND EQUITY

Reserved fund balance indicates that a portion of fund equity is not available for appropriation, or is legally segregated for a specific use. Designated fund balances are not legally segregated but indicate tentative management plans for future use of funds.

The fund balance of the General Fund is reserved as provided by statute or as provided by generally accepted accounting principles. The unreserved portion of fund equity on the budgetary basis is available for appropriation or working capital. Since the state is prohibited by its constitution from incurring general obligation debt, the General Fund surplus on the budgetary basis must be positive at year-end.

Reserves of fund equity at June 30, include:

Reserved for Encumbrances - In the General Fund, this reserve is for the portion of the Fiscal Year 1999-00 appropriation that was encumbered for goods and services that were not received before June 30, 2000, due to extenuating circumstances. Thus, the specific appropriation related to these items is rolled-forward to Fiscal Year 2000-01.

In the Special Revenue and Capital Projects Funds this reserve represents purchase orders, contracts, and long-term contracts related to construction of major capital projects. Since the resources of these funds are often received after the long-term contracts are executed and recorded as encumbrances, the unreserved undesignated amount may reflect a deficit. When a deficit occurs it is funded by future proceeds of the fund.

Reserved 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 Fund.

In the college and university funds, all fund balances with the exception of the Current Unrestricted Fund are reserved to indicate the restrictions of available assets to specific purposes of these funds.

Reserved for Long-Term Assets and Long-Term Receivables - These reserves in the governmental funds are used to reserve the portion of fund balance that relates to long-term interfund receivables and other long-term assets that are not offset by deferred revenue. These assets are not currently available for appropriation.

Reserved for Statutorily Specified Amounts - Colorado Revised Statutes 24-75-201.1(d)(III) requires that four percent of the amount appropriated for expenditure from the General Fund be reserved for that fiscal year. In Fiscal Year 1999-00, this amount should be $200.37 million. Under generally accepted accounting principles no funds were available to meet this reserve requirement. However, due to delayed recognition of excess-revenue refunds under the state's budgetary basis, the reserve requirement was met and legal compliance was achieved. (See Note II-A)

Article X, Section 20 (TABOR) of the State Constitution requires the reservation of three percent or more of the 1999-00 fiscal year spending for emergencies. Fiscal year spending is defined in TABOR as all spending and reserve increases except for spending from certain excluded revenues. (See Note II-D)

Designated Unreserved – In the Capital Projects Fund, this designation represents amounts appropriated but not encumbered by contracts. In the Fiduciary Funds, this designation represents the cumulative net earnings of the Controlled Maintenance Trust Fund. In the College and University Funds, this designation represents the fund balance of the higher education auxiliary activities in the Current Unrestricted Fund.

N. OUTSTANDING ENCUMBRANCES

The state uses encumbrance accounting as an extension of formal budgetary integration in all funds except pension trust funds, investment trust funds, and the college and university funds. Under this procedure, purchase orders and contracts for expenditures of money are recorded to reserve an equivalent amount of the related appropriation.

Encumbrances do not constitute expenditures or liabilities. They lapse at year-end unless specifically brought forward to the subsequent year, thus, committing the subsequent year's available appropriation.

NOTE II. BUDGETS - LEGAL COMPLIANCE

A. BUDGETARY BASIS

The budgetary fund types used by the state differ from the generally accepted accounting fund types. The budgetary fund types are general, cash, and federal funds. For budgetary purposes, cash funds are all funds received by the state that have been designated to support specific expenditures. Federal funds are revenues received from the Federal government. General-purpose revenues are not designated for specific expenditures.

Eliminations of transfers and intrafund transactions are not made in the budgetary funds if those transactions are under budgetary control. Thus, revenues and expenditures in these funds are shown at their gross amounts. This results in several instances of duplicate recording of revenues and expenditures. An expenditure of one budgetary fund may be shown as a transfer-in or revenue in another budgetary fund and then be shown again as an expenditure in the second fund.

For budget purposes, depending on the accounting fund type involved, expenditures/expenses are determined using the modified accrual or accrual basis of accounting with the following exception. Refunds under Article X, Section 20 (TABOR) of the State Constitution are reductions of revenue for nonbudgetary reporting purposes, but they are shown as expenditures for budgetary purposes. For budgetary purposes, these expenditures are recognized in the year that the refunds are paid, not in the year the refund liability arises.

B. BUDGETARY PROCESS

The financial operations of the legislative, judicial, and executive branches of state government, with the exception of custodial funds or federal moneys not requiring matching state funds, are controlled by annual appropriation made by the General Assembly. The Department of Transportation's portion of the Highway Fund is appropriated to the State Transportation Commission. Within the legislative appropriation, the Commission may appropriate the specific projects and other operations of the Department. In addition, the Commission may appropriate available fund balance from their portion of the Highway Fund.

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 budgetary basis of accounting. The original appropriation by the General Assembly in the Long Appropriations Bill segregates the budget of the state into its operating and capital components. The majority of the capital budgets are accounted for in the Capital Projects Fund, with the primary exception being budgeted capital funds used for infrastructure.

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 vote in each house.

General and cash funded appropriations, with the exception of capital projects, lapse at year-end unless executive action is taken to roll-forward all or part of the remaining unspent budget authority. General funded appropriations that meet the strict criteria for roll-forward are reserved in the General Fund at year-end. Since capital projects appropriations are generally available for three years after appropriation, significant amounts of the capital budgets remain unexpended at fiscal year-end.

The appropriation controls the combined expenditures and encumbrances of the state, in the majority of the cases, to the level of line item within the agency. Line items are individual lines in the official budget document and vary from specific payments for specific programs to single appropriations at the agency level. The institutions of higher education are appropriated at the governing board level. Statutes allow the Judicial and Executive Branches, at year-end, to transfer legislative appropriations within departments for expenditures of like purpose. The appropriation may be adjusted in the following session of the General Assembly by a supplemental appropriation.

On the three budget-to-actual statements, the column titled Original Appropriation consists of the Long Appropriations Act including anticipated federal funds, special bills, and any statutorily authorized appropriations. The column titled Final Spending Authority includes the original appropriation, federal funds actually awarded, supplemental appropriations of the legislature, and other miscellaneous budgetary items.

C. OVEREXPENDITURES

Depending on the accounting fund type involved, expenditures/expenses are determined using the modified accrual or accrual basis of accounting even if the accrual will result in an overexpenditure. If earned cash revenues plus available fund balance, and earned federal revenues, are less than cash and federal expenditures, then an overexpenditure occurs even if the expenditures did not exceed the total legislative line item appropriation.

The state controller may allow certain overexpenditures of the legal appropriation with the approval of the Governor as provided by Colorado Revised Statutes 24-75-109. Unlimited overexpenditures are allowed in the Medicaid program. The Department of Human Services is allowed $1 million of overexpenditures not related to Medicaid and unlimited overexpenditures for self-insurance of its workers' compensation plan. Statute also allows overexpenditures up to $1 million in total for the remainder of the executive branch. An additional $1 million of transfers and overexpenditure are allowed for the Judicial Branch.

If the controller restricts the subsequent year appropriation for an overexpenditure, the agency is required to seek a supplemental appropriation from the General Assembly or reduce their subsequent year's expenditures.

Total overexpenditures at June 30, 2000, were $18,916,576. Of that amount, the controller has recommended that future appropriations be restricted by $18,900,864. Overexpenditures at June 30, 2000, are described below.

- The Medical Services Program of Medicaid in the Department of Health Care Policy and Financing overexpended its appropriation of general funds by $11,837,061. An additional $7,357,443 of expenditures of this program were recorded but not reported to the Governor as an overexpenditure because the legislature retroactively appropriated that amount as Fiscal Year 1998-99 spending. These expenditures were related to an underestimate in the accrual of program costs in Fiscal Year 1998-99. Therefore, they are reported in the current year on the *Schedule of Revenue Expenditures and Changes in General Fund Surplus – General Fund Budget and Actual – Budgetary Basis.* The department also overexpended its general fund Medicaid appropriation by $5,464,105 on transfers to the Department of Human Services for the health care needs of that department's clients.
- The Department of Human Services overexpended its cash funded appropriation by $251,837 in the Aid to Needy Disabled Program. Caseloads and program expenditures are difficult to project because they are affected by clients qualifying for federal Supplemental Security Income.
- The Brand Board in the Department of Agriculture inspects cattle and horse brands to validate ownership. The Board overexpended its cash funded appropriation by $37,458 due to increased fuel costs and payments to part-time help.
- The Colorado Historical Society overexpended its cash funded appropriation by $65,642 when cost-of-goods-sold expenditures were higher than anticipated due to increased sales.
- The Colorado State Patrol overexpended its cash funded appropriation by $394,409 as a result of increased miles driven, increased fuel costs, and a miscalculation in the budget setting process. The State Patrol had other unexpended appropriations, but the state controller was unable to transfers those appropriations under the statutory limit.
- The Office of the Alternate Defense Counsel provides legal representation for indigent defendants when the Public Defender perceives a conflict of interest. The Counsel overexpended its cash funded appropriation by $110,656 due to an unanticipated increase in death penalty cases assigned.
- The Division of Central Services in the Department of Personnel manages the state's motor vehicle fleet. Increases in fuel costs caused the program to overexpend its appropriation by $237,810 and caused it to undercharge state agencies by $463,939.
- The Capitol Complex Program in the Division of Central Services is responsible for the operation, maintenance, and security of state buildings in the area around the State Capitol. The program ended the year with a $291,469 deficit fund balance because it reduced charges to state agencies with the intent of reversing cumulative overcharges to federal programs operated by state agencies.

A separately issued report comparing line item expenditures to authorized budget is available upon request from the State Controller's Office.

D. TAX, SPENDING, AND DEBT LIMITATIONS

Certain state revenues, primarily taxes and fees, are limited under Article X, Section 20 (TABOR) of the State Constitution. The growth in these revenues from year to year is limited to the rate of population growth plus the rate of inflation. The constitution also requires voter approval for any new tax, tax rate increase, or new debt. These limitations apply to the state as a whole, not to individual funds, departments or agencies of the state. Annual revenues that exceed the constitutional limitation must be refunded, unless voters approve otherwise. The state exceeded the revenue growth limitation in each year since Fiscal Year 1996-97. A liability was accrued in the General Fund as a reduction of tax revenues for the current year amount exceeding the limitation ($941.13 million). The Fiscal Year 1999-00 refund is shown on the *Combined Balance Sheet - All Fund Types and Discretely Presented Component Units* as TABOR Refund Liability.

Colorado Revised Statutes 24-75-201 requires that the accrual of the TABOR Refund not be included in the General Fund budgetary fund balance (General Fund Surplus) in the year in which the excess revenues were accrued. Instead, the budgetary fund balance is reduced in the following year by reporting an expenditure equal to the excess revenue reduced by any amount the voters authorize the state to retain. Therefore, the *Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Funded* shows a $679.6 million expenditure related to the Fiscal Year 1998-99 TABOR refund. A separately issued audited report of TABOR computations for Fiscal Year 1999-00 will be available from the State Controller's Office in December 2000.

(DOLLARS IN THOUSANDS)	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
BUDGETARY BASIS:				
Revenues and Transfers-In:				
General	$ 6,114,804	$ -	$ -	$210,951
Cash	2,736,641	2,541,711	6,387	63,416
Federal	2,288,190	387,308	-	7,608
Sub-Total Revenues and Transfers-In	11,139,635	2,929,019	6,387	281,975
Expenditures/Expenses and Transfers-Out				
General Funded	5,996,186	-	-	391,308
Cash Funded	2,670,774	1,848,200	5,356	50,437
Federally Funded	2,290,827	387,063	-	7,608
Expenditures/Expenses and Transfers-Out	10,957,787	2,235,263	5,356	449,353
Excess of Revenues and Transfers-In Over (Under) Expenditures and Transfers-Out - Budget Basis	181,848	693,756	1,031	(167,378)
(Increase)/Decrease in TABOR Refund	(261,495)	-	-	-
Increase/(Decrease) in Unrealized Gains/Losses	(9,774)	(7,162)	-	(3,450)
Increase for Budgeted Non-GAAP Expenditures	1,887	10,170	-	-
Increase/(Decrease) for GAAP Expenditures Not Budgeted	106,655	(8,386)	-	19,801
Increase/(Decrease) for GAAP Revenue Adjustments	(107,711)	37	-	(19,801)
Increase/(Decrease) for Non-Budgeted Funds	-	-	-	-
Excess of Revenues and Transfers-In Over (Under) Expenditures and Transfers-Out - GAAP Basis	(88,590)	688,415	1,031	(170,828)
FUND BALANCE, JULY 1 - GAAP BASIS	345,741	873,117	4,711	572,556
Addition of Northwestern Community College	-	-	-	-
Prior Period Adjustments	-	8,000	-	-
FUND BALANCE, JUNE 30 - GAAP BASIS	$ 257,151	$1,569,532	$ 5,742	$401,728

E. BUDGET TO GAAP RECONCILIATION

The three combined budget-to-actual statements show revenues and expenditures that are legislatively appropriated or otherwise legally authorized. College and university funds, with the exception of the state-appropriated amounts are excluded from these statements.

Certain expenditures on a generally-accepted-accounting-principle (GAAP) basis, such as, bad debt expense and depreciation, are not budgeted by the General Assembly. These expenditures are not shown on the budget-to-actual statements but are include in the reconciliation below. Some transactions considered expenditures for budgetary purposes, such as capital purchases in proprietary fund types, are not expenditures on a GAAP basis. These expenditures are shown below as "Budgeted Non-GAAP Expenditures."

Some transactions considered revenues for budgetary purposes, such as intrafund sales, are not considered GAAP revenues. Some events, such as the recognition of the current year TABOR liability, affect revenues on a GAAP basis but not on the budgetary basis. These events and transactions are shown below as “GAAP Revenue Adjustments.” A separated line shows unrealized gains and losses, which affect revenues on a GAAP basis but not on a budgetary basis.

The inclusion of these revenues and expenditures along with the balances from the budget-to-actual statements is necessary to reconcile to the GAAP fund balance.

A reconciliation of the three budget-to-actual statements to the fund balances of the GAAP fund types follows:

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS			
ENTERPRISE	INTERNAL SERVICE	TRUST & AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	COLLEGE AND UNIVERSITY FUNDS	**TOTAL PRIMARY GOVERNMENT**
$ -	$ -	$ -	$ -	$ -	$ -	$ 6,325,755
457,476	200,554	513,574	-	-	1,308,638	7,828,397
50,898	-	13,991	-	-	-	2,747,995
508,374	200,554	527,565	-	-	1,308,638	16,902,147
-	-	-	-	-	-	6,387,494
445,761	199,088	333,173	-	-	1,293,158	6,845,947
50,344	-	12,085	-	-	-	2,747,927
496,105	199,088	345,258	-	-	1,293,158	15,981,368
12,269	1,466	182,307	-	-	15,480	920,779
-	-	-	-	-	-	(261,495)
(664)	(214)	(11,948)	-	-	612	(32,600)
3,720	-	43	-	-	-	15,820
(15,708)	(3,923)	(4)	-	-	10	98,445
-	-	-	-	-	-	(127,475)
-	-	120,623	118,566	-	364,051	603,240
(383)	(2,671)	291,021	118,566	-	380,153	1,216,714
97,277	20,737	2,403,812	1,730,823	-	3,141,604	9,190,378
-	-	-	-	-	24,603	24,603
-	552	-	-	-	-	8,552
$ 96,894	$ 18,618	$ 2,694,833	$1,849,389	$ -	$ 3,546,360	$ 10,440,247

NOTE III. OTHER ACCOUNTING DISCLOSURES

A. CASH AND POOLED CASH

Primary Government

The State Treasury acts as a bank for all state agencies, with the exception of the University of Colorado. Moneys 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. Where a fund category has a cash deficit, that deficit has been reclassified to an interfund payable to the General Fund. The detailed composition of the cash and investments is shown in the annual Treasurer's Report.

State agencies are authorized by various statutes to deposit funds in accounts outside the custody of the State Treasury. Legally authorized deposits include demand deposits and certificates of deposit. The state's cash management policy is to invest all major revenues as soon as the moneys are available within the banking system. Electronic transfers are used by the state to enhance availability of funds for investment purposes.

Colorado statutes require protection of public moneys in banks beyond that provided by the federal insurance corporations. The Public Deposit Protection Act in Colorado Revised Statutes 11-10.5-107(5) requires all eligible depositories holding public deposits to pledge designated eligible collateral having market value equal to at least 102% of the deposits exceeding those amounts insured by federal insurance.

The state maintains accounts for various purposes at locations throughout the state. Cash balances in these accounts that are not required for immediate use are invested in certificates of deposit by the fund custodian or moved to the state treasurer's pooled cash investments.

The state categorizes its cash into three categories as to their risk:

- Category 1 is federally insured deposits, or deposits fully collateralized with securities held by the state or its agent in the state's name.
- Category 2 is deposits uninsured but fully collateralized with securities held by the pledging financial institution's trust department or agent in the state's name.
- Category 3 is uncollateralized. This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the state's name.

At June 30, 2000, the state had cash balances in all funds with a carrying value of $1,558.9 million. The bank balances of these funds are categorized by risk as follows:

Risk Category	Bank Balance June 30
1	$ 792,245,647
2	774,941,873
3	279,775
TOTAL	$ 1,567,467,295

The Cash and Pooled Cash line on the financial statements includes $3,013.2 million of claims of the state's funds in the treasurer's pooled cash. At June 30, 2000, the treasurer had invested $2,894.0 million of the pool with the balance in demand deposits and certificates of deposit.

Component Units

At December 31, 1999, the Colorado Water Resources and Power Development Authority had federally insured cash deposits with a bank balance of $166,094 and deposits collateralized in single institution pools of $339,390.

At December 31, 1999 the Denver Metropolitan Major League Baseball Stadium District had federally insured cash deposits with a bank balance of $28,523. They also had $18,985,749 in money market funds invested in obligations of the U.S. Government or its agencies. The money market funds are carried at cost, which approximates market value.

B. NONCASH TRANSACTIONS IN THE PROPRIETARY FUND TYPES

In the proprietary fund types, noncash transactions occur that do not affect the *Combined Statement of Cash Flows, All Proprietary Fund Types and Similar Trust Funds and Discretely Presented Component Units*. These transactions are summarized at the bottom of the statement and are explained as follows:

- The State Nursing Homes, an enterprise activity, acquired equipment of $2,316 by entering a capital lease. The homes also received $18,673 of fixed assets from the General Fixed Assets Account Group.

- Guaranteed Student Loan (GSL), an enterprise activity, recorded a $3,778 loss on disposal of equipment.
- The Colorado Lottery, Business Enterprise Program, State Nursing Homes, Correctional Industries, and Other Enterprise Funds, recorded loss on disposal of fixed assets of $52,588, $591, $50,817, $83,130, and $4,125, respectively.
- Central Services, an internal service activity, increased their capital lease obligations by $14,353,429 to acquire additional vehicles for their fleet program.
- Telecommunications, an internal service activity, received capital assets in the amount of $856,912 from the General Fixed Asset Account Group. These assets were funded by the Capital Projects Fund. A portion of these assets ($552,131) were received but not recorded in a prior year, and therefore, this transaction is shown as a prior period adjustment on the *Combined Statement of Revenues, Expenses, and Changes in Fund Equity – All Proprietary Fund Types.*

Nearly all proprietary type funds incurred unrealized gains/losses on investments individually held or as a result of participating in the Treasurer's pooled cash. The unrealized loss on the Treasurer's pool changed cash balances, but the gain/loss on investments individually held did not result in changes in cash balances. Note III-G shows the combined effect of these two sources of unrealized gains/losses.

C. RECEIVABLES

Primary Government

The tax receivable of $985.9 million shown on the *Combined Balance Sheet - All Fund Types, Account Groups* results from the recording of self-assessed taxes on the modified accrual basis. The other receivables of $335.1 million are net of a deduction of $79.6 million in allowance for doubtful accounts.

Component Units

The Colorado Water Resources and Power Development Authority had loans receivable of $436.1 million and $355.7 million at December 31, 1999 and 1998, respectively. During 1999 they made new loans of $96.0 million and canceled or received repayments for existing loans of $15.6 million.

The University of Colorado Hospital Authority has a significant concentration of patient accounts receivable with Medicare (20 percent), Medicaid (5 percent), managed care including Blue Cross (44 percent), and other commercial insurance (11 percent). However, the authority's management does not believe there are credit risks associated with these payers. Further, the authority continually monitors and adjusts its reserves and allowances associated with these receivables.

Net patient-service revenue under the Medicare and Medicaid programs in Fiscal Year 1999-00 and 1998-99 were approximately $106.9 million and $97.6 million, respectively. Net patient-service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

The hospital elected to early implement Governmental Accounting Standards Board Statement No. 33 – Accounting and Financial Reporting for Nonexchange Transactions. As a result, a $25 million donation to be received over five years is reported at its net present value of approximately $22.1 million based on the hospital's discount rate of 5.37 percent.

D. INVENTORY

Inventories of $8.65 million in the General Fund at June 30, 2000, consisted of $7.38 million of consumable and supplies inventories, and $1.27 million of food donated to the Department of Human Services.

E. PREPAIDS, ADVANCES, AND DEFERRED CHARGES

In the General Fund, this account consists primarily of Medicaid payments in advance made to mental health and health care providers by the Department of Health Care Policy and Financing. Charges in the College and University Funds related to summer school are deferred to Fiscal Year 2000-01 to match the deferral of summer school tuition.

F. INTERFUND BALANCES

Individual interfund receivable and payable balances at June 30, 2000, were:

(Amounts in Thousands)

Fund	Interfund Receivables	Interfund Payables
General Fund	$ 51,790	$ 39,926
Special Revenue Funds		
Highway	11,263	684
Wildlife	1,817	9
Gaming	8,938	35,330
Water Projects	202	7,944
Capital Projects Funds	629	3,137
Enterprise Funds		
Guaranteed Student Loan	-	1
State Lottery	-	17,906
Prison Canteens	19	1
Correctional Industries	535	103
Other Enterprise Activities	9	-
Internal Service Funds		
Central Services	493	-
General Government Computer Cen	289	-
Telecommunications	-	3,740
Capitol Complex	1	-
Expendable Trust Funds		
Unemployment Insurance	-	1,128
State Treasurer	15,535	-
Severance Tax Fund	12,208	-
Land Board	-	3,576
Conservation Trust Fund	7,163	-
Other Expendable Trusts	-	23
Nonexpendable Trust Funds		
State Lands	131	2
Controlled Maintenance	-	4,121
Other Nonexpendable Trusts	10	-
Agency Funds		
Revenue	2,521	8,526
Treasury	7,702	-
Other Agency Funds	467	173
College and University Funds		
Unrestricted	22,655	11,683
Restricted	5,188	7,828
Endowment	153	1,730
Unexpended Plant Fund	7,323	1,515
Retirement of Indebtedness	554	-
Investment in Plant	-	8,503
Agency	322	328
Totals	$ 157,917	$ 157,917

G. INVESTMENTS

Primary Government

The state holds investments both for its own benefit and as an agent for certain entities as provided by law. The state does not invest its funds with any external investment pool, rather, funds not required for immediate payments are administered by the authorized custodian of the funds or pooled and administered by the state treasurer (See Note III-H).

The fair value of the state's investments are determined from quoted market prices except for money market investments that are reported at amortized cost which approximates market.

The following schedule reconciles deposits and investments to the financial statements for the primary government:

(Amounts in Thousands)

Footnote Amounts		Carrying Amount
Deposits (Note III-A)	$	1,558,890
Investments		5,274,181
Total	$	6,833,071
Combined Balance Sheet Amounts		
Cash and Pooled Cash	$	4,270,180
Investments		2,380,189
Warrants Payable Included in Cash		182,702
Total	$	6,833,071

The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year were included as a change in the fair value of investments in those prior periods. Realized gains from the sale of investments related to the Treasurer's pooled cash were $970,085 for Fiscal Year 1999-00. Excluding the Individual Investment Trust Fund, and the Deferred Compensation Plan, the state realized $1,850,024 of net gains from the sale of investments of other funds during Fiscal Year 1999-00.

The state treasurer maintains an agency fund for the Great Outdoors Colorado Program (GOCO), a related party. At June 30, 2000 and 1999, the treasurer had $31.7 million and $48.9 million at fair value, respectively, of GOCO's funds on deposit and invested. The treasurer also maintains an individual investment trust fund for the Colorado Compensation Insurance Authority (CCIA), a related party. At June 30, 2000 and 1999, the treasurer had $770.1 and $653.0 million at fair value, respectively, of CCIA's funds on deposit and invested.

Colorado Revised Statutes 24-75-601.1 authorizes the type of investments that the state may hold. In general, the statute requires securities that are of the highest quality as determined by national rating agencies, those guaranteed by another state or the federal government, or a registered money market fund whose policies meet criteria set forth in the statute.

The state categorizes the custodial risks of its investments into the following categories:

- Category A is those investments that are insured or registered securities held by the state or its agent in the state's name.
- Category B is those investments that are uninsured and unregistered, with securities held by the counterparty's trust department or agent in the state's name.
- Category C is those investments that are uninsured and unregistered, with securities held by the counterparty or its agent, but not in the state's name.

Mutual funds and certain other investments are not categorized as to custodial risk because ownership is not evidenced by a security. The following table lists the state's investments by type and risk category.

(Amounts in Thousands)

Type of Investment*	Risk Category A	Risk Category B	Risk Category C	Total Fair Value
U.S. Government Securities	$ 1,898,427	$ 9,979	$ 6,933	$ 1,915,339
Bankers' Acceptance	21,814	-	-	21,814
Commercial Paper	431,437	-	-	431,437
Corporate Bonds	841,584	-	1,209	842,793
Corporate Securities	38,232	-	12,135	50,367
Repurchase Agreements	5,024	-	213	5,237
Asset Backed Securities	1,250,902	-	543	1,251,445
Other	21	-	-	21
Subtotal	$ 4,487,441	$ 9,979	$ 21,033	4,518,453
Uncategorized				755,728
Total				$ 5,274,181

*Note: Amounts include the treasurer's pool and individual investment accounts.

The following schedule shows the state's net unrealized gains and (losses) by fund category for Fiscal Years 1999-00 and 1998-99. The schedule excludes the Deferred Compensation Plan, an expendable trust fund, the individual investment trust fund managed for the Colorado Compensation Insurance Authority, and agency funds because realized and unrealized gains of these funds are not available to the state's programs.

(Amounts in Thousands)

Gain/(Loss)

Fund Type	Fiscal Year 1999-00	Fiscal Year 1998-99
General Fund	$ (9,774)	$ (11,513)
Nonexpendable Trust Funds	(6,916)	(7,218)
Controlled Maintenance Trust	(4,645)	(6,282)
Endowment Fund	(4,353)	238
Regular Capital Construction	(3,450)	(3,864)
Highways	(3,294)	(3,076)
Labor	(1,222)	(5,743)
Water Conservation Construction	(745)	(854)
Wildlife	(731)	(795)
Tobacco Litigation Settlement	(642)	-
Colorado Gaming Fund	(529)	(517)
Severance Tax Trust Fund	(507)	(257)
Colorado Student Loan Program	(419)	(389)
Current Funds - Restricted	(306)	229
Current Funds - Unrestricted	(260)	(2,061)
State Employee Group Insurance	(197)	(248)
Other Expendable Trusts	(192)	(161)
Colorado Lottery Fund	(188)	(234)
Unexpended Plant Funds	(170)	(347)
Correctional Industries	(25)	(40)
State Nursing Homes	(19)	(23)
Transportation	(16)	(10)
State Fair Authority	(10)	(7)
Treasurer's Expendable Trust	(7)	(30)
Other Nonexpendable Trusts	(5)	(57)
Deferred Compensation Plan	(4)	-
Business Enterprise Program	(3)	(3)
Other Enterprise Funds	-	(36)
Conservation Trust Fund	-	(17)
Loan Fund	9	(36)
Retirement Of Indebtedness	11	(263)
Tobacco Litigation Settlement	327	-
Renewal And Replacement	861	(596)
Totals	$ (37,421)	$ (44,210)

Component Units

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which governmental units may invest. The risk criteria are defined the same as for the primary government.

Investments of the University of Colorado Hospital Authority are reported at fair values which are based on quoted market prices, if available, or estimated using market prices for similar securities. Interest, dividends, and realized and unrealized gains and losses are based on the specific identification method and are included in non-operating income when earned. In Fiscal Year 1999-00, the University of Colorado Hospital Authority realized a net gain on investments of $8.0 million and unrealized gain of

$2.7 million. The unrealized gain represented a $3.3 million decline in the unrealized fair value of investments from the prior fiscal year.

The hospital uses interest rate swap agreements to manage interest costs and risks associated with changing interest rates. At June 30, 2000, the hospital was party to two swap agreements having notational amounts of $50 million and $72 million. The fair value of the swaps was ($680,000) and ($153,000), respectively, based on the gross unrealized market loss. Both interest rate swaps are scheduled to terminate in 2006.

The following table lists the component units' investments by type and risk category:

(Amounts in Thousands)

Type of Investment	Risk Category A	Risk Category B	Risk Category C	Total Fair Value
U.S. Government Securities	$ 99,361	$ -	$ 8,973	$ 108,334
Repurchase Agreements	-	-	187,232	187,232
Corporate Bonds	27,521	-	-	27,521
Equity Securities	40,461	-	-	40,461
Subtotal	$ 167,343	$ -	$ 196,205	363,548
Uncategorized				177,350
Total				$ 540,898

H. TREASURER'S INVESTMENT POOL

Participation in the treasurer's pool is mandatory for all state agencies with the exception of the University of Colorado. The treasurer determines the fair value of the pool's investments at each month-end for performance tracking purposes. Short-term realized gains and losses and interest earnings, adjusted for amortization of premium and discounts, are distributed monthly prorated to the average of the participant's daily balance during the month if the participant is authorized to receive interest and investment earnings by statute.

Colorado Revised Statutes 24-36-113 authorizes the state treasurer to enter collateralized securities lending agreements. During Fiscal Year 1999-00, the treasurer loaned U.S. government and federal agencies' securities held for the Colorado Compensation Insurance Authority to Morgan Stanley. The treasurer also loaned U.S. government and federal agencies securities held for the Colorado Treasury Pool, the Public School Permanent Fund, and the Controlled Maintenance Trust Fund to Deutsche Bank. Morgan Stanley and Deutsche Bank pay the treasurer an agreed upon fee for use of these securities. Collateral is deposited and held in a custodial bank.

Currently, collateral held by the custodial bank includes A-rated or better domestic corporate bonds, however, the agreement allows collateral to include government and federal agencies' securities as well. Corporate securities held as collateral must equal at least 105 percent of the market value of the loaned securities, while government securities must equal at least 102 percent of the market value. The treasurer does not have the authority to pledge or sell collateral securities without borrower default nor does the treasurer accept cash as collateral.

Morgan Stanley, acting as the principal, and Deutsche Bank, acting as agent and fiduciary, are directly responsible for the safeguarding of assets. Each carries a financial institution bond that is substantially more than the amount required by the New York Stock Exchange. On June 30, 2000, the market value of securities on loan from the Colorado Compensation Insurance Authority account was $173,853,154. The market value of the collateral securities pledged was $184,742,890. At June 30, 2000, the market value of the securities on loan from the other three funds was $1,262,470,748, and the market value of the related pledged collateral was $1,378,017,690.

I. PROPERTY, PLANT, AND EQUIPMENT

Primary Government

A summary of fixed assets by account groups and fund types at June 30, 2000, follows:

(Amounts in Thousands)

	General Fixed Assets Account Group	Enterprise Funds	Internal Service Funds	Fiduciary Funds	College & University Funds	Totals
Land and Improvements	$ 233,056	$ 9,169	$ -	$ 7,574	$ 212,478	$ 462,277
Buildings and Improvements	1,140,669	27,263	847	59	1,857,327	3,026,165
Equipment	313,230	33,171	119,508	506	564,059	1,030,474
Library Books and Holdings	2,743	-	-	5,129	285,309	293,181
Construction in Progress	145,490	307	1,687	-	381,706	529,190
Other	14,201	60	16,978	-	988	32,227
Less: Accumulated Depreciation	-	(35,904)	(81,082)	-	(1,437)	(118,423)
Totals	$ 1,849,389	$ 34,066	$ 57,938	$ 13,268	$ 3,300,430	$ 5,255,091

A statement of changes in general fixed assets for the year ended June 30, 2000, is shown below:

(Amounts in Thousands)

	Beginning Balance July 1	Additions	Deductions	Reclassifications	Ending Balance June 30
Land and Improvements	$ 218,800	$ 21,364	$ 7,108	$ -	$ 233,056
Buildings and Improvements	1,038,352	15,263	14,393	101,447	1,140,669
Equipment	328,768	20,649	36,187	-	313,230
Library Books and Holdings	2,743	149	149	-	2,743
Construction in Progress	130,597	116,340	-	(101,447)	145,490
Other	11,563	2,638	-	-	14,201
Totals	$ 1,730,823	$ 176,403	$ 57,837	$ -	$ 1,849,389

Component Units

The Colorado Water Resources and Power Development Authority reported furniture and fixtures, net of accumulated depreciation, of $57,353 at December 31, 1999.

The Denver Metropolitan Major League Baseball Stadium District reported land and improvements, buildings, and other property and equipment, of $179.6 million and $184.2 million, net of accumulated depreciation, at December 31, 1999 and 1998, respectively.

At June 30, 2000, the University of Colorado Hospital Authority reported gross amounts for land, buildings and improvements of $174.5 million, equipment of $95.6 million, and construction in progress of $84.6 million. Accumulated depreciation related to these fixed assets was $115.0 million.

J. OTHER LONG-TERM ASSETS

In the governmental funds, the state has reserved the fund balance for long-term assets and long-term loans receivable. The loans in the Special Revenue Fund are 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 7 percent. The loans require the local entities or districts to make a yearly payment of principal and interest.

K. FUND BALANCE DEFICITS

The deficit of $143.9 million in unreserved undesignated fund equity of the General Fund is related to recording a liability of $941.13 for excess-revenue refunds under Article X, Section 20 (TABOR) of the State Constitution. Due to delayed recognition of excess-revenue refunds under the state's budgetary basis, legal compliance was achieved. (See Note II-A and II-D)

The Telecommunications Fund, an internal service fund, had a retained earnings deficit of $139,170 at June 30, 2000.

The Capitol Complex Fund, an internal service fund, had a retained earnings deficit of $291,469 at June 30, 2000.

The Administrative Hearings Fund, an internal service fund, had a retained earnings deficit of $27,737 and $61,874 respectively at June 30, 2000, and June 30, 1999.

The State Fair Authority, an enterprise fund, had a retained earnings deficit of $2,043,385 and $1,328,459 respectively at June 30, 2000, and June 30, 1999.

L. FUND EQUITY

Fund equities reserved for other specific purposes at June 30, 2000, are:

(Amounts in Thousands)

Reserved For	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Fiduciary Funds	Total
Unemployment Insurance	$ -	$ -	$ -	$ -	$ 812,149	$ 812,149
CCIA Individual Investment Trust Fund	-	-	-	-	781,351	781,351
Deferred Compensation Plan	-	-	-	-	365,278	365,278
Public School Permanent Fund	-	-	-	-	302,080	302,080
Benefits For Injured Workers	-	177,537	-	-	-	177,537
Severance Tax Trust Fund	39,481	-	-	-	57,099	96,580
Water Conservation Construction	-	93,743	-	-	-	93,743
Wildlife, Parks, & Outdoor Recreation	1,607	65,933	-	-	981	68,521
Tobacco Litigation Settlement	-	67,101	-	-	-	67,101
Tobacco Settlement Trust Fund	-	-	-	-	50,859	50,859
Limited Gaming Fund	-	42,536	-	-	-	42,536
Hazardous Substances Response	32,604	-	-	-	-	32,604
Family Issues Cash Fund	32,159	-	-	-	-	32,159
State Public School Fund	25,566	-	-	-	-	25,566
Uninsurable Health Insurance Plan	22,554	-	-	-	-	22,554
Employment Support Fund	22,494	-	-	-	-	22,494
Mineral Leasing	20,861	-	-	-	-	20,861
Public Safety Communications	20,708	-	-	-	-	20,708
Controlled Maintenance Trust	-	-	-	-	17,018	17,018
Energy Conservation	12,666	-	-	-	-	12,666
Victims Of Crime	1,131	-	-	-	10,314	11,445
Species Conservation	10,790	-	-	-	-	10,790
Mined Land Reclamation	940	-	-	-	8,488	9,428
Petroleum Storage Tank Fund	9,053	-	-	-	-	9,053
Disaster Emergency Fund	7,855	-	-	-	-	7,855
Natural Resources Damage Recovery	7,592	-	-	-	-	7,592
Limited Gaming Impact Fund	7,109	-	-	-	-	7,109
General Liability Fund	7,009	-	-	-	-	7,009
Read-To-Achieve Cash Fund	7,000	-	-	-	-	7,000
Economic Development Fund	6,293	-	-	-	-	6,293
Debt Retirement	-	-	5,742	-	-	5,742
Workers' Compensation Regulation	5,741	-	-	-	-	5,741
Old Age Pension Stabilization	5,000	-	-	-	-	5,000

(Continued)

(Continued)

(Amounts in Thousands)

Reserved For	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Fiduciary Funds	Total
Drug Offender Surcharge Fund	4,546	-	-	-	-	4,546
Aviation Fund	4,161	-	-	-	-	4,161
Distributive Data Processing	-	4,138	-	-	-	4,138
Children's Basic Health Plan	3,778	-	-	-	-	3,778
Supreme Court Grievance Committee	-	-	-	-	3,759	3,759
Worker's Compensation Fund	3,421	-	-	-	-	3,421
Real Estate Recoverys	-	-	-	-	3,054	3,054
Regulatory License and Fee Adjustment	2,779	-	-	-	-	2,779
Capital Construction	-	-	-	2,744	-	2,744
Brand Inspection Fund	2,735	-	-	-	-	2,735
Public Employees Social Security	2,604	-	-	-	-	2,604
Secretary Of State Fees	2,480	-	-	-	-	2,480
Patient Benefit	-	-	-	-	2,416	2,416
Disabled Telephone Users Fund	2,161	-	-	-	-	2,161
Treasurer's Escheats Fund	-	-	-	-	2,114	2,114
Department of Law Custodial Funds	2,109	-	-	-	-	2,109
Uniform Consumer Credit Code	2,046	-	-	-	-	2,046
Housing Rehabilitation Revolving Loans	-	-	-	-	1,850	1,850
Motor Carrier Safety Fund	1,818	-	-	-	-	1,818
Defined Contribution Plan	-	-	-	-	1,803	1,803
Alcohol Driver Safety	1,736	-	-	-	-	1,736
Waste Tire Recycling Fund	1,586	-	-	-	-	1,586
Arts In Public Places Fund	1,440	-	-	-	-	1,440
Law Enforcement Assistance Fund	-	1,423	-	-	-	1,423
Property Insurance Fund	1,420	-	-	-	-	1,420
Emergency Medical Services	-	1,387	-	-	-	1,387
Off Highway Vehicles	1,372	-	-	-	-	1,372
Environmental Response Fund	1,210	-	-	-	-	1,210
Donations	1,179	-	-	-	-	1,179
Colorado Children's Trust Fund	1,094	-	-	-	-	1,094
Infant Immunization Fund	1,075	-	-	-	-	1,075
State Rail Bank Fund	1,001	-	-	-	-	1,001
Other Special Purpose Programs	29,508	33	-	82	15,312	44,935
	$ 383,472	$ 453,831	$ 5,742	$ 2,826	$ 2,435,925	$ 3,281,796

M. PRIOR PERIOD ADJUSTMENTS

Primary Government

On the *Combined Statement of Revenues, Expenses, and Changes in Fund Equity – All Proprietary Fund Types and Similar Trust Funds,* the beginning fund balance of the Internal Service Funds increased by $552,131. The adjustment was made because capital that was contributed in prior years was not recorded. There is no related reduction in another fund because the contribution was from the General Fixed Asset Account Group, which does not report operations.

On the *Combined Statement of Changes in Fund Balance – All College and University Funds* the beginning fund balance of several funds increased because of the addition of a higher education entity to the state. The Colorado Northwestern Community College – Rangely Junior College District became a state agency called the Colorado Northwestern Community College. The Unrestricted Current Funds increased by $1,761,007, the Restricted Current Funds increased by $880, the Loan Funds increased by $833,335, and the Investment in Plant Fund increased by $22,008,270.

On the *Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds,* the beginning fund balance of the Special Revenue Funds increased by $8,000,000. The adjustment was made because a prior year loan disbursement was expended rather than recorded as a loan receivable.

N. TRANSFERS BETWEEN FUNDS

Operating transfers between funds for the fiscal year ended June 30, 2000, were as follows:

(Amounts in Thousands)

Transfer	Amount
General Fund to Higher Education	$700,946
Capital Construction to Higher Education	196,898
General Fund to Capital Construction	176,522
Capital Construction to Highways	44,785
Colorado Lottery Fund to Conservation Trust Fund	35,791
Colorado Gaming Fund to General Fund	33,693
Land Board to General Fund	30,728
Capital Construction to General Fund	27,611
Highways to General Fund	21,106
Controlled Maintenance Trust to Capital Construction	19,059
Wildlife to Capital Construction	12,470
Colorado Lottery Fund to Wildlife	8,948
Treasurer's Expendable Trust to General Fund	9,735
Capital Construction to Debt Service	5,356
Wildlife to General Fund	4,638
General Fund to Water Conservation Construction	4,194
Controlled Maintenance Trust to Disaster Emergency	4,121
Severance Tax Trust Fund to General Fund	3,901
Higher Education to General Fund	3,679
Highways to Capital Construction	2,587
Treasurer's Expendable Trust to Colorado Gaming Fund	2,500
Central Services to General Fund	2,289
Colorado Gaming Fund to Highways	2,252
Water Conservation Construction to General Fund	2,021
Water Conservation Construction to Wildlife	2,000
State Lands to General Fund	1,869
Colorado Lottery Fund to General Fund	1,707
General Fund to Highways	1,342
Victims Compensation to General Fund	1,139
Prison Canteens to Capital Construction	816
Land Board to State Lands	738
Telecommunications to General Fund	720
Correctional Industries to General Fund	482
Labor to General Fund	460
Highways to Public Safety Internal Service Fund	247
General Fund to State Nursing Homes	239
State Employee Group Insurance to General Fund	239
Colorado Gaming Fund to Wildlife	206
Wildlife to State Lands	189
Capitol Complex to Capital Construction	161
Colorado Student Loan Program to General Fund	139
Other Enterprise Funds to General Fund	139
Severance Tax Trust to Water Conservation	133
State Lands to Higher Education	104
State Nursing Homes to General Fund	96
General Fund to Public Safety Internal Service Fund	85
Prison Canteens to General Fund	75
Land Board to Higher Education	70
General Fund to Correctional Industries	64
State Lands to Land Board	57
Other Nonexpendable Trusts to Other Expendable Trusts	32
Gen Government Computer Center to General Fund	25
Colorado Gaming Fund to Capital Construction	20
Colorado Gaming Fund to Other Enterprise Funds	19
Deferred Compensation Plan to General Fund	15
Other Expendable Trusts to Land Board	6
General Fund to Other Expendable Trusts	4
Total Transfers Out	$1,369,467
Higher Education Transfer to General Fund In Net Operating Transfer From State Funds	3,679
Financial Statement Balance	$1,365,788

In addition to the above transfers, residual equity transfers were made to the proprietary funds from the governmental funds and the General Fixed Assets Account Group. In the proprietary funds, these transfers are shown as "Additions To Contributed Capital" in the fund equity section of the *Combined Statement of Revenues, Expenses, and Changes in Fund Equity, All Proprietary Fund Types, Similar Trust Funds, and Discretely Presented Component Units* in the amount of $323,454. This amount comprises the following transactions:

- The Telecommunications Fund, an internal service fund, received $304,781 of fixed assets from the General Fixed Asset Account Group that were funded by the Capital Projects Fund and are shown as additions to contributed capital. The account group does not have an operating statement; thus, there is not a corresponding transfer-out.
- The State Nursing Homes, an enterprise fund, received $18,673 of fixed assets from the General Fixed Assets Account Group that were funded by the Capital Projects Fund and are shown as additions to contributed capital.

The advances from private or public sources in the Capital Projects Fund on the *Combined Statement of Revenues, Expenditures, and Changes in Fund Balances* represent capital construction projects funded by internal service funds. Due to legal requirements, these projects are accounted for in the Capital Projects Fund.

O. SEGMENT INFORMATION

Primary Government

The principal activities of the state's enterprise funds are the guaranteed student loan program, the lottery, the state's nursing homes, the business enterprise program, enterprises at the state's prisons, and the state fair.

The guaranteed student loan program guarantees loans made by private lending institutions, in compliance with operating agreements with the U.S. Department of Education, to students attending postsecondary schools.

The State Lottery encompasses the various lottery and lotto games run under state statute. The net proceeds of the lottery are distributed to the Great Outdoors Colorado program (a related party), the conservation trust fund, and the general fund. The funds are used primarily for open space purchases and recreational facilities throughout the state.

The state nursing homes provide nursing home and retirement care to the elderly. The state's nursing homes are located at Homelake, Walsenburg, Florence, Rifle, and Trinidad.

The business enterprise program assists the visually impaired in operating businesses, such as cafeterias, in state office buildings. Enterprise activities at the state's prisons include the sale of manufactured goods and farm products produced by convicted criminals incarcerated in the state's prison system.

Segment information for the enterprise funds of the state for the year ended June 30, 2000, is:

(Amounts in Thousands)

	GUARANTEED STUDENT LOAN	STATE LOTTERY	BUSINESS ENTERPRISE PROGRAM	STATE NURSING HOMES	PRISON CANTEENS	CORREC-TIONAL INDUSTRIES	STATE FAIR AUTHORITY	OTHER ENTERPRISE ACTIVITIES	TOTALS
Operating Revenue	$ 52,544	$ 371,114	$ 638	$ 19,082	$ 9,693	$ 30,055	$ 6,418	$ 3,184	$ 492,728
Federal Grants and Contracts	44,225	-	676	5,440	-	-	-	554	50,895
Depreciation	815	570	137	522	62	974	821	74	3,975
Operating Income	306	88,149	(756)	(306)	1,672	(355)	(1,514)	(380)	86,816
Operating									
Transfers-In	-	-	-	239	-	64	-	19	322
Transfers-(Out)	(139)	(46,445)	-	(96)	(891)	(482)	-	(139)	(48,192)
Net Income (Loss)	167	(144)	(66)	338	811	(696)	(713)	(99)	(402)
Additions to Contributed Capital	-	-	-	19	-	-	-	-	19
Working Capital	47,970	(426)	500	3,181	4,446	11,075	(181)	1,326	67,891
Increase(Decrease) in Net Property, Plant, and Equip	(608)	396	(72)	(55)	(63)	443	(769)	(16)	(744)
Total Assets	59,130	37,642	982	10,933	6,163	22,377	9,670	6,189	153,086
Bonds and Other Long-Term Liabilities	1,339	861	44	691	63	731	2,250	101	6,080
Fund Equity	49,099	1,232	741	9,549	5,811	19,075	5,961	5,426	96,894

Component Units

The Colorado Water Resources and Power Development Authority's purpose is to initiate, acquire, construct, maintain, repair and operate, or cause to be operated, projects for the protection, preservation, conservation, upgrading, development and utilization of the water resources of the state.

The Denver Metropolitan Major League Baseball Stadium District includes all or part of the six counties in the Denver metro area. The District was created for the purpose of acquiring, constructing and operating a major league baseball stadium. The District levies a sales tax of one-tenth of one percent throughout this District for a period not to exceed 20 years for this purpose. A portion of this tax is shown as taxes receivable on the *Combined Balance Sheet – All Fund Types, Account Groups, and Discretely Presented Component Units.*

University Hospital is a nonsectarian, general acute care regional hospital, with seven outpatient clinics and a home therapy unit, operated by the University of Colorado Hospital Authority. It is the teaching hospital of the University of Colorado Health Sciences Center. The hospital's mission is to provide education, research and a full spectrum of primary, secondary and tertiary health care services to the Denver metropolitan area and the Rocky Mountain Region.

The Colorado Uninsurable Health Insurance Plan is a non-profit public entity created to provide access to health insurance for those Colorado residents who are unable to obtain health insurance, or unable to obtain health insurance except at prohibitive rates or with restrictive exclusions.

CONDENSED BALANCE SHEET
ALL DISCRETELY PRESENTED COMPONENT UNITS

DOLLARS IN THOUSANDS	TRUST & AGENCY	PENSION TRUST FUND	PROPRIETARY FUND TYPES				
	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY	DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	COLORADO UNINSURABLE HEALTH INSURANCE PLAN	TOTAL
ASSETS:							
Current Assets	$ 44,752	$ -	$ 25,271	$ 71,733	$ 87,690	$ 3,470	$ 232,916
Investments	119,951	70,638	-	232,716	117,593	-	540,898
Property, Plant and Equip., net	-	-	179,574	239,651	57	4	419,286
Other Long-Term Assets	-	-	942	10,397	415,317	-	426,656
Total Assets	$ 164,703	$ 70,638	$ 205,787	$ 554,497	$ 620,657	$ 3,474	$ 1,619,756
LIABILITIES:							
Current Liabilities	$ 122,094	$ -	$ 639	$ 75,979	$ 48,885	$ 1,705	$ 249,302
Notes and Bonds Payable	-	-	46,133	235,837	376,170	-	658,140
Other Long-Term Liabilities	-	-	-	5,899	3,328	-	9,227
Total Liabilities	122,094	-	46,772	317,715	428,383	1,705	916,669
FUND EQUITY:							
Contributed Capital	-	-	386	-	118,426	-	118,812
Retained Earnings	-	-	158,629	-	73,848	1,769	234,246
Fund Balances:							
Reserved	42,609	70,638	-	-	-	-	113,247
Undesignated	-	-	-	236,782	-	-	236,782
Total Fund Equity	42,609	70,638	159,015	236,782	192,274	1,769	703,087
Total Liabilities and Fund Equity	$ 164,703	$ 70,638	$ 205,787	$ 554,497	$ 620,657	$ 3,474	$ 1,619,756

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY - ALL DISCRETELY PRESENTED COMPONENT UNITS - PROPRIETARY FUNDS

DOLLARS IN THOUSANDS	PROPRIETARY FUND TYPES				
	DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	COLORADO UNINSURABLE HEALTH INSURANCE PLAN	TOTAL
OPERATING REVENUES	$ 774	$ 274,176	$ 25,048	$ 3,194	$ 303,192
OPERATING EXPENSES:					
Depreciation	4,669	19,047	36	-	23,752
Other Operating Expenses	90	264,993	22,177	4,981	292,241
Total Operating Expenses	4,759	284,040	22,213	4,981	315,993
Operating Income/Excess (Loss)	(3,985)	(9,864)	2,835	(1,787)	(12,801)
Non-Operating Revenues and (Expenses)/Transfers:					
Taxes	33,716	-	-	-	33,716
Other	(4,944)	10,689	1,898	2,045	9,688
Transfers, net	-	-	2,597	-	2,597
Total Non-Operating Revenues and (Expenses)/Transfers	28,772	10,689	4,495	2,045	46,001
Net Income/Change in Retained Earnings	24,787	825	7,330	258	33,200
Fund Equity - Beginning of Year	134,228	210,385	158,893	1,511	505,017
Additions (Deductions) to Contributed Capital	-	25,572	26,051	-	51,623
Fund Equity - End of Year	$ 159,015	$ 236,782	$ 192,274	$ 1,769	$ 589,840

P. OTHER DISCLOSURES

Primary Government

The Colorado Medical Services Foundation, a related organization, was established to support patient billing and collections for physician fees for the University of Colorado Health Sciences Center. During Fiscal Years 1999-00 and 1998-99, the university was reimbursed $82.1 million and $72.7 million, respectively, from the foundation for salaries, fringe benefits, and related costs. In addition, the foundation reimbursed the university $654,676 for professional liability insurance and administrative costs in Fiscal Year 1999-00. At June 30, 2000, the university owed the foundation $10,033.

The University of Colorado Foundation, Inc., an unconsolidated affiliated corporation, was established in 1967 as a separate corporation to solicit, collect, and invest donations for the university. The foundation distributed $40.0 million and $38.0 million to the university in Fiscal Year 1999-00 and 1998-99, respectively.

The Colorado State University Foundation was established to receive, manage, and invest philanthropic gifts to Colorado State University. During Fiscal Years 1999-00 and 1998-99, the foundation transferred $20.9 and $16.8 million, respectively, to the university.

The Fort Lewis College Foundation was established to assist in promoting, developing, and enhancing the facilities and programs of the college. During Fiscal Years 1999-00 and 1998-99, the foundation transferred $2,293,314 and $878,236, respectively, to the college.

The Adams State College Foundation was established to provide scholarships and work study grants to students, as well as, program development grants to Adams State College. The foundation provided $320,869 in grants during Fiscal Year 1999-00.

The Mesa State College Foundation was established to provide financial assistance to Mesa State College students and to assist the college in serving educational needs. In Fiscal Year 1999-00, the foundation donated assets valued at $565,461 to the college. The foundation also authorized the transfer of $217,938, which the college recorded as due from the foundation at June 30, 2000.

The Metropolitan State College of Denver Foundation, Inc. was organized and is operated to promote the general welfare of the Metropolitan State College of Denver. The foundation provided $1,150,262 of funding to the college in Fiscal Year 1999-00. The foundation also reimbursed the college $51,276 for services provided by a college employee.

The Western State College Foundation was established to aid Western State College in fulfilling its educational mission. The foundation transferred $716,577 to the college in Fiscal Year 1999-00.

The Front Range Community College Foundation was established to aid Front Range Community College in fulfilling its educational mission. The foundation transferred $202,658 to the college in Fiscal Year 1999-00 for student scholarships and instructional program support.

The Morgan Community College Foundation was established to promote the advancement of education and educational facilities at Morgan Community College. The foundation transferred $146,288 to the college in Fiscal Year 1999-00 for student scholarships, operations, and capital purchases.

The Pueblo Community College Foundation was established to aid Pueblo Community College in fulfilling its educational mission. During Fiscal Year 1999-00, the foundation transferred $121,840 to the college for scholarships and $546,332 for equipment and building improvements.

The Community College of Aurora Foundation provides funding and other resources for the development of the Community College of Aurora. The foundation reimbursed the college $545,339 for maintenance costs and transferred $166,654 to the college for scholarships and grants. At June 30, 2000, $115,354 of the maintenance costs were recorded as receivable from the foundation.

The Red Rocks Community College Foundation was established to aid Red Rocks Community College in fulfilling its educational mission. During Fiscal Year 1999-00, the foundation sponsored $165,681 of scholarships made by the college and transferred $833,153 to the college for construction of a remote campus. The college expended $213,740 in support of the foundation's staff and operations.

The University of Northern Colorado Foundation, Inc. was established in February 1966 to promote the welfare, development, growth, and well being of the University of Northern Colorado. The foundation donated $1,759,940 to the university in Fiscal Year 1999-00. At June 30, 2000, $312,573 was due from the foundation to the university.

The Colorado School of Mines Foundation, Inc. was established in 1928 as a separate corporation to benefit the School of Mines by soliciting, collecting, and investing donations. During Fiscal Years 1999-00 and 1998-99, the school received $8,313,341 and $6,863,799 respectively from the foundation. The foundation owed the school $263,747 at June 30, 2000. In the event of the Foundation's dissolution, any remaining assets will be transferred to the Colorado School of Mines.

The Colorado School of Mines Building Corporation was established in 1976 to build a facility to house the United

States Geological Survey. The Geological Survey leases the facility from the corporation. The net assets of the corporation at June 30, 2000, and June 30, 1999 were $1,993,501 and $2,961,486 respectively.

The Auraria Foundation was established to carry out certain financial arrangements related to the statutory mission of the Auraria Higher Education Center (AHEC). At June 30, 2000, the foundation had raised net donations of $1,288,439 to fund the construction of a Performing Arts Building at AHEC. The foundation transferred $1,100,000 of the donations and $188,439 was due to AHEC at June 30, 2000. The foundation reimbursed AHEC $225,631 for managerial and administrative costs during Fiscal Year 1999-00.

During Fiscal Years 1999-00 and 1998-99, the Department of Local Affairs distributed $1,125,000 and $1,018,778, respectively, to the Colorado Housing and Finance Authority (CHAFA), a related party. The distributions represented 50 percent of the revenues of the waste-tire-recycling program.

The Great Outdoors Colorado Board (GOCO) is a constitutionally created entity whose purpose is to administer the Great Outdoors Colorado Program and Trust Fund. The purpose of the program is to promote the wildlife and outdoor recreation resources of the state using funds it receives from the Colorado Lottery. During Fiscal Years 1999-00 and 1998-99, the board funded $9,821,345 and $10,055,707, respectively of wildlife and parks programs at the Department of Natural Resources. At June 30, 2000, GOCO owed the Department of Natural Resources $5.7 million.

Component Units

The University of Colorado Hospital Authority received a net state appropriation of $8.1 million and $7.7 million in Fiscal Years 1999-00 and 1998-99 respectively for indigent care. In addition, the hospital participates in the Colorado Disproportionate Share Hospital Program. The hospital received related reimbursements from the state of $18.8 million and $17.7 million for the years ended June 30, 2000 and 1999, respectively. For the same years, the Hospital received $.74 million and $3.16 million for services provided to medically indigent patients in prior years.

The authority and the University of Colorado Health Sciences Center have developed and received approval for an Institutional Master Plan to create a new academic health sciences center over the next 20 to 50 years. The U.S. Department of Education and the U.S. Army approved the transfer of 186 acres of land and buildings at the Fitzsimons Army Medical Center to the University of Colorado in federal Fiscal Year 2002-03. The Army has conveyed 88 acres under quitclaim deeds in advance of the official transfer. The quitclaim deeds include conditions subsequent that if not met provide for reverting the property to the United States. The Authority entered a 30-year Ground Lease agreement with the University of Colorado Regents for 18.4 acres with a one-dollar annual fee. The agreement provides for renewals up to 99 years and with certain exceptions, the Ground Lease states that the Authority shall own all buildings or improvements, which it constructs on the property.

Under the Operating Agreement between the University of Colorado Regents and the University of Colorado Hospital Authority dated July 1, 1990, the Regents have entered into contracts with the hospital for the provision of services in support of programs and operations of the University of Colorado Health Sciences Center. Amounts of approximately $26.6 million and $23.8 million were paid for these services in Fiscal Years 1999-00 and 1998-99, respectively. Other contracts with the Regents for storage facilities, student health services, and research projects resulted in reimbursements of approximately $7.7 million and $3.1 million in Fiscal Years 1999-00 and 1998-99, respectively.

The hospital entered certain provider and network management agreements with the TriWest Healthcare Alliance Corporation. TriWest was formed to deliver health care services to eligible beneficiaries of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). On June 27, 1996, the U.S. Department of Defense awarded TriWest the CHAMPUS contract for a five-year period that began April 1997. As part of the agreements, the hospital purchased a minority interest in TriWest for approximately $3.3 million. This investment was recorded as "Other Assets" and is accounted for under the cost method. The hospital agreed to secure a letter of credit for $4.6 million to cover the hospital's share of any potential losses of TriWest. At June 30, 2000, no amounts had been drawn on the letter of credit.

The hospital has contracted with University Physicians, Inc. (UPI), a related party, for the administration of various hospital programs and professional laboratory services. The hospital and UPI have also entered other joint arrangements in furthering the missions of both organizations. Amounts of approximately $23.0 million and $19.4 million were paid for these programs during Fiscal Years 1999-00 and 1998-99, respectively.

The hospital is negotiating with UPI to assume 30% participation in the hospital's investment in TriWest. As part of its negotiations, the hospital received a capital contribution of $994,000 from UPI. Under the current terms of the draft contract between the hospital and UPI, UPI will sign a $1,380,000 letter of credit, equal to 30 percent of the hospital's letter of credit commitment to TriWest. In a separate agreement, UPI has signed an agreement with the hospital to assume its network management obligations related to TriWest.

The hospital leases certain employees to the Adult Clinical Research Center (CRC), a related party, at full cost and provides overhead and ancillary services for CRC patients. Charges of approximately $1.16 million and $1.17 million were billed to CRC for the cost of these services during Fiscal Years 1999-00 and 1998-99, respectively.

The hospital also leases certain employees to the Colorado Psychiatric Hospital (CPH), a related party, and provides various clinical and administrative services. Amounts for these services charged by the hospital were approximately $5.8 million and $7.9 million during Fiscal Years 1999-00 and 1998-99, respectively.

Amounts due from the Health Sciences Center, including CPH and CRC, amounted to $5.8 million and $2.5 million at June 30, 2000 and 1999, respectively.

Chartwell Rocky Mountain Region is a Colorado general partnership between the hospital and Chartwell Home Therapies Limited Partnership, a Massachusetts limited partnership. Chartwell Rocky Mountain Region was formed to provide home infusion and respiratory services to alternate-site patients. The partnership began in April 1996. The hospital and Chartwell Home Therapies Limited Partnership each have a 50 percent ownership in Chartwell Rocky Mountain Region. Separate financial statements of Chartwell Rocky Mountain Region are available from Chartwell Home Therapies Limited Partnership.

NOTE IV. COMMITMENTS AND CONTINGENCIES

A. LEASE COMMITMENTS

Primary Government

The state may enter lease or rental agreements for buildings or equipment. All leases contain clauses indicating that continuation of the lease is subject to funding by the legislature. It is reasonably assured that most of these leases will be renewed in the normal course of business. They are therefore treated as noncancelable for financial reporting purposes.

At June 30, 2000, the state had $11.2 million of land, $156.9 million of buildings, and $123.3 million of equipment under capital leases. The state anticipates $7,661,521 of minimum sublease rentals, and it paid $23,946 of contingent rentals during Fiscal Year 1999-00.

Colorado State University Research Foundation, a related party, is a not-for-profit Colorado corporation, established to aid and assist the three universities governed by the State Board of Agriculture in their research and educational efforts. The support provided by the foundation to the universities includes patent and licensing management, equipment leasing, municipal lease administration, debt financing, and land acquisition, development and management. Colorado State University System is subleasing space from the foundation. The total obligation is $1,163,000 with average annual lease payments of $391,000. Colorado State University is also sub-leasing space from the foundation. The total obligation is $2,729,000, with average annual lease payments of $853,000. The university is also leasing equipment from the foundation and has a total lease obligation of $661,000 with terms ranging from one to six years.

Fort Lewis College leases assets from the Fort Lewis College Foundation and had a lease payable of $374,225 at June 30, 2000.

Morgan Community College made lease payments of $66,950 to the Morgan Community College Foundation for classroom facilities.

Pueblo Community College leases equipment from the Pueblo Community College Foundation. The outstanding balance of the lease payable at June 30, 2000, was $89,737.

The state is obligated under certain leases that it accounts for as operating leases. Operating leases do not give rise to property rights or lease obligations. Therefore, the results of the lease agreements are not reflected in the balance sheets of the funds or account groups.

For Fiscal Year 1999-00, the state had building and land rental expenditures of $29.3 million and equipment and vehicle rental expenditures of $37.8 million paid to non-state agencies.

The state recorded $3.5 million of lease interest costs of which approximately $1.5 million was for certificates of participation for capital financing, $1.9 million was for state motor fleet vehicle leasing, and $.1 million was for other capital leases.

The $3.81 million of capital lease proceeds shown in the governmental funds on the *Combined Statement of Revenues, Expenditures, and Changes in Fund Balance* primarily represents lease financing of computers by the Department of Human Services. An equivalent amount of capital outlay expenditure is recognized at the inception of the lease to avoid any impact on fund balance.

Future minimum payments at June 30, 2000, for existing leases were as follows:

(Amounts in Thousands)

	Fiscal Year	Operating Leases	Capital Leases: Enterprise Funds	Internal Service Funds	Trust & Agency Funds	General Long-Term Debt	College & University Funds
	2001	$ 37,175	$ 576	$14,123	$ 26	$ 8,407	$ 20,275
	2002	32,166	206	11,523	15	6,415	14,589
	2003	29,873	203	8,651	10	5,773	13,236
	2004	26,919	191	6,158	5	4,603	12,334
	2005	23,423	82	3,178	-	4,524	11,898
	Thereafter	43,605	39	1,029	-	4,485	105,875
Total Minimum Lease Payments		$193,161	1,297	44,662	56	34,207	178,207
Less: Imputed Interest			(144)	(4,392)	(5)	(4,816)	(63,757)
Present Value of Minimum Lease Payments			1,153	40,270	51	29,391	114,450
Less: Current Portion			(508)	(12,275)	-	(3)	(1,261)
Total Capital Lease Obligations			$ 645	$27,995	$ 51	$ 29,388	$ 113,189

Component Units

The University of Colorado Hospital Authority leases certain equipment under non-cancelable operating leases. Rental expense for operating leases approximated $5.8 million and $5.7 million for Fiscal Years 1999-00 and 1998-99, respectively. Future minimum lease payments for these leases at June 30, 2000 are:

(Amounts in Thousands)

Fiscal Year	
2001	$ 3,088
2002	647
2003	612
2004	620
2005	628
Thereafter	1,317
Total Minimum Obligation	$ 6,912

The Colorado Water Resources and Power Development Authority leases office facilities under an operating lease. Total rental expense for the year ended December 31, was $95,898 in 1999 and $87,132 in 1998. The minimum annual rental commitments under this lease are $99,167 for 2000, $106,430 for 2001, and $113,024 for 2002.

B. NOTES AND BONDS PAYABLE

Primary Government

Many institutions of higher education and the state nursing homes have issued bonds and notes for the purchase of equipment and construction of facilities. Specific user revenues are pledged for the payments of interest and future retirement of the obligations. During Fiscal Year 1999-00, the state had $153.3 million of available net revenue after operating expenses to meet the $35.6 million of debt service requirement related to these bonds. The state is not aware of any violations of any note or bond covenants by itself or any of its institutions at June 30, 2000, or after that date.

On June 1, 2000, The Colorado Department of Transportation issued Transportation Revenue Anticipation Notes, Series 2000 (TRANs) in the amount of $524,360,000. Voters authorized the issuance in the November 1999 election. The TRANs have terms varying from 1 to 15 years and interest rates ranging from 4.6 percent to 6.0 percent. The TRANs are payable solely from certain federal and state funds annually allocated by the State Transportation Commission. Of the $524.36 million issued, the amount to be repaid from federal sources is $262.18 million and is shown on the *Combined Balance Sheet – All Fund Types and Account Groups* as Amount to Be Provided For Retirement of Long-Term Obligations – From Federal Revenues. Before the November 1999 vote, the Colorado Supreme Court determined that the TRANs do not constitute general obligation debt of the state.

The state recorded $24.5 million of interest costs of which the Guaranteed Student Loan Program paid approximately $6.0 million, higher education paid $17.8 million primarily for construction project debt service, and the remaining $.7 million was for other operating interest.

Annual maturities of notes and bonds payable, including $3.4 million classified as other current liabilities and $2.4 million of unamortized bond discounts and premiums, are as follows:

(Amounts in Thousands)

Fiscal Year	Revenue Bonds	Mortgages Payable	Installment Notes	Total
2001	67,834	3,919	255	72,008
2002	69,153	66	233	69,452
2003	67,712	66	202	67,980
2004	65,893	66	12	65,971
2005	67,550	66	12	67,628
2006-2010	493,207	17,618	4	510,829
2011-2015	448,517	-	-	448,517
2016-2020	56,800	-	-	56,800
2021-2025	28,959	-	-	28,959
2026-2030	7,768	-	-	7,768
Total Future Payments	1,373,393	21,801	718	1,395,912
Less: Imputed Interest	(517,801)	(333)	(532)	(518,666)
Total Principal Payments	$ 855,592	$ 21,468	$ 186	$ 877,246

Component Units

The debt service requirements to maturity for the Denver Metropolitan Major League Baseball Stadium District and the Water Resources and Power Development Authority at December 31, 1999 are:

(Amounts in Thousands)

Year	Denver Metropolitan Major League Baseball Stadium District	Colorado Water Resources and Power Development Authority
2000	$ 13,981	$ 40,552
2001	13,983	40,092
2002	13,983	40,020
2003	13,979	39,553
2004	-	39,467
Thereafter	-	395,897
Total Future Payments	55,926	595,581
Less: Imputed Interest	(5,891)	(219,411)
Unamortized Discount, and Deferred Cost	(3,902)	-
Total Principal Payments	$ 46,133	$ 376,170

The Denver Metropolitan Major League Baseball Stadium District's bonds are secured by pledged revenues consisting principally of the net proceeds derived by the district from the levy of a one-tenth of one percent sales tax upon all taxable retail sales within the six county area comprising the jurisdiction of the district.

The outstanding bond principal and interest payments are also unconditionally and irrevocably guaranteed under a noncancelable insurance policy issued by Financial Guaranty Insurance Company. The company has a lien on the district's assets, subordinate to that granted to the bondholders, to secure repayment of amounts paid and expenses incurred by it, if any, under the policy.

The Denver Metropolitan Major League Baseball Stadium District's 1994 refunding resulted in an economic gain of $2.4 million and a book loss of $13.5 million. The District amortized $2.37 million and $1.87 million of the book loss for fiscal years 1999 and 1998 respectively.

On August 1, 1999, the Denver Metropolitan Major League Baseball Stadium District entered an agreement with the Metropolitan Football Stadium District and other parties to defease its outstanding bonds prior to January 1, 2001. The agreement is contingent upon availability of funds and legal and tax-exemption determinations. If the agreement is consummated, the District has agreed to take all actions necessary to end the Denver Metropolitan Major League Baseball Stadium District sales tax on January 1, 2001.

All of the Water Resources and Power Development Authority's Small Water Resources Program bonds and the Series 1989A and Series 1990A Clean Water Revenue Bonds are insured as to payment of principal and interest by Financial Guaranty Insurance Company. The Clean Water Revenue Bonds, Series 1992A are insured as to payment of principal and interest by Financial Security Assurance, Inc. The Wastewater Revolving Fund Refunding Revenue Bonds, Series 1996A are insured as to payment of principal and interest by AMBAC Indemnity Corporation. During 1999, the Authority redeemed the Series 1989A and 1990A Water Pollution Control Revolving Fund State Match Revenue Bonds. Total interest paid during 1999 amounted to $18,300,839.

During Fiscal Years 1999-00 and 1998-99, the University of Colorado Hospital Authority met all the financial ratio requirements of its bond indenture. Cash paid for interest by the hospital in Fiscal Years 1999-00 and 1998-99 approximated $13.1 million and $7.0 million, respectively. Total interest cost capitalized in Fiscal Year 1999-00 amounted to $.9 million, which is net of $5.3 million in investment income from the unexpended bond funds.

In April 1999, the University of Colorado Hospital Authority issued Series 1999A revenue bonds in the amount of $110.0 million. Proceeds from the sale of the bonds will fund a portion of the cost of the construction and equipping of certain facilities on a new health care campus to be located at the former Fitzsimons Army Medical Center. The unexpended proceeds of the bonds are invested in Guaranteed Investment Contracts at June 30, 2000. The aggregate maturities of long-term debt for University of Colorado Hospital Authority at June 30, 2000 are:

(Amounts in Thousands)

Year	
2001	$ 3,310
2002	3,430
2003	4,170
2004	4,350
2005	4,545
Thereafter	231,125
Total Long-Term Debt Payments	250,930
Unamortized Discount	(3,266)
Deferred Amount on Refunding from Series 1997A Bonds	(8,517)
Total Carrying Amount of Long-Term Debt	$ 239,147

C. CHANGES IN LONG-TERM LIABILITIES

Primary Government

Changes in long-term liabilities are summarized as follows:

(Amounts in Thousands)

Fund Type or Account Group	Balance July 1	Changes Additions	Changes Reductions	Balance June 30
Leases Payable:				
Proprietary	$27,526	$14,357	$13,243	$28,640
Trust and Agency	89	-	38	51
Long-Term Debt Account Group	30,912	2,534	4,058	29,388
Higher Education	122,832	34,948	44,591	113,189
Subtotal	181,359	51,839	61,930	171,268
Bonds Payable:				
Proprietary	2,712	-	502	2,210
Long-Term Debt Account Group	-	524,360	-	524,360
Higher Education	342,530	38,057	34,580	346,007
Subtotal	345,242	562,417	35,082	872,577
Compensated Absences:				
Proprietary	4,093	585	438	4,240
Trust and Agency	203	30	12	221
Long-Term Debt Account Group	104,809	15,784	8,318	112,275
Higher Education	79,828	12,964	7,585	85,207
Subtotal	188,933	29,363	16,353	201,943

(continued)

(continued)

(Amounts in Thousands)

Fund Type or Account Group	Balance July 1	Changes: Additions	Changes: Reductions	Balance June 30
Other Long-Term Liabilities:				
Governmental				
Deposits Held in Custody	11	6	7	10
Funded Compensated Absences	392	18	169	241
Proprietary				
Unpaid Insurance Claims	44	163	-	207
Expired Warrants Liability	110	5	-	115
Trust and Agency				
Tax Refunds Payable	2,583	-	2,490	93
Treasury Escheats	1,463	-	13	1,450
Deposits Held in Custody	55,418	1,578	-	56,996
Long-Term Debt Account Group				
Risk Management Claims	99,388	-	3,677	95,711
Unpaid Insurance Claims	1,189	-	33	1,156
Labor Fund Claims	181,636	-	14,697	166,939
Highway Construction Advances	2,000	-	1,000	1,000
Medicaid Judgement	-	18,000	-	18,000
Higher Education				
Risk Management Claims/Other	34,459	6,823	10,712	30,570
Subtotal	378,693	26,593	32,798	372,488
Totals	$1,094,227	$670,212	$146,163	$1,618,276

The following obligations, listed by fund type, represent amounts owed by the state at June 30, 2000, which are classified as other long-term liabilities on the balance sheet.

Funded Compensated Absences in the General Fund are liabilities for payment to employees of the state working in county employment service centers. Expenditures are recognized as the employee earns leave time.

Unpaid Insurance Claims in the Proprietary Funds are the noncurrent liabilities for payments of medical and dental benefits by the State Employees and Officials Group Insurance Plan. Beginning January 1, 2000 the state began purchasing commercial insurance to cover these risks.

Expired Warrants Liability in the Proprietary Funds is for warrants issued by the Lottery Fund that have expired but for which the Lottery would be liable if the payee submitted a claim for reissue.

Tax Refunds Payable in the Trust and Agency Funds are bonds posted by taxpayers concerning the collections of gross-ton-mile and fuel tax, and the deferment of delinquent severance taxes estimated to be collected after more than one year.

Treasury Escheats in the Trust and Agency Funds reflect liabilities recorded related to perpetual property rights of individuals. The property rights are from assets that financial institutions and insurance companies have transferred to the state treasurer under state law. The amount recorded is an estimate based on historical claims of the fund.

The Risk Management Claims in the Long-Term Debt Account Group are the actuarially determined amounts in excess of the current liability in the General Fund related to self-insurance of general liability. It also represents expected claims under the prior Paid Loss/Retro Plan and the state's current self-insurance plan for workers' compensation.

The Unpaid Insurance Claims in the Long-Term Debt Account Group are for the Department of Human Services workers' compensation self-insurance. A third-party claims administrator currently manages the plan.

Long-term liabilities of the Labor Fund are recorded in the General Long-Term Debt Account Group. Estimated future payments are actuarially determined. Benefits are expected to be funded through future revenues from a special tax on workers' compensation premiums, court awards, and interest income.

Highway Construction Advances in the Long-Term Debt Account Group are related to funds that local governments provided to the Department of Transportation. The Department uses these funds to accelerate highway construction projects of interest to the local government. The funds will be repaid to the local government at the time the project was scheduled to be completed.

The Medicaid Judgement in the General Long Term Debt Account Group is the result of a lawsuit over Medicaid rates paid to a health maintenance organization. The state lost the suit but is appealing the judgement awarded.

The Risk Management Claims in the College and University Funds are primarily for the University of Colorado's self-insurance program for general liability, property, workers' compensation, medical benefits, and medical malpractice. Colorado State University's liabilities for medical, dental and short-term disability benefits for faculty and staff are also included in this amount. These balances are actuarially determined.

Long-term liabilities that are actuarially determined often include amounts for claims that are incurred but not yet reported. Since these liabilities are not based on individually identifiable claims, it is not practicable to report gross additions and reductions. See Note IV-E for the amount of claims reported and paid and other adjustments to these actuarially determine liabilities.

Component Units

(Amounts in Thousands)

	Denver Metropolitan Major League Baseball Stadium District	University Of Colorado Hospital Authority	Colorado Water Resources and Power Development Authority	Totals
Beginning Balance	$ 68,805	$ 243,886	$ 311,339	$ 624,030
Obligations Issued	-	-	86,075	86,075
Obligations Retired or Reclassified	(22,672)	(2,487)	(18,901)	(44,060)
Increase (Decrease) in Comp. Absences	-	337	-	337
Increase (Decrease) in Other Liabilities	-		985	985
Ending Balance	$ 46,133	$ 241,736	$ 379,498	$ 667,367

D. DEFEASED DEBT

Primary Government

Debt is defeased by depositing in escrow accounts an amount sufficient, together with known minimum investment yields, to pay principal, interest, and any redemption premium on the debt to be defeased. No debt was defeased during Fiscal Year 1999-00.

The remaining balances of amounts previously placed in escrow type accounts with paying agents for the college and university funds are as follows:

(Amount in Thousands)

Institution	Amount
University of Colorado	$ 19,630
University of Northern Colorado	17,900
Colorado State University	14,916
Western State College	11,380
Auraria Higher Education Center	11,125
School of Mines	11,045
Fort Lewis College	8,576
Pueblo Community College	3,085
Red Rocks Community College	2,805
Adams State College	770
University of Southern Colorado	10
Total	$ 101,242

Component Units

The Denver Metropolitan Major League Baseball Stadium District in-substance defeased $14.0 million of its 1994 revenue bonds in Fiscal Year 1999 and $17.1 million of the same bonds in Fiscal Years 1998 and 1997. It had total debt service, including principal and interest, remaining for its in-substance defeased debt of $35.3 million at December 31, 1999.

The Colorado Water Resources and Power Development Authority had $56,125,000 of bonds previously issued but defeased at December 31, 1999.

On November 1, 1997, the University of Colorado Hospital Authority issued $123.9 million in Hospital Refunding Revenue Bonds to advance refund Series 1992A bonds. At June 30, 2000, $109.1 million of bonds outstanding are considered defeased. The refunding resulted in a deferred loss, which the hospital is charging to operations through Fiscal Year 2022-23. At June 30, 2000, the unamortized deferred loss on refunding is $8.5 million. The Hospital completed the advance refunding to reduce its total debt service payments over the subsequent 25 years by $6.5 million and to obtain an economic gain of $3.7 million.

E. RISK MANAGEMENT

Primary Government

The state currently self-insures its agencies, officials, and employees for the risks of losses to which they are exposed. This includes general liability, motor vehicle liability, and worker's compensation. The Risk Management Fund is a restricted General Fund used for claims adjustment, investigation, defense, and authorization for the settlement and payment of claims or judgments against the state except for employee medical claims. The State Employees and Officials Insurance Fund is an Internal Service Fund established for the purpose of risk financing employee and state-official medical claims. Before January 1, 2000, the state was self-insured for medical claims. After January 1, 2000, the state and its employees paid premiums for insurance purchased to cover medical claims. Property claims are not self-insured; the state has purchased property insurance.

All funds and agencies of the state, with the exception of the public authorities and the University of Colorado, participate in the Risk Management Fund. Agency premiums are based on an assessment of risk exposure and historical experience. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. A contractor completed an actuarial study during Fiscal Year 1999-00 determining both the short and long-term liabilities of the Risk Management Fund.

Colorado employers are liable for occupational injuries and diseases of their employees. Benefits are prescribed by the Worker's Compensation Act of Colorado for medical expenses and loss of wages resulting from job-related disabilities. The state uses the services of the Colorado Compensation Insurance Authority, a related party, to administer its plan. The state reimburses the Authority for the current cost of claims paid and related administrative expenses.

During Fiscal Years 1998-99, 1997-98, and 1996-97 medical claims against the State Employees and Officials Insurance Fund (SEOGI) exceeded the premiums collected. This resulted in decreases in the medical reserve fund equity of approximately $4.7 million, $3.8 million, and $6.5 million respectively. In Fiscal Year 1999-00, SEOGI purchased insurance to address the continuing decrease in the medical reserve fund equity. The fund includes several medical plan options ranging from provider of choice to managed care.

Before January 1, 1999, the State Employees and Officials Insurance Fund also provided an employer paid short-term disability plan for all employees. On January 1, 1999, the Public Employees Retirement Association (PERA) began covering short-term disability claims for state employees eligible under its retirement plan (See Note V-A). SEOGI continues to provide short-term disability coverage for employees not yet qualified for the retirement plan and limited benefits for employees also covered under the PERA short-term disability plan. The SEOGI program provides an employee with 60 percent of their pay beginning after 30 days of disability or the exhaustion of the employee's sick leave balance, whichever is later. This benefit expires six months after the beginning of the disability.

Before October 1, 1996, the Regents of the University of Colorado participated in the University of Colorado Insurance Pool – a public-entity self-insurance pool. After that date, the university became self-insured for worker's compensation, auto, general and property liability, and employee and university-official medical claims. A third party handles the university's medical claims through a contractual agreement. The University purchases excess insurance to cover losses over a self-insured retention or deductible. During plan year 1999, claims exceeded premiums collected for the self-funded health program. Reserves and payments from other University sources will offset the resulting deficit. Effective January 1, 2000, the University transitioned to a fully insured health program.

The University of Colorado Health Sciences Center's Housestaff Health Benefits Plan is a comprehensive self-insurance health and dental benefits program for physicians in training at the Health Sciences Center. The University manages excess risk exposure for staff medical claims by purchasing stop-loss insurance. Collections from the stop-loss insurance totaled $84,191 over the three previous years.

The Center also self-insures its faculty, staff and students for medical malpractice through the University of Colorado Self-Insurance Risk Management Trust. The discounted liability for malpractice is determined annually by an actuarial study.

Colorado State University provides a medical, dental, short-term disability, and post-retirement health care subsidy plan for academic faculty, administrative professional staff, and certain other employees. The plan was formed in 1985. The medical, dental, and short-term disability plans are funded by monthly contributions of participating employees. The University contributes one percent of covered payroll to the post-retirement health care subsidy. A third party administers the plan and provides actuarial analysis of claims liabilities. The plan purchases reinsurance for claims over $200,000 and for aggregate claims over 125% of expected claims.

The Department of Human Services uses a third-party administrator to manage claims related to the Human Services Workers' Compensation Plan which was self-insured during the period from July 1, 1985, to June 30, 1990. However, new claims are administered by Risk Management and paid from the Risk Management Workers' Compensation Plan.

As noted above, some plans converted from self-insured to fully insured during Fiscal Year 1999-00. Except for those conversions, there were no significant reductions or changes in insurance coverage from the prior year. Settlements did not exceed insurance coverage in any of the past three fiscal years.

Changes in claims liabilities were as follows:

(Amounts in Thousands)

Fiscal Year	Liability at July 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability at June 30
Risk Management:				
Liability Fund				
1999-00	$ 23,011	$ 1,747	$ 4,270	$ 20,488
1998-99	23,095	1,976	2,060	23,011
1997-98	21,124	7,936	5,965	23,095
Workers' Compensation				
1999-00	102,586	19,655	20,357	101,884
1998-99	98,328	24,429	20,171	102,586
1997-98	95,749	28,470	25,891	98,328
Employee's and Officials Insurance Fund:				
1999-00	13,580	35,682	47,557	1,705
1998-99	10,733	66,369	63,522	13,580
1997-98	10,285	60,571	60,123	10,733
University of Colorado:				
General Liability, Property, and Workers' Compensation				
1999-00	15,305	1,433	3,395	13,343
1998-99	16,918	3,270	4,883	15,305
1997-98	19,329	3,666	6,077	16,918
Medical Benefits Plan				
1999-00	5,820	13,688	17,547	1,961
1998-99	7,902	27,934	30,016	5,820
1997-98	5,761	30,957	28,816	7,902
University of Colorado Health Sciences Center:				
Medical Malpractice				
1999-00	7,839	1,639	1,807	7,671
1998-99	8,167	515	843	7,839
1997-98	7,089	1,902	824	8,167
Housestaff Health Benefits				
1999-00	553	2,390	2,402	541
1998-99	592	2,436	2,475	553
1997-98	526	2,500	2,434	592
Colorado State University				
Medical, Dental, and Disability Benefits				
1999-00	2,614	4,401	4,199	2,816
Department of Human Services:				
Workers' Compensation				
1999-00	1,189	-	33	1,156
1998-99	1,570	-	381	1,189
1997-98	1,951	-	381	1,570

Component Units

As of October 1, 1989, the University of Colorado Hospital Authority began self-insuring against malpractice claims in excess of coverage provided by the University of Colorado Self Insurance Risk Management Trust in which the hospital participates. For Fiscal Year 1999-00, the hospital recorded premium and administrative expense of $152,000. The trust had a fund balance in excess of reserves for losses and loss adjustment expense, and the hospital received a refund of $95,000. The hospital had established an additional self-insurance trust fund for uninsured losses, funding of which was determined by an independent actuarial computation. However, according to the June 30, 2000 actuarial report, the hospital no longer has any exposure related to the period from October 1, 1989, to September 30, 1991, when it may not have been a governmental entity. Consequently, the excess self-insurance fund is no longer in place. The hospital purchases insurance coverage for employee health, dental, and accident claims through the University of Colorado and commercial insurance companies.

The Denver Metropolitan Major League Baseball Stadium District purchases commercial insurance to mitigate most of its risk of loss. It requires its lessee and contractors to cover certain other risks. These parties provided the required coverage at their own cost in 1998 and 1999. There were no significant reductions in insurance coverage from the prior year.

The Colorado Water Resources and Power Development Authority maintains commercial insurance for most all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

F. CONTINGENCIES

Primary Government

Most claims against the state are limited by the Colorado Governmental Immunity Act that sets upper limits of state liability at $150,000 per person and $400,000 per occurrence. Judgments awarded against the state for which there is no insurance coverage or which are not payable from the Risk Management Fund ordinarily require a legislative appropriation before they may be paid.

Numerous court cases are pending in which the plaintiffs allege that the state has deprived persons of their civil rights or inadequately compensated them for their property. In the aggregate, the monetary damages (actual, punitive, and attorney's fees) claimed in the civil rights cases would exceed the insurance coverage available by a material amount. The state believes it is highly unlikely that there will be actual awards of judgments in material amounts.

The state is a defendant in numerous lawsuits involving claims of inadequate, negligent, or unconstitutional treatment of prisoners and mental patients. In some of these suits, plaintiffs are seeking or have obtained certification as a class for a class action suit. Most of these cases seek actual damages that are not material but include request for punitive damages that may be material. There is also the potential that the courts may rule that the current conditions of confinement are unconstitutional.

The state is defendant in lawsuits by employees accusing the state of various infractions of law or contract. These include claims related to age and sex discrimination, wrongful termination, contractual agreements for paying of salaries based on parity and equity, and overtime compensation under the Federal Fair Labor Standards Act. The state does not believe that any of these cases are material to its financial operations.

Many state agencies have grant and contract agreements with the federal government and other parties. These agreements generally provide for audits of the transactions pertaining to the agreements, with the state being liable to those parties for any disallowed expenditure. The state is contesting the disallowance related to such audits, and the outcome is uncertain at this time.

The Colorado Student Loan Program, in the event of adverse loss experience, could be liable for approximately 25 percent ($408.7 million) of the outstanding balance of loans in repayment status. However, the probability of a material loss is remote.

One class action suit has been filed and another threatened against the Department of Health Care Policy and Financing. The suits allege that the department inappropriately denied individuals' Medicaid benefits. The fiscal impact on the state's portion of the Medicaid program cannot be estimated. However, the administrative costs are estimated to be between $300,000 and $400,000.

The U.S. Environmental Protection Agency has, in several instances, either sued the state or given notice of the state's potential responsibility under CERCLA. This includes the School of Mines as well as non-state parties. Issues have arisen because of costs associated with the cleanup of hazardous substances at several sites owned by the state.

The United States and the State of Colorado have sued and been counter-sued by an individual regarding the environmental clean up of the Summitville Superfund Site in southern Colorado. The counter-suit does not specify damages. However, the Environmental Protection Agency and the State of Colorado have expended approximately $94 million in the clean up.

At June 30, 2000, the Lottery Division of the Department of Revenue had outstanding annuity contracts of approximately $726.8 million in the name of lottery or lotto prizewinners. The probability is remote that any of the sellers of these contracts will default, and thus, require the state to pay the annuity.

Various notes and bonds have been issued by state school districts that may impact the state. Colorado statutes provide that if a district indicates that it will not make the payment to bondholders by the date on which it is due, the state treasurer shall forward the amount necessary to make the payment to the paying agent. The state shall then withhold state equalization payments to the defaulting school district for a period up to 12 months to cover the state's loss. Currently, notes or bonds valued at over $4.01 billion are outstanding. Of this amount, $2.71 billion is covered by private insurance.

The Colorado Department of Transportation is in the process of remediating its leaking underground fuel storage tanks and other hazardous wastes at its facilities. The department has estimated that its future costs will be approximately $20 million, and the process will not be completed until the year 2010.

The State of Kansas has sued the state in the U.S. Supreme Court for alleged violations of the Arkansas River Compact. The case was bifurcated into a liability and a remedy phase. The Supreme Court ruled in favor of Kansas in one of its three claims and a Special Master was appointed. The Special Master has not set an amount for the appropriate remedy, but has instructed the parties to confer on the calculation of damages. Estimates of the damages have varied widely during the life of the suit; they are currently set between $40 million and $65 million.

The State of Nebraska has taken action to name the State of Colorado in a cross-claim suit in relation to the State of Kansas' suit alleging violations of the Republican River Compact. Nebraska has not specified an amount of damages sought, and the amount cannot be estimated at this time.

A class action suit has been brought against the state seeking damages of $703 million – equal to the sales tax refund for Fiscal Years 1996-97 and 1997-98. The suit alleges that the refund program violates interstate commerce, equal protection and privileges, and immunity clauses of the U.S. Constitution. It also alleges that the TABOR amendment, under which the refund was made, violates the equal protection and due process clauses of the Colorado Constitution.

The state believes it has a good chance of prevailing in these cases, but the ultimate outcome cannot presently be determined. No provision for any liability that may result has been made in the financial statements.

NOTE V. PENSION SYSTEM AND OBLIGATIONS

A. PLAN DESCRIPTION

Virtually all State of Colorado employees participate in a defined benefit pension plan. The plan's purpose is to provide income to members and their families during retirement or in case of death or disability.

Administration of the Plan

The plan, a cost-sharing multiple-employer plan, is administered by the Public Employees' Retirement Association (PERA). PERA was established by state statute in 1931, and it includes the State and School Division Trust Fund, the Municipal Division Trust Fund, and the Judicial Division Trust Fund. The authority to establish or amend plan benefits is retained by the General Assembly in accordance with Title 24, Article 51 of the Colorado Revised Statutes (CRS).

The state plan, as well as the other divisions' plans, are included in PERA's financial statements which may be obtained by writing PERA at 1300 Logan Street, Denver, Colorado, 80203.

Members with five or more years of service automatically receive the higher of the defined retirement benefit or money purchase benefit at retirement.

Defined Retirement Benefits

Plan members are eligible for retirement benefits at age 50 with 30 years of service, age 60 with 20 years of service, or at age 65 with 5 years of service. State troopers and Colorado Bureau of Investigation (CBI) officers are eligible for retirement benefits at the following age and years of service; any age – 30, 50 – 25, 55 – 20, and 65 – 5.

House Bill 00–1458, passed in the 2000 legislative session, changed the retirement eligibility of some state workers. Members who are 55 years of age or older and retiring June 1, 2000, or later, with age plus years of service totaling 80 or more, may retire without a reduction for early retirement. The reduction for early retirement for some members with age plus years of service totaling less than 80 was also lowered. In addition, beginning March 1, 2000, the annual increase for PERA benefits will be 3.5 percent compounded annually, and it will no longer be tied to the Consumer Price Index. Currently, the increase is the lower of the actual rate of inflation or a cumulative annual rate of 3.5 percent since retirement.

Monthly benefits are calculated as a percentage of highest average salary (HAS). HAS is one-twelfth of the average of the highest annual salaries on which contributions were paid, associated with three periods of 12 consecutive months of service credit. Service retirement benefits are calculated at 2.5 percent of HAS for each year of service credit. The benefit is limited to 100 percent (40 years) and cannot exceed the maximum amount allowed by federal law.

Reduced service retirement benefits are available at the following age and years of service; 50–25, 55 –20, and 60–5. The benefit is calculated similarly to a service retirement benefit; however, it is reduced by percentages that vary from 0.25 to 0.5, depending on age and years of service, for each month before the eligible date for the full service retirement.

Money Purchase Retirement Benefit

A money purchase benefit is determined by the member's life expectancy and the value of the member's contribution account plus a matching amount as of the date of retirement. The matching amount is 100 percent of the member's contributions and interest at the time of retirement. For members who have less than five years of service, a money purchase benefit is payable beginning at age 65.

Service Requirement and Termination

Employees who terminate before meeting the required age and years of service are refunded their contributions made to the plan plus interest. Employees terminating after meeting the service requirements may, if they desire, remain in the plan until eligible for retirement. Members who are under age 65 or are not eligible for retirement that withdraw from the plan receive a refund of their contributions, interest on their contributions, plus an additional 50 percent of their contribution and interest. If the withdrawing member has reached age 65 or is retirement eligible, the matching payment increases to 100 percent. The interest rate paid is set at 80 percent of the PERA actuarial investment rate. A refund cancels a former member's right to future benefits.

Disability and Survivor Benefits

PERA provides a two-tiered disability program. Disabled members who have five or more years of service credit, six months of which has been earned since the most recent period of membership, may apply for disability benefits. If the member is not totally and permanently disabled, they are provided reasonable income replacement through a third party insurance carrier and rehabilitation or retraining services. If the member is totally and permanently disabled they receive disability retirement benefits based on HAS and earned, purchased, and in some circumstances, projected service credit.

If a member dies before retirement, their survivors are entitled to a single payment or monthly benefits. The order of payment to survivors is dependent on the years of service and retirement eligibility of the deceased member. Under various conditions, survivors include qualified children under 18 (23 if a full-time student), the member's spouse, qualified children over 23, financially dependent parents, named beneficiaries, and the member's estate.

B. FUNDING POLICY

Members and employers are required to contribute to PERA at a rate set by statute. The contribution requirements of plan members and affiliated employers are established under Title 24, Article 51, Part 4 of the Colorado Revised Statutes as amended. Members are required to contribute 8 percent of their gross salary, except for state troopers and CBI officers, who contribute 10 percent. Annual gross covered wages subject to PERA are gross earnings less any reduction in pay to offset employer contributions to the state sponsored IRC 125 plan established under Section 125 of the Internal Revenue Code.

The state contribution rate from July 1, 1999 to June 30, 2000, was 11.4 percent (13.1 percent for state troopers and CBI officers) of the employee's gross covered wages with 10.3 percent allocated to the employees retirement account and the remaining 1.1 percent allocated to the Health Care Fund (See Note V-E). The state made retirement contributions of $174.2 million, $184.9 million, and $175.5 million, in Fiscal Years 1999-00, 1998-99, and 1997-98, respectively. These amounts do not include the Health Care Fund contribution. For each year, the retirement contribution was equal to the requirement.

C. OTHER RETIREMENT PLANS

Primary Government

Some employees of various institutions of higher education may be covered under other retirement plans. Presidents, deans, professors, and instructors in state educational institutions are enrolled in defined benefit plans such as the Teachers Insurance and Annuity Association, the Variable Annuity Insurance Corporation, or other similar plans.

Faculty members at the University of Colorado are also under Social Security. Faculty members at Colorado State University were covered exclusively by PERA until May 1993. Faculty members hired after that time are covered by one of several defined contribution plans. Faculty previously covered by PERA had the choice of converting entirely to the defined contribution plan or remaining in

PERA for their service until May 1993, with service after that time credited to the defined contribution plan.

The state made contributions to other pension plans of $42.1 million and $27.9 million during Fiscal Years 1999-00 and 1998-99, respectively. In addition, the state paid $35.4 million and $37.1 million in FICA or Medicare taxes on employee wages during Fiscal Years 1999-00 and 1998-99, respectively.

PERA offers a voluntary 401(k) plan entirely separate from the defined benefit plan. PERA members may make contributions of up to 23 percent of their annual gross salary, to a maximum of $10,000. Contributions and earnings are tax deferred. On December 31, 1999, the plan had net assets of $514.1 million and 24,224 accounts.

The Fire and Police Pension Association, a related party, was established to insure the financial viability of local government pension plans for police and firefighters. In Fiscal Years 1999-00 and 1998-99, the state treasurer transferred $28.7 million and $28.5 million to the association to enhance its actuarial soundness. This included the state's cost for the accidental death and disability insurance policy the association provides to volunteer firefighters.

Defined Contribution Pension Plan

On July 1, 1998, the state began providing a defined contribution plan for certain employees identified in statute. The plan is authorized in Title 24 Article 54.7 of the Colorado Revised Statutes, and it is established and administered by the five-member Defined Contribution Retirement Committee. Changes to the plan must be consistent with the authorizing legislation. The state is the sole contributing employer of the plan.

The following classes of state employees are covered; legislators, elected state officials and their deputies, department executive directors appointed by the governor, members of the Public Utilities Commission, employees of the governor's office not covered by the state personnel system, and employees of the Senate and House of Representatives. Participation in the plan by eligible employees is voluntary; however, a participant cannot also be an active member in the Public Employees Retirement Association (PERA). At June 30, 2000, 212 state employees had accounts with the defined contribution retirement plan.

The plan provides benefits to participants through purchased annuity contracts, certificates, or similar instruments; all of which are required to be fully portable.

Contributions to the plan are set in statute as a percent of salary, and they are required to be the same as the contributions to the defined benefit plan administered by the PERA. During Fiscal Year 1999-00, the state contribution rate was 11.4 percent and the employee was required to contribute 8 percent of gross covered wages.

The financial statements of the Defined Contribution Plan are prepared on the accrual basis in accordance with NCGA Statement 1 and Governmental Accounting Standards Board Statement 25. The Plan recognizes member and employer contributions as revenues in the period in which the employee is compensated. Investments are reported at fair value.

The Plan had the following concentrations of investments greater than five percent:

Investment	Balance	Percent
MFS Investors Growth	$335,935	18%
Vanguard Index 500	265,695	15%
Vanguard Asset Allocation	202,921	11%
Valic Fixed Fund	231,497	13%
T. Rowe Price Small Capitalization	160,741	9%
Templeton World One	123,372	7%
MFS Investors Trust	109,210	6%
MS Large Company Growth	103,798	6%
Other	264,266	15%
Totals	$1,797,435	100%

Component Units

Employees of the Colorado Uninsurable Health Insurance Plan, and the Colorado Water Resources and Power Development Authority are covered under the State and School Division of PERA. (See Note V-A)

The University of Colorado Hospital Authority participates in two retirement plans, which cover substantially all of its employees. The hospital maintained a noncontributory defined benefit pension plan for its employees through March 1995. Under this plan, contributions credited to each covered employee's account were based on a percentage of compensation earned by the employee. Vesting under this plan is based on length of service. Benefits are payable as a lump sum upon retirement or separation or under several annuity options upon retirement.

As of March 31, 1995, a final contribution was credited to the accounts of all covered employees of record on that date, and this plan was frozen. Employee accounts continue to accrue interest based on the Thirty-Year Treasury Constant Maturities rate, and covered employees not fully vested in this plan will continue to earn credit toward vesting under a new plan. As the hospital acts in a fiduciary capacity for this plan and has the ability to amend the plan at its discretion, the plan's assets and related reserves are included in the financial statements as a pension trust fund.

As of April 1, 1995, the hospital amended its retirement plan based on its ability to withdraw from the Old Age, Survivors, and Disability Insurance (OASDI) component of the Federal Insurance Contributions Act (FICA) by virtue of its operation under legislatively granted state authority. The hospital and its employees still contribute to and participate in the Medicare component of FICA. The hospital's amended plan is composed of three distinct components: a Basic Pension Plan, an Investment Account, and a Matching Account.

The Basic Pension Plan is a defined benefit plan with benefits payable based on length of service and average compensation earned by the employee during the five most highly compensated calendar years of service after 1994. Vesting under this component is based on length of service. The hospital's funding policy is to contribute amounts at least equal to the minimum funding requirements of ERISA.

