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STATE OF COLORADO  
DEPARTMENT OF THE TREASURY

BILL OWENS  
STATE TREASURER



DAVID SOLIN  
DEPUTY TREASURER

January 8, 1999

Dear Governor Romer,

Attached for your review is the Department of Treasury's Annual Report representing the Department's financial condition for the fiscal year ending June 30, 1998.

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. We are pleased to announce, in a low interest rate environment, an overall rate of return on pooled investments of 6.3% in FY 98.

The Unclaimed Property program continues to benefit the citizens of Colorado. Since its inception, a total of \$127.7 million has been collected. \$35.6 million has been returned to owners and \$44.8 million has been transferred to the General Fund for investment and appropriation. Additionally, \$18.6 million has been transferred to help finance Colorado's Uninsurable Health Insurance Plan.

In FY 98, Treasury's Unclaimed Property employees processed 25,907 inquiries and paid more than 5500 claims totalling nearly \$6 million dollars. The Treasury held it's first auction of unclaimed safe deposit box contents which netted the State more than \$120,000.

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 98 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

Enclosure

# COLORADO STATE TREASURY ANNUAL REPORT

For Fiscal Year ending June 30, 1998

## 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 \$8,609,361 and the bank balance was \$7,369,298. 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 \$53,100,000. 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	\$1,453,602	1,482,064
Bankers' Acceptances	76,909	76,918
Commercial Paper	558,269	558,248
Corporate Bonds	329,497	332,001
Mortgages	201,645	205,491
Asset-Backed Securities	726,933	731,327
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<b>Total Investments</b>	<b>\$3,346,855</b>	<b>\$3,386,049</b>

Total investments include these of the Public School Income Fund:

	In Thousands	
	Carrying Amount	Market Value
U.S. Government Securities	\$100,500	\$105,159
Corporate Bonds	18,000	18,269
Mortgages	75,279	76,698
Asset-Backed Securities	80,250	81,917
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<b>PSPF Investments</b>	<b>\$274,029</b>	<b>\$282,043</b>

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

	In Thousands	
	Carrying Amount	Market Value
U.S. Government Securities	\$127,293	\$133,095
Corporate Bonds	4,801	4,845
Mortgages	53,140	55,217
Asset-Backed Securities	40,357	40,861
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<b>CMTF Investments</b>	<b>\$225,591</b>	<b>\$234,018</b>

***INTEREST EARNED AND DISTRIBUTED***

The total interest earned on the state investment pool was **\$164.6 million.**

Distribution of investment pool earnings was as follows:

General Fund	\$49,930,000
State agency accounts per statute	106,888,000
Payment of Note Interest	7,765,000
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Total interest earnings	\$164,583,000

The Public School Fund earned interest of **\$19.8 million.**

The Controlled Maintenance Trust Fund earned interest of **\$18.1 million.**

Treasury also maintains the Severance Tax Trust Fund. On June 30, 1998, the balance in the fund was **\$35.4 million.** The fund earned **\$1,485,000** in interest for the General Fund.

## NOTE ISSUANCE

During FY 98 Treasury issued \$200 million in short-term tax anticipation notes with an 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 **\$4 million** were recorded for the General Fund from these transactions.

## SAFEKEEPING

Surety bonds, performance bonds and other surety agreements totaling **\$723 million** are held in the Treasury for various state agencies and are not included in these financial statements.

## OTHER DISTRIBUTIONS

In FY 98, Treasury paid property taxes amounting to \$368,072 for 295 citizens through the Elderly Property Tax program.

Highway Users Tax Fund distributions for the year were:



Federal Mineral Lease distributions were as follows: