

**COLORADO
COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1996**

**ROY ROMER
GOVERNOR**

**DEPARTMENT OF PERSONNEL
ANDRE N. PETTIGREW, EXECUTIVE DIRECTOR
CLIFFORD W. HALL, STATE CONTROLLER**

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, social, 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.state.co.us/gov_dir/gss/acc/

STATE OF COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 1996

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INTRODUCTORY SECTION

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Executive Director

Clifford W. Hall
State Controller

November 1, 1996

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, 1996. This report is prepared by the Office of the State Controller and is submitted pursuant to 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 accountability to its citizens.

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 to understand 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; supporting schedules; certain narrative information describing individual funds; and statistical tables and charts presenting financial, economic, and demographic data about the state.

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

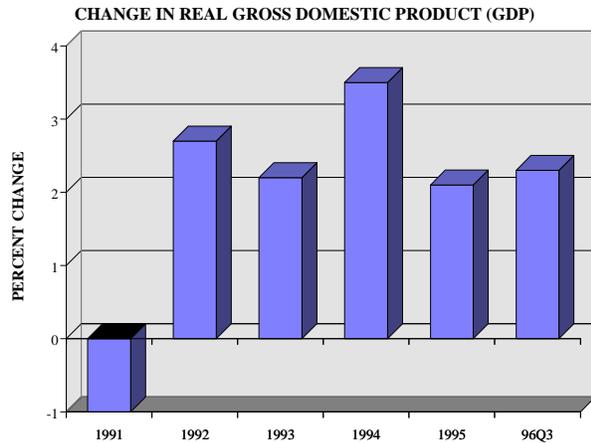
Discretely presented in the financial statements are component units, which are legally separate entities, for which the state's elected officials are financially accountable. These component units are the following entities:

- Colorado State Fair 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

Additional information about these 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 also available from each of the above entities.

ECONOMIC CONDITION AND OUTLOOK

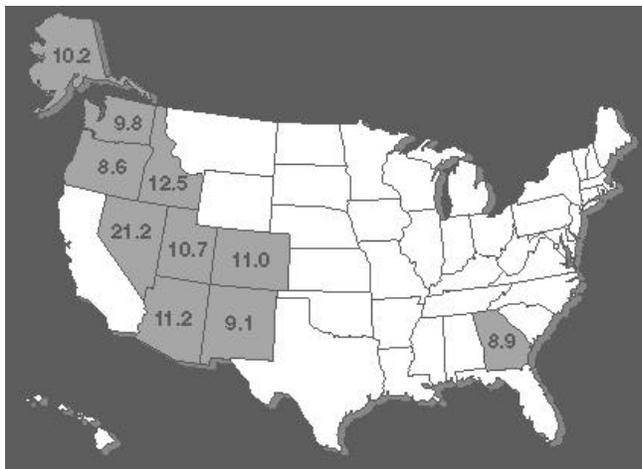
The U.S. Commerce Department reported that Gross Domestic Product (GDP) in the third quarter declined to an annual rate of 2.0 percent, in contrast to the surge of 4.7 percent in the second quarter.



In October, jobs in the private sector grew by 210,000 after a decline of 35,000 in September. This held the national unemployment rate steady at 5.2 percent, close to a seven year low. Better news was that the average hourly wage in the nonfarm sector for the three months ending October 31 was up 3.4 percent over the previous year. After adjusting for inflation, the gain in real pay was a positive 1.3 percent, the fastest growth rate in almost two decades.

For now, slow but steady job growth and rising real wages suggest that demand is moving ahead in the fourth quarter. Colorado's Office of State Planning and Budgeting predicts the real GDP for the nation will continue its steady course through 1998. They estimate real national GDP at 2.0 percent for 1997 and 2.1 percent for 1998.

Ten Fastest Growing States, Percent Population Change 1990 to 1994



On average, between 1990 and 1994, Colorado's non-farm wage and salary employment grew by approximately 58,500 per year. This employment growth was fueled by the large number of immigrants. Non-farm wage and salary employment totaled 1,814,800 in 1995 for a 3.4 percent growth over the year before. Total non-farm employment increased at a rate of 4.0 percent for the first six months of 1996 and the unemployment rate remained steady at 4.1 percent in July, a full 1.6 percent below the national rate.

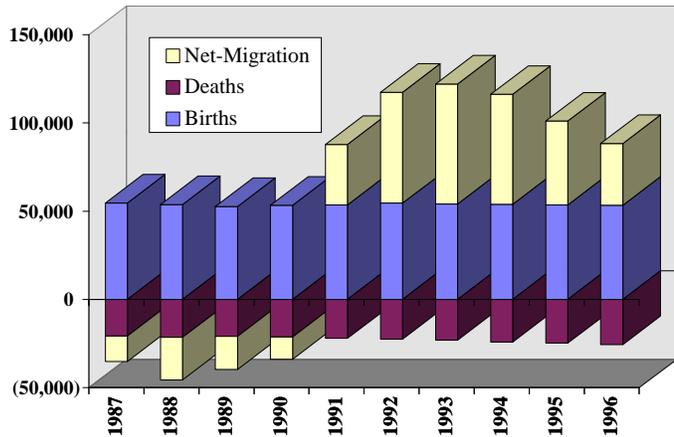
The Colorado Legislative Council expects non-farm employment to increase 3.5 percent for all of 1996 and 2.8 percent in 1997. This job growth will exceed the national gains by a wide margin. However, a slowing job growth in Colorado will cause the unemployment

rate to increase for the remainder of the decade, resulting in a forecasted rate of 5.2 percent by 1999.

Colorado's personal income increased 7.7 percent in 1995, while per capita income increased by 5.5 percent for the same period. This ranked Colorado 18th among the states in per capita income. The Legislative Council predicts that wage and salary income, which represents 60 percent of personal income, will maintain a healthy 7.3 percent increase in 1996, before slowing to a 6.8 percent advance in 1997. Wage and salary income grew 7.2 percent during 1995.

America's population, 263 million currently, is likely to reach 335 million by the year 2025 according to the Census Bureau. Their projections show that 13 of the 14 fastest growing states are west of the Mississippi River (Florida is the only eastern state in the top 14). In that group Colorado is projected by the Census Bureau to be the 14th fastest growing state, with an anticipated population growth of 39 percent between 1995 and 2025.

COMPONENTS OF COLORADO'S POPULATION CHANGE



Colorado's faster growth has come with a price. The state's inflation has stayed stubbornly above the nation's for the last four years running. Higher inflation has tilted the state's relative cost advantages to the high side. Inflation, as measured by the Denver-Boulder CPI-U should remain above the national rate for the rest of the decade lead by the housing index component of the CPI-U. In June 1996, the median price of a new home in Denver was \$168,400 according to the Home Builders Research in Denver, while the U.S. Census Bureau reports the national median price of a new home at \$139,800 for the second quarter of 1996.

For the remainder of the decade Colorado's average annual population growth should slow to 1.8 percent. This may give the state a chance to catch up from the hectic 2.7 percent growth rate of the first half of the decade. But the state is currently short of prison space, school buildings, and meeting its transportation needs. Article X, Section 20 (TABOR) of the state's constitution prohibits raising taxes without a vote of the people. So far the state has funded additional highway needs by transfers from the General Fund to the Highway Fund. But it is estimated that there is a \$13 billion shortfall in meeting the state's transportation needs over the next twenty years. It has been suggested that it may be necessary to ask the voters before the end of the decade to help resolve the state's growing infrastructure needs.

MAJOR GOVERNMENTAL INITIATIVES

Due to demands for improved transportation and relief from traffic congestion caused by increased vehicle miles traveled in the state, the General Assembly appropriated \$115 million of general purpose revenues to the Department of Transportation in fiscal year 1996-97. This was in addition to the department's annual Highway Users Tax Fund appropriation.

The General Assembly also authorized the Department of Transportation to raise the state speed limit to 75 mph on rural interstate highways, and to raise the speed limit on other roads after the department prepares engineering studies of those roads.

The General Assembly, during the 1996 legislative session passed, and the governor signed, a bill to rewrite the juvenile justice parts of the Children's Code. The law allows children as young as 12 to be sentenced as adults. In other action related to children, the state will now require that third-graders be able to pass a reading comprehension test or else take remedial reading.

The General Assembly also passed, and the governor signed, a bill instructing the State Board of Education to allow a pilot of the charter school district concept. This program allows a school district to specify their own duties, responsibilities, and operations. The General Assembly found that the restrictions and requirements of state laws and regulations often prevented school districts from achieving effective education reform.

The General Assembly passed, and the voters of the Northeastern Junior College District approved, the dissolution of the district and entry of the college into the state's community college system effective July 1, 1997.

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 the state controller approves an appropriation roll-forward required by extenuating circumstances. Capital construction appropriations are normally effective for three years.

The budget is recorded in the state's accounting system along with federal awards and custodial funds of the various departments. Encumbrances are also recorded and result in a reduction of the budget authority. Encumbrances represent the estimated amount of expenditures that will be incurred when outstanding purchase orders are filled or 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. Accounting records for proprietary and fiduciary type funds are maintained 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.

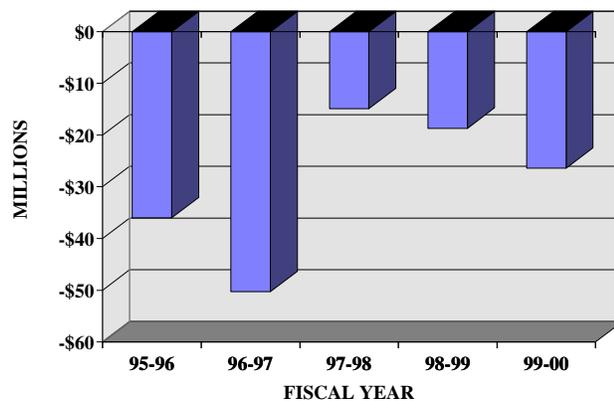
The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control. The evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework. We believe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

FINANCIAL OVERVIEW

Fiscal year 1995-96 is the third year of state operations under the TABOR revenue limitations (Article X, Section 20 of the state's constitution). With certain exceptions, the rate of growth of state revenues is limited to the percentage change in the state's population growth plus 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.

In the first three years of operation the state has not exceeded the TABOR limitation for revenues. 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. The Office of State Planning and Budgeting forecasts that state revenues will remain below the TABOR limitation for the remainder of the decade.

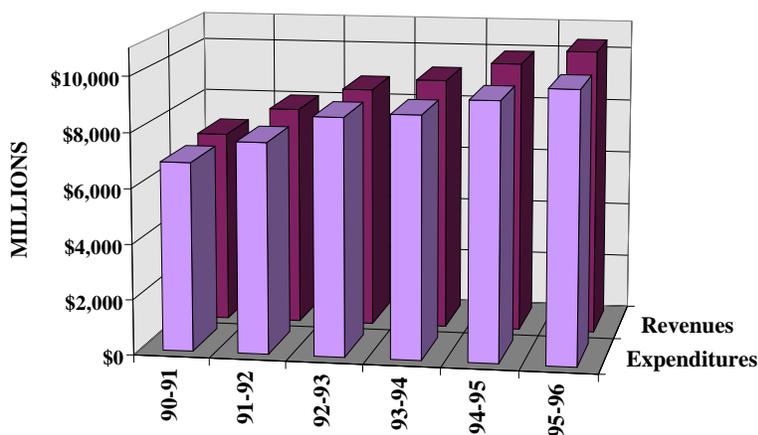
**PROJECTED HEADROOM UNDER THE TABOR
LIMITATION**



The current combined balance sheet for the state's primary government shows total assets of \$10,511 million and liabilities of \$3,860 million. Under current accounting principles this difference of \$6,651 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, excluding operating transfers, for the primary government were \$10,383 million and \$9,884 million in fiscal years 1995-96 and 1994-95, respectively.

**TOTAL REVENUES AND OTHER FINANCING SOURCES,
AND TOTAL EXPENDITURES/EXPENSES AND OTHER
FINANCING USES**



Total expenditures/expenses and financing uses were \$9,790 million and \$9,331 million for each of the same periods.

Various fund equity accounts, taken as a whole, were larger at the end of the year than at the beginning primarily because revenues for fiscal year 1995-96 exceeded expenditures. The equities of the governmental fund types rose \$136.9 million because revenues and transfers-in exceeded expenditures and transfers-out. The combined fund equities of the colleges and universities increased by \$215.6

million. The Trust Funds had an increase of \$255.4 million, with \$176.0 million coming from a transfer from the General Fund to the Controlled Maintenance Trust Fund. An additional \$20 million was transferred from the General Fund to the Regular Capital Construction Fund and then to the Controlled Maintenance Trust Fund. This is a nonexpendable trust fund established in fiscal year 1993-94 to pay for maintenance of state property. Beginning with fiscal year 1995-96, the net assets of the Controlled Maintenance Fund were partially reserved to satisfy the TABOR requirement for a 3% emergency reserve (see Note II-D in the financial statements).

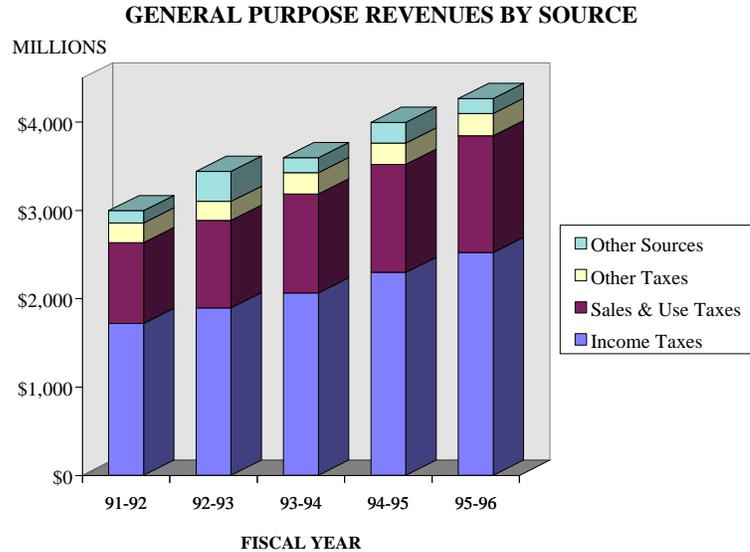
Proprietary fund types had an equity increase of \$3.2 million. However, there were two major changes in the proprietary funds. The activities of the Risk Management Fund, an internal service fund, are now accounted for and reported in the General Fund. This change resulted in a \$93.2 million increase in the fund equity of the proprietary funds since the General Long-Term Debt Account Group absorbed the majority of the Risk Management Fund's liabilities. Most of the activities of the Highway Internal Service Fund were moved to the Special Revenue Funds. This change resulted in a \$91.6 million decrease in fund equity since most of the related fixed assets are reported in the Fixed Asset Group of Accounts.

GENERAL FUND ACTIVITIES

The General Fund is the focal point to determine 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.

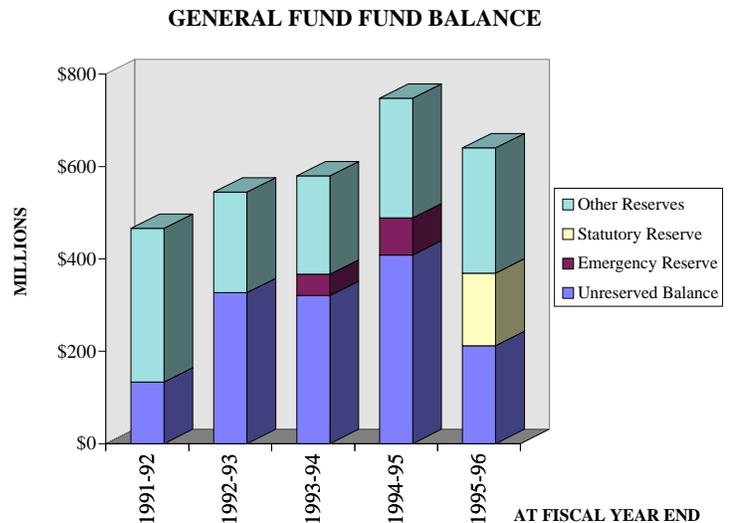
In the CAFR, all statements depicting the General Fund in the General Purpose Financial Statements Section include general purpose and augmenting revenues. The *Schedule of Revenues, Expenditures, and Changes in Unreserved Fund Balance, Budget and Actual*, presented in the Combining Financial Statements and Schedules Section, includes only the general purpose revenues and expenditures supported by those revenues.

General purpose revenues for fiscal years 1995-96 and 1994-95 were \$4,269 million and \$3,996 million, respectively. Sales and use taxes increased by \$98.6 million or 8.1 percent. Individual income taxes increased by \$212.0 million or 10.1 percent. These large increases in sales and income taxes demonstrate the continued health of the Colorado economy and robust growth in the state's population during fiscal year 1995-96.



Total expenditures and transfers-out funded from general purpose revenues during fiscal years 1995-96 and 1994-95 were \$4,390 million and \$3,914, respectively. The Departments of Education, Health Care Policy and Financing, Higher Education, and Human Services accounted for approximately 74.5 percent of all fiscal year 1995-96 general funded expenditures. Of the departments with substantial general funded expenditures, the Department of Corrections had the largest annual percentage increase at 14.7 percent over the previous year.

In addition to TABOR revenue limitations mentioned under the section "Financial Overview", the total annual increases in general funded expenditures are limited to 6 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 budget process.

The "Unreserved" title, in the fund equity section of the General Fund on the *Combined Balance Sheet* of the General Purpose Financial Statements, relates to the accumulated net general purpose revenues. The cumulative net augmenting revenues are represented as "Reserved For Other

Specific Purposes." Augmenting revenues of the General Fund were \$2,068 million and \$1,841 million in fiscal years 1995-96 and 1994-95, respectively. Federal grants and contracts made up 88.7 percent and 94.8 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.

During fiscal years 1993-94 and 1994-95 a portion of the fund balance was reserved for emergencies as required by Article X, Section 20 (TABOR) of the state constitution. Beginning in fiscal year 1995-96, a portion of the fund balance of the Controlled Maintenance Trust Fund has been designated by the legislature as the TABOR emergency reserve.

Beginning in fiscal year 1995-96, the controller reserved an amount equal to the statutorily required four percent of General Fund appropriation. Prior to this year the four percent reserve was determined during the appropriation process but was not formally recognized in the financial statements.

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 general 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.

Total fund equity for the proprietary funds at June 30, 1996 and June 30, 1995, were \$111.6 million and \$108.4 million, respectively. Operating revenues for the proprietary operations were \$606.1 million for fiscal year 1995-96 and \$668.3 million for fiscal year 1994-95. Operating expenses were \$563.4 million and \$674.9 million, respectively. During fiscal year 1995-96, the major transfers from the Lottery Fund were \$33.1 million to the Conservation Trust Fund and \$8.3 million to the Wildlife Fund. In addition, \$49.9 million was distributed from the Lottery Fund's net proceeds to the Great Outdoors Colorado Trust Fund, a constitutionally created public authority.

DEBT ADMINISTRATION

The State of Colorado is prohibited by its constitution from incurring any general obligation debt. Many higher education institutions have issued bonds and notes with revenues pledged from specific user payments to retire these bonds and notes. Additional information is provided in the footnotes to the general purpose financial statements and the statistical section of this report.

CASH MANAGEMENT

Statutes permit the state treasurer to invest cash not needed immediately 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 treasurer also invests the funds of the Colorado Compensation Insurance Authority, the Colorado Water Resources and Power Development Authority, and the Great Outdoors Colorado Trust Fund. At June 30, 1996, the state treasurer held the following investments at book value:

Investment Type	Amount in Millions
United States Treasury and Agencies	\$1,500.4
Asset Backed Securities	590.8
Commercial Paper	332.7
Mortgages	298.5
Repurchase Agreements	153.9
Bankers' Acceptance	149.0
Corporate Bonds	98.6
Mutual Funds and Other Pooled Investments	278.7
TOTAL	\$3,402.6

RISK MANAGEMENT

The state self-insures its agencies, officials, and employees for the risks of losses for general liability, motor vehicle liability, workers' compensation, and medical claims. Prior to fiscal year 1995-96, the Risk Management Fund, an internal service fund, was used for this purpose. However, because the claim reserves were not being funded during fiscal year 1995-96, the state began using the General Fund (as required by current accounting pronouncements) for all claims or judgments except for employee medical claims. (See Notes I-E, III-L, IV-D, and IV-F 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. (See Note IV-F to the General Purpose Financial Statements.)

The Regents of the University of Colorado are self-insured for workers' compensation, auto, general and property liability, and official's and employee's medical claims. The university's medical claims are handled by a third party through a contractual agreement. The university has also purchased stop-loss insurance for individual medical claims in excess of \$500,000. (See Note IV-F to the General Purpose Financial Statements.)

INDEPENDENT AUDIT

The audit of the General Purpose Financial Statements was performed by the state auditor. The opinion of the auditor is on page 1 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 1984, the United States Congress passed the Single Audit Act. It places a greater responsibility on the state and the auditor to ensure that federal moneys, whether expended by the state or subrecipients, are properly accounted for. Under the requirements of this act, transactions of major federal programs are tested. The state prepares and issues a Schedule of Federal Financial Assistance. The state auditor issues a separate report on that schedule and the internal controls related to federal assistance programs.

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, and further, I reaffirm our commitment to maintain the highest standards of accountability in financial reporting.

Sincerely yours,

A handwritten signature in black ink that reads "Clifford W. Hall". The signature is written in a cursive, flowing style.

Clifford W. Hall
State Controller

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FINANCIAL SECTION

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State Auditor

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November 1, 1996

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, 1996. 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, 1996, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 1, 1996, on our consideration of the State of Colorado's internal control structure and a report dated November 1, 1996, on its compliance with laws and regulations.

As discussed in Note I, paragraph A, to the financial statements, the State has included the financial activities of the Colorado Uninsurable Health Insurance Plan. This represents a change in presentation from the prior year.

As discussed in Note III, paragraph K, to the financial statements, the State changed the fund type used to account for risk management from a proprietary fund type to the General Fund.

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 presentations, and statistical section were not audited by us and, accordingly, we do not express an opinion on them.

A handwritten signature in black ink, reading "J. David Barber". The signature is written in a cursive style with a prominent initial "J" and a long, sweeping underline.

GENERAL PURPOSE FINANCIAL STATEMENTS

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1996
AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THEIR MOST RECENT FISCAL YEAR END**

(DOLLARS IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS:				
Cash and Cash Equivalents	\$ 562,205	\$ 445,239	\$ 145	\$ 543,551
Taxes Receivable, net	464,294	68,180	-	-
Other Receivables, net	53,016	9,488	14	145
Due From Other Governments	175,048	75,568	101	1,374
Due From Other Funds	29,778	10,595	-	4,327
Inventories	77,695	12,774	-	-
Other Current Assets	34,639	1,372	-	1,745
Investments	54,381	-	3,338	20,938
Property, Plant and Equipment, net	-	-	-	-
Rights Under Deferred Compensation	-	-	-	-
Other Long-Term Assets	8,033	98,538	-	181
Amount Available in Debt Service Fund	-	-	-	-
Amount To Be Provided For Retirement Of Long-Term Obligations	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	\$ 1,459,089	\$ 721,754	\$ 3,598	\$ 572,261
LIABILITIES:				
Warrants Payable	\$ 71,963	\$ 11,118	\$ -	\$ 3,230
Tax Refunds Payable	201,165	109	-	-
Accounts Payable and Accrued Liabilities	293,628	63,970	11	18,095
Due To Other Governments	40,585	47,199	-	-
Due To Other Funds	19,377	24,415	-	3,936
Deferred Revenue	116,934	11,428	-	667
Obligations Under Reverse Repurchase Agreements	50,125	-	-	-
Other Current Liabilities	20,467	28,072	-	11
Deposits Held In Custody For Others	4,366	3	-	44
Capital Lease Obligations	-	-	-	-
Notes and Bonds Payable	-	-	-	-
Accrued Compensated Absences	-	-	-	-
Obligations Under Deferred Compensation	-	-	-	-
Other Long-Term Liabilities	284	-	-	-
TOTAL LIABILITIES	818,894	186,314	11	25,983
FUND EQUITY AND OTHER CREDITS:				
Investment in Fixed Assets	-	-	-	-
Contributed Capital	-	-	-	-
Retained Earnings	-	-	-	-
Fund Balances:				
Reserved For:				
Encumbrances	5,906	245,937	-	177,446
Other Specific Purposes	264,785	259,314	3,587	20,843
Long-Term Assets and Long-Term Receivables	992	98,719	-	181
Statutory 4 Percent Requirement	156,700	-	-	-
Emergencies	-	-	-	-
Unreserved:				
Designated for Capital Construction	-	-	-	347,808
Designated For Higher Education	-	-	-	-
Undesignated	211,812	(68,530)	-	-
TOTAL FUND EQUITY AND OTHER CREDITS	640,195	535,440	3,587	546,278
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 1,459,089	\$ 721,754	\$ 3,598	\$ 572,261

See accompanying notes to the financial statements.

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS			MEMORANDUM ONLY	COMPONENT UNITS
ENTERPRISE	INTERNAL SERVICE	TRUST & AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	COLLEGE AND UNIVERSITY FUNDS	TOTAL PRIMARY GOVERNMENT	
\$ 77,919	\$ 42,570	\$ 999,802	\$ -	\$ -	\$ 152,897	\$ 2,824,328	\$ 91,705
-	-	110,644	-	-	-	643,118	4,413
13,771	426	16,445	-	-	164,339	257,644	38,434
10,398	55	822	-	-	20,236	283,602	9,560
245	44	19,691	-	-	24,470	89,150	6,966
9,854	441	30	-	-	25,875	126,669	3,813
290	285	23,210	-	-	17,007	78,548	1,412
-	-	1,202,579	-	-	411,949	1,693,185	222,856
31,723	46,856	11,829	1,248,385	-	2,359,581	3,698,374	357,162
-	-	210,236	-	-	-	210,236	-
899	-	1,394	-	-	4,023	113,068	218,748
-	-	-	-	3,587	-	3,587	-
-	-	-	-	489,501	-	489,501	-
\$ 145,099	\$ 90,677	\$ 2,596,682	\$ 1,248,385	\$ 493,088	\$ 3,180,377	\$ 10,511,010	\$ 955,069
\$ 2,914	\$ 5,679	\$ 8,149	\$ -	\$ -	\$ 9,707	\$ 112,760	\$ -
-	-	1,024	-	-	-	202,298	-
11,397	4,252	15,108	-	-	113,266	519,727	64,733
6,839	-	113,078	-	-	17	207,718	38,361
13,052	3,278	6,169	-	-	18,923	89,150	6,966
10,860	7,394	2,482	-	-	60,494	210,259	990
-	-	103,793	-	-	-	153,918	-
18,674	15,281	8,317	-	-	15,997	106,819	6,388
187	-	990,934	-	-	25,847	1,021,381	-
1,288	18,079	20	-	88,352	83,633	191,372	7,318
505	-	-	-	-	307,925	308,430	435,127
2,434	1,244	192	-	96,604	64,023	164,497	5,270
-	-	210,088	-	-	-	210,088	-
98	701	9,506	-	308,132	42,892	361,613	2,163
68,248	55,908	1,468,860	-	493,088	742,724	3,860,030	567,316
-	-	-	1,248,385	-	1,837,740	3,086,125	-
23,670	5,754	-	-	-	-	29,424	58,269
53,181	29,015	-	-	-	-	82,196	139,127
-	-	-	-	-	-	429,289	-
-	-	944,093	-	-	503,977	1,996,599	42,805
-	-	-	-	-	-	99,892	-
-	-	-	-	-	-	156,700	-
-	-	183,729	-	-	-	183,729	-
-	-	-	-	-	-	347,808	-
-	-	-	-	-	100,548	100,548	-
-	-	-	-	-	(4,612)	138,670	147,552
76,851	34,769	1,127,822	1,248,385	-	2,437,653	6,650,980	387,753
\$ 145,099	\$ 90,677	\$ 2,596,682	\$ 1,248,385	\$ 493,088	\$ 3,180,377	\$ 10,511,010	\$ 955,069

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1996
AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THEIR MOST RECENT FISCAL YEAR ENDED**

(DOLLARS IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
REVENUES:				
Taxes	\$ 4,124,816	\$ 522,703	\$ -	\$ -
Licenses, Permits, and Fines	114,408	223,371	-	507
Charges for Goods and Services	158,669	11,552	-	-
Interest	63,880	24,295	284	28,078
Federal Grants and Contracts	1,835,314	274,235	-	6,590
Other	39,417	24,308	142	31,039
TOTAL REVENUES	6,336,504	1,080,464	426	66,214
EXPENDITURES:				
Current:				
General Government	178,968	4,961	-	-
Business, Community and Consumer Affairs	180,764	25,443	-	-
Education	58,788	5,519	-	-
Health and Rehabilitation	356,998	1,611	-	-
Justice	490,893	39,550	-	-
Natural Resources	49,900	58,935	-	-
Social Assistance	1,702,566	-	-	-
Transportation	640	556,925	-	-
Capital Outlay	17,935	31,742	-	46,069
Intergovernmental:				
Cities	40,189	93,618	-	1,588
Counties	525,700	136,423	-	166
School Districts	1,782,250	30	-	114
Special Districts	37,309	10,428	-	3,367
Federal	8,212	33	-	-
Other	83,233	1,640	-	11
Debt Service	12,268	-	31,003	-
TOTAL EXPENDITURES	5,526,613	966,858	31,003	51,315
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	809,891	113,606	(30,577)	14,899
OTHER FINANCING SOURCES (USES):				
Operating Transfer-In	107,819	28,187	31,042	288,283
Operating Transfer-Out	(1,026,917)	(78,596)	-	(136,705)
Proceeds of Bond Issuance	121	-	-	-
Capital Lease Proceeds	1,652	-	-	-
Advances from Private or Public Sources	-	4,876	-	232
Other	(143)	(6,273)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(917,468)	(51,806)	31,042	151,810
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(107,577)	61,800	465	166,709
FUND BALANCE, FISCAL YEAR BEGINNING	747,473	458,412	3,122	379,569
Net Residual Equity Transfers-In (Out)	299	10,849	-	-
Prior Period Adjustment	-	4,379	-	-
FUND BALANCE, FISCAL YEAR END	\$ 640,195	\$ 535,440	\$ 3,587	\$ 546,278

See accompanying notes to the financial statements.

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

FIDUCIARY FUND TYPES	MEMORANDUM ONLY TOTAL	COMPONENT
EXPENDABLE TRUST	PRIMARY GOVERNMENT	UNITS
\$ 193,820	\$ 4,841,339	\$ -
20,078	358,364	-
1,034	171,255	-
53,043	169,580	2,552
17,086	2,133,225	-
16,419	111,325	-
301,480	7,785,088	2,552
1,702	185,631	-
199,114	405,321	-
261	64,568	-
283	358,892	-
3,071	533,514	-
221	109,056	-
4	1,702,570	-
-	557,565	-
206	95,952	-
21,917	157,312	-
13,814	676,103	-
179	1,782,573	-
3,539	54,643	-
-	8,245	-
13,660	98,544	-
-	43,271	-
257,971	6,833,760	-
43,509	951,328	2,552
33,336	488,667	-
(34,241)	(1,276,459)	(1,506)
-	121	-
-	1,652	-
-	5,108	-
-	(6,416)	-
(905)	(787,327)	(1,506)
42,604	164,001	1,046
558,803	2,147,379	41,759
-	11,148	-
-	4,379	-
\$ 601,407	\$ 2,326,907	\$ 42,805

COLORADO

**COMBINED STATEMENT OF REVENUES, EXPENDITURES/EXPENSES,
AND CHANGES IN FUND BALANCES/EQUITY - BUDGETARY BASIS
BUDGET AND ACTUAL - ALL BUDGETED FUNDS
FOR THE YEAR ENDED JUNE 30, 1996**

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Sales and Other Excise Taxes			\$ 1,863,096	
Income Taxes			2,524,174	
Other Taxes			497,020	
Federal Grants and Contracts			2,213,623	
Tuition and Fees			448,465	
Sales and Services			724,477	
Interest Earnings			187,559	
Medicaid Provider Revenues			68,974	
Other Revenues			548,519	
Transfers-In			3,369,863	
TOTAL REVENUES AND TRANSFERS-IN			12,445,770	
EXPENDITURES/EXPENSES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Agriculture	\$ 16,491	\$ 17,047	15,235	\$ 1,812
Corrections	274,159	270,204	263,136	7,068
Education	3,327,627	3,368,791	3,314,463	54,328
Governor	34,411	87,518	54,869	32,649
Health Care Policy and Financing	1,475,470	1,464,815	1,456,665	8,150
Higher Education	1,818,952	1,817,494	1,745,246	72,248
Human Services	1,058,704	1,203,752	1,117,722	86,030
Judicial Branch	174,881	177,540	174,336	3,204
Labor and Employment	301,424	351,049	302,894	48,155
Law	24,901	25,382	23,427	1,955
Legislative Branch	22,012	22,048	20,032	2,016
Local Affairs	148,873	199,002	131,827	67,175
Military Affairs	115,486	8,942	6,673	2,269
Natural Resources	294,977	307,368	179,212	128,156
Personnel	265,164	262,770	250,866	11,904
Public Health and Environment	200,090	238,291	201,849	36,442
Public Safety	104,336	123,518	108,064	15,454
Regulatory Agencies	55,895	58,972	54,225	4,747
Revenue	616,956	619,735	583,202	36,533
State	8,841	8,841	6,910	1,931
Transportation	614,665	1,179,126	638,268	540,858
Treasury	719,330	768,150	755,830	12,320
Transfers Not Appropriated by Department	394,126	450,962	450,962	-
SUB-TOTAL OPERATING BUDGETS	12,067,771	13,031,317	11,855,913	1,175,404

(Continued)

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

COMBINED STATEMENT OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES IN FUND BALANCES/EQUITY - BUDGETARY BASIS BUDGET AND ACTUAL - ALL BUDGETED FUNDS FOR THE YEAR ENDED JUNE 30, 1996 (Continued)

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
Capital Budgets:				
Departmental:				
Agriculture	428	730	6	724
Corrections	83,465	219,911	12,137	207,774
Education	284	147	15	132
Governor	-	46,247	7,830	38,417
Higher Education	119,096	196,398	75,639	120,759
Human Services	9,383	67,442	10,218	57,224
Judicial Branch	-	242	14	228
Labor and Employment	13,640	689	11	678
Legislative Branch	-	42	26	16
Military Affairs	602	7,924	3,283	4,641
Natural Resources	8,358	30,139	12,543	17,596
Personnel	48,338	41,259	34,306	6,953
Public Health and Environment	9,226	15,361	5,473	9,888
Public Safety	1,924	1,590	394	1,196
Regulatory Agencies	-	348	320	28
Revenue	-	1,513	405	1,108
Transportation	132,341	219,928	13,193	206,735
Budgets/Transfers Not Booked by Department	20,057	20,057	20,057	-
SUB-TOTAL CAPITAL BUDGETS	447,142	869,967	195,870	674,097
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS-OUT	\$ 12,514,913	\$ 13,901,284	12,051,783	\$ 1,849,501
EXCESS OF REVENUES AND TRANSFERS-IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS-OUT			393,987	
FUND BALANCE/EQUITY, JULY 1 - GAAP BASIS			5,830,643	
Add: Budgeted Non-GAAP Expenditures			29,309	
Less: GAAP Expenditures Not Budgeted			(6,904)	
GAAP Revenue Adjustments			(17,579)	
Increase (Decrease) in Non-Budgeted Funds			417,145	
Prior Period Adjustments			4,379	
FUND BALANCE/EQUITY, JUNE 30 - GAAP BASIS			\$ 6,650,980	

See accompanying notes to the financial statements.

COLORADO

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS BUDGET AND ACTUAL - GENERAL FUNDED FOR THE YEAR ENDED JUNE 30, 1996

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Sales and Other Excise Taxes			\$ 1,415,397	
Income Taxes			2,524,174	
Other Taxes			150,766	
Federal Grants and Contracts			834	
Sales and Services			1,035	
Interest Earnings			64,402	
Medicaid Provider Revenues			68,974	
Other Revenues			77,785	
Transfers-In			297,794	
TOTAL REVENUES AND TRANSFERS-IN			4,601,161	
EXPENDITURES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Agriculture	\$ 6,563	\$ 6,547	6,477	\$ 70
Corrections	237,733	235,558	234,049	1,509
Education	1,584,916	1,591,600	1,590,861	739
Governor	2,837	3,587	3,509	78
Health Care Policy and Financing	701,194	695,713	692,241	3,472
Higher Education	581,606	581,272	581,143	129
Human Services	367,398	365,386	355,350	10,036
Judicial Branch	151,384	151,437	150,447	990
Labor and Employment	626	626	610	16
Law	7,319	7,308	6,454	854
Legislative Branch	21,887	21,887	19,891	1,996
Local Affairs	24,184	24,184	23,986	198
Military Affairs	2,713	2,713	2,572	141
Natural Resources	22,598	22,695	22,442	253
Personnel	13,585	13,721	13,185	536
Public Health and Environment	17,019	17,368	17,277	91
Public Safety	39,012	36,491	36,325	166
Regulatory Agencies	949	949	898	51
Revenue	115,078	119,773	118,334	1,439
Treasury	63,602	63,583	63,440	143
Transfers Not Appropriated by Department	394,126	450,962	450,962	-
SUB-TOTAL OPERATING BUDGETS	4,356,329	4,413,360	4,390,453	22,907

(Continued)

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS BUDGET AND ACTUAL - GENERAL FUNDED FOR THE YEAR ENDED JUNE 30, 1996 (Continued)

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
Capital Budgets:				
Departmental:				
Agriculture	428	508	4	504
Corrections	83,408	217,510	11,618	205,892
Education	284	147	15	132
Governor	-	41,130	7,830	33,300
Higher Education	86,398	158,575	67,238	91,337
Human Services	8,026	66,085	10,218	55,867
Judicial Branch	-	242	14	228
Legislative Branch	-	42	26	16
Military Affairs	506	2,206	801	1,405
Personnel	41,275	35,542	32,071	3,471
Public Health and Environment	8,076	13,361	5,303	8,058
Public Safety	-	54	2	52
Regulatory Agencies	-	31	31	-
Revenue	-	1	112	(111)
Transportation	132,341	219,928	13,193	206,735
Budgets/Transfers Not Booked by Department	20,000	20,000	20,000	-
SUB-TOTAL CAPITAL BUDGETS	380,742	775,362	168,476	606,886
TOTAL EXPENDITURES AND TRANSFERS-OUT	\$ 4,737,071	\$ 5,188,722	4,558,929	\$ 629,793
EXCESS OF REVENUES AND TRANSFERS-IN OVER (UNDER) EXPENDITURES AND TRANSFERS-OUT			\$ 42,232	

See accompanying notes to the financial statements.

COLORADO

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, 1996

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Sales and Other Excise Taxes			\$ 447,699	
Other Taxes			346,254	
Tuition and Fees			448,465	
Sales and Services			723,442	
Interest Earnings			123,157	
Other Revenues			470,734	
Transfers-In			3,072,069	
TOTAL REVENUES AND TRANSFERS-IN			5,631,820	
EXPENDITURES/EXPENSES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Agriculture	\$ 9,512	\$ 9,522	8,159	\$ 1,363
Corrections	35,868	31,875	27,599	4,276
Education	1,551,957	1,539,396	1,537,263	2,133
Governor	7,127	10,584	7,490	3,094
Health Care Policy and Financing	10,544	11,880	11,676	204
Higher Education	1,164,950	1,162,644	1,114,110	48,534
Human Services	389,395	193,252	185,594	7,658
Judicial Branch	23,416	24,962	23,361	1,601
Labor and Employment	248,248	277,588	244,007	33,581
Law	16,995	17,482	16,402	1,080
Legislative Branch	125	125	119	6
Local Affairs	83,763	77,321	54,906	22,415
Military Affairs	465	465	425	40
Natural Resources	261,071	266,047	143,360	122,687
Personnel	251,579	249,047	237,679	11,368
Public Health and Environment	48,852	61,658	48,907	12,751
Public Safety	55,191	58,875	57,647	1,228
Regulatory Agencies	54,490	56,840	52,452	4,388
Revenue	500,771	497,738	463,444	34,294
State	8,841	8,841	6,910	1,931
Transportation	406,305	531,477	371,575	159,902
Treasury	655,728	662,512	650,692	11,820
SUB-TOTAL OPERATING BUDGETS	5,785,193	5,750,131	5,263,777	486,354
Capital Budgets:				
Departmental:				
Agriculture	-	222	2	220
Corrections	57	2,401	519	1,882
Governor	-	5,117	-	5,117
Higher Education	31,948	37,322	8,300	29,022
Labor and Employment	12,840	639	11	628
Military Affairs	-	80	5	75
Natural Resources	7,708	21,831	8,701	13,130
Personnel	7,063	5,717	2,235	3,482
Public Health and Environment	1,150	2,000	170	1,830
Public Safety	1,924	1,536	392	1,144
Regulatory Agencies	-	308	289	19
Revenue	-	1,512	293	1,219
Budgets/Transfers Not Booked by Department	57	57	57	-
SUB-TOTAL CAPITAL BUDGETS	62,747	78,742	20,974	57,768
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS-OUT	\$ 5,847,940	\$ 5,828,873	5,284,751	\$ 544,122
EXCESS OF REVENUES AND TRANSFERS-IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS-OUT			\$ 347,069	

See accompanying notes to the financial statements.

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

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, 1996

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Federal Grants and Contracts			\$ 2,212,789	
TOTAL REVENUES AND TRANSFERS-IN			2,212,789	
EXPENDITURES/EXPENSES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Agriculture	\$ 416	\$ 978	599	\$ 379
Corrections	558	2,771	1,488	1,283
Education	190,754	237,795	186,339	51,456
Governor	24,447	73,347	43,870	29,477
Health Care Policy and Financing	763,732	757,222	752,748	4,474
Higher Education	72,396	73,578	49,993	23,585
Human Services	301,911	645,114	576,778	68,336
Judicial Branch	81	1,141	528	613
Labor and Employment	52,550	72,835	58,277	14,558
Law	587	592	571	21
Legislative Branch	-	36	22	14
Local Affairs	40,926	97,497	52,935	44,562
Military Affairs	112,308	5,764	3,676	2,088
Natural Resources	11,308	18,626	13,410	5,216
Personnel	-	2	2	-
Public Health and Environment	134,219	159,265	135,665	23,600
Public Safety	10,133	28,152	14,092	14,060
Regulatory Agencies	456	1,183	875	308
Revenue	1,107	2,224	1,424	800
Transportation	208,360	647,649	266,693	380,956
Treasury	-	42,055	41,698	357
SUB-TOTAL OPERATING BUDGETS	1,926,249	2,867,826	2,201,683	666,143
Capital Budgets:				
Departmental:				
Higher Education	750	501	101	400
Human Services	1,357	1,357	-	1,357
Labor and Employment	800	50	-	50
Military Affairs	96	5,638	2,477	3,161
Natural Resources	650	8,308	3,842	4,466
Regulatory Agencies	-	9	-	9
SUB-TOTAL CAPITAL BUDGETS	3,653	15,863	6,420	9,443
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS-OUT	\$ 1,929,902	\$ 2,883,689	2,208,103	\$ 675,586
EXCESS OF REVENUES AND TRANSFERS-IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS-OUT			\$ 4,686	

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, 1996
AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THEIR MOST RECENT FISCAL YEAR ENDED**

(DOLLARS IN THOUSANDS)	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
OPERATING REVENUES:		
Licenses and Permits	\$ 43	\$ -
Charges for Goods and Services	382,334	155,511
Interest and Rents	2,772	8,237
Federal Grants and Contracts	56,589	-
Other	583	1
TOTAL OPERATING REVENUES	442,321	163,749
OPERATING EXPENSES:		
Salaries & Fringe Benefits	34,612	19,590
Operating and Travel	93,143	129,380
Cost of Goods Sold	25,352	4,686
Depreciation	2,539	11,666
Intergovernmental Distributions	49,919	476
Prizes and Awards	191,993	8
Other	-	-
TOTAL OPERATING EXPENSES	397,558	165,806
OPERATING INCOME (LOSS)	44,763	(2,057)
NON-OPERATING REVENUES AND (EXPENSES):		
Taxes	-	-
Fines	1	307
Interest and Rents	1,902	16
Grants and Donations	160	-
Federal Grants and Contracts	531	-
Other Financing Sources	-	-
Debt Service	(50)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	2,544	323
INCOME (LOSS) BEFORE OPERATING TRANSFERS	47,307	(1,734)
OPERATING TRANSFERS:		
Operating Transfer-In	298	63
Operating Transfer-Out	(42,832)	(2,340)
TOTAL OPERATING TRANSFERS	(42,534)	(2,277)
NET INCOME/CHANGE IN RETAINED EARNINGS	4,773	(4,011)
FUND EQUITY, FISCAL YEAR BEGINNING	72,011	36,403
Additions (Deductions) to Contributed Capital	67	2,377
Prior Period/Other Adjustments	-	-
FUND EQUITY, FISCAL YEAR END	\$ 76,851	\$ 34,769

See accompanying notes to the financial statements.

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

FIDUCIARY FUND TYPES	MEMORANDUM ONLY TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS
NONEXPENDABLE TRUST		
\$ -	\$ 43	\$ -
-	537,845	245,173
13,522	24,531	11,942
-	56,589	-
-	584	14,091
13,522	619,592	271,206
-	54,202	90,978
-	222,523	101,286
-	30,038	44,897
-	14,205	13,617
-	50,395	-
-	192,001	-
-	-	1,372
-	563,364	252,150
13,522	56,228	19,056
-	-	23,622
-	308	-
-	1,918	9,280
312	472	1,122
-	531	-
-	-	1,615
-	(50)	(6,409)
312	3,179	29,230
13,834	59,407	48,286
200,878	201,239	1,506
(1,919)	(47,091)	-
198,959	154,148	1,506
212,793	213,555	49,792
313,622	422,036	286,416
-	2,444	9,399
-	-	(659)
\$ 526,415	\$ 638,035	\$ 344,948

**COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1996
AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THEIR MOST RECENT FISCAL YEAR ENDED**

(DOLLARS IN THOUSANDS)

	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Operating Income (Loss)	\$ 44,763	\$ (2,057)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	2,539	11,666
Interest (Income) Expense	-	(2,149)
Net Periodic Pension Cost	-	-
Fines	1	307
Other Adjustments	-	-
Net Changes in Assets and Liabilities Related to Operating Activities:		
(Increase) Decrease in Operating Receivables	(2,439)	(122)
(Increase) Decrease in Inventories	902	13
(Increase) Decrease in Other Operating Assets	99	662
Increase (Decrease) in Accounts Payable	5,969	(340)
Increase (Decrease) in Accrued Compensated Absences	176	99
Increase (Decrease) in Other Operating Liabilities	(9,574)	(455)
Insurance Premiums and State Subsidy	-	-
Claims and General Insurance Expenses Paid	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	42,436	7,624
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Donations	160	-
Federal Grants and Contracts	531	-
Operating Transfer-In	298	63
Operating Transfer-Out	(42,832)	(2,340)
Deductions from Contributed Capital	(6)	(18,521)
Net Changes in Assets and Liabilities Related to Non-Capital Financing Activities:		
(Increase) Decrease in Due From Other Funds	-	5
Increase (Decrease) in Due To Other Funds	(7,078)	(4,149)
NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES	(48,927)	(24,942)

(Continued)

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

FIDUCIARY FUND TYPES	MEMORANDUM ONLY	TOTAL	COMPONENT
NONEXPENDABLE TRUST	PRIMARY GOVERNMENT	PRIMARY GOVERNMENT	UNITS
\$ 13,522	\$ 56,228	\$ 22,703	
-	14,205	13,760	
(13,522)	(15,671)	1,322	
-	-	4,763	
-	308	-	
-	-	877	
(499)	(3,060)	(5,549)	
-	915	227	
245	1,006	936	
-	5,629	7,314	
-	275	(337)	
72	(9,957)	(8,141)	
-	-	8,199	
-	-	(7,505)	
(182)	-	49,878	38,569
312	472	-	
-	531	-	
200,878	201,239	1,506	
(1,919)	(47,091)	-	
-	(18,527)	-	
122	127	-	
-	(11,227)	-	
199,393	125,524	1,506	

**COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1996
AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THEIR MOST RECENT FISCAL YEAR ENDED (CONTINUED)**

(DOLLARS IN THOUSANDS)

	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Taxes	-	-
Grants and Private Donations	-	-
Principal Repayments of Loans Receivable	-	-
Loans Made	-	-
Proceeds from the Issuance of Certificates of Beneficial Ownership	-	-
Note and Bond Proceeds	-	-
Additions to Contributed Capital	-	-
Purchase of Property, Plant, and Equipment	-	-
Sales of Property, Plant, and Equipment	-	-
Sales of Nonadmitted Assets	-	-
Capital Lease Obligation Payments	-	(4,947)
Debt Service Payments	(50)	-
Deductions from Contributed Capital	-	(10,849)
Net Changes in Assets and Liabilities Related to Capital Financing Activities:		
(Increase) Decrease in Property, Plant and Equipment	(2,315)	(2,207)
Increase (Decrease) in Notes and Bonds Payable	(75)	-
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(2,440)	(18,003)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends on Investments	1,902	2,165
Sales of Investments	-	-
Purchases of Investments	-	-
Net Changes in Assets and Liabilities Related to Investment Activities:		
(Increase) Decrease in Investments	99	-
NET CASH FROM INVESTING ACTIVITIES	2,001	2,165
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,930)	(33,156)
CASH AND CASH EQUIVALENTS, FISCAL YEAR BEGINNING	84,849	75,726
CASH AND CASH EQUIVALENTS, FISCAL YEAR END	\$ 77,919	\$ 42,570
RECONCILIATION TO THE COMBINED BALANCE SHEET		
Add: Expendable Trust Funds		
Agency Funds		
CASH AND CASH EQUIVALENTS, FISCAL YEAR END		

See accompanying notes to the financial statements.

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

FIDUCIARY FUND TYPES	MEMORANDUM ONLY	
NONEXPENDABLE TRUST	TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS
-	-	23,391
-	-	1,122
-	-	8,585
-	-	(27,918)
-	-	7,371
-	-	47,401
-	-	8,895
-	-	(112,988)
-	-	71
-	-	2
-	(4,947)	(645)
-	(50)	(25,857)
-	(10,849)	-
2	(4,520)	-
-	(75)	-
2	(20,441)	(70,570)
13,522	17,589	9,497
9,950	9,950	159,786
(9,950)	(9,950)	(122,720)
(26,470)	(26,371)	6,105
(12,948)	(8,782)	52,668
186,265	146,179	22,173
30,354	190,929	42,206
\$ 216,619	\$ 337,108	\$ 64,379
555,796		27,326
227,387		-
<u>\$ 999,802</u>		<u>\$ 91,705</u>

**COMBINED BALANCE SHEET
ALL COLLEGE AND UNIVERSITY FUNDS
JUNE 30, 1996**

(DOLLARS IN THOUSANDS)	CURRENT FUNDS			
	UNRESTRICTED	RESTRICTED	LOAN FUNDS	ENDOWMENT FUNDS
ASSETS:				
Cash and Cash Equivalents	\$ 90,077	\$ 591	\$ 4,625	\$ 4,780
Accounts Receivable:				
Tuition, Fees, Charges for Services, net	46,889	32,607	99	2,441
Intergovernmental	451	19,205	205	-
Other	2,508	-	187	2
Sub-total Accounts Receivable	49,848	51,812	491	2,443
Loans and Notes Receivable, net	470	2	76,482	-
Due From Other Funds	8,650	5,237	-	521
Inventories	25,724	151	-	-
Other Current Assets	15,913	380	30	-
Investments	172,421	29,802	3,466	44,625
Plant Facilities:				
Land and Improvements	-	-	-	2,368
Buildings and Improvements, net	-	-	-	-
Leasehold Improvements, net	-	-	-	-
Construction in Progress	-	-	-	-
Equipment, net	-	-	-	-
Library Books	-	-	-	-
Other Fixed Assets	-	-	-	-
Sub-total Plant Facilities	-	-	-	2,368
Other Long-Term Assets	2,929	11	-	1
TOTAL ASSETS	\$ 366,032	\$ 87,986	\$ 85,094	\$ 54,738
LIABILITIES:				
Warrants Payable	\$ 8,859	\$ 672	\$ 4	\$ -
Accounts Payable and Accrued Liabilities	75,893	18,302	41	2
Due To Other Governments	2	15	-	-
Due To Other Funds	3,281	7,452	81	1,500
Deferred Revenue	60,176	305	-	-
Other Current Liabilities	15,585	146	1,671	74
Capital Lease Obligations	-	-	-	-
Notes and Bonds Payable	-	-	-	-
Accrued Compensated Absences	63,871	152	-	-
Other Long-Term Liabilities	42,429	47	200	-
TOTAL LIABILITIES	270,096	27,091	1,997	1,576
FUND BALANCE:				
Investment in Fixed Assets	-	-	-	-
Restricted	-	60,895	83,097	53,162
Unrestricted:				
Designated	100,548	-	-	-
Undesignated	(4,612)	-	-	-
TOTAL FUND BALANCE	95,936	60,895	83,097	53,162
TOTAL LIABILITIES AND FUND BALANCE	\$ 366,032	\$ 87,986	\$ 85,094	\$ 54,738

See accompanying notes to the financial statements.

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

PLANT FUNDS			MEMORANDUM ONLY	
UNEXPENDED	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	AGENCY FUNDS	TOTALS
\$ 41,781	\$ 6,508	\$ -	\$ 4,535	\$ 152,897
1,280	84	-	943	84,343
114	-	-	261	20,236
100	220	-	-	3,017
1,494	304	-	1,204	107,596
25	-	-	-	76,979
9,587	475	-	-	24,470
-	-	-	-	25,875
651	-	-	33	17,007
133,355	18,319	-	9,961	411,949
-	-	129,563	-	131,931
-	-	1,256,903	-	1,256,903
-	-	3,139	-	3,139
187,698	-	-	-	187,698
-	-	573,830	-	573,830
-	-	205,341	-	205,341
-	-	739	-	739
187,698	-	2,169,515	-	2,359,581
1	-	1,081	-	4,023
\$ 374,592	\$ 25,606	\$ 2,170,596	\$ 15,733	\$ 3,180,377
\$ 100	\$ -	\$ -	\$ 72	\$ 9,707
12,324	3,892	-	2,812	113,266
-	-	-	-	17
2,167	263	4,125	54	18,923
-	-	14	-	60,495
323	32	11,217	12,795	41,843
10,145	1,646	71,842	-	83,633
61,064	1,253	245,608	-	307,925
-	-	-	-	64,023
-	166	50	-	42,892
86,123	7,252	332,856	15,733	742,724
-	-	1,837,740	-	1,837,740
288,469	18,354	-	-	503,977
-	-	-	-	100,548
-	-	-	-	(4,612)
288,469	18,354	1,837,740	-	2,437,653
\$ 374,592	\$ 25,606	\$ 2,170,596	\$ 15,733	\$ 3,180,377

**COMBINED STATEMENT OF CHANGES IN FUND BALANCE
ALL COLLEGE AND UNIVERSITY FUNDS
FOR THE YEAR ENDED JUNE 30, 1996**

(DOLLARS IN THOUSANDS)	CURRENT FUNDS		LOAN FUNDS	ENDOWMENT FUNDS
	UNRESTRICTED	RESTRICTED		
REVENUES AND OTHER ADDITIONS:				
Tuition and Fees	\$ 548,474	\$ -	\$ -	\$ -
Federal Grants and Contracts	9,334	584,279	1,425	-
State and Local Grants and Contracts	605	34,828	-	-
Private Gifts, Grants, and Contracts	1,725	110,926	154	1,055
Indirect Cost Recoveries	74,733	-	-	-
Investment Income	13,383	3,166	401	1,844
Sales and Services of Educational Activities	81,319	422	-	-
Sales and Services of Auxiliaries and Hospitals	260,809	-	-	-
Realized Gain (Loss) on Investments	523	98	-	2,284
Gain (Loss) on Debt Extinguishment	-	-	-	-
Interest on Loans Receivable	-	-	1,863	13
Retirement of Indebtedness	-	-	-	-
Additions to Plant Facilities	-	-	-	-
Other Revenues and Additions	40,401	226	2,348	441
TOTAL REVENUES AND OTHER ADDITIONS	1,031,306	733,945	6,191	5,637
EXPENDITURES AND OTHER DEDUCTIONS:				
Educational and General:				
Instructional	627,133	89,167	-	-
Research	30,748	277,617	-	-
Public Service	40,369	36,842	-	-
Academic Support	132,254	8,096	-	-
Student Services	103,876	11,852	-	-
Institutional Support	154,774	9,237	-	-
Operation of Plant	95,587	372	-	-
Scholarships and Fellowships	29,537	253,858	-	-
Sub-Total Educational and General	1,214,278	687,041	-	-
Auxiliaries and Hospitals	236,406	3,341	-	-
Indirect Cost Charges	-	74,292	441	-
Loan Cancellation and Write-off	-	-	1,640	-
Expended for Plant Facilities	-	-	-	-
Retirement of Indebtedness	-	-	-	-
Interest on Indebtedness	-	-	-	-
Disposal of Plant Facilities	-	-	-	-
Other Expenditures and Deductions	5	153	2,159	296
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	1,450,689	764,827	4,240	296
TRANSFERS BETWEEN FUNDS - (ADDITIONS)/DEDUCTIONS:				
Mandatory Transfers (In) Out	40,576	283	(469)	-
Nonmandatory Transfers (In) Out	56,355	6,368	134	370
Net Operating Transfers From State Funds	(520,698)	(41,107)	-	(143)
TOTAL EXPENDITURES, DEDUCTIONS AND TRANSFERS	1,026,922	730,371	3,905	523
NET INCREASE (DECREASE) IN FUND BALANCE	4,384	3,574	2,286	5,114
FUND BALANCE, JULY 1	91,552	57,321	80,811	48,048
FUND BALANCE, JUNE 30	\$ 95,936	\$ 60,895	\$ 83,097	\$ 53,162

See accompanying notes to the financial statements.

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

PLANT FUNDS			MEMORANDUM
UNEXPENDED	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	ONLY TOTALS
\$ -	\$ -	\$ -	\$ 548,474
243	168	-	595,449
-	-	-	35,433
6,182	2,179	197	122,418
-	-	-	74,733
6,961	1,845	-	27,600
-	-	-	81,741
-	-	-	260,809
31	56	-	2,992
-	-	(3,259)	(3,259)
-	-	-	1,876
2,331	460	21,329	24,120
-	-	141,103	141,103
5,440	-	5,900	54,756
21,188	4,708	165,270	1,968,245
-	-	-	716,300
-	-	-	308,365
-	-	-	77,211
-	-	-	140,350
-	-	-	115,728
-	-	-	164,011
-	-	-	95,959
-	-	-	283,395
-	-	-	1,901,319
-	-	-	239,747
-	-	-	74,733
-	-	-	1,640
73,181	-	-	73,181
147	25,091	-	25,238
212	20,524	15	20,751
-	-	42,518	42,518
4,024	443	104	7,184
77,564	46,058	42,637	2,386,311
(1,829)	(38,572)	11	-
(64,541)	868	446	-
(71,695)	-	-	(633,643)
(60,501)	8,354	43,094	1,752,668
81,689	(3,646)	122,176	215,577
206,780	22,000	1,715,564	2,222,076
\$ 288,469	\$ 18,354	\$ 1,837,740	\$ 2,437,653

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 effect 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 its governing board, and either is able to impose its will upon the entity or there exists a financial benefit or burden upon 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 there is a fiscal dependency. 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:

Colorado State Fair 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

With the exception of the University of Colorado Hospital Authority, each governing board member for these entities, is appointed by the Governor and confirmed by the Senate. The board of the University of Colorado Hospital Authority is appointed by the Board of Regents of the University of Colorado. With the exception of the Baseball Stadium District, all of these authorities are included in the reporting entity because they present a demonstrable financial burden upon 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 District.

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
Colorado Post-Secondary Educational Facilities
Authority
Colorado Student Obligation Bond Authority
Colorado Health Facilities Authority
Agricultural Development Authority
Colorado Housing and Finance Authority
Colorado Sheep and Wool Authority
Colorado Beef Council Authority
Colorado Travel and Tourism Authority
Fire and Police Benefit Association
The State Board of the Great Outdoors Colorado Trust
Fund
Various College and University Foundations

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.

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

General Fund

Transactions related to resources obtained and used for those services traditionally provided by state government, which are not accounted for in other funds, are accounted for in the General Fund. Resources obtained from federal grants which support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements.

Special Revenue Funds

Transactions related to resources obtained from specific sources, 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, and the Water Projects Construction Fund.

Debt Service Fund

This fund accounts for the accumulation of resources, principally transfers from other funds, for the payment of long-term debt principal and interest. The primary debt serviced by this fund consists of certain long-term lease purchase agreements.

Capital Projects Funds

Transactions related to resources obtained and used for acquisition, construction, or improvement of state owned facilities are accounted for in the capital projects funds. The Regular Capital Construction Fund accounts for projects that have been appropriated by the General Assembly and are financed from operating transfers from the General Fund, Lottery Fund, federal grants, and other cash sources.

PROPRIETARY FUNDS

Enterprise Funds

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

Internal Service Funds

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

FIDUCIARY FUND TYPES

Trust and Agency Funds

These funds account for assets held by the state in a trustee capacity or as an agent for other organizations or individuals. They include agency funds, expendable and nonexpendable trust funds.

Agency funds are used to account for assets held for other funds, governments, or individuals. They are custodial in nature and do not involve 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.

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.

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, 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 Colorado State Fair Authority and the Denver Metropolitan Major League Baseball Stadium District use proprietary fund accounting in preparation of their financial statements. The Colorado Uninsurable Health Insurance Plan uses practices prescribed or permitted by the state's Division of Insurance. Their financial information is presented as of December 31, 1995.

The Colorado Water Resources and Power Development Authority uses proprietary fund accounting for all its funds with the exception of governmental fund accounting for its expendable trust fund and its agency fund. The Authority's financial information is presented as of December 31, 1995.

Financial Information for the University of Colorado Hospital Authority is presented as of June 30, 1996.

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

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

Expenditures are recognized during the period in which the fund liability is incurred, except for 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 trust funds are reported on an accrual basis. Using this basis, revenues are recognized when earned, and expenses, including depreciation, are recognized when incurred.

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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 non-expendable 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 Colorado Uninsurable Health Insurance Plan's statements are presented in conformance with accounting practices prescribed or permitted by the Colorado Division of Insurance. These practices vary in some respects from generally accepted accounting principles (GAAP). The most significant of these variances resulting from prescribed practices is that certain assets designated as nonadmitted assets have been excluded from the balance sheet. In addition, no provision is made for premium deficiencies. The only variance resulting from a permitted practice is that restricted cash held by the state treasurer and not yet appropriated by the General Assembly is included as an admitted asset.

The University of Colorado Hospital Authority has elected to adopt the provisions of the American Institute of Certified Public Accountants' Audit and Accounting Guide, Health Care Organizations, which are required for financial statements for periods beginning on or after June 15, 1996. In conjunction with such 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. The Hospital has used an effective date of July 1, 1995 for adoption of all such 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 expendi-

tures/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 coverage. 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 CASH EQUIVALENTS

Primary Government

The state maintains numerous cash accounts for administrative purposes. The cash reflected on the balance sheet is the composite amount of all accounts, although some of the individual accounts may be periodically overdrawn. Where a fund category has a deficit cash position, that deficit has been reclassified to an interfund payable to the General Fund.

For purposes of reporting cash flows, cash and cash equivalents are defined as cash-on-hand, demand deposits, and certificates of deposit with financial institutions.

Component Units

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

The Colorado State Fair Authority, 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 federal food stamps, 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 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 expended at the time of sale.

I. INVESTMENTS

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

The state treasurer records interest based on the coupon rate of the securities with appreciation or decline in the market value of the security recognized only at the time of sale of the investment.

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 minimum dollar amount of assets that must be capitalized is \$5,000.

Generally, the state does not capitalize interest during the construction of general fixed assets. General fixed assets are not depreciated. Assets in proprietary, nonexpendable trust, and college and university funds may be depreciated

using the straight-line method. Depreciation of assets that were contributed to the various proprietary funds is charged to contributed capital while depreciation of other assets is charged to retained earnings.

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 and the University of Colorado Hospital Authority capitalize interest during the construction of fixed assets.

K. DEFERRED REVENUE

With the exception of higher education funds, revenues received from the federal government and other program sponsors are deferred until such time as the related expenditures are made. Also, 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 upon 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 Long-Term Debt Account Group. The current portion of the compensated absence liability accrual is not recognized in the governmental funds as it is not expected to be funded out of current available resources.

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For all other fund types, both current and long-term portions are recorded as individual fund liabilities.

Component Units

University of Colorado Hospital employees 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. The Hospital records PTO expense as earned. Extended illness pay earned as of June 30, 1996 and 1995 approximated \$5.9 million and \$6.4 million, respectively, of which \$234,000 and \$347,000, respectively, is expected to become payable and is accrued in the Hospital's statements.

The Colorado State Fair Authority, and the Colorado Water Resources and Power Development Authority recognize unused vacation benefits as they are earned.

M. FUND EQUITY

Reserved fund balances indicate that a portion of fund equity is not available for expenditure, 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 consists of a reserved and an unreserved portion. Amounts are reserved as provided by statute or as provided by generally accepted accounting principles. The unreserved portion of fund equity is available for future use as working capital or to be appropriated. Since the state is prohibited by its Constitution from incurring general obligation debt, the unreserved fund equity must be positive at year-end.

Reserves of the fund equity at June 30, include:

Reserved for Encumbrances - In the General Fund, this reserve is for the portion of the Fiscal Year 1995-96 appropriation that was encumbered for goods and services that were, due to extenuating circumstances, not received prior to June 30, 1996. Thus, the specific appropriation related to these items is rolled-forward to Fiscal Year 1996-97.

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 received, in many cases, after the long-term contracts are executed and recorded as encumbrances, the undesignated reserve or

portion reserved for other specific purposes may reflect a deficit. This deficit will be funded by future proceeds.

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. These assets are not currently available for appropriation.

Reserved for Statutory 4 Percent Requirement - CRS 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. This was not shown as a reservation in prior years.

Reserved for Emergencies - Article X, Section 20 (TABOR) of the State Constitution requires the reservation of three percent or more of the 1995-96 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, Tax, Spending and Debt Limitations.

N. OUTSTANDING ENCUMBRANCES

Encumbrance accounting, under which purchase orders and contracts for expenditures of money are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all funds except the College and University Funds.

Encumbrances do not constitute expenditures or liabilities, nor do they lapse at year-end, but are carried forward to the subsequent year, committing the 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. These 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 a revenue in another budgetary fund.

B. BUDGETARY PROCESS

The financial operations of the legislative, judicial, and executive branches of the state's 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 Transportation Department'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 modified accrual 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 Regular Capital Construction 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 fund appropriations, with the exception of capital construction, lapse at year-end unless executive

action is taken to roll-forward all or part of the remaining unspent budget authority. Appropriations that meet the strict criteria for roll-forward are reserved at year-end. Capital construction appropriations are generally available for three years after appropriation. Therefore 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. However, several agencies are appropriated at the agency level, and the institutions of higher education are appropriated at the governing board level. The appropriation may be adjusted in the following session of the General Assembly by a supplemental appropriation. Statutes allow the Judicial and Executive Branches, at year end, to transfer legislative appropriations within departments for expenditures of like purpose.

C. OVEREXPENDITURES

Expenditures are determined using the modified 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 exists 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. If the controller restricts the subsequent year appropriation, the agency is required to seek a supplemental appropriation from the General Assembly or reduce their subsequent year's expenditures.

Overexpenditures existing at June 30, 1996, for which the controller has restricted a future appropriation are:

- The Division of Wildlife overexpended a grant from the Great Outdoors Colorado Trust Fund in the amount of \$93,316. The controller will restrict the full amount of the overexpenditure.
- The Division of Wildlife also overexpended their federally funded capital construction when they corrected the over accrual of federal revenues in prior years. This has resulted in a deficit fund balance of \$40,174 in the division's portion of the Special Capital Construction Fund. The controller will restrict the full amount of the deficit.

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- The vehicle ignition interlock program began in Fiscal Year 1995-96 in the Department of Public Health and Environment. The department incurred \$10,830 in expenditures but no revenues were collected by the Department of Revenue during the year for this program. The controller will restrict the full amount of this overexpenditure.

Overexpenditures existing at June 30, 1996, for which the state controller will not restrict a future appropriation are:

- The Cervidae Disease Revolving Fund, newly authorized by statute, requires the Department of Agriculture to indemnify owners of alternative livestock cervidae when that livestock is destroyed by order of the state veterinarian. The statute authorizes the Department to borrow \$60,000 each from the Controlled Maintenance Trust Fund and the Wildlife Fund. The Cervidae Fund had a deficit of \$53,570 at year-end, but since the fund is not over its borrowing limit the controller will not restrict any future appropriation.
- Lamar Community College's appropriated auxiliary operations had a deficit fund balance of \$94,368 at year-end. The deficit occurred because actual student occupancy in the residence halls was lower than projected. The controller will not restrict the college's appropriation since a plan is in place to eliminate the deficit by the end of Fiscal Year 1996-97.
- The Lowry Education Center is a new facility operated by the State Board of Community Colleges and Occupational Education on a closed military base. Expenses at the new facility exceeded revenues by \$245,061 resulting in a deficit fund balance of that amount. The controller will not restrict future appropriations since the center is a non-appropriated activity and a plan is in place to eliminate the deficit.
- The alcohol driver safety program in the Department of Human Services ended the fiscal year with a deficit fund balance of \$106,860. The controller will not restrict the future appropriation since the deficit in this program was reduced by \$175,220 from the previous year and a plan is in place to eliminate the deficit.
- The cash program of the Geological Survey Division in the Department of Natural Resources received less cash revenue from other state agencies than it had anticipated, resulting in the overexpenditure of \$21,809. However, since total revenues of the program were sufficient to cover all expenditures, the controller will not restrict the future appropriation.

- The Board of Land Commissioners in the Department of Natural Resources had a one-time expenditure for fees related to a study of the disposition of the Wheat Ridge Regional Center. This resulted in a deficit fund balance of \$61,620 in their expendable trust fund. The controller will place no restrictions on the fund since it is not legislatively appropriated. Future revenues should be sufficient to cover the deficit.

- The Supplier Data Base Fund administered by the Department of Personnel had a deficit fund balance of \$206,085 at fiscal year-end. The controller will not restrict any future appropriation since the deficit relates to start-up costs of the program, the deficit was reduced by \$34,421 during Fiscal Year 1995-96, and a plan is in place to eliminate the deficit within five years.

- Various line item appropriations in the Department of Personnel, specifically involving the General Government Computer Center, Central Services, Print and Graphics Shops, and the Microfilm Unit, were overexpended \$236,762. Because the appropriations and revenues in total of each of these programs was sufficient to cover all program expenditures the controller will not restrict future appropriations.

- The Department of Public Safety overexpended several lines in operating expenses because prior to Fiscal Year 1995-96 it had netted revenues received from some sales of goods or services against its expenditures. In Fiscal Year 1995-96 it had \$767,124 of revenues that would have been netted against expenditures if the department had accounted for them in the previous manner. However, the department did not have sufficient budget authority in Fiscal Year 1995-96 for expenditures that these revenues would have been netted against. The controller will not restrict future appropriations as the department will report these revenues in future years and has requested additional budget authority in Fiscal Year 1996-97.

As provided by statute, CRS 24-75-109, there is unlimited authority for Medicaid overexpenditures. The Department of Human Services is allowed \$1 million in overexpenditures not related to Medicaid and unlimited overexpenditures for self-insurance of its worker's compensation plan. An additional \$1 million overexpenditure is allowed for the Judicial Branch. Statute also allows overexpenditures up to \$1 million in total for the remainder of the executive branch.

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 are 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 are applied to the state as a whole, not to each individual department or agency of the state. Annual revenues in excess of the constitutional limitation must be refunded, unless voters approve otherwise.

A separately issued audited report of TABOR computations for Fiscal Year 1995-96 will be available from the State Controller's Office in 1997.

E. BUDGET TO GAAP RECONCILIATION

The *Combined Statement of Revenues, Expenditures/Expenses, and Changes in Fund Balances/Equity, Budget and Actual - All Budgeted Funds* compares those revenues and expenditures which are legislatively appropriated or otherwise legally authorized. College and university funds, with the exception of the state appropriated portion of the unrestricted and restricted current funds, are excluded from this statement.

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 shown as "GAAP Expenditures Not Budgeted" on the *Combined Statement of Revenues, Expenditures/Expenses, and Changes in Fund Balances/Equity, Budget and Actual - All Budgeted Funds*.

(DOLLARS IN THOUSANDS)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
BUDGETARY BASIS:				
Revenues and Transfers-In:				
General Funded	\$ 4,268,732	\$ -	\$ -	\$ 332,429
Cash Funded	2,094,207	1,247,644	31,468	24,119
Federally Funded	1,857,759	274,235	-	6,590
Sub-Total Revenues and Transfers-In	8,220,698	1,521,879	31,468	363,138
Expenditures/Expenses and Transfers-Out				
General Funded	4,390,452	-	-	168,477
Cash Funded	2,075,979	1,199,486	31,003	20,974
Federally Funded	1,860,420	274,217	-	6,420
Expenditures/Expenses and Transfers-Out	8,326,851	1,473,703	31,003	195,871
Excess of Revenues and Transfers-In Over (Under) Expenditures and Transfers-Out	(106,153)	48,176	465	167,267
FUND BALANCE, JULY 1 - GAAP BASIS	747,473	458,412	3,122	379,569
Add: Budgeted Non-GAAP Expenditures	675	25,699	-	-
Increase/(Decrease) for GAAP Expenditures Not Budgeted	106,613	(6,808)	-	7,740
(Increase)/Decrease for GAAP Revenues Adjustments	(108,423)	5,582	-	(8,298)
Increase (Decrease) in Non-Budgeted Funds	10	-	-	-
Prior Period Adjustments	-	4,379	-	-
FUND BALANCE, JUNE 30 - GAAP BASIS	\$ 640,195	\$ 535,440	\$ 3,587	\$ 546,278

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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 as "Budgeted Non-GAAP Expenditures." Some transactions considered revenues for budgetary purposes, such as intrafund sales, are not revenues on a GAAP basis. These are shown as "GAAP Revenue Adjustments." The inclusion of these revenues and expenditures in the *Combined Statement of Revenues, Expenditures/Expenses, and Changes in Fund Balances/-*

Equity, Budget and Actual - All Budgeted Funds is necessary to reconcile fund balance.

A reconciliation of the *Combined Statement of Revenues, Expenditures/Expenses, and Changes in Fund Balances/- Equity, Budget and Actual - All Budgeted Funds* to the fund balances of the GAAP fund types follows:

<u>PROPRIETARY FUND TYPES</u>		<u>FIDUCIARY FUND TYPES</u>	<u>ACCOUNT GROUPS</u>			<u>TOTAL PRIMARY GOVERNMENT</u>
ENTERPRISE	INTERNAL SERVICE	TRUST & AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	COLLEGE AND UNIVERSITY FUNDS	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,601,161
399,745	165,472	582,878	-	-	1,086,287	5,631,820
57,120	-	17,085	-	-	-	2,212,789
456,865	165,472	599,963	-	-	1,086,287	12,445,770
-	-	-	-	-	-	4,558,929
388,772	164,478	325,446	-	-	1,078,613	5,284,751
50,205	-	16,841	-	-	-	2,208,103
438,977	164,478	342,287	-	-	1,078,613	12,051,783
17,888	994	257,676	-	-	7,674	393,987
72,011	36,403	872,425	1,039,152	-	2,222,076	5,830,643
1,096	1,808	31	-	-	-	29,309
(14,144)	(97,994)	(2,310)	-	-	(1)	(6,904)
-	93,558	-	-	-	2	(17,579)
-	-	-	209,233	-	207,902	417,145
-	-	-	-	-	-	4,379
\$ 76,851	\$ 34,769	\$ 1,127,822	\$ 1,248,385	\$ -	\$ 2,437,653	\$ 6,650,980

NOTE III. OTHER ACCOUNTING DISCLOSURES

A. CASH, POOLED CASH, AND CASH EQUIVALENTS

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. 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 CRS 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 and certificates of deposits for various purposes at locations throughout the state. Cash balances not required for immediate use are deposited either through the investment pool administered by the state treasurer or by the fund custodians.

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, 1996 the state had cash balances in all funds with a carrying value of \$709.7 million. The bank balances of these funds are categorized by risk as follows:

Risk Category	Bank Balance June 30
1	\$ 567,250,183
2	156,109,902
3	225,145
TOTAL	<u>\$ 723,585,230</u>

The Cash and Cash Equivalents line on the financial statements includes \$2,209.3 million of claims of the state's funds in the treasurer's pooled cash. At June 30, 1996, the treasurer had invested \$2,152.3 million of the pool with the balance in demand deposits and certificates of deposit.

B. NONCASH TRANSACTIONS IN THE PROPRIETARY FUND TYPES

In the proprietary fund types there are several noncash transactions that are not disclosed on the *Combined Statement of Cash Flows, All Proprietary Fund Types and Similar Trust Funds and Discretely Presented Component Units*. They are:

- The state nursing homes, an enterprise activity, received \$72,582 of fixed assets contributed by the Regular Capital Construction Fund.
- Correctional industries, an enterprise activity, purchased \$1,536,046 of fixed assets through capital leases.
- Central services, an internal service activity, purchased \$12,746,721 of fixed assets through capital leases.
- Telecommunications, an internal service activity, received \$798,000 of fixed assets funded by the Regular Capital Construction Fund.

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- The Highway Fund, an internal service activity, transferred \$80,843,870 of fixed assets to the General Fixed Asset Account Group.
- The risk management activity was transferred from an internal service fund to a restricted general fund (see Note III-L). Thus, \$93,577,245 of liabilities were transferred to the General Long-Term Debt Account Group, \$12,095 of fixed assets were transferred to the General Fixed Asset Account Group, and \$293,410 of net assets were transferred to the General Fund. These were all noncash transactions.

Component Units

In the component units there are several noncash transactions that are not disclosed on the *Combined Statement of Cash Flows, All Proprietary Fund Types and Similar Trust Funds and Discretely Presented Component Units*. They are:

- The Denver Metropolitan Major League Baseball Stadium District purchased \$6,500,417 of fixed assets through a capital lease.
- The Colorado State Fair Authority purchased \$525,000 of fixed assets through a capital lease.
- The Colorado Uninsurable Health Insurance Plan reported \$2,149 of cash from the sale of nonadmitted assets. This amount is reflected in the *Combined Statement of Revenues, Expenses, and Changes in Fund Equity, All Proprietary Fund Types and Similar Trust Funds, and Discretely Presented Component Units* as a revenue and as an other fund balance adjustment since the *Combined Balance Sheet, All Fund Types and Account Groups*, does not include the nonadmitted assets of the Plan.

C. RECEIVABLES

Primary Government

The taxes receivable of \$643.1 million results from the recording of self-assessed taxes on the modified accrual basis. The other receivables of \$257.6 million are net of a deduction of \$116.2 million in allowance for doubtful accounts.

The General Assembly authorized the Colorado State Fair Authority, a component unit of the state, to solicit a working capital loan. In March 1996, the state treasurer loaned the authority \$932,000 at 8.25 percent for eight months. The loan is reflected in the General Fund.

Component Units

The Colorado Water Resources and Power Development Authority had loans receivable of \$201.6 million and \$181.6 million at December 31, 1995 and 1994, respectively. During 1995 they made new loans of \$28.6 million and canceled, or received repayments for existing loans of \$8.6 million.

D. INTERFUND BALANCES

Individual fund interfund receivable and payable balances at June 30, 1996 are:

(Amounts in Thousands)

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 29,778	\$ 19,377
Special Revenue Funds		
Highway	3,683	667
Wildlife	1,252	3
Gaming	5,471	23,745
Water Projects	189	-
Capital Projects Funds		
Regular Capital Construction	4,327	3,540
Special Capital Construction	-	396
Enterprise Funds		
State Lottery	-	12,419
State Nursing Homes	-	540
Prison Canteens	17	-
Correctional Industries	3	93
Other Enterprise Activities	225	-
Internal Service Funds		
Central Services	25	3,278
Highways	11	-
Administrative Hearings	8	-
Expendable Trust Funds	16,017	3,261
Nonexpendable Trust Funds	130	1
Agency Funds	3,544	2,907
College and University Funds	24,470	18,923
TOTALS	\$ 89,150	\$ 89,150

E. INVENTORY

Inventories of \$77.7 million in the General Fund at June 30, 1996, consisted of \$7.0 million in consumable inventories, and \$70.7 million in food stamps received from the federal government and offset by an equal amount in deferred revenue.

F. INVESTMENTS

Primary Government

The state holds investments both for its own benefit and as an agent for other specified entities as provided by law. Investment of funds not required for immediate payments are administered by the authorized custodian of the funds or pooled and administered by the state treasurer.

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

Investments not categorized as to risk are reverse repurchase agreements and mutual funds for which ownership is not evidenced by securities, and thus, cannot be categorized as to custodial risk.

The following table lists the state's investments by type and risk category:

(Amounts in Thousands)

Type of Investment	Risk Category			Carrying Amount	Market Value
	A	B	C		
U.S. Government Securities	\$ 1,733,605	\$ 9,942	\$ 35,767	\$ 1,779,314	\$ 1,793,453
Bankers' Acceptance	149,042	-	-	149,042	148,968
Commercial Paper	365,555	-	1,025	366,580	366,429
Corporate Bonds	98,692	-	48	98,740	97,133
Corporate Securities	10,298	1,360	4,635	16,293	17,217
Repurchase Agreements	169,814	-	190	170,004	170,179
Asset Backed Securities	590,831	-	-	590,831	587,412
Mortgages	298,495	-	-	298,495	304,476
Other	3,391	15	-	3,406	3,300
Subtotal	<u>\$ 3,419,723</u>	<u>\$ 11,317</u>	<u>\$ 41,665</u>	3,472,705	3,488,567
Uncategorized				545,374	550,141
TOTALS				<u>\$ 4,018,079</u>	<u>\$ 4,038,708</u>

State statutes permit the state treasurer to enter into reverse repurchase agreements. It is the policy of the treasurer to match maturities of the investments made with the proceeds of the reverse repurchase agreements to the repurchase agreements.

During the year the treasurer made reverse repurchase agreement transactions totaling \$2.39 billion. Interest charged or accrued on June 30, 1996, for these reverse repurchase agreements was \$4,622,754. Due to arbitrage the treasurer had realized or accrued interest income on

June 30, 1996 of \$4,712,437 resulting in a net gain of \$89,683 at fiscal year end.

At June 30, 1996 the treasurer had reverse repurchase agreements outstanding of \$153,917,900 which includes an additional \$121,713 in interest payable. The proceeds of these agreements were reinvested in matching maturities which will net the state an additional \$124,076 interest earnings, resulting in a gain of \$2,365 at maturity.

Outstanding reverse repurchase agreements at June 30, 1996 were:

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- \$9,950,000 received to be repaid at 5.15 percent on July 10, 1996. The underlying securities for this transaction are \$10,000,000 in U.S. Treasury Notes maturing October 15, 1999; with a carrying value of \$10,106,542 and a market value of \$9,904,700.
- \$21,080,000 received to be repaid at 5.15 percent on July 2, 1996. The underlying securities for this transaction are \$20,000,000 in U.S. Treasury Notes maturing February 15, 2007; with a carrying value of \$19,682,677 and a market value of \$20,759,400.
- \$12,912,900 received to be repaid at 5.15 percent on July 2, 1996. The underlying securities for this transaction are \$10,725,000 in U.S. Treasury Notes maturing February 15, 2006; with a carrying value of \$10,955,764 and a market value of \$12,735,937.
- \$10,700,000 received to be repaid at 5.15 percent on July 3, 1996. The underlying securities for this transaction are \$10,000,000 in U.S. Treasury Notes maturing February 15, 2001; with a carrying value of \$10,476,069 and a market value of \$10,518,800.
- \$19,900,000 received to be repaid at 5.15 percent on July 9, 1996. The underlying securities for this transaction are \$20,000,000 in U.S. Treasury Notes maturing October 15, 1999; with a carrying value of \$20,572,230 and a market value of \$19,809,400.
- \$19,300,000 received to be repaid at 5.15 percent on July 11, 1996. The underlying securities for this transaction are \$20,000,000 in U.S. Treasury Notes maturing February 15, 2004; with a carrying value of \$19,768,428 and a market value of \$19,131,200.
- \$9,950,000 received to be repaid at 5.15 percent on July 11, 1996. The underlying securities for this transaction are \$10,000,000 in U.S. Treasury Notes maturing February 15, 2003; with a carrying value of \$9,946,343 and a market value of \$9,835,900.

- \$50,125,000 received to be repaid at 5.15 percent on July 3, 1996. The underlying securities for this transaction are \$50,000,000 in U.S. Treasury Notes maturing June 30, 1998; with a carrying value of \$48,294,476 and a market value of \$49,078,000.

The state treasurer maintains moneys in an agency fund for the Great Outdoors Colorado Program (GOCO), a related party. At June 30, 1996 the treasurer had \$45.4 million of GOCO's funds on deposit and invested. The treasurer also maintains an agency fund for the Colorado Compensation Insurance Authority (CCIA), a related party. At June 30, 1996, the treasurer had \$783.5 million of CCIA's funds on deposit and invested.

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

(Amounts in Thousands)		Carrying Amount
Footnote Amounts		\$ 709,670
Deposits		4,018,079
Investments		\$ 4,727,749
Total Balance Sheet Cash and Cash Equivalents, Investments, and Rights Under Deferred Compensation		\$ 4,727,749

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.

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

Type of Investment	Risk Category			Carrying Amount	Market Value
	A	B	C		
U.S. Government Securities	\$ 95,366	\$ -	\$ 31,241	\$ 126,607	\$ 128,462
Repurchase Agreements	-	-	35,998	35,998	35,998
Other	62,027	-	-	62,027	62,027
Subtotal	\$ 157,393	\$ -	\$ 67,239	224,632	226,487
Uncategorized				64,176	64,176
TOTALS				\$ 288,808	\$ 290,663

G. PROPERTY, PLANT AND EQUIPMENT

Primary Government

A summary of fixed assets by account groups and fund types follows:

(Amounts in Thousands)

	General Fixed Assets Account Group	Enterprise Funds	Internal Service Funds	Fiduciary Funds	College & University Funds	Totals
Land and Improvements	\$ 177,123	\$ 6,165	\$ -	\$ 7,517	\$ 131,930	\$ 322,735
Buildings and Improvements	688,155	21,476	936	-	1,261,105	1,971,672
Equipment	332,835	26,242	75,166	450	573,951	1,008,644
Library Books and Holdings	2,895	-	-	3,833	205,341	212,069
Construction in Progress	36,968	20	5,599	29	187,698	230,314
Other	10,409	58	16,978	-	740	28,185
Less: Accumulated Depreciation	-	(22,238)	(51,823)	-	(1,184)	(75,245)
Totals	\$ 1,248,385	\$ 31,723	\$ 46,856	\$ 11,829	\$ 2,359,581	\$ 3,698,374

A statement of changes in general fixed assets for the year ended June 30, 1996, is shown below:

(Amounts in Thousands)

	Beginning Balance July 1	Additions	Deductions	Net Change	Ending Balance June 30
Land and Improvements	\$ 166,208			\$ 10,915	\$ 177,123
Buildings and Improvements	671,928			16,227	688,155
Equipment	166,146			166,689	332,835
Library Books and Holdings	3,428			(533)	2,895
Construction in Progress	20,881			16,087	36,968
Other	10,561			(152)	10,409
Totals	\$ 1,039,152	\$ 312,781	\$ 103,548	\$ 209,233	\$ 1,248,385

Component Units

The Colorado State Fair Authority reported land, furniture and equipment, and leasehold improvements, net of accumulated depreciation, in the amount of \$9.1 million at December 31, 1995.

The Denver Metropolitan Baseball Stadium District reported land and improvements, buildings, and other property and equipment, net of accumulated depreciation of \$198.1 million at December 31, 1995.

At June 30, 1996, the University of Colorado Hospital Authority reported gross amounts for land, buildings and

improvements of \$128.6 million, equipment of \$73.0 million, and construction in progress of \$9.8 million. Accumulated depreciation related to these fixed assets was \$61.6 million.

In conjunction with the construction of a new patient tower, certain portions of the Hospital's original building were evaluated, in accordance with the provisions of FASB Statement No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets Disposed Of, to determine if the carrying amounts of those portions of the

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building are recoverable from future cash flows. Based on management's analysis, an impairment of \$3,893,000 was determined. For Fiscal Year 1995-96, a write-down of that amount has been included in the Hospital's expenses.

H. 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 4 percent. The loans require the entities to make a yearly payment of principal and interest (See Note III-K).

I. FUND BALANCE DEFICITS

The fund deficit of \$68.5 million in undesignated fund equity of the Special Revenue Funds is the result of the reserving of fund balance for purchase orders and long-term contracts made related to highway construction. This deficit will be funded from future proceeds of the Highway Fund.

The fund deficit of \$4.6 million in undesignated fund balance of the Current Unrestricted Fund in the College and University funds is the result of recording the liability related to compensated absences.

J. FUND EQUITY

Fund equities reserved for other specific purposes at June 30, 1996 are:

(Amounts in Thousands)

Reserved For	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Fiduciary Funds
Debt Retirement			\$ 3,587		
Special Capital Construction				\$ 20,843	
Unemployment Benefits					\$ 550,227
Public School Permanent Moneys					271,627
Water Conservation Construction		\$ 91,139			
Benefits for Injured Workers		71,519			
Controlled Maintenance Trust Fund					70,580
Wildlife, Parks and Outdoor Recreation	\$ 762	61,266			
Family Issues Cash Fund	51,715				
Energy Conservation	26,905				
Colorado Gaming Fund		26,351			
Hazardous Substances Response	21,099				
Public School Fund	14,005				
Uranium Mill Tailing Removal	12,500				
Severance Tax	9,877				11,659
Victims of Crime	1,300				11,731
Uninsurable Health Insurance Plan	11,011				
Mineral Leasing	10,467				
Economic Development Moneys	6,406				
Workers Compensation Regulation	6,391				
Secretary of State's Fees	6,211				
Old Age Pension Stabilization	5,000				
Underground Storage Tanks	4,519				
Aviation Fund	4,328				
Regulatory License and Fee Adjustment	4,064				
Domestic Water Supply Project	3,647				

(Continued)

(Continued)

(Amounts in Thousands)

Reserved For	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Fiduciary Funds
Mined Land Reclamation	1,380				3,533
Elderly Property Tax Deferral	3,326				
Distributed Data Processing		3,388			
CERCLA Recovery Fund	2,912				
Limited Gaming Impact Fund	2,886				
General Liability Fund	2,628				
Inactive Mines					2,496
Real Estate Recoveries					2,484
Drug Offenders Surcharge Fund	2,424				
Unemployment Revenue Fund	2,344				
Emergency Medical Services		2,216			
Public Employees Social Security	2,182				
Patient Benefit Fund					2,174
Disaster Emergency Fund	2,104				
Emission Control		2,069			
Supreme Court Grievance Committee					2,031
Treasurer's Escheats Fund					2,085
Public Utilities Commission High Cost Fund	1,843				
Central Indexing System	1,678				
Housing Rehabilitation Revolving Loans					1,473
Brand Inspection Fund	1,455				
Emergency Response Cash Fund	1,296				
Low Income Telephone Assistance	1,271				
Hazardous Waste Fees	1,072				
Risk Management Property Fund	981				
Art in Public Places	821				
Public Health and Environment Donations	775				
Natural Resources Foundation					767
Children's Trust Fund	723				
Other Special Purpose Programs	30,477	1,366			11,226
Totals	\$264,785	\$259,314	\$3,587	\$20,843	\$944,093

K. PRIOR PERIOD ADJUSTMENTS

Primary Government

On the *Combined Statement of Revenues, Expenditures, and Changes in Fund Balances, All Governmental Fund Types, Expendable Trust Funds, and Discretely Presented Component Units*, the fund balance of the Special Revenue Fund increased by \$4,379,321 because the method of accruing interest was changed retroactively from the fixed rate interest method to the effective interest method in the Water Conservation Projects Fund. (See Note III-H)

Component Units

The University of Colorado Hospital Authority has adopted Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities, which requires all debt securities to be recorded at fair value. The Hospital maintains only available-for-sale securities, which include any security for which the Authority has no immediate plan to sell but which may be sold in the future. Interest, dividends, and unrealized gains and losses, based on the specific identification method, are included in nonoperating income when earned. Unrealized

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gains and losses are recorded in fund balance. Fund balance decreased by \$685,000 to reflect the change in unrealized losses on available-for-sale securities for the fiscal year ended June 30, 1996. Fund balance also increased by \$24,000 for other adjustments.

L. TRANSFERS BETWEEN FUNDS

Major operating transfers between funds for the fiscal year ended June 30, 1996, were as follows:

(Amounts in Thousands)

Transfer	Amount
General Fund to Higher Education	\$ 560,282
General Fund to Regular Capital Construction	274,962
General Fund to Controlled Maintenance Fund	176,000
Capital Construction to Higher Education	71,694
Highway Fund to General Fund	36,835
Lottery Fund to Conservation Trust Fund	33,055
Capital Construction to Debt Service Fund	31,041
School Income Expendable Trust Fund to General Fund	27,562
Gaming Fund to General Fund	20,835
Capital Construction to Controlled Maintenance Fund	20,000
Capital Construction to Highway Fund	13,193
Lottery Fund to Wildlife Fund	8,264
Wildlife Fund to Regular Capital Construction Fund	7,623
Higher Education to General Fund	4,214
General Fund to Permanent Trust Lands	4,200
General Fund to Water Projects Construction Fund	3,635
Gaming Fund to Highway Fund	3,156
Highway Fund to Regular Capital Construction	2,999
Treasurer's Expendable Trust to General Fund	5,460
Wildlife Fund to General Fund	2,137
Water Projects Construction Fund to General Fund	1,895
Permanent Trust Lands to General Fund	1,559
Other	12,948
Total	\$1,323,549

In addition to the above transfers, residual equity transfers were made from the proprietary funds to the governmental funds and the General Fixed Assets Group of Accounts. Transfers were also made from the General Fixed Asset Account Group to the proprietary funds. The account groups do not have a statement of operations, and thus, matching transfers are not shown in the statements. In the proprietary funds, these are shown as "Additions (Deductions) 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 \$2,376,967. This amount comprises the following transactions:

- During Fiscal Year 1995-96 the state changed its accounting for risk management from a proprietary fund to the General Fund as required by GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues. GASB 10 requires a viable plan to fund deficits resulting from actuarially determined liabilities if an entity's risk management is to be accounted for in an internal service fund. The \$93,271,740 deficit in the Risk Management Internal Service Fund was eliminated by three separate transactions. Surplus net assets for self-insurance of property in the amount of \$293,410 were transferred from the Risk Management Internal Service Fund to the General Fund after the General Long-Term Debt Account Group assumed \$4,751 of liabilities of the fund. The General Long-Term Debt Account Group also assumed \$16,254,256 of liabilities of the internal service fund for general liability self-insurance and \$77,306,143 of liabilities for workers' compensation self-insurance.
- Upon completion of a capital construction project, the Telecommunications Internal Service Fund received \$798,420 in assets from the General Fixed Assets Account Group which were funded by the Regular Capital Construction Fund and shown as additions to contributed capital. The account group does not have an operating statement, thus there is not a corresponding transfer-out.
- During Fiscal Year 1995-96 the Department of Transportation discontinued using the Highways Internal Service Fund to account for its equipment used on projects. Thus, \$10,849,323 of cash was transferred from the internal service fund to the Highways Special Revenue Fund and \$80,843,870 of equipment was transferred to the General Fixed Assets Account Group. The account group does not have an operating statement, thus there is not a corresponding transfer-in.

The State Nursing Homes, an enterprise fund, received \$72,582 of fixed assets from the General Fixed Asset Account Group which were funded by the Regular Capital Construction Fund and shown as additions to contributed capital. The account group does not have an operating statement, thus there is not a corresponding transfer-out.

COLORADO

M. 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, and enterprises at the state's prisons.

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. In the past, net proceeds were used to support various state construction projects. In Fiscal Year 1993-94, the Great Outdoors Colorado Program

began the phased reduction of the amount of net lottery proceeds available for state construction projects.

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

Enterprise activities at the state's prisons include the sale of manufactured goods and farm products produced by convicted criminals who are incarcerated in the state's prison system.

Segment information for the enterprise funds of the state for the year ended June 30, 1996, is:

(Amounts in Thousands)

	GUARANTEED STUDENT LOAN	STATE LOTTERY	BUSINESS ENTERPRISE PROGRAM	STATE NURSING HOMES	PRISON CANTEENS	CORREC- TIONAL INDUSTRIES	OTHER ENTERPRISE ACTIVITIES	TOTALS
Operating Revenue	\$ 65,620	\$ 331,634	\$ 540	\$ 14,373	\$ 6,568	\$ 21,267	\$ 2,319	\$ 442,321
Federal Grants and Contracts	53,540	-	531	3,049	-	-	-	57,120
Depreciation	514	469	272	467	24	769	24	2,539
Operating Income	3,532	40,015	(655)	158	1,209	660	(156)	44,763
Operating Transfers-In	-	-	-	232	-	4	62	298
Transfers-(Out)	(290)	(41,665)	-	(96)	(68)	(572)	(141)	(42,832)
Net Income (Loss)	3,242	49	(106)	327	1,158	96	7	4,773
Additions to Contributed Capital	-	-	-	73	-	-	(6)	67
Working Capital	30,699	222	480	2,317	2,687	10,840	1,496	48,741
Increase in Net Property, Plant, and Equipment	(144)	347	(107)	58	(10)	1,262	(21)	1,385
Total Assets	52,619	41,097	1,252	18,907	3,614	21,880	5,730	145,099
Bonds and Other Long- Term Liabilities	567	682	30	1,291	76	1,799	67	4,512
Fund Equity	31,287	1,219	1,059	16,672	2,966	18,205	5,443	76,851

Component Units

The Colorado State Fair Authority is governed by a board of commissioners, whose members are appointed by the Governor. They are charged with producing the annual Colorado State Fair and Industrial Exposition at the fairgrounds in Pueblo.

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-

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tenth of one percent throughout this District for a period not to exceed 20 years for this purpose.

University Hospital is a nonsectarian, general acute care regional hospital 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 that are unable to obtain health insurance, or unable to obtain health insurance except at prohibitive rates or with restrictive exclusions.

The following is condensed financial information for the component units for their respective fiscal years:

DOLLARS IN THOUSANDS	PROPRIETARY FUND TYPES					FIDUCIARY
	COLORADO STATE FAIR 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	FUND TYPE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY
ASSETS:						
Current Assets	\$ 242	\$ 6,315	\$ 60,916	\$ 56,890	\$ 3,574	\$ 28,366
Investments	347	-	121,351	51,778	-	49,380
Property, Plant and Equip., net	9,090	198,075	149,933	64	-	-
Other Long-Term Assets	94	2,314	10,316	194,378	11,646	-
Total Assets	\$ 9,773	\$ 206,704	\$ 342,516	\$ 303,110	\$ 15,220	\$ 77,746
LIABILITIES:						
Current Liabilities	\$ 2,690	\$ 5,145	\$ 49,703	\$ 21,826	\$ 3,133	\$ 34,941
Capital Lease Obligations	527	6,791	-	-	-	-
Notes and Bonds Payable	3,354	111,319	137,882	182,572	-	-
Other Long-Term Liabilities	54	-	7,379	-	-	-
Total Liabilities	6,625	123,255	194,964	204,398	3,133	34,941
FUND EQUITY:						
Contributed Capital	-	386	-	57,883	-	-
Retained Earnings	3,148	83,063	-	40,829	12,087	-
Fund Balances:						
Reserved	-	-	-	-	-	42,805
Undesignated	-	-	147,552	-	-	-
Total Fund Equity	3,148	83,449	147,552	98,712	12,087	42,805
Total Liabilities and Fund Equity	\$ 9,773	\$ 206,704	\$ 342,516	\$ 303,110	\$ 15,220	\$ 77,746

(Continued)

(Continued)

DOLLARS IN THOUSANDS	PROPRIETARY FUND TYPES					FIDUCIARY
	COLORADO STATE FAIR 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	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY
OPERATING REVENUES	\$ 7,174	\$ 810	\$ 241,927	\$ 13,162	\$ 8,133	\$ 2,552
OPERATING EXPENSES:						
Depreciation	362	3,740	9,501	14	-	-
Other Operating Expenses	7,564	154	209,160	12,645	9,010	-
Total Operating Expenses	7,926	3,894	218,661	12,659	9,010	-
Operating Income/Excess (Loss)	(752)	(3,084)	23,266	503	(877)	2,552
Non-Operating Revenues and (Expenses)/Transfers:						
Taxes	-	23,622	-	-	-	-
Other	863	(5,697)	6,211	3,648	583	-
Transfers, net	-	-	-	1,506	-	(1,506)
Total Non-Operating Revenues and (Expenses)/Transfers	863	17,925	6,211	5,154	583	(1,506)
Net Income/Change in Retained Earnings	111	14,841	29,477	5,657	(294)	1,046
Fund Equity/Balance, Beg. of Year	3,037	68,608	118,736	83,656	12,379	41,759
Additions (Deductions) to:						
Contributed Capital	-	-	-	9,399	-	-
Prior Period Adjustment	-	-	(661)	-	2	-
Fund Equity/Balance, End of Year	\$ 3,148	\$ 83,449	\$ 147,552	\$ 98,712	\$ 12,087	\$ 42,805

N. 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 Year 1995-96 the university was reimbursed \$59.5 million from the foundation for salaries, insurance, and other operating costs. In addition, the foundation reimbursed the university \$621,977 for professional liability insurance and administrative costs. At June 30, 1996, the foundation owed the university \$213,289.

The Colorado State University Foundation was established to receive, manage, and invest philanthropic gifts to

Colorado State University. During Fiscal Year 1995-96, the foundation transferred \$9,913,000 to the university.

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 \$30,819,000 to the university in Fiscal Year 1995-96.

The Fort Lewis College Foundation was established to assist in promoting, developing, and enhancing the facilities and programs of the college. During Fiscal Year 1995-96 the foundation transferred \$1,476,000 to the college.

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 program's purpose is to invest money it receives from the Colorado Lottery in the wildlife and outdoor recreation resources of the state. During Fiscal Year 1995-96 the board transferred \$4,688,000 to the Department of Natural Resources. At June 30, 1996, \$275,279 was due the department from the board.

The Colorado School of Mines Foundation, Inc. was established in 1928 as a separate corporation for the purpose of benefiting the School of Mines by soliciting, collecting, and investing donations. During Fiscal Year 1995-96 the school received \$4,200,783 from the foundation.

The Colorado School of Mines Building Corporation was established in 1976 for the purpose of building a facility to house the United States Geological Survey. The Geological Survey leases the facility from the corporation. The net assets of the corporation were \$3,347,733 at June 30, 1996.

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 Year 1995-96, the state treasurer transferred \$52.1 million to the association to enhance its actuarial soundness. In addition, the treasurer also paid for the accidental death and disability insurance policy the Association provides to volunteer firefighters.

Component Units

The University of Colorado Hospital Authority has contracted with University Physicians, Inc. (UPI), a related party, for the administration of various hospital programs and for various professional laboratory services. The Hospital and UPI have also entered into other joint arrangements in furthering the missions of both organizations. Amounts of approximately \$21.0 million and \$16.5 million were paid for these programs during Fiscal Years 1995-96 and 1994-95, respectively.

The Hospital leases certain employees to the Adult Clinical Research Center (CRC), a related party, at full cost and also provides overhead and ancillary services for CRC patients. Charges of approximately \$903,000 and \$1,032,000 were billed to CRC for the cost of these services.

The Hospital also leases certain employees to the Colorado Psychiatric Hospital, a related party, and provides various clinical and administrative services. Amounts for these services charged by the Hospital were approximately \$4.8 million and \$4.5 million during Fiscal Years 1995-96 and 1994-95, 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. Both 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.

COLORADO

NOTE IV. COMMITMENTS AND CONTINGENCIES

A. CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities are summarized as follows:

Primary Government

(Amounts in Thousands)

	Governmental Fund Types	Proprietary Fund Types	Trust & Agency Funds	Long-Term Debt Accounts	College & University Funds	Totals
Beginning Balance, July 1, 1995	\$ 6,608	\$ 100,302	\$ 1,154,395	\$ 442,008	\$ 480,826	\$ 2,184,139
Obligations Issued or Assumed	-	-	-	-	65,417	65,417
Obligations Retired or Reclassified	-	(75)	-	-	(39,373)	(39,448)
Increase (Decrease) in Deposits Held	(1,877)	139	32,020	-	2,389	32,671
Increase (Decrease) in Capital Leases	-	3,865	17	(28,197)	6,602	(17,713)
Increase (Decrease) in Comp. Absences	-	240	15	2,818	3,392	6,465
Increase (Decrease) in Deferred Comp.	-	-	26,945	-	-	26,945
Increase (Decrease) in Other Liabilities						
Claimant Benefits	-	(390)	113	-	-	(277)
Tax Refunds Payable	-	-	(2,523)	-	-	(2,523)
Risk Management Claims	-	-	-	88,792	(641)	88,151
Unpaid Insurance Claims	-	(79,549)	-	(543)	-	(80,092)
Expired Warrants Liability	-	4	-	-	-	4
Labor Fund Claims	-	-	-	(13,730)	-	(13,730)
Other	(34)	-	(242)	1,940	5,708	7,372
Ending Balance June 30, 1996	\$ 4,697	\$ 24,536	\$ 1,210,740	\$ 493,088	\$ 524,320	\$ 2,257,381

Component Units

(Amounts in Thousands)

	Colorado State Fair 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	Totals
Beginning Balance	\$ 4,196	\$ 109,850	\$ 128,142	\$ 167,646	\$ -	\$ 409,834
Obligations Issued	-	-	23,500	24,525	-	48,025
Obligations Retired or Reclassified	(781)	1,469	(2,167)	(9,599)	-	(11,078)
Increase (Decrease) in Capital Leases	518	6,791	-	-	-	7,309
Increase (Decrease) in Comp. Absences	2	-	(339)	-	-	(337)
Increase (Decrease) in Other Liabilities	-	-	(3,875)	-	-	(3,875)
Ending Balance	\$ 3,935	\$ 118,110	\$ 145,261	\$ 182,572	\$ -	\$ 449,878

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B. LEASE COMMITMENTS

Primary Government

The state may enter into 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, 1996, the state had \$357.4 million of gross assets under capital leases, \$410,964 in minimum sublease rentals, and no contingent rentals outstanding.

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 sub-leasing space from the foundation. The total obligation is

\$2,608,000, with average annual lease payments of \$382,000. Colorado State University is also sub-leasing space from the foundation. The total obligation is \$5,244,000, with average annual lease payments of \$747,000.

The university is also leasing equipment from the foundation and has a total lease obligation of \$578,000 with terms ranging from one to five years.

The state is obligated under certain leases which are accounted 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 the Fiscal Year 1995-96 the state had building and land rental expenditures of \$24.2 million and equipment and vehicle rental expenditures of \$28.7 million paid to non-state agencies.

Future minimum payments at June 30, 1996, 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
1997	\$ 24,776	\$ 444	\$ 7,773	\$ 6	\$ 38,513	\$ 16,815
1998	20,342	444	6,360	6	31,218	14,700
1999	18,122	444	5,439	6	14,689	14,306
2000	15,267	444	4,751	6	3,604	14,194
2001	12,868	333	3,636	2	3,616	15,097
Thereafter	53,960	-	1,960	-	13,671	60,851
Total Minimum Lease Payments	\$ 145,335	2,109	29,919	26	105,311	135,963
Less: Imputed Interest		(573)	(5,415)	(5)	(16,959)	(42,702)
Present Value of Minimum Lease Payments		1,536	24,504	21	88,352	93,261
Less: Current Portion		(248)	(6,425)	(1)	-	(9,628)
Total Capital Lease Obligations		\$ 1,288	\$ 18,079	\$ 20	\$ 88,352	\$ 83,633

COLORADO

Component Units

The University of Colorado Hospital Authority leases certain equipment under non-cancelable operating leases. Rental expense for operating leases approximated \$6,257,000 and \$6,532,000 for Fiscal Years 1995-96 and 1994-95, respectively, for the Hospital. Future minimum lease payments for these leases at June 30, 1995 are:

Fiscal Year	Amounts in Thousands
1997	\$ 3,756
1998	1,391
1999	910
2000	585
2001	350
Thereafter	9,679
Total Minimum Obligations	<u>\$16,671</u>

The Colorado State Fair Authority leases real estate and buildings known as the Colorado State Fairgrounds from the state, for an annual payment of \$10. Provisions of the lease provide that it shall continue in existence and automatically be renewed for as long as the State Fair is held thereon.

The Authority has other assets under capitalized leases with a total cost of \$581,167. Future minimum lease payments for these leases at December 31, 1995 are:

Fiscal Year	Amounts in Thousands
1996	\$ 93
1997	92
1998	89
1999	86
2000	82
Thereafter	389
Future Minimum Payments	831
Less: Imputed Interest	(269)
Present Value of Minimum Lease Payments	562
Less: Current Portion	(35)
Total Capital Lease Obligation	<u>\$ 527</u>

The Denver Metropolitan Major League Baseball Stadium District entered into a lease agreement in November 1994 to purchase seating, elevators, and escalators for the stadium. The economic substance of the lease is that the District is financing the purchase of the property. Disclosure of its future minimum lease payments is included with the District's notes and bonds payable.

C. 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 1995-96, the state had \$100.4 million of available net revenue after operating expenses to meet the \$27.3 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, 1996, or subsequent to that date.

The state recorded \$45.1 million of interest costs of which approximately \$5.0 million was for certificates of participation for capital financing, \$14.3 million was for short-term borrowings by the treasurer, \$6.9 million was for the Guaranteed Student Loan Program, \$17.0 million was for debt issued by various institutions of higher education, and \$1.9 million of operating interest.

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Annual maturities of notes and bonds payable, including \$1.6 million classified as other current liabilities and

excluding \$3.8 million of unamortized bond discounts and premiums, are as follows:

(Amounts in Thousands)

Fiscal Year	Revenue Bonds	Anticipation Warrants	Mortgages Payable	Installment Notes	Total
1997	\$ 29,551	\$ 121	\$ 50	\$ 41	\$ 29,763
1998	30,641	125	50	7	30,823
1999	30,770	123	50	-	30,943
2000	30,762	126	50	-	30,938
2001	44,155	128	50	-	44,333
2002-2006	135,038	130	250	-	135,418
2007-2011	117,811	-	150	-	117,961
2012-2016	66,599	-	-	-	66,599
2017-2021	20,110	-	-	-	20,110
2022-2026	1,919	-	-	-	1,919
Total Future Payments	507,356	753	650	48	508,807
Less: Imputed Interest	(194,606)	(173)	(180)	(2)	(194,961)
Total Principal Payments	\$ 312,750	\$ 580	\$ 470	\$ 46	\$ 313,846

Component Units

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.

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 and Series 1989A and Series 1990A State Match 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 debt service requirements to maturity for the Water Resources and Power Development Authority and the capital lease and debt service requirements for the Baseball Stadium District at December 31, 1995 are:

(Amounts in Thousands)

Year	Denver Metropolitan Major League Baseball Stadium District	Colorado Water Resources and Power Development Authority
1996	\$ 16,768	\$ 18,569
1997	16,767	18,867
1998	16,766	18,961
1999	16,770	19,151
2000	16,768	18,971
Thereafter	82,309	218,121
Total Future Payments	166,148	312,640
Less: Imputed Interest	(36,892)	(121,540)
Total Principal Payments	\$ 129,256	\$ 191,100

COLORADO

In connection with the State Fair Authority's issuance of various series of revenue bonds, the authority has restricted certain assets and established various bond sinking funds. However, at December 31, 1995 the Authority was not in compliance with the debt service coverage ratio required in its debt agreement. In addition, as of March 1, 1996, the authority was in default on payments of its 1994-B Term Note to Colorado National Bank.

The aggregate maturities of capital leases and long-term debt for the State Fair Authority at December 31, 1995 are:

(Amounts in Thousands)

Year	Colorado State Fair Authority
1996	\$ 1,170
1997	1,240
1998	140
1999	148
2000	154
Thereafter	2,199
TOTAL	\$ 5,051

During Fiscal Year 1995-96 the University of Colorado Hospital Authority met all the financial ratio requirements

of its bond indenture. In addition, the Hospital maintained the required minimum balance in its reserve fund to service the debt.

The aggregate maturities of long-term debt for University Hospital at June 30, 1996 are:

(Amounts in Thousands)

Year	University of Colorado Hospital Authority
1997	\$ 1,942
1998	2,327
1999	2,510
2000	2,615
2001	2,730
Thereafter	128,581
TOTAL	\$ 140,705

Total interest cost for the Hospital in Fiscal Year 1995-96 was \$7,384,000, of which \$6,062,000, net of interest income of \$2,270,000, was capitalized in property and equipment. Total interest cost incurred in Fiscal Year 1994-95 was \$7,367,000, of which \$6,062,000, net of interest income of \$4,487,000, was capitalized.

D. OTHER LONG-TERM LIABILITIES

The following obligations, listed by fund type, represent amounts owed by the state at June 30, 1996, which are classified as other long-term liabilities on the balance sheet:

(Amounts in Thousands)

	General Fund	Proprietary Funds	Trust & Agency Funds	Long-Term Debt Accounts	College & University Funds	Totals
Claimant Benefits	\$ -	\$ -	\$ 113	\$ -	\$ -	\$ 113
Tax Refunds Payable	-	-	8,209	-	-	8,209
Risk Management Claims	-	-	-	88,792	39,758	128,550
Unpaid Insurance Claims	-	701	-	2,375	-	3,076
Expired Warrant Liability	-	98	-	-	-	98
Labor Fund Claims	-	-	-	207,550	-	207,550
Other	284	-	1,184	9,415	3,134	14,017
TOTAL	\$ 284	\$ 799	\$ 9,506	\$ 308,132	\$ 42,892	\$ 361,613

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Tax Refunds Payable in the fiduciary funds are bonds posted by taxpayers concerning the collections of gross-ton-mile and fuel tax, and a one-time repayment of severance taxes collected over several years.

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 and expected claims under the Paid Loss/Retro Plan for workers' compensation. The Risk Management Claims in the College and University Funds are for the University of Colorado's self-insurance program for general liability, property, workers' compensation, medical benefits, and medical malpractice.

The Unpaid Insurance Claims in the Long-Term Debt Account Group are for the Department of Human Services workers' compensation self-insurance.

Expired Warrants Liability 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.

The amount shown as Other in the Long-Term Debt Account Group is primarily the amount owed to the City of Colorado Springs. The city advanced the state funds for highway construction. The portion of the advance accrued in the current year was recorded as an advance from public or private sources in the other financing section of the *Combined Statement Of Revenues, Expenditures, And Changes In Fund Balances, All Governmental Fund Types And Expendable Trust Funds*.

Long-term liabilities against 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.

E. 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. During Fiscal Year 1995-96, debt was defeased in the College and University Plant Funds.

During Fiscal Year 1995-96 the University of Colorado advanced refunded \$32,150,000 of debt by depositing with an escrow agent \$32,940,000 of proceeds from new debt. The retired debt included the following bond instruments:

Student Facilities – Series 1986, Student Recreation Center – Series 1989, Auxiliary Facilities System – Series 1990 issue, and Auxiliary Facilities System – Series 1992B issue. The new debt had interest rates ranging from 3.8% to 5.375%, and terms from 14 to 19 years. The old debt had interest rates from 4.5% to 8.75%, and terms from 14 to 20 years. The university recorded an accounting gain of \$2,150,000, an economic gain of \$1,988,184, and a decrease of \$5,384,725 in the cash flows necessary to service the debt to maturity.

The University of Colorado also advanced refunded \$10,860,000 of debt by depositing with an escrow agent \$11,055,000 of proceeds from new debt. The retired debt included their Research Revolving Fund Revenue – Series 1986 issue and their Research Revolving Fund Revenue – Series 1990 issue. The new debt had interest rates ranging from 3.9% to 6.0%, and terms from 9 to 14 years. The old debt had interest rates from 6.5% to 9.0%, and terms from 11 to 15 years. The university recorded an accounting gain of \$1,108,822, an economic gain of \$791,501, and a decrease of \$2,307,920 in the cash flows necessary to service the debt to maturity.

The Auraria Higher Education Center advanced refunded \$16,305,000 of debt by depositing with an escrow agent \$18,030,000 of proceeds from new debt. The retired debt included their Student Fee Revenue Bonds – Series 1989, Series 1991B, and Series 1992. The new debt has terms up to 25 years. Auraria recognized an accounting loss of \$1,310,264, an economic gain of \$537,323, and an increase in cash flows necessary to service the debt to maturity of \$5,937,026.

The balances of outstanding debt at June 30, 1996, which have been placed in escrow type accounts with paying agents are as follows:

(Amounts in Thousands)

University of Colorado	\$60,915
Auraria Higher Education Center	38,030
Colorado State University	23,373
Department of Personnel	15,270
Western State College	12,975
University of Northern Colorado	11,060
Fort Lewis College	5,252
School of Mines	5,155
University of Southern Colorado	4,605
Mesa State College	2,920
Adams State College	1,610
Arapahoe Community College	<u>495</u>
TOTAL	\$181,660

Component Units

The Denver Metropolitan Major League Baseball Stadium District had total debt service, including principal and interest, remaining for its defeased debt of \$128,561,000 at December 31, 1995, assuming no early redemption.

The Colorado Water Resources and Power Development Authority had \$14,745,000 of bonds previously issued but defeased at December 31, 1995.

F. RISK MANAGEMENT

Primary Government

The state currently self-insures its agencies, officials, and employees for the risks of losses to which they are exposed. That includes general liability, motor vehicle liability, worker's compensation, and medical claims. 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's and official's medical claims. Property claims are not self-insured, rather the state has purchased insurance.

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 utilizes 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.

The Regents of the University of Colorado are self-insured for worker's compensation, auto, general and property liability, and official's and employee's medical claims. The university's medical claims are handled by a third party through a contractual agreement. The university has also purchased stop-loss insurance for individual medical claims in excess of \$500,000.

The University of Colorado Health Sciences Center's Housestaff Health Benefits Plan is a self-insurance health benefits program for physicians in training at the Health Sciences Center. The Center also self-insures its faculty, staff and students for medical malpractice through the University of Colorado Self Insurance Risk Management Trust. Excess risk exposure is handled through the purchase of stop-loss insurance for individual medical claims in excess of \$80,000 per year and an aggregate of \$3,036,600 for the entire plan. The discounted liability for malpractice is determined annually by an actuarial study.

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 reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

The Department of Human Services previously managed its own risks related to workers' compensation, but is now covered under the Risk Management Fund. However, claims are still paid by Human Services Workers' Compensation Plan.

During Fiscal Years 1994-95 and 1995-96 the claims against the State Employees and Officials Insurance Fund exceeded the premiums collected. This resulted in decreases in the medical reserve fund equity of approximately \$3 million and \$2.1 million, respectively. The fund includes several medical plan options ranging from provider of choice to managed care. In Fiscal Year 1995-96 the enrollment in two of the most expensive plans, those with the highest level of benefits due to the option of using out-of-network providers, decreased while the claims expense increased.

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.

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Changes in the balances of 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				
1995-96	\$ 19,764	\$ 3,699	\$ 2,787	\$ 20,676
1994-95	13,128	9,428	2,792	19,764
Workers' Compensation				
1995-96	84,612	19,664	21,074	83,202
1994-95	52,806	60,027	28,221	84,612
Employee's and Officials Insurance Fund:				
1995-96	9,160	56,753	56,713	9,200
1994-95	7,560	53,802	52,202	9,160
1993-94	6,895	41,562	40,897	7,560
University of Colorado:				
General Liability, Property, and Workers' Compensation				
1995-96	16,365	9,591	7,590	18,366
1994-95	13,952	8,564	6,151	16,365
Medical Benefits Plan				
1995-96	15,008	22,611	24,127	13,492
1994-95	12,495	25,303	22,790	15,008
Univ. of Colorado Health Sciences Center:				
Medical Malpractice				
1995-96	8,478	(166)	885	7,427
1994-95	10,256	(923)	855	8,478
Housestaff Health Benefits				
1995-96	548	2,193	2,268	473
1994-95	534	2,757	2,743	548
Department of Human Services:				
Workers' Compensation				
1995-96	2,918	-	543	2,375
1994-95	3,507	-	589	2,918

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. The hospital has established an additional self-insurance trust fund for uninsured losses,

funding of which is determined by an independent actuarial computation. At June 30, 1996 and 1995, the hospital's trust fund had investments of \$440,000 and \$511,000, respectively. The charge to expense for actual or potential self-insurance claims related to the additional

self-insurance trust fund was \$-0- during the years ended June 30, 1996 and 1995.

The hospital purchases insurance coverage from the University of Colorado Intergovernmental Pool for workers' compensation, property crime, auto and general liability. Amounts paid for such coverage were \$1,905,000 and \$2,383,000 for Fiscal Years 1995-96 and 1994-95, respectively.

G. CONTINGENCIES

Primary Government

Most claims against the state are limited by the Colorado Governmental Immunity Act which 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 enter into various 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

expenditures. The state is contesting the disallowances related to such audits, and the outcome is uncertain at this time. The Department of Human Services and the Department of Health Care Policy and Financing have several such claims filed against them. These claims are at various levels of adjudication or settlement negotiations. At June 30, 1996, these claims were in excess of \$19 million.

The Colorado Student Loan Program, in the event of adverse loss experience, could be liable for approximately 22% of the outstanding balance of loans in repayment status. At June 30, 1996, the amount of potential loss to the Student Loan Program was approximately \$412 million, however, the probability of a material loss is remote.

The U.S. Environmental Protection Agency has sued the Colorado School of Mines, as well as numerous other parties, under CERCLA. The suit has arisen because of costs associated with the cleanup of hazardous substances at several sites owned by the School. The level of remediation of the sites and the costs associated with the cleanup are unknown at this time, as is the apportionment of the potential liability. The School of Mines has agreed to remediate the Creekside site, and low-level waste products have already been removed and disposed of. The School believes that its final liability will not materially affect its continued operations.

Several corporations have filed administrative income tax refund claims for taxes previously paid because other corporations have sued another state with similar tax statutes. A decision is pending in the U.S. courts regarding the statutes in the other state. At this time Colorado has not been sued and if sued will vigorously defend its position. If the corporations were to prevail in court, which is remote, the state would have to refund an additional \$10.5 million of taxes already collected.

The Tivolino Teller House is seeking a refund of gaming taxes paid. Jurisdiction has been accepted by the Colorado Supreme Court. Although the plaintiff is only seeking \$42,000 plus interest, an adverse decision will impact the Gaming Fund significantly, as the entire industry will likely seek refunds of taxes paid, plus fewer taxes will be paid in the future. Presently, the decision of the Gaming Commission in ordering the collection and payment of the disputed taxes remains affirmed.

At June 30, 1996, the Lottery Division of the Department of Revenue had outstanding annuities of approximately \$628.2 million in the name of lottery or lotto prize winners. The probability that any of the sellers of these annuity contracts will default and that the state will have to pay the annuity itself is remote.

In Fiscal Year 1987-88, the state implemented the Unclaimed Property Program. Property meeting the criteria for dormancy is transferred to the Treasury Department. Since the owner's claim to this property never expires, title to the property does not revert to the state. The state records a liability based on the history of the claims against the program.

Various notes and bonds have been issued by state school districts which 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 and shall 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 \$1.9 billion are outstanding. Of this amount, \$850 million is covered by private insurance.

The Department of Natural Resources and the Department of Public Health and Environment have been sued by owners of the Summitville mine, who are liable under CERCLA for clean-up costs at the site, claiming that the state was negligent in its over-sight. The trial court granted the state's motion to dismiss with prejudice. Plaintiffs have appealed the decision to the Colorado Court of Appeals. Total cleanup costs under CERCLA will probably exceed \$100 million.

The state's Department of Transportation is in the process of remediating its underground fuel storage tanks. It has been estimated by the department that its future costs will be approximately \$20 million and that the process will not be completed until the year 2005.

The state's Underground Storage Tank Advisory Committee has rejected the reimbursement for the clean-up of petroleum leaks discovered prior to December 22, 1988. Diamond Shamrock has sued the state for approximately \$3 million of such unreimbursed costs. The state received an adverse ruling from the district court and has appealed. Whatever the outcome, the state cannot be held liable for any amount of money over what is available in the Underground Storage Tank Fund.

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. The case is now before a special master to decide the appropriate remedy. There has been a quantification of the amount of injury, in water, through 1985, but the amount after 1985 is still in dispute. Colorado and Kansas disagree about whether Kansas should be repaid in money or water. However, the state believes that the

liability will not exceed \$50 million even though Kansas has not claimed a specific dollar amount.

The United States of America has asserted 96 counts or claims for damages against the Colorado National Guard for filing 119 false reports regarding approximately 115 unauthorized flights between 1981 and 1983. The United States seeks \$10 million from the state under the False Claims Act and federal common law. The case is now in discovery and trial could be set for fall of 1997.

The state has been sued in connection with a land transfer from the Department of Natural Resources to the Department of Corrections for expansion of the Rifle Correctional Center. The plaintiffs claim that county zoning and planning review is required, the Department of Natural Resources has not complied with statutory requirements in connection with the transfer, and that a fishing stream protection review by the Wildlife Commission is also required. The state has filed motions to dismiss which are pending.

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.

Component Units

In June, 1994, the Office of Inspector General of the U.S. Department of Health and Human Services issued a subpoena to the University of Colorado Hospital Authority and at least 135 other hospitals across the country in connection with an investigation concerning the possible submission of improper or false claims to the Medicare and Medicaid programs. The hospital intends to comply fully with the Inspector General's subpoena and avail itself of all possible defenses under the law. Management is unable to predict the outcome of the investigation, but it does believe the ultimate resolution will not have a material adverse effect upon the financial position or results of operations of the Authority.

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 at retirement or in case of death or disability. The state has chosen to early implement GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, since the plan administrator has early implemented GASB Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans.

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 includes the State Division Trust Fund (established in 1931), the School Division and the Municipal Division Trust Funds (both established in 1944), and the Judicial Division Trust Fund (established in 1949). 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.

Vesting and Termination

State employees are vested after five years of service for which PERA contributions are made. Employees who terminate before becoming vested are refunded their contributions made to the plan plus interest. Employees terminating after vesting may, if they desire, remain in the plan until eligible for retirement. Those withdrawing from the plan receive their contributions, interest on their contributions, plus an additional 25 percent of their contribution and interest. This terminates their individual accounts. The interest rate paid is set at 80 percent of the PERA actuarial investment assumption rate.

Defined Retirement Benefits

Plan members are eligible for retirement benefits at age 55 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 age 50 with 25 years of service. Monthly benefits are calculated as a percentage of highest average salary (HAS). HAS is one-twelfth of the average of

the highest salaries on which contributions were paid, associated with three periods of 12 consecutive months of service credit.

Service retirement benefits during Fiscal Year 1995-96, were calculated at 2.5 percent of HAS for each year of service through 20 years, and 1.5 percent of HAS for each year over 20 years up to the maximum allowed by federal law.

Reduced service retirement benefits are available at age 55 with 20 years of service, or at age 60 with five years of service credit. The benefit is calculated the same as a service retirement benefit, then reduced by 0.333 percent for each month before the eligible date for the full service retirement. Members are also eligible to receive reduced service retirement benefits at age 50 with 25 years of service with a greater benefit reduction.

Money Purchase Retirement Benefit

A retiring member may elect to withdraw their PERA account and receive an additional matching amount equal to 50 percent of their contribution plus interest, or receive a lifetime benefit based on the amount the member could withdraw. The withdrawal or the lifetime benefit is in lieu of the defined benefit.

Disability and Survivor Benefits

Members disabled, who have five or more years of service credit, six months of which has been earned since the most recent period of membership, may receive retirement benefits if determined to be permanently disabled.

If a member dies before retirement, their eligible children under the age of 18 (23 if a full-time student) are entitled to monthly benefit payments. If there are no eligible children, the member's spouse is paid the monthly benefit, and absent an eligible spouse, the financially dependent parents receive a survivor benefit.

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 CRS as amended. Members are required to contribute 8 percent of their gross salary, except for state troopers and CBI officers, who contribute 11.5 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 since July 1, 1993 has been 10.8 percent (12.4 percent for state troopers and CBI officers) of the employee's gross covered wages. The state paid \$162.5 million, \$158.1 million, and \$147.5 million in Fiscal Years 1995-96, 1994-95, and 1993-94, respectively. These amounts were equal to the required contributions for those years.

Net Pension Obligation

The state has determined, in accordance with GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, that it had no pension liability or asset at the time of implementation of that statement.

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 at Colorado State University were covered exclusively by PERA until May, 1993. Faculty 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 till May, 1993, with service after that time credited to the defined contribution plan.

The state made contributions to other pension plans of \$22.6 million and \$21.0 million during Fiscal Year 1995-96, and Fiscal Year 1994-95, respectively. In addition, the state paid \$29.8 million and \$27.1 million in FICA or Medicare taxes on employees wages during Fiscal Year 1995-96, and Fiscal Year 1994-95, respectively.

PERA also offers a voluntary 401(k) plan entirely separate from the defined benefit plan. PERA members may make contributions of up to 18 percent of their annual gross salary, to a maximum of \$9,240. Contributions and earnings are tax deferred. On December 31, 1995 the plan had accumulated assets of \$125.7 million and 10,155 accounts.

Component Units

Employees of the Colorado State Fair Authority, Colorado Uninsurable Health Insurance Plan, and the Colorado Water Resources and Power Development Authority are covered under the State Division of PERA.

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.

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 \$6,100,000 and \$3,791,000 to its defined benefit plans in 1996 and 1995, respectively. Annual cost is determined using the projected unit credit actuarial method. Plan assets at fair value were \$36,485,000 and \$26,225,000 a June 30, 1996 and 1995, respectively. The projected benefit obligation was \$38,395,000 and \$33,760,000 at June 30, 1996 and 1995, respectively.

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 year ended June 30, 1996 was approximately \$78.0 million. 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.

The Matching Account is a qualified 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 Year 1996 were \$1.8 million.

The hospital has made contributions to PERA in accordance with actuarially determined funding amounts for their employees who are still state employees.

D. EMPLOYEE DEFERRED COMPENSATION

Primary Government

The state initiated a deferred compensation (457) plan for state employees in 1981. This plan has a third party administrator, and all costs of administration and funding are borne by the plan participants. Investments and accumulated earnings of the plan at June 30, 1996, and June 30, 1995, totaled \$210.2 million and \$183.1 million respectively.

Assets in the plan remain the property of the state until paid or made available to the participants, subject only to the claims of the state's general creditors. The state has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The state never has, nor does it believe that it will have to use the assets to satisfy any claims of its general creditors.

Component Units

The Colorado State Fair Authority provides a 457 Retirement Plan for its employees who are employed 30 days or less in a calendar year. The contribution is entirely from the employees wages.

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. 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 1995, 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 0.8 percent of covered salary. During calendar year 1995, the state paid \$11.3 million into this Fund.

Monthly premium costs for participants depend on the health care plan selected, the number of persons being covered, Medicare eligibility, and the number of years of service credit a retiree has. PERA contracts with a major medical indemnity carrier to administer claims for self-insured plans, and with health maintenance organizations providing services within Colorado. During 1995 there were 27,383 participants, including spouses and dependents, from all contributors to the plan.

Life Insurance Program

PERA provides its members access to two group life insurance plans offered by Prudential and Rocky Mountain Life. 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. NOTE ISSUANCE

On July 1, 1996 the state treasurer issued \$400 million of Tax Revenue Anticipation Notes. The notes are to be repaid in June 1997.

On July 2, 1996, the Colorado State Board of Agriculture issued \$17,380,000 of the Colorado State University Facilities Enterprise Refunding and Improvement Revenue Bonds, Series 1996. The bonds were issued for campus projects and to defray the costs of refunding \$12,195,000 in outstanding 1986 bonds. After the escrow for the 1986 bonds is funded and all issuance costs are paid, approximately \$5,950,000 will remain to fund the addition and remodeling projects on the Colorado State University campus in Fort Collins.

On October 23, 1996, the Colorado Department of Personnel issued \$13,940,000 of Certificates of Participation. The proceeds will be used to acquire an office building and 15.3 acres of land in Lakewood, Colorado for the headquarters of the transportation and enforcement sections of the Department of Revenue.

B. BUSINESS PURCHASE

Component Units

The University of Colorado Hospital Authority entered into 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 Uniform Services. On June 27, 1996, TriWest was awarded a contract by the U.S. Department of Defense for a five year period. As part of the agreements and subsequent to year-end, the hospital purchased a minority interest in TriWest for approximately \$3.3 million and agreed to secure a letter of credit for \$4.6 million to cover the hospital's share of any potential losses of TriWest. The hospital is currently negotiating with University Physicians, Inc. to assume 30 percent participation in the hospital's agreements and contracts with TriWest.

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

GENERAL FUND

The General Fund is the principal operating fund of the state. It 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.”

The undesignated fund balance represents cumulative excess general purpose and 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 statement is not a combining statement, it is presented to facilitate budgetary analysis of the General Fund.

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN UNRESERVED FUND BALANCE - GENERAL FUND BUDGET AND ACTUAL - BUDGETARY BASIS FOR THE YEAR ENDED JUNE 30, 1996

(DOLLARS IN THOUSANDS)	ORIGINAL ESTIMATE/ BUDGET	REVISED ESTIMATE/ BUDGET	ACTUAL	REVERSIONS OF GENERAL FUND APPROPRIATION	EXCESS AUGMENTING REVENUE EARNED
REVENUES:					
Sales and Use Tax	\$ 1,295,000	\$ 1,306,500	\$ 1,321,500		
Other Excise Taxes	94,000	93,900	93,897		
Individual Income Tax, net	2,254,500	2,307,900	2,318,468		
Corporate Income Tax, net	186,000	202,100	205,707		
Estate Tax	28,500	30,700	31,816		
Insurance Tax	112,000	114,000	110,390		
Parimutuel, Courts, and Other	54,000	66,700	63,235		
Interest Earnings	17,000	31,800	37,236		
Gaming	16,000	16,900	17,505		
Medicaid Provider Revenues	70,000	69,400	68,974		
TOTAL GENERAL PURPOSE REVENUES	4,127,000	4,239,900	4,268,728		
EXPENDITURES:					
Agriculture	6,563	6,563	6,477	\$ 86	\$ 40
Corrections	237,733	236,368	234,049	2,319	11
Education	1,584,915	1,591,600	1,590,861	739	-
Governor	2,837	3,587	3,509	78	-
Health Care Policy and Financing	701,193	695,713	692,241	3,472	-
Higher Education	581,607	581,286	581,143	143	25
Human Services	367,398	365,464	355,350	10,114	1,485
Judicial Branch	151,384	151,552	150,447	1,105	316
Labor and Employment	626	626	610	16	-
Law	7,319	7,308	6,454	854	456
Legislative Branch	21,886	21,887	19,891	1,996	11
Local Affairs	24,184	24,184	23,986	198	57
Military Affairs	2,713	2,713	2,572	141	-
Natural Resources	22,598	22,710	22,442	268	20
Personnel	13,585	13,759	13,185	574	19
Public Health and Environment	17,019	17,368	17,277	91	91
Public Safety	39,012	36,491	36,325	166	218
Regulatory Agencies	949	949	898	51	23
Revenue	115,078	119,794	118,334	1,460	201
Treasury	63,602	63,583	63,440	143	-
Transfer to the Capital Construction Fund	198,126	254,962	254,962	-	-
Transfer to the Controlled Maintenance Fund	196,000	196,000	196,000	-	-
TOTAL GENERAL FUNDED EXPENDITURES	4,356,327	4,414,467	4,390,453	\$ 24,014	\$ 2,973
EXCESS GENERAL REVENUES OVER (UNDER) GENERAL FUNDED EXPENDITURES	(229,327)	(174,567)	(121,725)		
EXCESS AUGMENTING REVENUES			2,973		
BEGINNING GAAP UNRESERVED FUND BALANCE	427,000	408,027	408,027		
Residual Equity Transfer-In (Out)	-	-	6		
Add: Reduction of Emergency Reserve	80,498	80,498	80,498		
Less: GAAP Expenditures Not Budgeted	-	-	(643)		
Increase in Long-Term Asset Reserve	-	-	(632)		
Addition to Statutory 4 Percent Reserve Requirement	(154,300)	(156,700)	(156,700)		
Adjustments for Consumable Inventory Fund	-	-	8		
ENDING GAAP UNRESERVED FUND BALANCE	\$ 123,871	\$ 157,258	\$ 211,812		

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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.
WILDLIFE	Expenditures of this fund are used to preserve the state's wildlife and promote outdoor recreational facilities, 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 statute which their workers' compensation benefits do not cover.
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.

COLORADO

COMBINING BALANCE SHEET SPECIAL REVENUE FUNDS JUNE 30, 1996

(DOLLARS IN THOUSANDS)

	HIGHWAY	WILDLIFE	LABOR	GAMING	WATER PROJECTS	TOTALS
ASSETS:						
Cash and Cash Equivalents	\$ 144,874	\$ 69,875	\$ 83,989	\$ 56,471	\$ 90,030	\$ 445,239
Taxes Receivable, net	51,682	-	16,498	-	-	68,180
Other Receivables, net	2,242	2,464	304	110	4,368	9,488
Due From Other Governments	73,432	2,136	-	-	-	75,568
Due From Other Funds	3,683	1,252	-	5,471	189	10,595
Inventories	11,753	1,021	-	-	-	12,774
Other Current Assets	941	431	-	-	-	1,372
Other Long-Term Assets	4,765	-	-	-	93,773	98,538
TOTAL ASSETS	\$ 293,372	\$ 77,179	\$ 100,791	\$ 62,052	\$ 188,360	\$ 721,754
LIABILITIES:						
Warrants Payable	\$ 7,162	\$ 2,941	\$ 536	\$ 277	\$ 202	\$ 11,118
Tax Refunds Payable	109	-	-	-	-	109
Accounts Payable and Accrued Liabilities	57,462	2,269	664	510	3,065	63,970
Due To Other Governments	36,157	-	-	11,042	-	47,199
Due To Other Funds	667	3	-	23,745	-	24,415
Deferred Revenue	601	10,700	-	127	-	11,428
Other Current Liabilities	-	-	28,072	-	-	28,072
Deposits Held In Custody For Others	3	-	-	-	-	3
TOTAL LIABILITIES	102,161	15,913	29,272	35,701	3,267	186,314
FUND EQUITY:						
Fund Balances:						
Reserved For:						
Encumbrances	245,937	-	-	-	-	245,937
Other Specific Purposes	9,039	61,266	71,519	26,351	91,139	259,314
Long-Term Assets and Long-Term Receivables	4,765	-	-	-	93,954	98,719
Unreserved:						
Undesignated	(68,530)	-	-	-	-	(68,530)
TOTAL FUND EQUITY	191,211	61,266	71,519	26,351	185,093	535,440
TOTAL LIABILITIES AND FUND EQUITY	\$ 293,372	\$ 77,179	\$ 100,791	\$ 62,052	\$ 188,360	\$ 721,754

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1996**

(DOLLARS IN THOUSANDS)	HIGHWAY	WILDLIFE	LABOR	GAMING	WATER PROJECTS	TOTALS
REVENUES:						
Taxes	\$ 439,828	\$ -	\$ 32,198	\$ 50,677	\$ -	\$ 522,703
Licenses, Permits, and Fines	165,601	55,487	347	1,936	-	223,371
Charges for Goods and Services	8,410	2,269	-	871	2	11,552
Interest	5,640	3,955	4,858	1,599	8,243	24,295
Federal Grants and Contracts	266,522	7,713	-	-	-	274,235
Other	18,540	5,526	233	1	8	24,308
TOTAL REVENUES	904,541	74,950	37,636	55,084	8,253	1,080,464
EXPENDITURES:						
Current:						
General Government	4,961	-	-	-	-	4,961
Business, Community and Consumer Affairs	-	20	20,299	5,124	-	25,443
Education	-	-	-	5,519	-	5,519
Health and Rehabilitation	1,611	-	-	-	-	1,611
Justice	39,550	-	-	-	-	39,550
Natural Resources	-	56,771	-	-	2,164	58,935
Transportation	556,925	-	-	-	-	556,925
Capital Outlay	23,263	8,105	-	107	267	31,742
Intergovernmental:						
Cities	84,821	85	-	8,618	94	93,618
Counties	128,978	665	-	6,081	699	136,423
School Districts	-	5	-	25	-	30
Special Districts	9,816	527	-	75	10	10,428
Federal	29	4	-	-	-	33
Other	-	60	-	1,580	-	1,640
TOTAL EXPENDITURES	849,954	66,242	20,299	27,129	3,234	966,858
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	54,587	8,708	17,337	27,955	5,019	113,606
OTHER FINANCING SOURCES (USES):						
Operating Transfer-In	16,281	8,271	-	-	3,635	28,187
Operating Transfer-Out	(41,044)	(11,197)	(454)	(24,006)	(1,895)	(78,596)
Advances from Private or Public Sources	4,876	-	-	-	-	4,876
Other	(6,273)	-	-	-	-	(6,273)
TOTAL OTHER FINANCING SOURCES (USES)	(26,160)	(2,926)	(454)	(24,006)	1,740	(51,806)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	28,427	5,782	16,883	3,949	6,759	61,800
FUND BALANCE, JULY 1	151,935	55,484	54,636	22,402	173,955	458,412
Net Residual Equity Transfers-In (Out)	10,849	-	-	-	-	10,849
Prior Period Adjustment	-	-	-	-	4,379	4,379
FUND BALANCE, JUNE 30	\$ 191,211	\$ 61,266	\$ 71,519	\$ 26,351	\$ 185,093	\$ 535,440

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CAPITAL PROJECTS FUNDS

REGULAR CAPITAL
CONSTRUCTION

This fund accounts for the construction and maintenance projects for state buildings which are financed primarily from revenue sources appropriated by the General Assembly. These include transfers from the General Fund, Lottery Fund, the Great Outdoors Colorado Trust Fund, and may include matching cash and federal funds.

SPECIAL CAPITAL
CONSTRUCTION

This fund accounts for state building projects that are financed from non-appropriated financing sources such as federal grants, private grants, and donations.

COLORADO

COMBINING BALANCE SHEET CAPITAL PROJECTS FUNDS JUNE 30, 1996

(DOLLARS IN THOUSANDS)	REGULAR CAPITAL CONSTRUCTION	SPECIAL CAPITAL CONSTRUCTION	TOTALS
ASSETS:			
Cash and Cash Equivalents	\$ 543,551	\$ -	\$ 543,551
Other Receivables, net	50	95	145
Due From Other Governments	902	472	1,374
Due From Other Funds	4,327	-	4,327
Other Current Assets	-	1,745	1,745
Investments	-	20,938	20,938
Other Long-Term Assets	-	181	181
TOTAL ASSETS	\$ 548,830	\$ 23,431	\$ 572,261
LIABILITIES:			
Warrants Payable	\$ 3,106	\$ 124	\$ 3,230
Accounts Payable and Accrued Liabilities	17,702	393	18,095
Due To Other Funds	3,540	396	3,936
Deferred Revenue	522	145	667
Other Current Liabilities	-	11	11
Deposits Held In Custody For Others	44	-	44
TOTAL LIABILITIES	24,914	1,069	25,983
FUND EQUITY:			
Fund Balances:			
Reserved For:			
Encumbrances	176,108	1,338	177,446
Other Specific Purposes	-	20,843	20,843
Long-Term Assets and Long-Term Receivables	-	181	181
Unreserved:			
Designated for Capital Construction	347,808	-	347,808
TOTAL FUND EQUITY	523,916	22,362	546,278
TOTAL LIABILITIES AND FUND EQUITY	\$ 548,830	\$ 23,431	\$ 572,261

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED JUNE 30, 1996

(DOLLARS IN THOUSANDS)	REGULAR CAPITAL CONSTRUCTION	SPECIAL CAPITAL CONSTRUCTION	TOTALS
REVENUES:			
Licenses, Permits, and Fines	\$ 103	\$ 404	\$ 507
Interest	27,169	909	28,078
Federal Grants and Contracts	3,022	3,568	6,590
Other	30,577	462	31,039
TOTAL REVENUES	60,871	5,343	66,214
EXPENDITURES:			
Capital Outlay	42,502	3,567	46,069
Intergovernmental:			
Cities	1,112	476	1,588
Counties	44	122	166
School Districts	114	-	114
Special Districts	3,351	16	3,367
Other	-	11	11
TOTAL EXPENDITURES	47,123	4,192	51,315
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	13,748	1,151	14,899
OTHER FINANCING SOURCES (USES):			
Operating Transfer-In	287,247	1,036	288,283
Operating Transfer-Out	(136,207)	(498)	(136,705)
Advances from Private or Public Sources	232	-	232
TOTAL OTHER FINANCING SOURCES (USES)	151,272	538	151,810
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	165,020	1,689	166,709
FUND BALANCE, JULY 1	358,896	20,673	379,569
FUND BALANCE, JUNE 30	\$ 523,916	\$ 22,362	\$ 546,278

**GRAPHICS WERE NOT INCLUDED-
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ENTERPRISE FUNDS

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

GUARANTEED STUDENT LOAN	This activity comprises 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 which 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, projects in the Department of Natural Resources and state construction projects.
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, 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.
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, 1996**

(DOLLARS IN THOUSANDS)	GUARANTEED STUDENT LOAN	STATE LOTTERY	BUSINESS ENTERPRISE PROGRAM	STATE NURSING HOMES
ASSETS:				
Cash and Cash Equivalents	\$ 40,877	\$ 28,151	\$ 375	\$ 1,604
Other Receivables, net	1,057	9,919	36	700
Due From Other Governments	9,417	-	6	722
Due From Other Funds	-	-	-	-
Inventories	105	1,309	14	233
Other Current Assets	8	39	212	2
Property, Plant and Equipment, net	1,155	1,679	609	15,646
Other Long-Term Assets	-	-	-	-
TOTAL ASSETS	\$ 52,619	\$ 41,097	\$ 1,252	\$ 18,907
LIABILITIES:				
Warrants Payable	\$ 1,499	\$ 473	\$ 83	\$ 65
Accounts Payable and Accrued Liabilities	1,374	8,222	48	259
Due To Other Governments	6,834	5	-	-
Due To Other Funds	-	12,419	-	540
Deferred Revenue	10,435	383	-	5
Other Current Liabilities	623	17,694	32	75
Deposits Held In Custody For Others	-	-	-	160
Capital Lease Obligations	-	-	-	-
Notes and Bonds Payable	-	-	-	505
Accrued Compensated Absences	567	584	30	626
Other Long-Term Liabilities	-	98	-	-
TOTAL LIABILITIES	21,332	39,878	193	2,235
FUND EQUITY:				
Contributed Capital	15	-	-	14,922
Retained Earnings	31,272	1,219	1,059	1,750
TOTAL FUND EQUITY	31,287	1,219	1,059	16,672
TOTAL LIABILITIES AND FUND EQUITY	\$ 52,619	\$ 41,097	\$ 1,252	\$ 18,907

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

PRISON CANTEENS	CORRECTIONAL INDUSTRIES	OTHER ENTERPRISE ACTIVITIES	TOTALS
\$ 2,531	\$ 3,347	\$ 1,034	\$ 77,919
288	1,637	134	13,771
-	240	13	10,398
17	3	225	245
423	7,472	298	9,854
-	17	12	290
355	8,265	4,014	31,723
-	899	-	899
\$ 3,614	\$ 21,880	\$ 5,730	\$ 145,099
\$ 302	\$ 425	\$ 67	\$ 2,914
270	1,110	114	11,397
-	-	-	6,839
-	93	-	13,052
-	-	37	10,860
-	248	2	18,674
26	-	1	187
-	1,288	-	1,288
-	-	-	505
50	511	66	2,434
-	-	-	98
648	3,675	287	68,248
-	6,222	2,511	23,670
2,966	11,983	2,932	53,181
2,966	18,205	5,443	76,851
\$ 3,614	\$ 21,880	\$ 5,730	\$ 145,099

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND EQUITY
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1996**