The hospital made contributions of $5.7 million and $4.8 million to its defined benefit plans in Fiscal Years 1999-00 and 1998-99, respectively. The actuarially computed net periodic pension cost for this plan was $5.72 million and $4.86 million for those years. According to the unaudited actuarial report, the hospital met the annual required contribution in each of the past four fiscal years. Actuarial value of the plan assets was $62.5 million and $54.5 million for Fiscal Years 1998-99 and 1997-98, respectively. Excluding U.S. Treasury securities, the plan had five investments where the fair value exceeded five percent of the plan net assets; Glenmede International Portfolio Fund – $11.2 million, Fayez Sarafim Large Cap Growth – $17.9 million, Becker Capital Management Small Cap Equity – $5.9 million, Cutler & Company Value Portfolio – $8.3 million, Reams Asset Management Fixed Income – $26.7 million.

The Investment Account is a qualified defined contribution retirement plan under the provisions of Internal Revenue Code (IRC) Section 401(a). Employees are required to contribute 6.2% of their gross compensation, which is equivalent to what their OASDI contributions were under FICA participation. Employees are always fully vested in this component of the plan. Total compensation covered in this plan for the years ended June 30, 2000 and 1999 was approximately $98.9 million and $90.9 million, respectively. The hospital is required by law to provide an additional make-up contribution for certain part-time employees equal to 1.3% of their compensation until they are fully vested in the Basic Pension Plan. Since April 1, 1995, make-up contributions made by the hospital have approximated $104,000.

The Matching Account is a qualified single-employer tax-deferred annuity plan under the provisions of IRC Section 403(b). Employees are eligible to contribute a percentage of their gross compensation, tax-deferred up to legal limitations established under the IRC. In addition, the hospital matches employee contributions 100% on the first 3% of gross compensation contributed. Employees are always vested 100% in their contributions; however, the hospital's matching contributions are subject to a five-year vesting schedule. The hospital's matching contributions for Fiscal Years 1999-00 and 1998-99 were approximately $1.79 million and $1.70 million respectively.

The hospital has contributed to PERA in accordance with actuarially determined funding amounts for their employees who are still state employees. Pension expense related to state employees was $213,000 and $240,000 for Fiscal Years 1999-00 and 1998-99, respectively. There were no transfers from PERA to the hospital's pension plan for previous state employees who have transferred their benefits to the hospital's pension plan for the years ended June 30, 2000 and 1999.

D. EMPLOYEE DEFERRED COMPENSATION

The state initiated a deferred compensation (457) plan for state employees in 1981. This plan uses a third party administrator, and all costs of administration and funding are borne by the plan participants. The assets of the plan are not assets of the state, but are held in trust for the exclusive benefit of plan participants and their beneficiaries. Fund equity of the plan was $365.3 million and $327.6 million at June 30, 2000, and June 30, 1999, respectively. The state has no liability for losses under the plan but does have the duty of due care that is required of a fiduciary agent.

E. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Health Care Program

The PERA Health Care Program began covering benefit recipients and qualified dependents on July 1, 1986. This benefit was developed after legislation in 1985 established the Program and the Health Care Fund. Legislation enacted during the 1999 session established the Health Care Trust Fund effective July 1, 1999. Under this program, PERA subsidizes a portion of the monthly premium for health care coverage. The benefit recipient pays any remaining amount of that premium through an automatic deduction from the monthly retirement benefit. During 1999, the subsidy was $115.00 for those with 20 years of service credit and reduced by $5.75 for each year under 20.

The Health Care Fund is maintained by a contribution of 1.1 percent of covered salary. The state paid contributions of $18.6 million, $14.0 million, and $13.1 million in Fiscal Years 1999-00, 1998-99, and 1997-98, respectively. Monthly premium costs for participants depend on the health care plan selected, the number of persons covered, Medicare eligibility, and the number of years of service credit. PERA contracts with a major medical indemnity carrier to administer claims for self-insured plans, and with health maintenance organizations providing services within Colorado. As of December 31, 1999, there were 31,266 participants, including spouses and dependents, from all contributors to the plan.

Life Insurance Program

PERA provides its members access to two group decreasing-term life insurance plans offered by Prudential and Rocky Mountain Life. Active members may join one or both plans, and they may continue coverage into retirement. Premiums are paid monthly by payroll deduction.

Other Programs

Separate post-retirement health care and life insurance benefit plans exist in some state colleges and universities but are small in comparison to the PERA plan for state employees. The state has no liability for any of these post-retirement health care and life insurance plans.

NOTE VI. SUBSEQUENT EVENTS

A. PENSION PLAN CHANGES

House Bill 00-1458, passed in the 2000 legislative session, made the following three major changes to the public employees' pension plan in addition to those discussed in Note V-A above.

- Employer contribution rates of the State and School Divisions of PERA will be reduced to 10.4 percent of salary from 11.4 percent effective July 1, 2000. Senate Bill 99-90 had previously set the date of this reduction at January 1, 2001.
- Any overfunding of the PERA pension trust funds will be allocated 30 percent to the Health Care Trust Fund to support future increases in health care premium subsidy, 20 percent to reductions in PERA employer contributions, and 50 percent to match member's voluntary contributions to defined contribution plans.
- Effective July 1, 2000, members eligible to retire that were hired before July 1, 1988, can convert their unused sick leave in excess of 360 hours to salary at 15 percent of their hourly rate. The conversion is generally available until June 30, 2005, but colleges and universities have an option of whether or not to make it available to their exempt employees. State employees normally convert sick leave only at retirement or death at the rate of 25 percent. However, the 25 percent conversion payment is not considered salary in the calculation of retirement benefits.

House Bill 00-1225 passed in the 2000 legislative session authorized the Deferred Compensation Committee to establish a defined contribution plan under section 401(a) of the Internal Revenue Code of 1986. The 401(a) will accept the state's matching contribution to the employee's contribution to the 457 deferred compensation plan.

B. NOTE ISSUANCE

Primary Government

On July 5, 2000, the state treasurer issued $150 million in Tax Revenue Anticipation Notes. The treasurer will repay the Notes in June 2001; the Notes are primarily issued for cash management purposes. On October 2, 2000, the state treasurer issued an additional $250 million in Tax Revenue Anticipation Notes.

Component Units

On March 8, 2000, the Colorado Water Resources and Power Development Authority issued Small Water Resources Revenue Bonds in the principal amount of $24,110,00. The bonds consist of serial bonds ($16,450,000) maturing 2017 and term bonds ($7,660,000) maturing 2020. Interest on the bonds is payable semi-annually with rates ranging from 4.3% to 5.8%. The bonds are insured as to payment of principal and interest by Financial Guaranty Insurance Company.

C. RISK MANAGEMENT FUND CHANGE

Senate Bill 00-86 passed in the 2000 legislative session terminated the state's liability for claims and lawsuits asserted against the Colorado Compensation Insurance Authority, a related party. Before the effective date, July 1, 2000, the Authority was covered by the Risk Management Fund.

COMBINING, INDIVIDUAL FUND, AND ACCOUNT GROUP FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund is the principal operating fund of the state, and is used to account for all governmental financial resources and transactions not accounted for in another fund. Within the General Fund, the state accounts for a large number of legally segregated activities represented on the Combined Balance Sheet as "Reserved for Other Specific Purposes." The balance of net assets in the General Fund is not legally segregated and thus, represented on the Combined Balance Sheet as "Fund Balance Unreserved - Undesignated."

When it exists, the unreserved undesignated fund balance represents cumulative excess general purpose and related augmenting revenues of the state. General-purpose revenues are revenues that are not designated for specific purposes. The following schedule shows the general-purpose revenues and the expenditures, by department, funded from those general-purpose revenues. The excess augmenting revenues shown represent revenues that were appropriated to support specific expenditures. These revenues in excess of their related expenditures close to undesignated fund balance.

While the following schedule is not a combining statement, it is presented to facilitate budgetary analysis of the General Fund. The purpose of this schedule is to identify the general fund balance available for appropriation. In order to identify that amount, encumbrances of the prior year are subtracted from the revised budget and the actual expenditure columns because they were considered expended in the prior year. In addition, encumbrances at the end of the current year are considered expenditures and are added to the actual column.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN GENERAL FUND SURPLUS - GENERAL FUND BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED JUNE 30, 2000

(DOLLARS IN THOUSANDS)	ORIGINAL ESTIMATE/ BUDGET	REVISED ESTIMATE/ BUDGET	ACTUAL	REVERSIONS OF GENERAL FUND APPROPRIATION	EXCESS AUGMENTING REVENUE EARNED
REVENUES:					
Sales and Use Tax	$1,628,910	$1,651,100	$1,679,654		
Other Excise Taxes	92,800	94,500	95,216		
Individual Income Tax, net	3,474,700	3,617,700	3,718,207		
Corporate Income Tax, net	281,200	311,600	289,229		
Estate Tax	56,100	60,200	59,731		
Insurance Tax	116,000	122,000	128,542		
Parimutuel, Courts, and Other	47,200	51,400	66,018		
Investment Income	45,300	45,400	42,325		
Gaming	27,700	22,300	28,751		
Medicaid Provider Revenues	7,600	7,600	7,131		
TOTAL GENERAL PURPOSE REVENUES	5,777,510	5,983,800	6,114,804		
EXPENDITURES:					
Agriculture	8,305	8,313	8,106	$ 207	$ 7
Corrections	378,367	383,273	381,669	1,604	45
Education	2,040,800	2,041,215	2,041,087	128	-
Governor	4,818	7,137	5,877	1,260	547
Health Care Policy and Financing	904,124	928,459	951,827	(23,368)	1
Higher Education	715,748	716,042	715,933	109	-
Human Services	460,458	452,662	450,438	2,224	1,648
Judicial Branch	196,960	197,169	194,420	2,749	448
Law	9,724	11,063	10,106	957	589
Legislative Branch	26,928	26,928	25,393	1,535	65
Local Affairs	38,355	38,355	37,758	597	196
Military Affairs	4,110	4,119	3,800	319	-
Natural Resources	29,538	29,274	28,863	411	82
Personnel	16,019	16,019	15,026	993	41
Public Health and Environment	23,829	23,763	23,731	32	246
Public Safety	49,794	49,760	49,492	268	180
Regulatory Agencies	1,927	1,927	1,919	8	-
Revenue	169,532	168,717	166,429	2,288	8
Transportation	302	302	203	99	-
Treasury	30,905	30,983	30,953	30	-
Transfer to the Capital Construction Fund	175,154	175,154	175,154	-	-
Fiscal Year 1998-99 TABOR Refund	686,300	679,634	679,634	-	-
TOTAL	5,971,997	5,990,268	5,997,818	$ (7,550)	$ 4,103
EXCESS GENERAL REVENUES OVER (UNDER) GENERAL FUNDED EXPENDITURES	(194,487)	(6,468)	116,986		
EXCESS AUGMENTING REVENUES	-	-	4,103		
BEGINNING GENERAL FUND SURPLUS	457,700	497,600	497,638		
Budgeted Non-GAAP Expenditures	-	-	(2)		
GAAP Revenues/Expenditures Not Budgeted	-	-	(817)		
(Increase)/Decrease in Long-Term Asset Reserve	-	-	55		
Budgeted (Increase) in Statutory 4 Percent Reserve Requirement	(11,500)	(12,300)	(12,252)		
ENDING GENERAL FUND SURPLUS	251,713	478,832	605,711		
Net Increase/(Decrease) in the Fair Value of Investments			(8,864)		
Shortfall in Statutory 4 Percent Reserve	199,600	200,400	200,372		
Fiscal Year 1999-00 TABOR Liability	(615,700)	(815,500)	(941,129)		
ENDING GAAP UNRESERVED FUND BALANCE	$ (164,387)	$ (136,268)	$ (143,910)		

SPECIAL REVENUE FUNDS

HIGHWAY	Expenditures of this fund are for the construction and maintenance of public highways, the operations of the State Patrol, and the motor vehicle related operations of the Department of Revenue. Revenues are from excise taxes on motor fuels, driver and vehicle registration fees, and other related taxes. Other financing sources include the issuance of revenue bonds.
WILDLIFE	Expenditures of this fund are used to preserve the state's wildlife and promote outdoor recreational activities, while revenues are from hunting and fishing license fees as well as various fines.
LABOR	This fund accounts for injured workers' medical benefits provided by statutes that are not covered by workers' compensation benefits.
GAMING	This fund accounts for operations of the Colorado Gaming Commission and its oversight of gaming operations in the state. It also accounts for the preservation activities of the Colorado Historical Society related to the revenues it receives from gaming.
WATER PROJECTS	This fund accounts for construction loans made to enhance the water resources of the state.
TOBACCO LITIGATION SETTLEMENT	This fund accounts for receipts directly from the tobacco litigation settlement, earnings distributed from the tobacco litigation settlement nonexpendable trust fund, and the expenditures of programs related to the tobacco settlement.

COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2000

(DOLLARS IN THOUSANDS)

	HIGHWAY	WILDLIFE
ASSETS:		
Cash and Pooled Cash	$ 922,051	$ 80,787
Taxes Receivable, net	63,300	-
Other Receivables, net	2,839	7,146
Due From Other Governments	147,648	1,973
Due From Other Funds	11,263	1,817
Inventories	6,255	663
Prepaids, Advances, and Deferred Charges	92	248
Investments	-	-
Other Long-Term Assets	21,121	-
TOTAL ASSETS	$ 1,174,569	$ 92,634
LIABILITIES:		
Tax Refunds Payable	$ 510	$ -
Accounts Payable and Accrued Liabilities	115,385	5,054
Due To Other Governments	52,114	-
Due To Other Funds	684	9
Deferred Revenue	8,389	21,465
Deposits Held In Custody For Others	25	-
Other Current Liabilities	-	-
Other Long-Term Liabilities	-	-
TOTAL LIABILITIES	177,107	26,528
FUND EQUITY:		
Fund Balances:		
Reserved For:		
Encumbrances	701,149	-
Statutory Fund Residual	6,808	66,106
Long-Term Assets and Long-Term Receivables	21,121	-
Unreserved:		
Undesignated	268,384	-
TOTAL FUND EQUITY	997,462	66,106
TOTAL LIABILITIES AND FUND EQUITY	$ 1,174,569	$ 92,634

LABOR	GAMING	WATER PROJECTS	TOBACCO LITIGATION SETTLEMENT	TOTALS
$ 29,814	$ 86,478	$ 92,822	$ 67,101	$ 1,279,053
16,982	-	-	-	80,282
2,035	22	9,134	-	21,176
-	5	-	-	149,626
-	8,938	202	-	22,220
-	-	-	-	6,918
-	27	-	-	367
142,548	-	-	-	142,548
-	-	124,853	-	145,974
$ 191,379	$ 95,470	$ 227,011	$ 67,101	$ 1,848,164
$ -	$ -	$ -	$ -	$ 510
556	800	276	-	122,071
-	16,468	-	-	68,582
-	35,330	7,944	-	43,967
-	330	-	-	30,184
-	-	-	-	25
13,287	-	-	-	13,287
-	6	-	-	6
13,843	52,934	8,220	-	278,632
-	-	-	-	701,149
177,536	42,536	93,744	67,101	453,831
-	-	125,047	-	146,168
-	-	-	-	268,384
177,536	42,536	218,791	67,101	1,569,532
$ 191,379	$ 95,470	$ 227,011	$ 67,101	$ 1,848,164

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2000

(DOLLARS IN THOUSANDS)

	HIGHWAY	WILDLIFE
REVENUES:		
Taxes	$ 710,144	$ -
Licenses, Permits, and Fines	210,126	53,587
Charges for Goods and Services	8,875	2,617
Investment Income	19,955	4,411
Federal Grants and Contracts	375,591	11,718
Other	23,350	21,256
TOTAL REVENUES	1,348,041	93,589
EXPENDITURES:		
Current:		
General Government	7,273	-
Business, Community and Consumer Affairs	-	26
Education	-	-
Health and Rehabilitation	7,682	-
Justice	52,015	-
Natural Resources	-	65,909
Transportation	956,403	-
Capital Outlay	16,191	21,750
Intergovernmental:		
Cities	107,530	203
Counties	159,470	688
School Districts	-	11
Special Districts	14,556	101
Federal	-	435
Other	93	2,913
TOTAL EXPENDITURES	1,321,213	92,036
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	26,828	1,553
OTHER FINANCING SOURCES (USES):		
Operating Transfer-In	48,362	10,947
Operating Transfer-Out	(23,940)	(17,297)
Proceeds of Bond Issuance	535,799	-
Capital Lease Proceeds	-	37
TOTAL OTHER FINANCING SOURCES (USES)	560,221	(6,313)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	587,049	(4,760)
FUND BALANCE, JULY 1	410,413	70,866
Prior Period Adjustment	-	-
FUND BALANCE, JUNE 30	$ 997,462	$ 66,106

LABOR	GAMING	WATER PROJECTS	TOBACCO LITIGATION SETTLEMENT	TOTALS
$ 33,262	$76,491	$ -	$ -	$ 819,897
115	1,148	-	66,418	331,394
-	275	1	-	11,768
8,001	1,550	12,059	683	46,659
-	-	-	-	387,309
306	24	120	-	45,056
41,684	79,488	12,180	67,101	1,642,083
-	-	-	-	7,273
13,749	5,713	-	-	19,488
-	6,037	-	-	6,037
-	-	-	-	7,682
-	-	-	-	52,015
-	-	2,139	-	68,048
-	-	-	-	956,403
1	659	-	-	38,601
-	14,069	681	-	122,483
-	9,539	2,299	-	171,996
-	443	-	-	454
-	2	-	-	14,659
-	-	106	-	541
-	2,503	44	-	5,553
13,750	38,965	5,269	-	1,471,233
27,934	40,523	6,911	67,101	170,850
-	-	4,328	-	63,637
(460)	(36,190)	(4,021)	-	(81,908)
-	-	-	-	535,799
-	-	-	-	37
(460)	(36,190)	307	-	517,565
27,474	4,333	7,218	67,101	688,415
150,062	38,203	203,573	-	873,117
-	-	8,000	-	8,000
$177,536	$42,536	$218,791	$ 67,101	$1,569,532

ENTERPRISE FUNDS

These funds account for the self-sustaining operations of state agencies that provide a majority of their services to the public on a user charge basis. The major activities in these funds are:

GUARANTEED STUDENT LOAN	This fund records the activities of the Colorado Student Loan Division which guarantees loans made by private lending institutions, in compliance with operating agreements with the U.S. Department of Education, to students attending postsecondary schools. It also includes loan programs for Colorado residents that are not reinsured by the federal government.
STATE LOTTERY	This activity encompasses the lotto and the various lottery games the state runs under the authority of state statute. The net proceeds are used to support the Conservation Trust Fund, the Great Outdoors Colorado Trust Fund, and projects in the Department of Natural Resources.
BUSINESS ENTERPRISE PROGRAM	This activity comprises the food vending stands run by the visually impaired under supervision and guidance of the Department of Human Services.
STATE NURSING HOMES	This activity is for nursing home and retirement care provided to the elderly at the state facilities at Homelake, Walsenburg, Florence, Rifle, and Trinidad.
PRISON CANTEENS	This activity accounts for the various canteen operations in the state's prison system.
CORRECTIONAL INDUSTRIES	This activity is for the production and sale of manufactured goods and farm products by convicted criminals who are incarcerated in the state prison system.
STATE FAIR AUTHORITY	The State Fair Authority operates the Colorado State Fair, and other events, at the state fairgrounds in Pueblo.
OTHER ENTERPRISE ACTIVITIES	The other enterprise activities of the state include employee parking operations, surplus property disposal, and miscellaneous canteen operations at various state institutions.

COMBINING BALANCE SHEET
ENTERPRISE FUNDS
JUNE 30, 2000

(DOLLARS IN THOUSANDS)	GUARANTEED STUDENT LOAN	STATE LOTTERY	BUSINESS ENTERPRISE PROGRAM	STATE NURSING HOMES
ASSETS:				
Cash and Pooled Cash	$49,447	$22,935	$ 323	$ 2,412
Other Receivables, net	928	10,654	40	636
Due From Other Governments	6,069	-	84	483
Due From Other Funds	-	-	-	-
Inventories	98	1,504	6	302
Prepaids, Advances, and Deferred Charges	120	30	244	41
Investments	-	-	-	-
Property, Plant and Equipment, net	2,468	2,519	285	7,059
Other Long-Term Assets	-	-	-	-
TOTAL ASSETS	$59,130	$37,642	$ 982	$10,933
LIABILITIES:				
Accounts Payable and Accrued Liabilities	$ 2,327	$ 2,188	$ 148	$ 683
Due To Other Governments	5,448	7	-	-
Due To Other Funds	1	17,906	-	-
Deferred Revenue	-	423	-	10
Deposits Held In Custody For Others	-	-	-	-
Other Current Liabilities	916	15,025	49	-
Capital Lease Obligations	299	-	-	20
Notes and Bonds Payable	346	-	-	-
Accrued Compensated Absences	694	746	44	671
Other Long-Term Liabilities	-	115	-	-
TOTAL LIABILITIES	10,031	36,410	241	1,384
FUND EQUITY:				
Contributed Capital	15	-	-	7,175
Retained Earnings	49,084	1,232	741	2,374
TOTAL FUND EQUITY	49,099	1,232	741	9,549
TOTAL LIABILITIES AND FUND EQUITY	$59,130	$37,642	$ 982	$10,933

PRISON CANTEENS	CORRECTIONAL INDUSTRIES	STATE FAIR AUTHORITY	OTHER ENTERPRISE ACTIVITIES	TOTALS
$4,188	$ 2,690	$ 843	$ 1,060	$ 83,898
189	829	122	63	13,461
-	185	-	8	6,829
19	535	-	9	563
339	9,404	54	848	12,555
-	3	259	-	697
-	-	239	-	239
1,428	8,020	8,086	4,201	34,066
-	711	67	-	778
$6,163	$22,377	$ 9,670	$ 6,189	$153,086
$ 285	$ 2,156	$ 113	$ 80	$ 7,980
-	-	-	-	5,455
1	103	-	-	18,011
-	-	1,181	578	2,192
3	-	-	4	7
-	312	165	-	16,467
-	-	326	-	645
-	-	1,864	-	2,210
63	731	60	101	3,110
-	-	-	-	115
352	3,302	3,709	763	56,192
-	6,559	8,003	2,328	24,080
5,811	12,516	(2,042)	3,098	72,814
5,811	19,075	5,961	5,426	96,894
$6,163	$22,377	$ 9,670	$ 6,189	$153,086

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY ENTERPRISE FUNDS FOR THE YEAR ENDED JUNE 30, 2000

(DOLLARS IN THOUSANDS)	GUARANTEED STUDENT LOAN	STATE LOTTERY	BUSINESS ENTERPRISE PROGRAM	STATE NURSING HOMES
OPERATING REVENUES:				
Licenses and Permits	$ -	$ 47	$ -	$ -
Charges for Goods and Services	5,021	370,957	621	13,627
Investment and Rental Income	3,161	-	-	-
Federal Grants and Contracts	44,225	-	-	5,440
Other	137	110	17	15
TOTAL OPERATING REVENUES	52,544	371,114	638	19,082
OPERATING EXPENSES:				
Salaries & Fringe Benefits	11,090	7,424	582	14,282
Operating and Travel	40,333	39,711	675	3,206
Cost of Goods Sold	-	11,684	-	-
Depreciation	815	570	137	522
Intergovernmental Distributions	-	-	-	1,378
Prizes and Awards	-	223,576	-	-
TOTAL OPERATING EXPENSES	52,238	282,965	1,394	19,388
OPERATING INCOME (LOSS)	306	88,149	(756)	(306)
NON-OPERATING REVENUES AND (EXPENSES):				
Fines and Settlements	-	-	1	-
Investment and Rental Income	-	1,640	13	454
Donations	-	-	-	71
Intergovernmental Distributions	-	(43,488)	-	-
Federal Grants and Contracts	-	-	676	-
Debt Service	-	-	-	(24)
TOTAL NON-OPERATING REVENUES (EXPENSES)	-	(41,848)	690	501
INCOME (LOSS) BEFORE OPERATING TRANSFERS	306	46,301	(66)	195
OPERATING TRANSFERS:				
Operating Transfer-In	-	-	-	239
Operating Transfer-Out	(139)	(46,445)	-	(96)
TOTAL OPERATING TRANSFERS	(139)	(46,445)	-	143
NET INCOME/CHANGE IN RETAINED EARNINGS	167	(144)	(66)	338
FUND EQUITY, JULY 1	48,932	1,376	807	9,192
Additions (Deductions) to Contributed Capital	-	-	-	19
FUND EQUITY, JUNE 30	$49,099	$ 1,232	$ 741	$ 9,549

PRISON CANTEENS	CORRECTIONAL INDUSTRIES	STATE FAIR AUTHORITY	OTHER ENTERPRISE ACTIVITIES	TOTALS
$ -	$ -	$ -	$ -	$ 47
9,665	29,893	6,418	2,333	438,535
-	-	-	291	3,452
-	-	-	554	50,219
28	162	-	6	475
9,693	30,055	6,418	3,184	492,728
940	7,556	3,770	1,195	46,839
1,455	6,244	2,745	1,557	95,926
5,564	15,635	-	410	33,293
62	974	821	74	3,975
-	-	-	328	1,706
-	1	596	-	224,173
8,021	30,410	7,932	3,564	405,912
1,672	(355)	(1,514)	(380)	86,816
-	-	-	-	1
30	77	500	185	2,899
-	-	499	216	786
-	-	-	-	(43,488)
-	-	-	-	676
-	-	(198)	-	(222)
30	77	801	401	(39,348)
1,702	(278)	(713)	21	47,468
-	64	-	19	322
(891)	(482)	-	(139)	(48,192)
(891)	(418)	-	(120)	(47,870)
811	(696)	(713)	(99)	(402)
5,000	19,771	6,674	5,525	97,277
-	-	-	-	19
$5,811	$19,075	$ 5,961	$5,426	$ 96,894

