

# State of Colorado



**Bill Ritter, Jr.**  
Governor

**Rich Gonzales**  
Executive Director

**Jennifer Okes**  
Deputy Executive Director

**David J. McDermott**  
State Controller

## DPA

Department of Personnel  
& Administration

Office of the State Controller  
633 17<sup>th</sup> Street, Suite 1500  
Denver, Colorado 80202  
Phone (303) 866-6200  
Fax (303) 866-4233  
[www.colorado.gov/dpa](http://www.colorado.gov/dpa)

November 16, 2009

Mike Mauer  
Director, Legislative Council  
Room 29, State Capitol Building  
Denver, Colorado 80203

Dear Mr. Mauer:

We submit this report on the state's capital leases as required by CRS 24-30-201(1)(I). At June 30, 2009, the state had \$225.0 million of gross assets under lease, which is the original fair value of the assets without regard to depreciation. This compares to \$171.6 million at June 30, 2008. Future minimum payments at June 30, 2009 for existing leases were:

(Amounts in Thousands)

| Fiscal Year                             | Capital Leases           |                         |           |
|---|--------------------------|-------------------------|-----------|
|   | Business Type Activities | Governmental Activities | Total     |
| 2010                                    | \$ 11,054                | \$ 12,178               | \$ 23,232 |
| 2011                                    | 15,183                   | 13,267                  | 28,450    |
| 2012                                    | 10,117                   | 13,003                  | 23,120    |
| 2013                                    | 9,727                    | 11,007                  | 20,734    |
| 2014                                    | 9,258                    | 9,608                   | 18,866    |
| 2015-2019                               | 40,672                   | 34,992                  | 75,664    |
| 2020-2024                               | 25,939                   | 19,455                  | 45,394    |
| 2025-2029                               | 6,574                    | 7,531                   | 14,105    |
| Thereafter                              | 2,058                    | 3,479                   | 5,537     |
| Total Minimum Lease Payments            | 130,582                  | 124,520                 | 255,102   |
| Less: Imputed Interest                  | 36,809                   | 32,708                  | 69,517    |
| Present Value of Minimum Lease Payments | 93,773                   | 91,812                  | 185,585   |

*"Good Government Starts Here"*

Mike Mauer  
November 16, 2009  
Page 2 of 2

We have attached a more detailed schedule showing capital leases by state agency.

Capital leases are contractual agreements that, for the purposes of Generally Accepted Accounting Principles, are effectively asset purchases because the contract either:

- Transfers title,
- Requires payment equal to 90 percent of the assets value,
- Extends over 75 percent of the assets life, or
- Allows the state to purchase the asset below fair market value.

The state entered the capital leases summarized on the attached schedule during Fiscal Year 2008-09 or in earlier years.

The schedule was compiled from information prepared by state agencies and submitted to our office for preparation of the state's Basic Financial Statements. Although this schedule is not audited, the State Auditor will audit the information from which it is prepared as part of forming an opinion on the state's financial statements.

If you need further information, please contact my office.

Sincerely,



David J. McDermott, CPA  
Colorado State Controller

Attachment

cc: Todd Saliman, OSPB  
Reporting and Analysis  
Website

**STATE OF COLORADO**  
**Schedule of Capital Leases**  
**By Agency**

As of June 30, 2009

| Agency                                   | Gross Amount<br>Assets Under<br>Lease | Total<br>Payments<br>FY 2010 | Total<br>Payments<br>FY 2011 | Total<br>Payments<br>FY 2012 | Total<br>Payments<br>FY 2013 | Total<br>Payments<br>FY 2014 | Total<br>Payments<br>Thereafter | Total<br>Lease<br>Payments | Total<br>Principal<br>Payments | Total<br>Interest<br>Payments |
|--|---------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---------------------------------|----------------------------|--------------------------------|-------------------------------|
| Department of Personnel & Administration | \$ 66,128,932                         | \$ 8,230,764                 | \$ 9,159,808                 | \$ 8,933,409                 | \$ 7,659,492                 | \$ 6,761,145                 | \$ 34,642,088                   | \$ 75,386,706              | \$ 59,578,699                  | \$ 15,808,007                 |
| University of Colorado                   | 67,579,774                            | 5,422,098                    | 5,304,251                    | 5,107,603                    | 5,085,748                    | 4,965,245                    | 40,783,973                      | 66,668,918                 | 47,115,828                     | 19,553,090                    |
| Department of Public Safety              | 13,689,431                            | 870,000                      | 870,000                      | 870,000                      | 870,000                      | 870,000                      | 16,530,000                      | 20,880,000                 | 12,070,000                     | 8,810,000                     |
| Department of Human Services             | 15,537,816                            | 1,905,239                    | 2,095,807                    | 2,084,626                    | 1,643,193                    | 1,135,298                    | 10,166,346                      | 19,030,509                 | 13,681,647                     | 5,348,862                     |
| Community College System                 | 7,120,529                             | 566,197                      | 606,154                      | 608,403                      | 596,432                      | 594,743                      | 9,942,457                       | 12,914,386                 | 7,774,059                      | 5,140,327                     |
| Department of Corrections                | 6,511,991                             | 751,114                      | 780,124                      | 809,294                      | 830,526                      | 841,546                      | 4,119,169                       | 8,131,773                  | 5,460,539                      | 2,671,234                     |
| Mesa State College                       | 4,943,761                             | 552,451                      | 582,325                      | 587,111                      | 599,410                      | 604,418                      | 4,279,668                       | 7,205,383                  | 5,724,876                      | 1,480,507                     |
| Pikes Peak Community College             | 4,730,000                             | 330,791                      | 329,775                      | 328,450                      | 326,719                      | 329,250                      | 4,593,625                       | 6,238,610                  | 4,035,000                      | 2,203,610                     |
| Colorado Northwestern Community College  | 2,438,791                             | 238,469                      | 287,684                      | 289,554                      | 307,817                      | 313,558                      | 4,407,752                       | 5,844,834                  | 3,651,843                      | 2,192,991                     |
| Colorado School of Mines                 | 4,416,979                             | 283,752                      | 4,440,416                    | 27,080                       | 27,080                       | 38,138                       | -                               | 4,816,466                  | 4,402,053                      | 414,413                       |
| University of Northern Colorado          | 6,255,124                             | 856,144                      | 856,144                      | 675,473                      | 493,600                      | 488,323                      | 1,137,591                       | 4,507,275                  | 3,935,744                      | 571,531                       |
| Colorado State University                | 7,501,359                             | 1,324,272                    | 1,166,685                    | 874,537                      | 655,956                      | 419,766                      | 57,416                          | 4,498,632                  | 4,073,277                      | 425,355                       |
| State Nursing Homes                      | 3,805,266                             | 387,516                      | 381,477                      | 379,558                      | 381,638                      | 382,093                      | 2,393,100                       | 4,305,382                  | 3,369,158                      | 936,224                       |
| Colorado State University - Pueblo       | 7,003,382                             | 447,200                      | 456,922                      | 468,346                      | 480,056                      | 492,060                      | 1,531,929                       | 3,876,513                  | 3,257,429                      | 619,084                       |
| Arapahoe Community College               | 2,578,500                             | 154,259                      | 157,286                      | 155,161                      | 157,883                      | 155,442                      | 3,069,604                       | 3,849,635                  | 2,210,001                      | 1,639,634                     |
| Northeastern Junior College              | 483,784                               | 43,869                       | 263,216                      | 263,216                      | 263,215                      | 263,216                      | 2,061,855                       | 3,158,587                  | 2,251,266                      | 907,321                       |
| Red Rocks Community College              | 1,306,041                             | 138,624                      | 138,624                      | 138,624                      | 138,624                      | 138,624                      | 549,656                         | 1,242,776                  | 1,051,391                      | 191,385                       |
| Trinidad State Junior College            | 472,299                               | 35,659                       | 48,677                       | 50,220                       | 49,354                       | 49,003                       | 433,683                         | 666,596                    | 472,300                        | 194,296                       |
| Auraria Higher Education Center          | 334,800                               | 139,965                      | 139,965                      | 139,965                      | 139,965                      | -                            | -                               | 559,860                    | 278,068                        | 281,792                       |
| Judicial Branch                          | 408,400                               | 154,643                      | 151,360                      | 143,016                      | 4,186                        | -                            | -                               | 453,205                    | 425,738                        | 27,467                        |
| Legislative Branch                       | 479,809                               | 122,444                      | 99,446                       | 99,445                       | -                            | -                            | -                               | 321,335                    | 294,583                        | 26,752                        |
| Department of Agriculture                | 321,902                               | 63,136                       | 63,136                       | 63,136                       | -                            | -                            | -                               | 189,408                    | 178,313                        | 11,095                        |
| Department of Labor & Employment         | 363,132                               | 80,389                       | 46,895                       | -                            | -                            | -                            | -                               | 127,284                    | 123,067                        | 4,217                         |
| Adams State College                      | 99,868                                | 23,708                       | 23,708                       | 23,708                       | 23,708                       | 23,708                       | -                               | 118,540                    | 99,868                         | 18,672                        |
| Pueblo Community College                 | 544,725                               | 108,944                      | -                            | -                            | -                            | -                            | -                               | 108,944                    | 69,754                         | 39,190                        |
| <b>TOTAL</b>                             | <b>\$ 225,056,395</b>                 | <b>\$ 23,231,647</b>         | <b>\$ 28,449,885</b>         | <b>\$ 23,119,935</b>         | <b>\$ 20,734,602</b>         | <b>\$ 18,865,576</b>         | <b>\$ 140,699,912</b>           | <b>\$ 255,101,557</b>      | <b>\$ 185,584,501</b>          | <b>\$ 69,517,056</b>          |