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STATE OF COLORADO DEPARTMENT OF THE TREASURY

BILL OWENS
STATE TREASURER



DAVID SOLIN
DEPUTY TREASURER

January 8, 1997

Dear Governor Romer,

The purpose of this letter is to provide for your review the Department of Treasury's Annual Report which represents the Department's financial condition for the fiscal year ending June 30, 1996.

The Department of Treasury continues to help meet the economic needs of Colorado's citizens and businesses through prudent investment practices and wise cash management strategies. In a low interest rate environment, we earned an overall rate of return on pooled investments of 6% in FY 96.

The Unclaimed Property program also continues to benefit the citizens of Colorado. Since its inception, a total of \$91.1 million has been collected by this program. More than \$23 million has been returned to owners of this property while \$36.2 million has been transferred to the General Fund for investment and appropriation. Additionally, \$9.7 million has been transferred to help finance Colorado's Uninsurable Health Insurance Plan. The remainder of the collections are retained by Treasury for possible future claims by owners.

In FY 96, Treasury's Unclaimed Property employees processed over 15,200 inquiries and 5,773 claims concerning unclaimed property. Over 10,000 safety deposit boxes are currently on file in our office.

As the State's cash manager, Treasury continues to act as a resource for implementation and improvement of cash management procedures and practices statewide. Treasury's automated investment monitoring system allows us to manage the State's cash with greater precision.

The Department of Treasury's FY 96 accomplishments as highlighted reflect not only the intent of the office, but also the talents of a professional staff fully committed to public service to Colorado and its citizens.

Sincerely,

Bill Owens
Colorado Treasurer

Enclosure

COLORADO STATE TREASURY ANNUAL REPORT

For Fiscal Year ending June 30, 1996

POOLED ACCOUNTS AND INVESTMENTS

The Treasury maintains a cash and investment pool that is available for use by all funds and agencies within the state.

DEPOSITS

At year end, the book balance of the Treasury Operating account was **\$28,631,202** and the bank balance was **\$8,849,215**. The full balance is collateralized in compliance with the Public Deposit Protection Act.

Certificates of deposit at banks and savings and loans throughout the state totaled **\$28,400,000**. The amounts not covered by federal insurance are always fully collateralized.

INVESTMENTS

The State Treasurer is allowed by statute to invest state funds in certain low risk investment instruments. These investments are either insured or registered or the securities are held by the Treasury or its agent in the state's name.

In Thousands

	Carrying Amount	Market Value
U.S. Government Securities	\$1,019,042	\$1,025,260
Federal Agency Obligations	268,451	267,292
Bankers' Acceptances	149,042	148,968
Commercial Paper	332,733	332,590
Corporate Bonds	26,747	26,234
Mortgages	113,903	113,066
Asset-Backed Securities	419,787	419,317
Repurchase Agreements	60,075	60,075
Reverse Repurchase Agreements	(60,075)	(60,075)
Money Market	129,000	129,000
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Total Investments	\$2,458,705	\$2,461,772

Total investments include these of the Public School Income Fund:

	In Thousands	
	Carrying Amount	Market Value
U.S. Government Securities	\$ 97,221	\$ 98,088
Federal Agency Obligations	19,000	20,442
Corporate Bonds	5,000	4,806
Mortgages	67,835	67,289
Asset-Backed Securities	61,000	59,904
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PSPF Investments	\$250,056	\$250,529

Total investments also include these of the Controlled Maintenance Trust Fund:

	In Thousands	
	Carrying Amount	Market Value
U.S. Government Securities	\$ 22,603	\$23,123
Mortgages	22,003	21,779
Asset-Backed Securities	7,311	7,092
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CMTF Investments	\$51,916	\$51,994

INTEREST EARNED AND DISTRIBUTED

The total interest earned on the state investment pool was **\$124.75 million.**

Distribution of investment pool earnings was as follows:

General Fund	\$36,940,000
State agency accounts per statute	76,160,000
Payment of Note Interest	11,650,000

Total interest earnings	\$124,750,000

The Public School Fund earned interest of **\$17.9 million.**

The Controlled Maintenance Trust Fund earned interest of **\$3.93 million.**

Treasury also maintains the Severance Tax Trust Fund. On June 30, 1996, the balance in the fund was **\$11.7 million.** The fund earned **\$371,476** in interest for the General Fund.

NOTE ISSUANCE

During FY 96, Treasury issued \$300 million in short-term tax anticipation notes with a blended interest rate of 4.50%. Proceeds of the sales were deposited in the General Fund to be used to meet ordinary disbursements of the State. Earnings totaling **\$6.5 million** were recorded for the General Fund from these transactions.

SAFEKEEPING

Surety bonds, performance bonds and other surety agreements totaling **\$651 million** are held in the Treasury for various state agencies and are not included in these financial statements.

OTHER DISTRIBUTIONS

In FY 96, Treasury paid property taxes amounting to \$428,607 for 356 citizens through the Elderly Property Tax program.

Highway Users Tax Fund distributions for the year were:

- State Transportation Department \$335,187,000
- Other State Agencies 71,825,000
- Colorado Cities and Towns 71,590,000
- Colorado Counties 113,911,000

Federal Mineral Lease distributions were as follows:

- Colorado Department of Education \$21,550,000
- Colorado Water Conservation 3,635,000
- Colorado Mineral Impact Fund 5,646,000
- Colorado Counties 3,050,000
- Colorado School Districts 1,316,000
- Colorado Cities and Towns 898,000

**COLORADO STATE TREASURY
STATEMENT OF FINANCIAL CONDITION**

as of June 30, 1996

ACCOUNT TITLE	BALANCE
CASH ITEMS	110,705.32
NORWEST BANK INVESTMENT ACCOUNT	609.16
NORWEST BANK UNEMPLOYMENT CLEARING	300,994.69
NORWEST BANK UNEMPLOYMENT BENEFITS	191,062.41
NORWEST BANK OPERATING ACCOUNT	(9,452,586.68)
INVESTMENTS	2,180,718,974.09
REPURCHASE AGREEMENTS	(50,125,000.00)
REVERSE REPURCHASE AGREEMENTS	50,125,000.00
AGENCY CMO'S	24,369,974.65
COMMERCIAL PAPER	329,587,428.13
US TREASURY NOTES	838,452,890.64
ACCRUED INTEREST PURCHASED	3,914,360.69
BANKERS ACCEPTANCE	147,415,182.11
US TREASURY BILLS	57,358,877.78
FEDERAL AGENCIES	248,742,419.54
ASSET-BACKED SECURITIES	318,666,050.10
MONEY MARKET	162,000,000.00
BANK NOTES	0.00
CORPORATES	21,811,790.45
CERTIFICATES OF DEPOSIT	28,400,000.00
TOTAL INVESTMENTS	2,180,718,974.09
AMORTIZED PREMIUM OR DISCOUNT	4,256,080.98
TOTAL ASSETS	2,176,125,839.97

COLORADO STATE TREASURERS OFFICE
 COUNTY INVENTORY REPORT
 06/28/96

COUNTY----->	INSTITUTION----->	AMOUNT	PERCENT
	COLONIAL BANK	1,100,000.00	
	MEGABANK OF ARAPAHOE-ENGLEWOOD	1,000,000.00	
	FIRST NB-STRASBURG	1,000,000.00	
ARAPAHOE COUNTY	TOTAL:	3,100,000.00	9.199%
	MCCLAVE STATE BANK-MCCLAVE	200,000.00	
BENT COUNTY	TOTAL:	200,000.00	0.593%
	SALIDA BUILDING & LOAN-SALIDA	200,000.00	
CHAFFEE COUNTY	TOTAL:	200,000.00	0.593%
	FIRST WESTERN NB-LA JARA	300,000.00	
CONEJOS COUNTY	TOTAL:	300,000.00	0.890%
	BANK OF DENVER-DENVER	4,800,000.00	
	SOUTHWEST STATE BANK-DENVER	3,500,000.00	
DENVER COUNTY	TOTAL:	8,300,000.00	24.629%
	KIOWA STATE BANK-KIOWA	300,000.00	
ELBERT COUNTY	TOTAL:	300,000.00	0.890%
	GUNNISON SAV & LOAN-GUNNISON	1,400,000.00	
GUNNISON COUNTY	TOTAL:	1,400,000.00	4.154%
	MOUNTAIN PARKS BANK-EAST	3,900,000.00	
JEFFERSON COUNTY	TOTAL:	3,900,000.00	11.573%
	PINE RIVER VALLEY BK-BAYFIELD	500,000.00	
LA PLATA COUNTY	TOTAL:	500,000.00	1.484%
	COLO COMMUNITY FNB - STERLING	300,000.00	
LOGAN COUNTY	TOTAL:	300,000.00	0.890%

COLORADO STATE TREASURERS OFFICE
 COUNTY INVENTORY REPORT
 06/28/96

COUNTY----->	INSTITUTION----->	AMOUNT	PERCENT
	BANK OF COLORADO-WESTERN SLOPE	4,000,000.00	
MESA COUNTY	TOTAL:	4,000,000.00	11.869%
	FIRST SECURITY BANK-CRAIG	1,500,000.00	
MOFFAT COUNTY	TOTAL:	1,500,000.00	4.451%
	MONTROSEBANK - MONTROSE	300,000.00	
	OLATHE STATE BANK-OLATHE	200,000.00	
MONTROSE COUNTY	TOTAL:	500,000.00	1.484%
	PITKIN COUNTY B&T-ASPEN	1,000,000.00	
PITKIN COUNTY	TOTAL:	1,000,000.00	2.967%
	STATE BANK OF WILEY	300,000.00	
PROWERS COUNTY	TOTAL:	300,000.00	0.890%
	COLO CMTY 1ST ST BK STMBT SPGS	2,500,000.00	
ROUTT COUNTY	TOTAL:	2,500,000.00	7.418%
	WESTERN COLORADO BANK-NORWOOD	600,000.00	
	BANK OF TELLURIDE-TELLURIDE	300,000.00	
	FIRST NATIONAL - TELLURIDE	300,000.00	
SAN MIGUEL COUNTY	TOTAL:	1,200,000.00	3.561%
	FIRST NB-AKRON	300,000.00	
WASHINGTON COUNTY	TOTAL:	300,000.00	0.890%
	INDEPENDENT BANK	1,800,000.00	
	FIRST NORTHERN SB - GREELEY	600,000.00	
WELD COUNTY	TOTAL:	2,400,000.00	7.122%
	FIRST PIONEER NB-WRAY	1,500,000.00	
YUMA COUNTY	TOTAL:	1,500,000.00	4.451%

COLORADO STATE TREASURERS OFFICE
COUNTY INVENTORY REPORT
06/28/96

COUNTY----->

INSTITUTION----->

AMOUNT

PERCENT

TOTAL DEPOSITS:

33,700,000.00