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2000

(DOLLARS IN THOUSANDS)	GUARANTEED STUDENT LOAN	STATE LOTTERY	BUSINESS ENTERPRISE PROGRAM
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from:			
Fees for Service	$ 10,291	$ 2,331	$ 177
Sales of Products	-	370,956	402
Grants and Contracts	44,227	-	677
Other Sources	137	115	18
Cash Payments to:			
Employees	(9,628)	(6,907)	(442)
Suppliers	(6,374)	(24,305)	(623)
Lottery Prizes and Sales Commissions	(4,313)	(250,207)	-
Financial Institutions for Loan Losses	(25,814)	-	-
Other Governments	(6,113)	-	-
Other	(5,963)	(13)	(149)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(3,550)	91,970	60
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers-In	-	-	-
Transfers-Out	(139)	(46,445)	-
Intergovernmental Distributions	-	(43,499)	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	(139)	(89,944)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of Capital Assets	(254)	(989)	(66)
Proceeds from Sale of Capital Assets	-	-	-
Income from Property	-	-	-
Principal Paid on Capital Debt	(346)	-	-
Interest Payments	-	-	-
Capital Lease Payments	(134)	-	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(734)	(989)	(66)

(Continued)

STATE NURSING HOMES	PRISON CANTEENS	CORRECTIONAL INDUSTRIES	STATE FAIR AUTHORITY	OTHER ENTERPRISE ACTIVITIES	TOTALS
$ 13,346	$ 109	$ 3,374	$ 6,327	$ 808	$ 36,763
42	9,670	26,534	34	1,756	409,394
87	-	-	-	655	45,646
5,519	32	162	492	242	6,717
(13,958)	(941)	(7,361)	(1,595)	(1,049)	(41,881)
(3,673)	(7,011)	(21,455)	(4,900)	(2,011)	(70,352)
-	-	-	-	-	(254,520)
-	-	-	-	-	(25,814)
(1,378)	-	-	-	(328)	(7,819)
(383)	(4)	(21)	(656)	(211)	(7,400)
(398)	1,855	1,233	(298)	(138)	90,734
239	-	64	-	19	322
(96)	(891)	(482)	-	(139)	(48,192)
-	-	-	-	-	(43,499)
143	(891)	(418)	-	(120)	(91,369)
(487)	(21)	(1,484)	(126)	(427)	(3,854)
281	-	-	1	330	612
6	-	6	465	233	710
-	-	-	(99)	-	(445)
(26)	-	(75)	(141)	-	(242)
(7)	-	(370)	(104)	(1)	(616)
(233)	(21)	(1,923)	(4)	135	(3,835)

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2000

(Continued)

(DOLLARS IN THOUSANDS)	GUARANTEED STUDENT LOAN	STATE LOTTERY	BUSINESS ENTERPRISE PROGRAM
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends on Investments	3,161	1,640	13
Proceeds from Sales of Investments	-	-	-
NET CASH FROM INVESTING ACTIVITIES	3,161	1,640	13
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	(1,262)	2,677	7
CASH AND POOLED CASH , FISCAL YEAR BEGINNING	50,709	20,258	316
CASH AND POOLED CASH, FISCAL YEAR END	$ 49,447	$ 22,935	$ 323
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ 306	$ 88,149	$ (756)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	815	570	137
Investment/Rental Income and Other Revenue in Operating Income	(3,161)	-	-
Fines, Donations, and Grants and Contracts in NonOperating	-	-	678
Loss on Disposal of Fixed Assets	4		1
Compensated Absences	17	(5)	-
Insurance Premiums and State Subsidy			
Claims and General Insurance Expenses Paid			
Interest and Other Expense in Operating Income	23	23	-
Net Changes in Assets and Liabilities Related to Operating Activities:			
(Increase) Decrease in Operating Receivables	5,282	2,330	(33)
(Increase) Decrease in Inventories	10	137	2
(Increase) Decrease in Other Operating Assets	(63)	(11)	-
Increase (Decrease) in Accounts Payable	(5,259)	(524)	30
Increase (Decrease) in Other Operating Liabilities	(1,524)	1,301	1
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ (3,550)	$ 91,970	$ 60
SUPPLEMENTARY INFORMATION - NONCASH TRANSACTIONS (See Note III-B):			
Fixed Assets Transferred from General Fixed Asset Group of Accounts			
Loss on Disposal of Fixed Assets	4	53	1
Assumption of Capital Lease Obligation			

STATE NURSING HOMES	PRISON CANTEENS	CORRECTIONAL INDUSTRIES	STATE FAIR AUTHORITY	OTHER ENTERPRISE ACTIVITIES	TOTALS
167	30	71	35	9	5,126
-	-	-	4	-	4
167	30	71	39	9	5,130
(321)	973	(1,037)	(263)	(114)	660
2,733	3,215	3,727	1,106	1,174	83,238
$ 2,412	$ 4,188	$ 2,690	$ 843	$ 1,060	$ 83,898
$ (306)	$ 1,672	$ (355)	$ (1,514)	$ (380)	$ 86,816
522	62	974	821	74	3,975
-	-	-	-	(59)	(3,220)
71	-	-	499	216	1,464
51	-	83	-	4	143
(21)	(2)	104	12	25	130
8	21	59	11	38	183
(119)	112	17	(56)	-	7,533
(21)	(14)	(405)	2	(76)	(365)
(39)	1	6	(33)	1	(138)
(205)	2	750	(77)	(98)	(5,381)
(339)	1	-	37	117	(406)
$ (398)	$ 1,855	$ 1,233	$ (298)	$ (138)	$ 90,734
19					19
51		83		4	196
2					2

INTERNAL SERVICE FUNDS

CENTRAL SERVICES	This fund accounts for the sales of goods and services to other state agencies. The sales items include mail services, printing, quick copy, graphic design, microfilming and motor pool.
GENERAL GOVERNMENT COMPUTER CENTER	This fund accounts for computer services sold to other state agencies.
TELECOMMUNICATIONS	This fund accounts for telecommunications services sold to other state agencies.
STATE EMPLOYEES AND OFFICIALS INSURANCE	This fund accounts for the self-insured health insurance plan for state employees and officials in effect through 2000. It also accounts for the purchased medical, life, and dental insurance programs offered by the state.
HIGHWAYS	This fund is used to account for the operations of the Department of Transportation print shop.
PUBLIC SAFETY	This fund accounts for aircraft rental to state agencies by the Department of Public Safety.
CAPITOL COMPLEX	This fund accounts for the cost and income of state office space in the Capitol area.
ADMINISTRATIVE HEARINGS	This fund accounts for the operations of the Administrative Hearings Division in the Department of Personnel.

COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 2000

(DOLLARS IN THOUSANDS)	CENTRAL SERVICES	GENERAL GOVERNMENT COMPUTER CENTER	TELECOM-MUNICATIONS
ASSETS:			
Cash and Pooled Cash	$ 193	$ 424	$ -
Other Receivables, net	53	2	-
Due From Other Governments	-	-	43
Due From Other Funds	493	289	-
Inventories	260	47	-
Prepaids, Advances, and Deferred Charges	70	153	-
Property, Plant and Equipment, net	42,450	1,644	12,842
TOTAL ASSETS	$43,519	$2,559	$12,885
LIABILITIES:			
Accounts Payable and Accrued Liabilities	$ 1,902	$ 300	$ 1,228
Due To Other Funds	-	-	3,740
Deferred Revenue	971	-	-
Other Current Liabilities	12,275	-	-
Capital Lease Obligations	27,995	-	-
Accrued Compensated Absences	293	390	72
Other Long-Term Liabilities	-	-	-
TOTAL LIABILITIES	43,436	690	5,040
FUND EQUITY:			
Contributed Capital	-	127	7,984
Retained Earnings	83	1,742	(139)
TOTAL FUND EQUITY	83	1,869	7,845
TOTAL LIABILITIES AND FUND EQUITY	$43,519	$2,559	$12,885

STATE EMPLOYEES AND OFFICIALS INSURANCE	HIGHWAYS	PUBLIC SAFETY	CAPITOL COMPLEX	ADMINISTRATIVE HEARINGS	TOTALS
$17,685	$1,743	$ 146	$ 165	$ 166	$20,522
25	-	12	2	14	108
-	-	-	-	-	43
-	-	-	1	-	783
-	179	-	89	-	575
21	-	-	-	2	246
-	424	421	154	3	57,938
$17,731	$2,346	$ 579	$ 411	$ 185	$80,215
$ 85	$ 72	$ 12	$ 396	$ 23	$ 4,018
-	-	-	-	-	3,740
9,624	-	-	139	-	10,734
1,498	-	-	-	-	13,773
-	-	-	-	-	27,995
20	-	-	166	189	1,130
207	-	-	-	-	207
11,434	72	12	701	212	61,597
-	1,195	413	-	-	9,719
6,297	1,079	154	(290)	(27)	8,899
6,297	2,274	567	(290)	(27)	18,618
$17,731	$2,346	$ 579	$ 411	$ 185	$80,215

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2000

(DOLLARS IN THOUSANDS)	CENTRAL SERVICES	GENERAL GOVERNMENT COMPUTER CENTER	TELECOM-MUNICATIONS
OPERATING REVENUES:			
Charges for Goods and Services	$ 36,534	$ 11,988	$ 9,212
Investment and Rental Income	-	-	-
Other	61	-	-
TOTAL OPERATING REVENUES	36,595	11,988	9,212
OPERATING EXPENSES:			
Salaries & Fringe Benefits	4,787	5,181	957
Operating and Travel	14,161	6,158	8,450
Cost of Goods Sold	4,660	-	-
Depreciation	12,110	1,006	1,314
TOTAL OPERATING EXPENSES	35,718	12,345	10,721
OPERATING INCOME (LOSS)	877	(357)	(1,509)
NON-OPERATING REVENUES AND (EXPENSES):			
Fines and Settlements	-	-	-
Interest and Rents	686	-	-
Debt Service	(1,859)	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	(1,173)	-	-
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(296)	(357)	(1,509)
OPERATING TRANSFERS:			
Operating Transfer-In	-	-	-
Operating Transfer-Out	(2,289)	(25)	(720)
TOTAL OPERATING TRANSFERS	(2,289)	(25)	(720)
NET INCOME/CHANGE IN RETAINED EARNINGS	(2,585)	(382)	(2,229)
FUND EQUITY, JULY 1	2,668	2,251	9,217
Additions (Deductions) to Contributed Capital	-	-	305
Prior Period/Other Adjustments	-	-	552
FUND EQUITY, JUNE 30	$ 83	$ 1,869	$ 7,845

STATE EMPLOYEES AND OFFICIALS INSURANCE	HIGHWAYS	PUBLIC SAFTETY	CAPITOL COMPLEX	ADMINISTRATIVE HEARINGS	TOTALS
$ 126,157	$ 2,783	$ 192	$ 177	$ 2,931	$ 189,974
1,441	-	-	5,775	-	7,216
-	-	1	3	1	66
127,598	2,783	193	5,955	2,932	197,256
2,133	1,020	348	2,546	2,461	19,433
123,123	1,659	175	3,825	463	158,014
-	-	-	-	-	4,660
-	-	52	17	2	14,501
125,256	2,679	575	6,388	2,926	196,608
2,342	104	(382)	(433)	6	648
624	-	-	-	-	624
15	(16)	-	-	28	713
-	-	-	-	-	(1,859)
639	(16)	-	-	28	(522)
2,981	88	(382)	(433)	34	126
-	-	332	-	-	332
(239)	-	-	(161)	-	(3,434)
(239)	-	332	(161)	-	(3,102)
2,742	88	(50)	(594)	34	(2,976)
3,555	2,186	617	304	(61)	20,737
-	-	-	-	-	305
-	-	-	-	-	552
$ 6,297	$ 2,274	$ 567	$ (290)	$ (27)	$ 18,618

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2000

(DOLLARS IN THOUSANDS)	CENTRAL SERVICES	GENERAL GOVERNMENT COMPUTER CENTER	TELECOM-MUNICATIONS
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from:			
Fees for Service	$ 2,280	$ 11,988	$ 486
Sales of Products	33,830	(289)	8,714
Grants and Contracts	7	-	-
Other Sources	481	-	-
Cash Payments to:			
Employees	(4,441)	(4,782)	(881)
Suppliers	(18,740)	(6,581)	(6,914)
Health Claims and Premiums	-	-	-
Other	(540)	(54)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	12,877	282	1,405
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers-In	-	-	-
Transfers-Out	(2,289)	(25)	(720)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	(2,289)	(25)	(720)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of Capital Assets	(1,892)	(279)	(447)
Proceeds from Sale of Capital Assets	3,618	-	-
Income from Property	-	-	-
Interest Payments	(27)	(1)	(231)
Capital Lease Payments	(14,530)	-	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(12,831)	(280)	(678)

(Continued)

STATE EMPLOYEES AND OFFICIALS INSURANCE	HIGHWAYS	PUBLIC SAFTETY	CAPITOL COMPLEX	ADMINISTRATIVE HEARINGS	TOTALS
$ 128,520	$ 1,311	$ 192	$ 175	$ 2,917	$ 147,869
-	1,480	-	(1)	1	43,735
-	-	-	-	-	7
1,123	-	1	142	1	1,748
(637)	(1,016)	(349)	(2,481)	(2,344)	(16,931)
(16,898)	(1,444)	(172)	(3,972)	(640)	(55,361)
(123,039)	-	-	-	-	(123,039)
162	(26)	-	(1)	25	(434)
(10,769)	305	(328)	(6,138)	(40)	(2,406)
-	-	332	-	-	332
(239)	-	-	(161)	-	(3,434)
(239)	-	332	(161)	-	(3,102)
-	36	-	(54)	-	(2,636)
-	-	-	-	-	3,618
-	-	-	5,773	28	5,801
-	-	-	-	-	(259)
-	-	-	-	-	(14,530)
-	36	-	5,719	28	(8,006)

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2000

(Continued)

(DOLLARS IN THOUSANDS)	CENTRAL SERVICES	GENERAL GOVERNMENT COMPUTER CENTER	TELECOM-MUNICATIONS
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends on Investments	-	-	-
NET CASH FROM INVESTING ACTIVITIES	-	-	-
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	(2,243)	(23)	7
CASH AND POOLED CASH , FISCAL YEAR BEGINNING	2,436	447	(7)
CASH AND POOLED CASH, FISCAL YEAR END	$ 193	$ 424	$ -
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ 877	$ (357)	$ (1,509)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	12,110	1,006	1,314
Investment/Rental Income and Other Revenue in Operating Income	-	-	-
Fines, Donations, and Grants and Contracts in NonOperating	-	-	-
Compensated Absences	65	20	(6)
Interest and Other Expense in Operating Income	28	(187)	242
Net Changes in Assets and Liabilities Related to Operating Activities:			
(Increase) Decrease in Operating Receivables	(424)	(288)	(13)
(Increase) Decrease in Inventories	(62)	(1)	2
(Increase) Decrease in Other Operating Assets	(57)	(46)	-
Increase (Decrease) in Accounts Payable	(87)	135	1,375
Increase (Decrease) in Other Operating Liabilities	427	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 12,877	$ 282	$ 1,405
SUPPLEMENTARY INFORMATION - NONCASH TRANSACTIONS (See Note III-B):			
Fixed Assets Transferred from General Fixed Asset Group of Accounts			857
Assumption of Capital Lease Obligation	14,354		

See accompanying notes to the financial statements.

STATE EMPLOYEES AND OFFICIALS INSURANCE	HIGHWAYS	PUBLIC SAFTETY	CAPITOL COMPLEX	ADMINISTRATIVE HEARINGS	TOTALS
1,457	(16)	-	-	-	1,441
1,457	(16)	-	-	-	1,441
(9,551)	325	4	(580)	(12)	(12,073)
27,236	1,418	142	745	178	32,595
$ 17,685	$ 1,743	$ 146	$ 165	$ 166	$ 20,522
$ 2,342	$ 104	$ (382)	$ (433)	$ 6	$ 648
-	-	52	17	2	14,501
(1,441)	-	-	(5,773)	-	(7,214)
624	-	-	-	-	624
(34)	-	-	(2)	(32)	11
-	46	-	19	-	148
2,362	8	1	(3)	(12)	1,631
-	160	-	(13)	-	86
(1)	-	-	-	25	(79)
(3,245)	(13)	1	(87)	(29)	(1,950)
(11,376)	-	-	137	-	(10,812)
$ (10,769)	$ 305	$ (328)	$ (6,138)	$ (40)	$ (2,406)
					857
					14,354

TRUST AND AGENCY FUNDS

The Trust and Agency Funds are used to account for assets held by the state in a fiduciary capacity. The major components of these are:

EXPENDABLE TRUST FUNDS

UNEMPLOYMENT INSURANCE	This fund accounts for the collection of unemployment insurance premiums from employers and the payment of unemployment benefits to eligible claimants.
STATE TREASURER	This fund is used to record various trust items managed by the state treasurer's office, principally, escheat accounts, unclaimed property and unclaimed insurance moneys.
SEVERANCE TAX	This fund accounts for taxes received by the state on the extraction of nonrenewable natural resources.
LAND BOARD	This fund accounts for the disposition of revenues from state land, surface leases, and oil and timber sales.
VICTIMS COMPENSATION	This fund accounts for money received as a surcharge on fines levied in state courts and distributed for the benefit of crime victims.
CONSERVATION TRUST	This fund accounts for money transferred from other state sources and distributed to local governments for the enhancement of parks, open space, and citizen recreation.
DEFERRED COMPENSATION	This fund accounts for state employee compensation that has been tax deferred under an Internal Revenue Code 457 plan.

AGENCY FUNDS

These funds are held in custody for others. Major items include litigation settlement escrow accounts, contractor's performance escrow accounts, sales taxes collected for cities and counties, deposits held to insure land restoration by mining and oil exploration companies, and assets held for a water and power authority.

NONEXPENDABLE TRUST FUNDS

STATE LANDS	This fund consists of the assets, liabilities, and related operations of lands granted to the state by the federal government for educational purposes.
CONTROLLED MAINTENANCE	This fund holds resources dedicated to maintaining the state's capital assets.
TOBACCO LITIGATION SETTLEMENT	This fund holds tobacco litigation settlement moneys; the earnings on these moneys are intended to provide a permanent source of funds for programs associated with the tobacco settlement.

INVESTMENT TRUST FUND

The state treasurer uses the investment trust fund to account for purchases and sales of investments as well as income and changes in fair value of investments owned by the Colorado Compensation Insurance Authority.

PENSION TRUST FUND

The state provides a defined contribution retirement plan for selected employees – primarily elected officials. The pension trust fund is used to account for the assets, liabilities, and changes in net assets arising from the contributions and benefits payable to participants in the plan.

COMBINING BALANCE SHEET
FIDUCIARY FUND TYPES
JUNE 30, 2000

(DOLLARS IN THOUSANDS)

	EXPENDABLE TRUST	AGENCY
ASSETS:		
Cash and Pooled Cash	$ 873,423	$ 215,188
Taxes Receivable, net	46,687	86,820
Other Receivables, net	15,986	207
Due From Other Governments	728	-
Due From Other Funds	34,906	10,690
Inventories	4	6
Investments	369,719	37,311
Property, Plant and Equipment, net	5,751	-
Other Long-Term Assets	-	16,954
TOTAL ASSETS	$ 1,347,204	$ 367,176
LIABILITIES:		
Tax Refunds Payable	$ -	$ 903
Accounts Payable and Accrued Liabilities	28,008	223
Due To Other Governments	7,163	158,676
Due To Other Funds	4,727	8,699
Deferred Revenue	6,254	-
Deposits Held In Custody For Others	1,133	139,771
Other Current Liabilities	9,349	1,815
Capital Lease Obligations	51	-
Accrued Compensated Absences	221	-
Other Long-Term Liabilities	1,450	57,089
TOTAL LIABILITIES	58,356	367,176
FUND EQUITY:		
Fund Balances:		
Reserved For:		
Statutory Fund Residual	1,280,788	-
Long-Term Assets and Long-Term Receivables	8,060	-
Statutorily Specified Amounts	-	-
Unreserved:		
Designated	-	-
Undesignated	-	-
TOTAL FUND EQUITY	1,288,848	-
TOTAL LIABILITIES AND FUND EQUITY	$ 1,347,204	$ 367,176

NON-EXPENDABLE TRUST	INVESTMENT TRUST	PENSION TRUST	TOTALS
$ 30,847	$ 27,714	$ 6	$1,147,178
-	-	-	133,507
5,128	11,249	-	32,570
-	-	-	728
141	-	-	45,737
-	-	-	10
583,183	742,387	1,798	1,734,398
7,517	-	-	13,268
519	-	-	17,473
$627,335	$781,350	$ 1,804	$3,124,869
$ -	$ -	$ -	$ 903
-	-	-	28,231
-	-	-	165,839
4,123	-	-	17,549
381	-	-	6,635
-	-	-	140,904
-	-	-	11,164
-	-	-	51
-	-	-	221
-	-	-	58,539
4,504	-	-	430,036
371,989	781,350	1,798	2,435,925
-	-	-	8,060
226,911	-	-	226,911
23,931	-	-	23,931
-	-	6	6
622,831	781,350	1,804	2,694,833
$627,335	$781,350	$ 1,804	$3,124,869

COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
JUNE 30, 2000

(DOLLARS IN THOUSANDS)

	UNEMPLOYMENT INSURANCE	STATE TREASURER	SEVERANCE TAX FUND	LAND BOARD
ASSETS:				
Cash and Pooled Cash	$ 764,537	$ 14,952	$ 53,068	$ 178
Taxes Receivable, net	46,687	-	-	-
Other Receivables, net	10,761	-	-	3,521
Due From Other Governments	728	-	-	-
Due From Other Funds	-	15,535	12,208	-
Inventories	-	-	-	-
Investments	-	-	-	-
Property, Plant and Equipment	-	-	-	-
TOTAL ASSETS	$ 822,713	$ 30,487	$ 65,276	$ 3,699
LIABILITIES:				
Accounts Payable and Accrued Liabilities	$ 92	$ 26,931	$ -	$ 5
Due To Other Governments	-	-	-	-
Due To Other Funds	1,128	-	-	3,576
Deferred Revenue	-	-	116	-
Deposits Held In Custody For Others	-	-	-	-
Other Current Liabilities	9,345	-	-	-
Capital Lease Obligations	-	-	-	-
Accrued Compensated Absences	-	-	-	-
Other Long-Term Liabilities	-	1,450	-	-
TOTAL LIABILITIES	10,565	28,381	116	3,581
FUND EQUITY:				
Fund Balances:				
Reserved For:				
Statutory Fund Residual	812,148	2,106	57,100	118
Long-Term Assets and Long-Term Receivables	-	-	8,060	-
TOTAL FUND EQUITY	812,148	2,106	65,160	118
TOTAL LIABILITIES AND FUND EQUITY	$ 822,713	$ 30,487	$ 65,276	$ 3,699

VICTIMS COMPENSATION	CONSERVATION TRUST FUND	DEFERRED COMPENSATION PLAN	OTHER EXPENDABLE TRUSTS	TOTALS
$ 9,101	$ 5	$ 1,077	$ 30,505	$ 873,423
-	-	-	-	46,687
-	-	115	1,589	15,986
-	-	-	-	728
-	7,163	-	-	34,906
-	-	-	4	4
1,212	-	364,175	4,332	369,719
-	-	-	5,751	5,751
$ 10,313	$ 7,168	$ 365,367	$ 42,181	$ 1,347,204
$ -	$ -	$ 78	$ 902	$ 28,008
-	7,163	-	-	7,163
-	-	-	23	4,727
-	-	-	6,138	6,254
-	-	-	1,133	1,133
-	-	-	4	9,349
-	-	-	51	51
-	-	11	210	221
-	-	-	-	1,450
-	7,163	89	8,461	58,356
10,313	5	365,278	33,720	1,280,788
-	-	-	-	8,060
10,313	5	365,278	33,720	1,288,848
$ 10,313	$ 7,168	$ 365,367	$ 42,181	$ 1,347,204

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES EXPENDABLE TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 2000

(DOLLARS IN THOUSANDS)

	UNEMPLOYMENT INSURANCE	STATE TREASURER	SEVERANCE TAX FUND	LAND BOARD
REVENUES:				
Taxes	$179,583	$ -	$18,120	$ -
Licenses, Permits, and Fines	-	-	-	-
Charges for Goods and Services	-	-	-	166
Investment Income	47,700	(6)	2,329	19,867
Federal Grants and Contracts	7,430	4,136	-	-
Other	(70)	13,109	-	11,466
TOTAL REVENUES	234,643	17,239	20,449	31,499
EXPENDITURES:				
Current:				
General Government	-	891	-	8
Business, Community and Consumer Affairs	166,420	-	-	-
Education	-	-	-	-
Health and Rehabilitation	-	-	-	-
Justice	-	-	-	-
Natural Resources	-	-	-	-
Social Assistance	-	-	-	-
Capital Outlay	-	-	-	-
Intergovernmental:				
Cities	-	-	-	-
Counties	-	4,136	-	6
School Districts	-	-	-	-
Special Districts	-	-	-	-
Federal	-	-	-	-
Other	-	-	-	-
Deferred Compensation Distributions	-	-	-	-
Debt Service	-	-	-	-
TOTAL EXPENDITURES	166,420	5,027	-	14
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	68,223	12,212	20,449	31,485
OTHER FINANCING SOURCES (USES):				
Operating Transfer-In	-	-	-	63
Operating Transfer-Out	-	(12,234)	(4,034)	(31,535)
TOTAL OTHER FINANCING SOURCES (USES)	-	(12,234)	(4,034)	(31,472)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	68,223	(22)	16,415	13
FUND BALANCE, JULY 1	743,925	2,128	48,745	105
FUND BALANCE, JUNE 30	$812,148	$ 2,106	$65,160	$ 118

VICTIMS COMPENSATION	CONSERVATION TRUST FUND	DEFERRED COMPENSATION PLAN	OTHER EXPENDABLE TRUSTS	TOTALS
$ -	$ -	$ -	$ -	$ 197,703
19,822	-	-	6,312	26,134
-	-	747	173	1,086
-	-	41,945	1,467	113,302
-	-	-	2,425	13,991
-	-	12,446	2,705	39,656
19,822	-	55,138	13,082	391,872
-	-	663	1,153	2,715
-	-	-	288	166,708
-	-	-	327	327
-	-	-	393	393
-	-	-	4,646	4,646
-	-	-	172	172
-	-	-	1	1
-	-	-	123	123
-	23,351	-	520	23,871
-	8,119	-	951	13,212
-	195	-	-	195
-	4,125	-	19	4,144
-	-	-	2	2
19,757	-	-	3	19,760
-	-	16,749	-	16,749
-	-	-	35	35
19,757	35,790	17,412	8,633	253,053
65	(35,790)	37,726	4,449	138,819
-	35,791	-	36	35,890
(1,139)	-	(15)	(7)	(48,964)
(1,139)	35,791	(15)	29	(13,074)
(1,074)	1	37,711	4,478	125,745
11,387	4	327,567	29,242	1,163,103
$10,313	$ 5	$ 365,278	$33,720	$1,288,848

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2000

(DOLLARS IN THOUSANDS)	BALANCE JULY 1	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30
DEPARTMENT OF REVENUE AGENCY FUNDS:				
ASSETS:				
Cash and Pooled Cash	$ 63,682	$ 1,518,601	$ 1,503,683	$ 78,600
Taxes Receivable, net	75,953	16,343	5,476	86,820
Due From Other Funds	6,273	2,188	5,940	2,521
TOTAL ASSETS	$ 145,908	$ 1,537,132	$ 1,515,099	$ 167,941
LIABILITIES:				
Tax Refunds Payable	$ 378	$ 525	$ -	$ 903
Due To Other Governments	138,832	2,219,469	2,199,651	158,650
Due To Other Funds	4,003	102,226	97,703	8,526
Deposits Held In Custody For Others	(32)	-	251	(283)
Other Current Liabilities	144	1,194	1,286	52
Other Long-Term Liabilities	2,583	29	2,519	93
TOTAL LIABILITIES	$ 145,908	$ 2,323,443	$ 2,301,410	$ 167,941
DEPARTMENT OF TREASURY AGENCY FUNDS:				
ASSETS:				
Cash and Pooled Cash	$ 111,196	$ 57,223	$ 113,021	$ 55,398
Due From Other Governments	-	1,080	1,080	-
Due From Other Funds	8,750	7,703	8,751	7,702
Investments	-	71,626	35,715	35,911
TOTAL ASSETS	$ 119,946	$ 137,632	$ 158,567	$ 99,011
LIABILITIES:				
Accounts Payable and Accrued Liabilities	$ -	$ 107	$ 107	$ -
Deposits Held In Custody For Others	119,946	55,109	123,197	51,858
Other Long-Term Liabilities	-	47,153	-	47,153
TOTAL LIABILITIES	$ 119,946	$ 102,369	$ 123,304	$ 99,011

(Continued)

(Continued)

	BALANCE JULY 1	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30
OTHER AGENCY FUNDS:				
ASSETS:				
Cash and Pooled Cash	$ 75,291	$ 50,962	$ 45,063	$ 81,190
Other Receivables, net	327	315	435	207
Due From Other Funds	245	574	352	467
Inventories	2	181	177	6
Investments	65	1,335	-	1,400
Other Long-Term Assets	14,282	3,407	735	16,954
TOTAL ASSETS	$ 90,212	$ 56,774	$ 46,762	$ 100,224
LIABILITIES:				
Accounts Payable and Accrued Liabilities	$ 166	$ 1,835	$ 1,778	$ 223
Due To Other Governments	172	170	316	26
Due To Other Funds	22	173	22	173
Deposits Held In Custody For Others	88,164	52,174	52,142	88,196
Other Current Liabilities	1,688	521	446	1,763
Other Long-Term Liabilities	-	9,955	112	9,843
TOTAL LIABILITIES	$ 90,212	$ 64,828	$ 54,816	$ 100,224
TOTALS - ALL AGENCY FUNDS:				
ASSETS:				
Cash and Pooled Cash	$ 250,169	$ 1,626,786	$ 1,661,767	$ 215,188
Taxes Receivable, net	75,953	16,343	5,476	86,820
Other Receivables, net	327	315	435	207
Due From Other Governments	-	1,080	1,080	-
Due From Other Funds	15,268	10,465	15,043	10,690
Inventories	2	181	177	6
Investments	65	72,961	35,715	37,311
Other Long-Term Assets	14,282	3,407	735	16,954
TOTAL ASSETS	$ 356,066	$ 1,731,538	$ 1,720,428	$ 367,176
LIABILITIES:				
Tax Refunds Payable	$ 378	$ 525	$ -	$ 903
Accounts Payable and Accrued Liabilities	166	1,942	1,885	223
Due To Other Governments	139,004	2,219,639	2,199,967	158,676
Due To Other Funds	4,025	102,399	97,725	8,699
Deposits Held In Custody For Others	208,078	107,283	175,590	139,771
Other Current Liabilities	1,832	1,715	1,732	1,815
Other Long-Term Liabilities	2,583	57,137	2,631	57,089
TOTAL LIABILITIES	$ 356,066	$ 2,490,640	$ 2,479,530	$ 367,176

COMBINING BALANCE SHEET
NONEXPENDABLE TRUST FUNDS
JUNE 30, 2000

(DOLLARS IN THOUSANDS)	STATE LANDS	CONTROLLED MAINTENANCE	TOBACCO LITIGATION SETTLEMENT	OTHER	TOTALS
ASSETS:					
Cash and Pooled Cash	$ 11,099	$ 18,315	$ 893	$ 540	$ 30,847
Other Receivables, net	761	3,536	831	-	5,128
Due From Other Funds	131	-	-	10	141
Investments	283,917	250,130	49,136	-	583,183
Property, Plant and Equipment, net	7,517	-	-	-	7,517
Other Long-Term Assets	519	-	-	-	519
TOTAL ASSETS	$303,944	$271,981	$ 50,860	$ 550	$627,335
LIABILITIES:					
Due To Other Funds	$ 2	$ 4,121	$ -	$ -	$ 4,123
Deferred Revenue	381	-	-	-	381
TOTAL LIABILITIES	383	4,121	-	-	4,504
FUND EQUITY:					
Fund Balances:					
Reserved For:					
Statutory Fund Residual	303,561	17,018	50,860	550	371,989
Statutorily Specified Amounts	-	226,911	-	-	226,911
Unreserved:					
Designated	-	23,931	-	-	23,931
TOTAL FUND EQUITY	303,561	267,860	50,860	550	622,831
TOTAL LIABILITIES AND FUND EQUITY	$303,944	$271,981	$ 50,860	$ 550	$627,335

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY NONEXPENDABLE TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 2000

(DOLLARS IN THOUSANDS)	STATE LANDS	CONTROLLED MAINTENANCE	TOBACCO LITIGATION SETTLEMENT	OTHER	TOTALS
OPERATING REVENUES:					
Investment and Rental Income	$ 4,618	$ 13,272	$ 2,022	$ 27	$ 19,939
Other	-	89	-	-	89
TOTAL OPERATING REVENUES	4,618	13,361	2,022	27	20,028
OPERATING EXPENSES:					
TOTAL OPERATING EXPENSES	-	-	-	-	-
OPERATING INCOME (LOSS)	4,618	13,361	2,022	27	20,028
NON-OPERATING REVENUES AND (EXPENSES):					
Fines and Settlements	-	-	48,838	-	48,838
Donations	-	-	-	14	14
TOTAL NON-OPERATING REVENUES (EXPENSES)	-	-	48,838	14	48,852
INCOME (LOSS) BEFORE OPERATING TRANSFERS	4,618	13,361	50,860	41	68,880
OPERATING TRANSFERS:					
Operating Transfer-In	989	-	-	-	989
Operating Transfer-Out	(2,031)	(23,180)	-	(32)	(25,243)
TOTAL OPERATING TRANSFERS	(1,042)	(23,180)	-	(32)	(24,254)
NET INCOME/CHANGE IN RETAINED EARNINGS	3,576	(9,819)	50,860	9	44,626
FUND EQUITY, JULY 1	299,985	277,679	-	541	578,205
FUND EQUITY, JUNE 30	$303,561	$267,860	$ 50,860	$ 550	$622,831

STATEMENT OF CASH FLOWS
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2000

(DOLLARS IN THOUSANDS)	STATE LANDS	CONTROLLED MAINTENANCE	TOBACCO SETTLEMENT	OTHER	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received from:					
Fees for Service	$ (38)	$ -	$ -	$ -	$ (38)
Other Sources	510	89	48,839	613	50,051
Cash Payments to:					
Suppliers	2	(237)	-	-	(235)
Other	-	-	-	(600)	(600)
NET CASH PROVIDED BY OPERATING ACTIVITIES	474	(148)	48,839	13	49,178
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers-In	989	-	-	-	989
Transfers-Out	(2,031)	(19,059)	-	(32)	(21,122)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	(1,042)	(19,059)	-	(32)	(20,133)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from Sale of Capital Assets	1,340	-	-	-	1,340
Income from Property	10,134	-	-	-	10,134
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	11,474	-	-	-	11,474
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest and Dividends on Investments	(6,858)	12,662	1,190	28	7,022
Proceeds from Sales of Investments	53,983	28,183	113	-	82,279
Purchases of Investments	(55,665)	(55,280)	(49,249)	-	(160,194)
NET CASH FROM INVESTING ACTIVITIES	(8,540)	(14,435)	(47,946)	28	(70,893)
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	2,366	(33,642)	893	9	(30,374)
CASH AND POOLED CASH , FISCAL YEAR BEGINNING	8,733	51,957	-	531	61,221
CASH AND POOLED CASH, FISCAL YEAR END	11,099	18,315	893	540	30,847
RECONCILIATION TO THE COMBINED BALANCE SHEET					
Add: Expendable Trust Funds	-	-	-	-	873,423
Investment and Pension Trust Funds	-	-	-	-	27,720
Agency Funds	-	-	-	-	215,188
CASH AND POOLED CASH, FISCAL YEAR END	$ 11,099	$ 18,315	$ 893	$ 540	$ 1,147,178
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	$ 4,618	$ 13,361	$ 2,022	$ 27	$ 20,028
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Investment/Rental Income and Other Revenue in Operating	(4,617)	(13,272)	(2,021)	(28)	(19,938)
Fines, Donations, and Grants and Contracts in NonOperating	-	-	48,838	14	48,852
Net Changes in Assets and Liabilities Related to Operating Activities:					
(Increase) Decrease in Operating Receivables	(66)	-	-	-	(66)
(Increase) Decrease in Other Operating Assets	156	-	-	-	156
Increase (Decrease) in Accounts Payable	2	3,884	-	-	3,886
Increase (Decrease) in Other Operating Liabilities	381	-	-	-	381
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 474	$ (148)	$ 48,839	$ 13	$ 49,178

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is used to account for fixed assets acquired for general governmental purposes. These include all land, buildings, and equipment except those of the Enterprise, Internal Service, Trust, and College and University funds.

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND DEPARTMENT JUNE 30, 2000

(DOLLARS IN THOUSANDS)

	LAND AND IMPROVEMENTS	BUILDINGS	LEASEHOLD IMPROVEMENTS
GENERAL GOVERNMENT			
Legislature	$ -	$ -	$ -
Military Affairs	1,348	15,491	43
Personnel	5,352	72,869	-
Revenue	5,802	15,356	421
Treasury	-	-	-
Subtotal	12,502	103,716	464
BUSINESS, COMMUNITY & CONSUMER AFFAIRS:			
Agriculture	110	3,307	-
[1]GOV, OEC, OED	-	-	-
Labor and Employment	617	5,335	-
Local Affairs	-	-	-
Regulatory Agencies	-	-	-
Revenue	-	-	160
State	-	195	-
Subtotal	727	8,837	160
EDUCATION			
Education	384	6,076	-
Higher Education	2,398	8,617	-
Subtotal	2,782	14,693	-
HEALTH AND REHABILITATION			
Public Health and Environment	188	11,690	-
Human Services	7,875	92,506	71
Subtotal	8,063	104,196	71
JUSTICE			
Corrections	9,634	683,483	6,575
DHS, Division of Youth Services	1,142	45,126	-
Judicial	1,605	11,835	-
Law	-	-	-
Public Safety	686	12,858	-
Regulatory Agencies	-	-	-
Subtotal	13,067	753,302	6,575
NATURAL RESOURCES			
Natural Resources	186,268	58,175	36,745
SOCIAL ASSISTANCE			
Human Services	-	-	1,064
Health Care Policy and Finance	-	-	-
Subtotal	-	-	1,064
TRANSPORTATION			
Transportation	9,647	52,671	-
TOTAL GENERAL FIXED ASSETS	$ 233,056	$ 1,095,590	$ 45,079

[1]Governor's Office, Office of Energy Management and Conservation, and the Office of Economic Development

EQUIPMENT	CONSTRUCTION IN PROGRESS	OTHER FIXED ASSETS	TOTALS
$ 717	$ -	$ 100	$ 817
244	15,563	31	32,720
2,938	10,771	-	91,930
22,265	89	-	43,933
9	-	-	9
26,173	26,423	131	169,409
3,080	484	-	6,981
31	-	1,945	1,976
5,251	-	-	11,203
786	-	-	786
3,337	-	-	3,337
566	-	-	726
4,083	-	-	4,278
17,134	484	1,945	29,287
1,886	1,766	2,252	12,364
696	888	1,522	14,121
2,582	2,654	3,774	26,485
7,714	-	-	19,592
8,816	6,841	61	116,170
16,530	6,841	61	135,762
18,150	21,744	981	740,567
1,525	77,559	-	125,352
15,486	-	689	29,615
391	-	-	391
21,296	-	-	34,840
107	-	-	107
56,955	99,303	1,670	930,872
17,010	5,838	9,363	313,399
12,205	3,947	-	17,216
208	-	-	208
12,413	3,947	-	17,424
164,433	-	-	226,751
$ 313,230	$ 145,490	$ 16,944	$ 1,849,389

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND DEPARTMENT JUNE 30, 2000

(DOLLARS IN THOUSANDS)	BALANCE JULY 1	ADDITIONS	DELETIONS	BALANCE JUNE 30
GENERAL GOVERNMENT				
Legislature	$ 862	$ 18	$ 63	$ 817
Military Affairs	32,714	6	-	32,720
Personnel	84,524	11,831	4,425	91,930
Revenue	43,691	2,454	2,212	43,933
Treasury	9	-	-	9
Subtotal	161,800	14,309	6,700	169,409
BUSINESS, COMMUNITY & CONSUMER AFFAIRS:				
Agriculture	6,928	1,192	1,139	6,981
[1]GOV, OEC, OED	862	1,159	45	1,976
Labor and Employment	11,112	198	107	11,203
Local Affairs	792	-	6	786
Regulatory Agencies	3,434	628	725	3,337
Revenue	737	544	555	726
State	3,493	2,393	1,608	4,278
Subtotal	27,358	6,114	4,185	29,287
EDUCATION				
Education	10,476	2,345	457	12,364
Higher Education	13,111	1,035	25	14,121
Subtotal	23,587	3,380	482	26,485
HEALTH AND REHABILITATION				
Public Health and Environment	24,968	1,168	6,544	19,592
Human Services	114,403	4,557	2,790	116,170
Subtotal	139,371	5,725	9,334	135,762
JUSTICE				
Corrections	668,828	76,233	4,494	740,567
DHS, Division of Youth Services	103,471	22,474	593	125,352
Judicial	28,990	711	86	29,615
Law	296	95	-	391
Public Safety	24,113	13,600	2,873	34,840
Regulatory Agencies	112	19	24	107
Subtotal	825,810	113,132	8,070	930,872
NATURAL RESOURCES				
Natural Resources	302,945	11,486	1,032	313,399
SOCIAL ASSISTANCE				
Human Services	10,479	6,932	195	17,216
Health Care Policy and Finance	208	-	-	208
Subtotal	10,687	6,932	195	17,424
TRANSPORTATION				
Transportation	239,265	15,325	27,839	226,751
TOTAL GENERAL FIXED ASSETS	$ 1,730,823	$ 176,403	$ 57,837	$1,849,389

[1]Governor's Office, Office of Energy Management and Conservation, and the Office of Economic Development

DISCRETELY PRESENTED COMPONENT UNITS

Component units are public entities for which the state is financially accountable because the state appoints a voting majority of their governing board, and either is able to impose its will upon the entity or there exists a financial benefit or burden relationship with the state. Entities that do not meet the criteria for inclusion may still be included if it would be misleading to exclude them.

DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	The district was created for the purpose of acquiring, constructing, and operating a major league baseball stadium in the Denver metropolitan area. The District levies a sales tax of one-tenth of one percent throughout the District, for a period not to exceed 20 years, to assist in financing the stadium.
UNIVERSITY OF COLORADO HOSPITAL AUTHORITY	The authority operates University Hospital as a teaching and research hospital providing comprehensive medical care, including primary, secondary, and tertiary patient care. It also provides space as necessary for the clinical programs of the University of Colorado Health Sciences Center.
COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	The authority constructs, maintains, or causes construction and maintenance of projects for the purpose of conserving or developing the water resources of the state.
COLORADO UNINSURABLE HEALTH INSURANCE PLAN	The plan is a nonprofit public entity created to provide access to health insurance for those Colorado residents that are unable to obtain health insurance, or unable to obtain health insurance except at prohibitive rates or with restrictive exclusions.

COMBINING BALANCE SHEET
ALL DISCRETELY PRESENTED COMPONENT UNITS

(DOLLARS IN THOUSANDS)	FIDUCIARY FUND TYPE	PENSION TRUST FUND
	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY
ASSETS:		
Cash and Cash Equivalents	$ 42,400	$ -
Taxes Receivable, net	-	-
Other Receivables, net	2,352	-
Due From Other Governments	-	-
Due From Other Funds	-	-
Inventories	-	-
Prepaids, Advances, and Deferred Charges	-	-
Investments	119,951	70,638
Property, Plant and Equipment, net	-	-
Other Long-Term Assets	-	-
TOTAL ASSETS	$ 164,703	$ 70,638
LIABILITIES:		
Accounts Payable and Accrued Liabilities	$ 21	$ -
Due To Other Governments	118,202	-
Due To Other Funds	3,871	-
Deferred Revenue	-	-
Other Current Liabilities	-	-
Notes and Bonds Payable	-	-
Accrued Compensated Absences	-	-
Other Long-Term Liabilities	-	-
TOTAL LIABILITIES	122,094	-
FUND EQUITY:		
Contributed Capital	-	-
Retained Earnings	-	-
Fund Balances:		
Reserved For:		
Purpose of the Fund	42,609	70,638
Unreserved:		
Undesignated	-	-
TOTAL FUND EQUITY	42,609	70,638
TOTAL LIABILITIES AND FUND EQUITY	$ 164,703	$ 70,638

PROPRIETARY FUND TYPES				
DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	COLORADO UNINSURABLE HEALTH INSURANCE PLAN	TOTALS
$ 19,014	$ -	$ 39,742	$ 3,469	$ 104,625
6,061	-		-	6,061
187	65,233	2,823	1	70,596
-	-	27,718	-	27,718
-	-	17,407	-	17,407
-	4,936	-	-	4,936
9	1,564	-	-	1,573
-	232,716	117,593	-	540,898
179,574	239,651	57	4	419,286
942	10,397	415,317	-	426,656
$ 205,787	$554,497	$620,657	$ 3,474	$1,619,756
$ 639	$ 72,669	$ 6,947	$ 87	$ 80,363
-	-	8,508	-	126,710
-	-	13,536	-	17,407
-	-	710	45	755
-	3,310	19,184	1,573	24,067
46,133	235,837	376,170	-	658,140
-	5,899	-	-	5,899
-	-	3,328	-	3,328
46,772	317,715	428,383	1,705	916,669
386	-	118,426	-	118,812
158,629	-	73,848	1,769	234,246
-	-	-	-	113,247
-	236,782	-	-	236,782
159,015	236,782	192,274	1,769	703,087
$ 205,787	$554,497	$620,657	$ 3,474	$1,619,756

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL DISCRETELY PRESENTED COMPONENT UNITS
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999

(DOLLARS IN THOUSANDS)	**EXPENDABLE TRUST** COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY
REVENUES:	
Investment Income	$ 2,577
TOTAL REVENUES	2,577
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,577
OTHER FINANCING SOURCES (USES):	
Operating Transfer-Out	(2,598)
TOTAL OTHER FINANCING SOURCES (USES)	(2,598)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(21)
FUND BALANCE, JANUARY 1	42,630
FUND BALANCE, DECEMBER 31	$ 42,609

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY ALL DISCRETELY PRESENTED COMPONENT UNITS PROPRIETARY FUNDS

(DOLLARS IN THOUSANDS)	DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	COLORADO UNINSURABLE HEALTH INSURANCE PLAN	TOTALS
OPERATING REVENUES:					
Charges for Goods and Services	$ -	$255,477	$ 3,705	$ 3,049	$262,231
Investment and Rental Income	774	-	20,954	145	21,873
Other	-	18,699	389	-	19,088
TOTAL OPERATING REVENUES	774	274,176	25,048	3,194	303,192
OPERATING EXPENSES:					
Salaries & Fringe Benefits	-	116,460	-	-	116,460
Operating and Travel	90	82,907	21,724	4,981	109,702
Cost of Goods Sold	-	58,301	-	-	58,301
Depreciation	4,669	19,047	36	-	23,752
Other	-	7,325	453	-	7,778
TOTAL OPERATING EXPENSES	4,759	284,040	22,213	4,981	315,993
OPERATING INCOME (LOSS)	(3,985)	(9,864)	2,835	(1,787)	(12,801)
NON-OPERATING REVENUES AND (EXPENSES):					
Taxes	33,716	-	-	-	33,716
Investment Income	1,010	11,813	4,298		17,121
Donations	-	-	(2,400)	-	(2,400)
State Funds	-	-	-	2,045	2,045
Debt Service	(5,954)	-	-	-	(5,954)
Other		(1,124)		-	(1,124)
TOTAL NON-OPERATING REVENUES (EXPENSES)	28,772	10,689	1,898	2,045	43,404
INCOME (LOSS) BEFORE OPERATING TRANSFERS	24,787	825	4,733	258	30,603
OPERATING TRANSFERS:					
Operating Transfer-In	-	-	2,597	-	2,597
TOTAL OPERATING TRANSFERS	-	-	2,597	-	2,597
NET INCOME/CHANGE IN RETAINED EARNINGS	24,787	825	7,330	258	33,200
FUND EQUITY, FISCAL YEAR BEGINNING	134,228	210,385	158,893	1,511	505,017
Additions (Deductions) to Contributed Capital	-	25,572	26,051	-	51,623
FUND EQUITY, FISCAL YEAR END	$159,015	$236,782	$192,274	$ 1,769	$589,840

COMBINING STATEMENT OF CASH FLOWS
ALL DISCRETELY PRESENTED COMPONENT UNITS
PROPRIETARY FUNDS

(DOLLARS IN THOUSANDS)	DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash From Operating Activities	$ 694	$ 22,635
NET CASH PROVIDED BY OPERATING ACTIVITIES	694	22,635
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers-In	-	-
Transfers-Out	-	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of Capital Assets	(117)	(93,113)
Proceeds from Issuance of Capital Debt	-	(112)
Principal Paid on Capital Debt	(11,065)	(3,190)
Interest Payments	(3,571)	(7,120)
Capital Lease Payments	(6)	-
Taxes	33,096	-
Bond Defeasance and Refunding	(13,979)	-
Received from Borrowers	-	-
Disbursements to Borrowers	-	-
Capitalization Grants Received	-	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	4,358	(103,535)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends on Investments	982	15,154
Proceeds from Sales of Investments	-	344,592
Purchases of Investments	-	(331,757)
Net (Increase)Decrease in Investments	-	51,575
NET CASH FROM INVESTING ACTIVITIES	982	79,564
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,034	(1,336)
CASH AND POOLED CASH , FISCAL YEAR BEGINNING	12,980	1,336
CASH AND POOLED CASH, FISCAL YEAR END	$ 19,014	$ -
RECONCILIATION TO THE COMBINED BALANCE SHEET		
Add: Governmental and Expendable Trust Funds	-	-
CASH AND POOLED CASH, FISCAL YEAR END	$ 19,014	$ -

(Continued)

COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	COLORADO UNINSURABLE HEALTH INSURANCE PLAN	TOTALS
$ 4,800	$ (2,210)	$ 25,919
4,800	(2,210)	25,919
9,327	2,044	11,371
(4,029)	-	(4,029)
5,298	2,044	7,342
-	-	(93,230)
85,744	-	85,632
(15,000)	-	(29,255)
-	-	(10,691)
-	-	(6)
-	-	33,096
-	-	(13,979)
15,615	-	15,615
(97,233)	-	(97,233)
25,968	-	25,968
15,094	-	(84,083)
-		16,136
-	-	344,592
-	-	(331,757)
(44,197)	-	7,378
(44,197)	-	36,349
(19,005)	(166)	(14,473)
58,747	3,635	76,698
$ 39,742	$ 3,469	$ 62,225
42,400	-	42,400
$ 82,142	$ 3,469	$104,625

COMBINING STATEMENT OF CASH FLOWS
ALL DISCRETELY PRESENTED COMPONENT UNITS
PROPRIETARY FUNDS

(Continued)

(DOLLARS IN THOUSANDS)	DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ (3,985)	$ (9,864)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	4,670	19,047
Investment/Rental Income and Interest Expense in Operating Income	-	-
Interest Expense	-	7,325
Provision for Bad Debts	-	12,280
Net Changes in Assets and Liabilities Related to Operating Activities:		
(Increase) Decrease in Operating Receivables	8	(28,164)
(Increase) Decrease in Inventories	-	(724)
(Increase) Decrease in Other Operating Assets	-	5,484
Increase (Decrease) in Accounts Payable	1	16,914
Increase (Decrease) in Accrued Compensated Absences	-	337
Increase (Decrease) in Other Operating Liabilities	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 694	$ 22,635

COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	COLORADO UNINSURABLE HEALTH INSURANCE PLAN	TOTALS
$ 4,733	$ (1,787)	$ (10,903)
487	-	24,204
(946)	-	(946)
-	-	7,325
-	-	12,280
(4,140)	4	(32,292)
-	-	(724)
(2)	-	5,482
3,299	(14)	20,200
-	-	337
1,369	(413)	956
$ 4,800	$ (2,210)	$ 25,919

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS ALL DISCRETELY PRESENTED COMPONENT UNITS FOR THE YEAR ENDED DECEMBER 31, 1999

(DOLLARS IN THOUSANDS)	BALANCE JANUARY 1	ADDITIONS	DEDUCTIONS	BALANCE DECEMBER 31
COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY:				
ASSETS:				
Cash and Investments - Trust Accounts	$ 96,922	$ 97,997	$ 74,967	$ 119,952
Interest Receivable on Investments	1,817	5,339	5,014	2,142
TOTAL ASSETS	$ 98,739	$ 103,336	$ 79,981	$ 122,094
LIABILITIES:				
Project Funds Payable	$ 94,544	$ 92,984	$ 70,962	$ 116,566
Interest Due to Borrowers	1,195	531	90	1,636
Accounts Payable - Other	-	21	-	21
Due To Other Funds	3,000	4,808	3,937	3,871
TOTAL LIABILITIES	$ 98,739	$ 98,344	$ 74,989	$ 122,094

STATISTICAL SECTION

REVENUES AND OTHER FINANCING BY SOURCE
EXPENDITURES AND OTHER USES BY FUNCTION - PRIMARY GOVERNMENT
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
Last Ten Fiscal Years

(DOLLARS IN MILLIONS)

	1999-00	1998-99	1997-98	1996-97
REVENUES AND OTHER FINANCING SOURCES:				
Taxes	$ 7,058	$ 6,443	$ 5,995	$ 5,265
Less: Excess TABOR Revenues	(941)	(680)	(563)	(139)
Licenses, Permits, and Fines	505	422	418	388
Charges for Goods and Services	117	181	183	189
Interest	244	233	223	198
Federal Grants and Contracts	2,673	2,473	2,225	2,128
Other	220	179	151	127
Bond Proceeds and Other Financing Sources	540	3	1	24
Transfers-In	469	772	513	582
TOTAL REVENUES AND OTHER SOURCES	10,885	10,026	9,146	8,762
EXPENDITURES AND OTHER USES BY FUNCTION:				
Current:				
General Government	216	208	209	198
Business, Community and Consumer Affairs	391	368	361	388
Education	74	71	75	91
Health and Rehabilitation	434	413	418	373
Justice	776	694	619	583
Natural Resources	130	123	116	114
Social Assistance	2,152	1,992	1,770	1,817
Transportation	958	877	716	578
Capital Outlay	223	253	233	158
Intergovernmental:				
Cities	192	191	193	157
Counties	1,074	1,011	920	719
School Districts	2,257	2,158	2,011	1,907
Other	141	138	142	175
Deferred Compensation Distributions	17	15		
Debt Service	5	23	41	55
Other	-	-	-	-
Transfers-Out:				
Higher Education	898	778	735	692
Other	391	712	461	535
TOTAL EXPENDITURES AND OTHER USES	10,329	10,025	9,020	8,540
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	556	1	126	222
Prior Period Adjustments	8	285	-	(2)
FUND BALANCE, JUNE 30	$ 3,523	$ 2,959	$ 2,673	$ 2,547

1995-96	1994-95	1993-94	1992-93	1991-92	1990-91
$ 4,841	$ 4,549	$ 4,177	$ 3,837	$ 3,519	$ 3,205
-	-	-	-	-	-
358	301	289	263	249	229
171	179	343	450	173	144
170	130	104	137	150	162
2,133	2,048	2,121	2,022	1,778	1,505
111	126	112	57	166	110
7	-	-	108	144	29
500	450	369	243	245	288
8,291	7,783	7,515	7,117	6,424	5,672
184	140	216	149	211	196
405	378	449	472	432	326
65	60	53	53	47	51
359	340	346	342	323	308
534	487	447	423	394	367
109	102	92	89	78	73
1,703	1,630	1,562	1,701	1,328	1,023
558	543	582	499	505	525
96	74	88	92	106	93
157	161	151	130	131	108
676	663	626	594	542	493
1,783	1,659	1,581	1,492	1,134	1,216
161	126	125	100	109	91
43	45	40	23	173	26
6	-	-	115	1	-
632	557	543	532	508	504
644	431	372	180	173	217
8,115	7,396	7,273	6,986	6,195	5,617
176	387	242	131	229	55
371	(20)	1	-	-	-
$ 2,327	$ 2,147	$ 1,780	$ 1,537	$ 1,406	$ 1,177

GENERAL FUND
GENERAL PURPOSE REVENUE
IN DOLLARS AND AS A PERCENT OF TOTAL
Last Ten Fiscal Years

(DOLLARS IN MILLIONS)

	1999-00	1998-99	1997-98	1996-97
Income Tax:				
Individual	$ 3,718	$ 3,327	$ 3,052	$ 2,573
Less: Excess TABOR Revenues	(192)	(30)	-	-
Corporate	289	276	263	237
Net Income Tax	3,815	3,573	3,315	2,810
Sales, Use, and Excise Taxes	1,775	1,628	1,485	1,521
Less: Excess TABOR Revenues	(750)	(650)	(563)	(139)
Net Sales, Use, and Excise Taxes	1,025	978	922	1,382
Estate Taxes	60	67	109	35
Insurance Tax	129	118	114	112
Other Taxes	29	27	21	20
Interest	42	48	52	41
Medicaid Provider Revenues	7	73	73	80
Other	67	59	75	60
TOTAL GENERAL REVENUES	$ 5,174	$ 4,943	$ 4,681	$ 4,540
Percent Change Over Previous Year	4.7%	5.6%	3.1%	6.3%

(AS PERCENT OF TOTAL EXCLUDING TABOR REFUND)

	1999-00	1998-99	1997-98	1996-97
Net Income Tax	65.5%	64.0%	63.2%	60.1%
Sales, Use, and Excise Taxes	29.0	29.0	28.3	32.5
Estate Taxes	1.0	1.2	2.1	0.7
Insurance Tax	2.1	2.1	2.2	2.4
Other Taxes	0.5	0.5	0.4	0.4
Interest	0.7	0.9	1.0	0.9
Medicaid Provider Revenues	0.1	1.3	1.4	1.7
Other	1.1	1.0	1.4	1.3
TOTAL GENERAL REVENUES	100.0%	100.0%	100.0%	100.0%

1995-96	1994-95	1993-94	1992-93	1991-92	1990-91
$ 2,318	$ 2,106	$ 1,920	$ 1,760	$ 1,608	$ 1,462
-	-	-	-	-	-
206	191	147	139	113	116
2,524	2,297	2,067	1,899	1,721	1,578
1,415	1,316	1,208	1,079	1,000	931
-	-	-	-	-	-
1,415	1,316	1,208	1,079	1,000	931
32	28	34	20	34	15
110	105	102	92	89	85
18	17	20	25	12	10
37	29	18	8	6	4
69	127	205	259	82	-
64	77	71	61	52	41
$ 4,269	$ 3,996	$ 3,725	$ 3,443	$ 2,996	$ 2,664
6.8%	7.3%	8.2%	14.9%	12.5%	3.3%
59.1%	57.5%	55.5%	55.2%	57.4%	59.2%
33.2	32.9	32.4	31.3	33.4	34.9
0.7	0.7	0.9	0.6	1.1	0.6
2.6	2.6	2.7	2.7	3.0	3.2
0.4	0.4	0.5	0.7	0.4	0.4
0.9	0.7	0.5	0.2	0.2	0.1
1.6	3.2	5.5	7.5	2.7	-
1.5	2.0	2.0	1.8	1.8	1.6
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

EXPENDITURES BY DEPARTMENT
FUNDED BY GENERAL PURPOSE REVENUES
Last Ten Fiscal Years

(DOLLARS IN THOUSANDS)

	1999-00	1998-99	1997-98	1996-97
Department:				
Administration	$ -	$ -	$ -	$ -
Agriculture	8,106	7,675	7,305	11,165
Corrections	381,669	338,715	297,179	257,072
Education	2,041,087	1,914,294	1,830,940	1,720,335
Governor	5,877	7,388	2,996	12,377
Health	-	-	-	-
Health Care Policy and Financing	951,827	891,319	789,532	756,690
Higher Education	715,933	676,449	651,893	618,464
Human Services	509,309	486,325	481,258	441,637
Institutions	-	-	-	-
Judicial Branch	194,420	180,282	166,574	159,226
Labor and Employment	-	-	20	-
Law	10,106	9,144	8,558	7,471
Legislative Branch	25,393	23,062	21,567	21,266
Local Affairs	37,758	29,958	26,672	25,940
Military Affairs	3,800	3,874	3,460	3,098
Natural Resources	28,863	26,864	24,845	24,130
Personnel	15,026	15,245	15,361	14,591
Public Health and Environment	23,731	22,596	20,507	18,200
Public Safety	49,492	43,910	39,433	36,047
Regulatory Agencies	1,919	1,730	1,194	1,479
Revenue	69,682	69,871	70,224	52,711
Social Services	-	-	-	-
Transportation	203	239	244	-
Treasury	2,240	2,970	2,800	3,102
Transfer to Capital Construction Fund	175,154	470,179	198,387	250,968
Transfer to Controlled Maintenance Trust Fund	-	-	-	-
Transfers for Water Construction Projects	-	-	-	-
Transfer to the Highway Users Tax Fund	-	-	5,611	-
Other Transfers	66,588	56,992	57,811	98,464
TOTALS	$ 5,318,183	$ 5,279,081	$ 4,724,371	$ 4,534,433

(AS PERCENT OF TOTAL)

	1999-00	1998-99	1997-98	1996-97
Education	38.4%	36.3%	38.8%	37.9%
Health Care Policy and Financing	17.9	16.9	16.7	16.7
Higher Education	13.5	12.8	13.8	13.6
Human Services	9.6	9.2	10.2	9.7
Corrections	7.2	6.4	6.3	5.7
Transfer to Capital Construction Fund	3.3	8.9	4.2	5.5
Transfer to Controlled Maintenance Trust Fund	-	-	-	-
Judicial	3.7	3.4	3.5	3.5
Social Services	-	-	-	-
Institutions	-	-	-	-
Revenue	1.3	1.3	1.5	1.2
All Others	5.1	4.8	5.0	6.2
TOTALS	100.0%	100.0%	100.0%	100.0%

1995-96	1994-95	1993-94	1992-93	1991-92	1990-91
$ -	$ 9,056	$ 10,905	$ 11,535	$ 15,375	$ 13,349
6,477	6,310	5,712	5,568	5,543	5,636
234,049	204,073	179,173	157,012	143,072	134,566
1,590,861	1,503,783	1,416,693	1,217,078	1,133,740	1,083,912
3,509	6,698	2,475	2,632	2,450	2,782
-	-	21,473	20,755	21,128	23,774
692,241	666,813	-	-	-	-
581,143	537,905	531,344	526,337	496,344	501,669
407,321	366,960	-	-	-	-
-	-	125,750	140,987	140,349	135,113
150,447	142,681	132,944	126,116	117,623	111,103
610	272	-	-	141	652
6,454	7,139	6,859	7,059	7,545	6,166
19,891	18,970	18,707	17,852	17,727	16,616
23,986	21,718	15,803	14,519	12,466	13,567
2,572	2,601	2,523	2,432	2,412	1,995
22,442	20,157	17,408	16,519	15,879	16,588
13,185	4,464	4,201	4,040	3,900	4,137
17,277	16,080	-	-	-	-
36,325	33,269	30,202	28,220	26,579	28,617
898	527	107	620	9,677	9,003
38,654	35,095	26,750	28,863	26,216	24,921
-	-	832,629	833,566	644,451	514,359
-	-	-	-	-	-
2,535	3,852	2,410	2,356	3,143	2,321
254,962	201,708	173,073	32,555	(27,177)	41,554
196,000	19,400	32,650	-	-	-
-	-	-	-	-	10,000
-	-	-	-	-	-
88,614	54,384	57,081	53,238	60,238	60,594
$ 4,390,453	$ 3,913,915	$ 3,646,872	$ 3,249,859	$ 2,878,821	$ 2,763,994

36.2%	38.4%	38.8%	37.5%	39.4%	39.2%
15.8	17.0	-	-	-	-
13.2	13.7	14.6	16.2	17.2	18.2
9.3	9.4	-	-	-	-
5.3	5.2	4.9	4.8	5.0	4.9
5.8	5.2	4.7	1.0	-0.9	1.5
4.5	-	-	-	-	-
3.4	3.6	3.6	3.9	4.1	4.0
-	-	22.8	25.6	22.4	18.6
-	-	3.4	4.3	4.9	4.9
0.9	0.9	0.7	0.9	0.9	0.9
5.6	6.6	6.5	5.8	7.0	7.8
100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

NUMBER OF FULL-TIME EQUIVALENT STATE EMPLOYEES BY FUNCTION, AND AVERAGE MONTHLY SALARY
Last Ten Fiscal Years

	1999-00	1998-99	1997-98	1996-97
General Government	2,422	2,411	2,375	2,371
Business, Community, and Consumer Affairs	2,290	2,311	2,337	2,303
Education	29,463	28,774	28,203	27,522
Health and Rehabilitation	3,726	3,784	3,797	3,771
Justice	10,542	9,730	9,020	8,468
Natural Resources	1,397	1,372	1,351	1,339
Social Assistance	1,530	1,514	1,479	1,432
Transportation	3,015	3,025	3,053	3,068
TOTAL FTE	54,385	52,921	51,615	50,274
AVERAGE MONTHLY SALARY				
TOTAL CLASSIFIED FTE	30,866	30,157	29,470	28,839
AVERAGE MONTHLY SALARY	$ 3,364	$ 3,232	$ 3,091	$ 3,027
TOTAL NON-CLASSIFIED FTE	23,519	22,764	22,145	21,435
AVERAGE MONTHLY SALARY	$ 4,387	$ 4,216	$ 4,100	$ 4,000

Classified employees are those holding positions within the State Personnel System. Non-classified employees are excluded from the State Personnel System and are not subject to the rule-making authority of the State Personnel Director. Non-classified positions are found primarily in the Judicial Branch, the Legislative Branch, the Governor's cabinet and office staff, the Department of Law, the Department of Education, and as administrators and faculty in the Department of Higher Education.

1995-96	1994-95	1993-94	1992-93	1991-92	1990-91
2,333	2,300	2,297	2,420	2,647	2,441
2,267	2,265	2,276	2,238	2,148	2,165
26,862	26,216	26,327	25,864	24,945	24,459
4,043	4,292	4,216	4,179	4,242	4,344
8,140	7,785	7,534	7,123	6,807	6,637
1,337	1,337	1,307	1,281	1,236	1,206
1,138	1,056	1,269	1,259	1,332	1,387
3,103	3,092	3,095	3,061	2,996	2,911
49,223	48,343	48,321	47,425	46,353	45,550
28,483	28,131	28,172	27,763	27,373	27,113
$ 2,954	$ 2,877	$ 2,686	$ 2,666	$ 2,597	$ 2,482
20,740	20,212	20,149	19,662	20,980	20,437
$ 3,935	$ 3,825	$ 3,586	$ 3,539	$ 3,445	$ 3,262

FTE is an acronym for Full-Time Equivalent employee. Employees on the state's payroll system are designated as either full-time or part-time. Each full-time employee was counted as one FTE. For each state agency, the average salary for full-time employees was divided into the part-time employee payroll amount to determine the FTE for part-time employees.

REVENUE BOND COVERAGE
Last Ten Fiscal Years
(Amounts in Thousands)

Fiscal Year	Gross Revenue	Direct Operating Expense	Net Revenue Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
Higher Education Facilities							
1999-00	$ 552,417	$ 399,148	$ 153,269	$ 17,585	$ 18,026	$ 35,611	4.30
1998-99	395,699	274,163	121,536	16,280	18,307	34,588	3.51
1997-98	367,883	253,538	114,344	16,060	18,926	34,986	3.27
1996-97	346,355	237,948	108,407	13,745	17,434	31,179	3.48
1995-96	320,347	219,994	100,353	11,460	15,790	27,250	3.68
1994-95	248,013	155,592	92,421	10,645	17,728	28,373	3.26
1993-94	221,535	134,380	87,155	7,241	16,210	23,451	3.72
1992-93	211,715	129,403	82,312	6,111	13,286	19,397	4.24
1991-92	172,056	116,961	55,095	7,180	11,458	18,638	2.96
1990-91	143,462	115,852	27,610	4,626	10,880	15,506	1.78

COLORADO SALES AND CASH RECEIPTS FROM FARMING AND RANCHING
1991 to 2000
(Amounts in Billions)

Year	Retail Sales	Wholesale Sales	Farm and Ranch Cash Receipts
2000 est	$ 54.9	$ 35.7	$ 4.7
1999 est	51.5	33.5	4.7
1998	48.1	31.3	4.6
1997	45.2	28.3	4.4
1996	42.6	26.5	4.3
1995	40.0	28.7	4.3
1994	38.1	25.6	4.2
1993	34.2	22.0	4.4
1992	31.3	20.0	4.0
1991	28.9	19.3	3.9

Retail sales based on SIC Codes 52-59.
Wholesale sales include only those sales reported on sales tax reports.

Source: Colorado Department of Revenue, Colorado Agricultural Statistics Services, and the Colorado Business/Economic Outlook Committee.

VALUE OF TOTAL CONSTRUCTION IN COLORADO BY TYPE 1991 TO 2000

(Amounts in Millions)

Year	Residential	Non-Residential	Non-Building	Total
2000 est	$ 5,850	$ 2,610	$ 1,220	9,680
1999 est	5,500	2,900	1,208	9,608
1998	5,486	2,554	1,377	9,417
1997	4,775	3,274	1,145	9,194
1996	4,600	2,544	834	7,978
1995	3,639	1,958	879	6,476
1994	3,895	1,585	974	6,454
1993	3,325	1,682	1,073	6,080
1992	2,393	1,642	1,668	5,703
1991	1,713	1,539	1,231	4,483

Source: F.W. Dodge Company, the Colorado Contractors Association, and the Colorado Business/Economic Outlook Committee.

COLORADO BANK DEPOSITS AND LIFE INSURANCE SALES 1991 TO 2000

(Amounts in Millions)

Year	Life Insurance Sales	Bank Deposits	Savings & Loan Deposits	Credit Union Deposits	Total Deposits
2000 est	$ 21,325	$ 35,042	$ 795	$ 7,440	$ 43,277
1999 est	20,617	34,355	791	7,085	42,231
1998	19,920	33,534	783	6,623	40,940
1997	18,618	33,374	1,943	5,937	41,254
1996	17,545	34,937	1,986	5,519	42,442
1995	16,553	33,005	2,141	5,122	40,268
1994	16,914	32,316	1,961	4,704	38,981
1993	16,385	29,729	1,867	4,515	36,111
1992	15,770	25,770	3,933	4,245	33,948
1991	15,327	24,436	6,801	4,190	35,427

Source: Colorado Department of Regulatory Agencies, American Council of Life Insurance, Inc. Colorado Credit Union League, Federal Reserve Bank of Kansas City, and the Colorado Business/Economic Outlook Committee.

COLORADO DEMOGRAPHIC DATA
1991 TO 2000

Year	Population (000)	% of U.S. Population	Per Capita Personal Income	% of U.S. Per Capita Income	Employment (000)	Unemployment %
2000 est	4,228	1.54%	30,947	107.0%	2,313	3.1
1999 est	4,146	1.52	29,537	106.6	2,248	3.1
1998	4,054	1.50	28,821	108.8	2,159	3.8
1997	3,955	1.48	27,015	106.8	2,081	3.3
1996	3,867	1.46	25,627	106.1	2,005	4.2
1995	3,782	1.44	24,304	105.4	2,000	4.2
1994	3,689	1.42	23,019	104.4	1,917	4.2
1993	3,588	1.39	22,117	104.2	1,801	5.3
1992	3,478	1.36	21,005	101.8	1,712	6.0
1991	3,375	1.34	20,099	102.1	1,694	5.1

Source: Colorado Department of Labor and Employment, U.S. Bureau of Economic Analysis, and the Colorado Business/Economic Outlook Committee.

COLORADO EMPLOYMENT
BY INDUSTRY
1991-1999

(Amounts in Thousands)

Industry	1999 est	1998	1997	1996	1995	1994	1993	1992	1991
Agriculture	25.7	26.0	26.3	26.0	27.1	23.9	21.3	21.9	22.6
Mining	13.7	14.0	14.0	13.7	14.8	15.6	16.1	16.6	18.6
Construction	143.1	132.5	119.0	111.0	102.1	97.1	86.0	74.8	66.5
Manufacturing	205.9	207.3	204.0	197.1	192.4	190.9	188.1	185.9	185.6
Transportation, Communication, and Public Utilities	142.2	130.1	123.8	121.1	117.5	108.3	104.3	99.8	97.8
Finance, Insurance, and Real Estate	143.3	136.0	127.4	119.0	113.4	111.1	106.2	99.9	96.7
Trade	507.0	492.7	480.1	465.9	453.3	429.5	404.0	385.6	375.5
Services	644.8	621.6	595.5	563.8	537.2	504.1	469.4	443.4	421.1
Government	331.6	325.4	315.6	308.7	303.7	299.3	296.7	291.1	283.3
Total	2,157.3	2,085.6	2,005.7	1,926.3	1,861.5	1,779.8	1,692.1	1,619.0	1,567.7

Excludes nonagricultural self-employed, unpaid family, and domestic workers.

Source: Colorado Division of Employment and the Colorado Business/Economic Outlook Committee.

OTHER COLORADO FACTS

Important Dates

1803 The United States purchases land, including what is now most of eastern Colorado, from France in the Louisiana Purchase.

1806 Lt. Zebulon M. Pike and a small party of U.S. soldiers sent to explore the southwestern boundary of the Louisiana Purchase discover the peak that bears his name but fail in their effort to climb it. They do however, reach the headwaters of the Arkansas River near Leadville.

1848 By the Treaty of Guadalupe Hidalgo, Mexico cedes to the United States most of that part of Colorado not acquired by the Louisiana Purchase.

1858 Gold is discovered along Cherry Creek near the present day Denver.

1861 Congress establishes the Colorado Territory with the boundaries of the present state and chooses its name from the Spanish word for “colored red.” President Lincoln appoints William Gilpin as the first territorial governor. The state supreme court is organized. The first assembly meets and creates 17 counties, authorizes the university, and selects Colorado City as the territorial capital.

1867 Denver established as permanent seat of the territorial government by the legislature meeting in Golden.

1870 The Denver Pacific Railroad is completed to Denver.

1876 Colorado is admitted to the Union as the 38^{th} state. John L. Routt is elected the first governor.

1877 The University of Colorado opens classes at Boulder with two teachers and forty-four students.

1894 The State Capitol Building is completed at a cost of $2.5 million. Colorado becomes the second state, after Wyoming, to extend suffrage to women.

1906 The U.S. Mint at Denver issues its first coins.

1958 The U.S. Air Force Academy’s permanent campus opens near Colorado Springs.

Geography

Area: 104,247 square miles.

Highest Elevation: Mt Elbert, 14,431 feet above sea level.

Lowest Elevation: Along the Arkansas River in Powers County, 3,350 feet above sea level.

Colorado has the highest average elevation of all fifty states at 6800 feet above sea level.

State Motto - Nil Sine Numine - Nothing Without the Deity

State Animal - Rocky Mountain Bighorn Sheep

State Bird - Lark Bunting

State Fish - Greenback Cutthroat Trout

State Tree - Colorado Blue Spruce

State Flower - White and Lavender Columbine