(DOLLARS IN THOUSANDS)	GUARANTEED STUDENT LOAN	STATE LOTTERY	BUSINESS ENTERPRISE PROGRAM	STATE NURSING HOMES
OPERATING REVENUES:				
Licenses and Permits	\$ -	\$ 42	\$ -	\$ -
Charges for Goods and Services	9,306	331,352	537	11,290
Interest and Rents	2,734	-	-	-
Federal Grants and Contracts	53,540	-	-	3,049
Other	40	240	3	34
TOTAL OPERATING REVENUES	65,620	331,634	540	14,373
OPERATING EXPENSES:				
Salaries & Fringe Benefits	9,644	6,202	427	11,385
Operating and Travel	51,930	31,809	496	2,363
Cost of Goods Sold	-	11,233	-	-
Depreciation	514	469	272	467
Intergovernmental Distributions	-	49,919	-	-
Prizes and Awards	-	191,987	-	-
TOTAL OPERATING EXPENSES	62,088	291,619	1,195	14,215
OPERATING INCOME (LOSS)	3,532	40,015	(655)	158
NON-OPERATING REVENUES AND (EXPENSES):				
Fines	-	-	1	-
Interest and Rents	-	1,699	17	65
Donations	-	-	-	18
Federal Grants and Contracts	-	-	531	-
Debt Service	-	-	-	(50)
TOTAL NON-OPERATING REVENUES (EXPENSES)	-	1,699	549	33
INCOME (LOSS) BEFORE OPERATING TRANSFERS	3,532	41,714	(106)	191
OPERATING TRANSFERS:				
Operating Transfer-In	-	-	-	232
Operating Transfer-Out	(290)	(41,665)	-	(96)
TOTAL OPERATING TRANSFERS	(290)	(41,665)	-	136
NET INCOME/CHANGE IN RETAINED EARNINGS	3,242	49	(106)	327
FUND EQUITY, JULY 1	28,045	1,170	1,165	16,272
Additions (Deductions) to Contributed Capital	-	-	-	73
FUND EQUITY, JUNE 30	\$ 31,287	\$ 1,219	\$ 1,059	\$ 16,672

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

PRISON CANTEENS	CORRECTIONAL INDUSTRIES	OTHER ENTERPRISE ACTIVITIES	TOTALS
\$ -	\$ 1	\$ -	\$ 43
6,543	21,025	2,281	382,334
-	-	38	2,772
-	-	-	56,589
25	241	-	583
6,568	21,267	2,319	442,321
570	5,438	946	34,612
891	4,383	1,271	93,143
3,872	10,013	234	25,352
24	769	24	2,539
-	-	-	49,919
2	4	-	191,993
5,359	20,607	2,475	397,558
1,209	660	(156)	44,763
-	-	-	1
17	4	100	1,902
-	-	142	160
-	-	-	531
-	-	-	(50)
17	4	242	2,544
1,226	664	86	47,307
-	4	62	298
(68)	(572)	(141)	(42,832)
(68)	(568)	(79)	(42,534)
1,158	96	7	4,773
1,808	18,109	5,442	72,011
-	-	(6)	67
\$ 2,966	\$ 18,205	\$ 5,443	\$ 76,851

**COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1996**

(DOLLARS IN THOUSANDS)	GUARANTEED STUDENT LOAN	STATE LOTTERY	BUSINESS ENTERPRISE PROGRAM	STATE NURSING HOMES
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Operating Income (Loss)	\$ 3,532	\$ 40,015	\$ (655)	\$ 158
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	514	469	272	467
Fines	-	-	1	-
Net Changes in Assets and Liabilities Related to Operating Activities:				
(Increase) Decrease in Operating Receivables	(423)	(2,056)	61	(154)
(Increase) Decrease in Inventories	(7)	(90)	(11)	(18)
(Increase) Decrease in Other Operating Assets	40	7	14	(2)
Increase (Decrease) in Accounts Payable	2,679	2,980	(68)	(45)
Increase (Decrease) in Accrued Compensated Absences	79	47	(15)	42
Increase (Decrease) in Other Operating Liabilities	(2,758)	(6,971)	5	123
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,656	34,401	(396)	571
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Donations	-	-	-	18
Federal Grants and Contracts	-	-	531	-
Operating Transfer-In	-	-	-	232
Operating Transfer-Out	(290)	(41,665)	-	(96)
Deductions from Contributed Capital	-	-	-	-
Net Changes in Assets and Liabilities Related to Non-Capital Financing Activities:				
Increase (Decrease) in Due To Other Funds	-	(7,078)	-	-
NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES	(290)	(48,743)	531	154
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Debt Service Payments	-	-	-	(50)
Net Changes in Assets and Liabilities Related to Capital Financing Activities:				
(Increase) Decrease in Property, Plant and Equipment	(370)	(816)	(165)	(452)
Increase (Decrease) in Notes and Bonds Payable	-	-	-	(75)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(370)	(816)	(165)	(577)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends on Investments	-	1,699	17	65
(Increase) Decrease in Investments	-	-	99	-
NET CASH FROM INVESTING ACTIVITIES	-	1,699	116	65
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,996	(13,459)	86	213
CASH AND CASH EQUIVALENTS, JULY 1	37,881	41,610	289	1,391
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 40,877	\$ 28,151	\$ 375	\$ 1,604

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

PRISON CANTEENS	CORRECTIONAL INDUSTRIES	OTHER ENTERPRISE ACTIVITIES	TOTALS
\$ 1,209	\$ 660	\$ (156)	\$ 44,763
24	769	24	2,539
-	-	-	1
54	3	76	(2,439)
(77)	1,091	14	902
-	9	31	99
273	173	(23)	5,969
(5)	17	11	176
25	(4)	6	(9,574)
1,503	2,718	(17)	42,436
-	-	142	160
-	-	-	531
-	4	62	298
(68)	(572)	(141)	(42,832)
-	-	(6)	(6)
-	-	-	(7,078)
(68)	(568)	57	(48,927)
-	-	-	(50)
(14)	(495)	(3)	(2,315)
-	-	-	(75)
(14)	(495)	(3)	(2,440)
17	4	100	1,902
-	-	-	99
17	4	100	2,001
1,438	1,659	137	(6,930)
1,093	1,688	897	84,849
\$ 2,531	\$ 3,347	\$ 1,034	\$ 77,919

**GRAPHICS WERE NOT INCLUDED-
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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 for state employees and officials which is administered by Blue Cross/Blue Shield, and for the life and dental insurance programs offered by the state.
HIGHWAYS	This fund was used to record the use and replacement of highway equipment used by the Transportation Department. In the future this fund will be used on a limited basis for the internal service activities of the department.
PUBLIC SAFETY	This fund accounts for the rental of aircraft by the Department of Public Safety to itself and to other state agencies.
COLORADO FINANCIAL REPORTING SYSTEM	This fund was used for the cost associated with the development of the state's accounting system. It has been discontinued.
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.
RISK MANAGEMENT	The fund was used for the state's self-insurance claims but has been discontinued. That function is now in the General Fund and the General Long-Term Debt Account Group.

**COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 1996**

(DOLLARS IN THOUSANDS)

	CENTRAL SERVICES	GENERAL GOVERNMENT COMPUTER CENTER	TELECOM- MUNICATIONS	STATE EMPLOYEES AND OFFICIALS INSURANCE	HIGHWAYS
ASSETS:					
Cash and Cash Equivalents	\$ -	\$ 2,198	\$ 1,350	\$ 36,649	\$ 826
Other Receivables, net	96	-	-	309	4
Due From Other Governments	40	6	9	-	-
Due From Other Funds	25	-	-	-	11
Inventories	206	31	-	-	148
Other Current Assets	2	251	26	6	-
Property, Plant and Equipment, net	32,036	5,390	8,380	-	943
TOTAL ASSETS	\$ 32,405	\$ 7,876	\$ 9,765	\$ 36,964	\$ 1,932
LIABILITIES:					
Warrants Payable	\$ 703	\$ 427	\$ 252	\$ 4,006	\$ 76
Accounts Payable and Accrued Liabilities	1,752	445	457	1,226	100
Due To Other Funds	3,278	-	-	-	-
Deferred Revenue	216	-	-	7,178	-
Other Current Liabilities	5,003	1,423	-	8,855	-
Capital Lease Obligations	18,079	-	-	-	-
Accrued Compensated Absences	236	475	63	50	-
Other Long-Term Liabilities	-	-	-	701	-
TOTAL LIABILITIES	29,267	2,770	772	22,016	176
FUND EQUITY:					
Contributed Capital	-	143	4,640	-	943
Retained Earnings	3,138	4,963	4,353	14,948	813
TOTAL FUND EQUITY	3,138	5,106	8,993	14,948	1,756
TOTAL LIABILITIES AND FUND EQUITY	\$ 32,405	\$ 7,876	\$ 9,765	\$ 36,964	\$ 1,932

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

PUBLIC SAFETY	COLORADO FINANCIAL REPORTING SYSTEM	CAPITOL COMPLEX	ADMINISTRATIVE HEARINGS	RISK MANAGEMENT	TOTALS
\$ 151	\$ -	\$ 1,220	\$ 161	\$ 15	\$ 42,570
11	-	5	1	-	426
-	-	-	-	-	55
-	-	-	8	-	44
-	-	56	-	-	441
-	-	-	-	-	285
35	-	68	4	-	46,856
\$ 197	\$ -	\$ 1,349	\$ 174	\$ 15	\$ 90,677
\$ 4	\$ -	\$ 202	\$ 1	\$ 8	\$ 5,679
14	-	241	10	7	4,252
-	-	-	-	-	3,278
-	-	-	-	-	7,394
-	-	-	-	-	15,281
-	-	-	-	-	18,079
-	-	175	245	-	1,244
-	-	-	-	-	701
18	-	618	256	15	55,908
28	-	-	-	-	5,754
151	-	731	(82)	-	29,015
179	-	731	(82)	-	34,769
\$ 197	\$ -	\$ 1,349	\$ 174	\$ 15	\$ 90,677

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND EQUITY
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 1996**

(DOLLARS IN THOUSANDS)

	CENTRAL SERVICES	GENERAL GOVERNMENT COMPUTER CENTER	TELECOM- MUNICIPATIONS	STATE EMPLOYEES AND OFFICIALS INSURANCE	HIGHWAYS
OPERATING REVENUES:					
Charges for Goods and Services	\$ 29,754	\$ 14,175	\$ 7,749	\$ 98,203	\$ 2,808
Interest and Rents	-	-	-	2,149	-
Other	-	-	-	-	-
TOTAL OPERATING REVENUES	29,754	14,175	7,749	100,352	2,808
OPERATING EXPENSES:					
Salaries & Fringe Benefits	4,214	5,213	500	3,642	944
Operating and Travel	12,637	6,416	6,278	99,394	1,450
Cost of Goods Sold	4,686	-	-	-	-
Depreciation	8,068	2,387	692	-	-
Intergovernmental Distributions	-	-	-	476	-
Prizes and Awards	-	8	-	-	-
TOTAL OPERATING EXPENSES	29,605	14,024	7,470	103,512	2,394
OPERATING INCOME (LOSS)	149	151	279	(3,160)	414
NON-OPERATING REVENUES AND (EXPENSES):					
Fines	-	-	53	254	-
Interest and Rents	-	-	-	16	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	-	-	53	270	-
INCOME (LOSS) BEFORE OPERATING TRANSFERS	149	151	332	(2,890)	414
OPERATING TRANSFERS:					
Operating Transfer-In	(17)	-	-	-	-
Operating Transfer-Out	(883)	(713)	(50)	(191)	-
TOTAL OPERATING TRANSFERS	(900)	(713)	(50)	(191)	-
NET INCOME/CHANGE IN RETAINED EARNINGS	(751)	(562)	282	(3,081)	414
FUND EQUITY, JULY 1	3,889	5,668	7,913	18,029	93,035
Additions (Deductions) to Contributed Capital	-	-	798	-	(91,693)
FUND EQUITY, JUNE 30	\$ 3,138	\$ 5,106	\$ 8,993	\$ 14,948	\$ 1,756

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

PUBLIC SAFETY	COLORADO FINANCIAL REPORTING SYSTEM	CAPITOL COMPLEX	ADMINISTRATIVE HEARINGS	RISK MANAGEMENT	TOTALS
\$ 136	\$ -	\$ 5	\$ 2,681	\$ -	\$ 155,511
-	-	6,088	-	-	8,237
-	-	-	1	-	1
136	-	6,093	2,682	-	163,749
72	-	2,858	2,147	-	19,590
139	-	2,649	417	-	129,380
-	-	-	-	-	4,686
11	503	5	-	-	11,666
-	-	-	-	-	476
-	-	-	-	-	8
222	503	5,512	2,564	-	165,806
(86)	(503)	581	118	-	(2,057)
-	-	-	-	-	307
-	-	-	-	-	16
-	-	-	-	-	323
(86)	(503)	581	118	-	(1,734)
80	-	-	-	-	63
-	-	(368)	(135)	-	(2,340)
80	-	(368)	(135)	-	(2,277)
(6)	(503)	213	(17)	-	(4,011)
185	503	518	(65)	(93,272)	36,403
-	-	-	-	93,272	2,377
\$ 179	\$ -	\$ 731	\$ (82)	\$ -	\$ 34,769

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 1996

(DOLLARS IN THOUSANDS)

	CENTRAL SERVICES	GENERAL GOVERNMENT COMPUTER CENTER	TELECOM- MUNICATIONS	STATE EMPLOYEES AND OFFICIALS INSURANCE
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Operating Income (Loss)	\$ 149	\$ 151	\$ 279	\$ (3,160)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	8,068	2,387	692	-
Interest (Income) Expense	-	-	-	(2,149)
Fines	-	-	53	254
Net Changes in Assets and Liabilities Related to Operating Activities:				
(Increase) Decrease in Operating Receivables	(41)	(1)	(3)	(111)
(Increase) Decrease in Inventories	37	20	-	-
(Increase) Decrease in Other Operating Assets	2	(106)	(26)	17
Increase (Decrease) in Accounts Payable	691	242	(582)	930
Increase (Decrease) in Accrued Compensated Absences	4	69	11	8
Increase (Decrease) in Other Operating Liabilities	(48)	(799)	(53)	445
NET CASH PROVIDED BY OPERATING ACTIVITIES	8,862	1,963	371	(3,766)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Operating Transfer-In	(17)	-	-	-
Operating Transfer-Out	(883)	(713)	(50)	(191)
Deductions from Contributed Capital	-	-	-	-
Net Changes in Assets and Liabilities Related to Non-Capital Financing Activities:				
(Increase) Decrease in Due From Other Funds	9	-	-	-
Increase (Decrease) in Due To Other Funds	(4,149)	-	-	-
NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES	(5,040)	(713)	(50)	(191)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital Lease Obligation Payments	(3,524)	(1,423)	-	-
Deductions from Contributed Capital	-	-	-	-
Net Changes in Assets and Liabilities Related to Capital Financing Activities:				
(Increase) Decrease in Property, Plant and Equipment	(298)	(1,704)	(246)	-
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(3,822)	(3,127)	(246)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends on Investments	-	-	-	2,165
NET CASH FROM INVESTING ACTIVITIES	-	-	-	2,165
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	(1,877)	75	(1,792)
CASH AND CASH EQUIVALENTS, JULY 1	-	4,075	1,275	38,441
CASH AND CASH EQUIVALENTS, JUNE 30	\$ -	\$ 2,198	\$ 1,350	\$ 36,649

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

HIGHWAYS	PUBLIC SAFTETY	COLORADO FINANCIAL REPORTING SYSTEM	CAPITOL COMPLEX	ADMINISTRATIVE HEARINGS	RISK MANAGEMENT	TOTALS
\$ 414	\$ (86)	\$ (503)	\$ 581	\$ 118	\$ -	\$ (2,057)
-	11	503	5	-	-	11,666
-	-	-	-	-	-	(2,149)
-	-	-	-	-	-	307
33	(1)	-	(3)	5	-	(122)
(51)	-	-	7	-	-	13
774	-	-	-	1	-	662
(1,718)	8	-	85	4	-	(340)
-	-	-	22	(15)	-	99
-	-	-	-	-	-	(455)
(548)	(68)	-	697	113	-	7,624
-	80	-	-	-	-	63
-	-	-	(368)	(135)	-	(2,340)
-	-	-	-	-	(18,521)	(18,521)
4	-	-	-	(8)	-	5
-	-	-	-	-	-	(4,149)
4	80	-	(368)	(143)	(18,521)	(24,942)
-	-	-	-	-	-	(4,947)
(10,849)	-	-	-	-	-	(10,849)
-	1	-	2	38	-	(2,207)
(10,849)	1	-	2	38	-	(18,003)
-	-	-	-	-	-	2,165
-	-	-	-	-	-	2,165
(11,393)	13	-	331	8	(18,521)	(33,156)
12,219	138	-	889	153	18,536	75,726
\$ 826	\$ 151	\$ -	\$ 1,220	\$ 161	\$ 15	\$ 42,570

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, 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.

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 miners and oil exploration companies, assets held for a water and power authority, and deferred compensation funds deposited by state employees.

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 assets for the purpose of maintaining the state's capital assets.

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

COMBINING BALANCE SHEET FIDUCIARY FUND TYPES JUNE 30, 1996

(DOLLARS IN THOUSANDS)	EXPENDABLE		NON-EXPENDABLE	
	TRUST	AGENCY	TRUST	TOTALS
ASSETS:				
Cash and Cash Equivalents	\$ 555,796	\$ 227,387	\$ 216,619	\$ 999,802
Taxes Receivable, net	47,116	63,528	-	110,644
Other Receivables, net	14,804	251	1,390	16,445
Due From Other Governments	822	-	-	822
Due From Other Funds	16,017	3,544	130	19,691
Inventories	4	26	-	30
Other Current Assets	5	23,205	-	23,210
Investments	2,710	888,559	311,310	1,202,579
Property, Plant and Equipment, net	4,312	-	7,517	11,829
Rights Under Deferred Compensation	-	210,236	-	210,236
Other Long-Term Assets	-	-	1,394	1,394
TOTAL ASSETS	\$ 641,586	\$ 1,416,736	\$ 538,360	\$ 2,596,682
LIABILITIES:				
Warrants Payable	\$ 6,545	\$ 1,604	\$ -	\$ 8,149
Tax Refunds Payable	-	1,024	-	1,024
Accounts Payable and Accrued Liabilities	14,668	440	-	15,108
Due To Other Governments	8,695	104,383	-	113,078
Due To Other Funds	3,261	2,907	1	6,169
Deferred Revenue	488	-	1,994	2,482
Obligations Under Reverse Repurchase Agreements	-	93,843	9,950	103,793
Other Current Liabilities	4,717	3,600	-	8,317
Deposits Held In Custody For Others	409	990,525	-	990,934
Capital Lease Obligations	20	-	-	20
Accrued Compensated Absences	192	-	-	192
Obligations Under Deferred Compensation	-	210,088	-	210,088
Other Long-Term Liabilities	1,184	8,322	-	9,506
TOTAL LIABILITIES	40,179	1,416,736	11,945	1,468,860
FUND EQUITY:				
Fund Balances:				
Reserved For:				
Other Specific Purposes	601,407	-	342,686	944,093
Emergencies	-	-	183,729	183,729
TOTAL FUND EQUITY	601,407	-	526,415	1,127,822
TOTAL LIABILITIES AND FUND EQUITY	\$ 641,586	\$ 1,416,736	\$ 538,360	\$ 2,596,682

**COMBINING BALANCE SHEET
EXPENDABLE TRUST FUNDS
JUNE 30, 1996**

(DOLLARS IN THOUSANDS)

	UNEMPLOYMENT INSURANCE	STATE TREASURER	SEVERANCE TAX FUND	LAND BOARD
ASSETS:				
Cash and Cash Equivalents	\$ 502,016	\$ 8,612	\$ 10,289	\$ 68
Taxes Receivable, net	47,116	-	-	-
Other Receivables, net	10,789	-	-	3,018
Due From Other Governments	820	-	-	-
Due From Other Funds	8	9,522	1,370	-
Inventories	-	-	-	-
Other Current Assets	-	-	-	-
Investments	-	-	-	-
Property, Plant and Equipment, net	-	-	-	-
TOTAL ASSETS	\$ 560,749	\$ 18,134	\$ 11,659	\$ 3,086
LIABILITIES:				
Warrants Payable	\$ 5,436	\$ 944	\$ -	\$ 3
Accounts Payable and Accrued Liabilities	340	13,819	-	6
Due To Other Governments	32	-	-	-
Due To Other Funds	-	-	-	3,019
Deferred Revenue	-	-	-	-
Other Current Liabilities	4,714	-	-	-
Deposits Held In Custody For Others	-	-	-	-
Capital Lease Obligations	-	-	-	-
Accrued Compensated Absences	-	-	-	-
Other Long-Term Liabilities	-	1,184	-	-
TOTAL LIABILITIES	10,522	15,947	-	3,028
FUND EQUITY:				
Fund Balances:				
Reserved For:				
Other Specific Purposes	550,227	2,187	11,659	58
TOTAL FUND EQUITY	550,227	2,187	11,659	58
TOTAL LIABILITIES AND FUND EQUITY	\$ 560,749	\$ 18,134	\$ 11,659	\$ 3,086

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

VICTIMS COMPENSATION	CONSERVATION TRUST FUND	OTHER EXPENDABLE TRUSTS	TOTALS
\$ 11,748	\$ 3,568	\$ 19,495	\$ 555,796
-	-	-	47,116
-	-	997	14,804
-	2	-	822
-	4,967	150	16,017
-	-	4	4
-	-	5	5
-	-	2,710	2,710
-	-	4,312	4,312
\$ 11,748	\$ 8,537	\$ 27,673	\$ 641,586

\$ -	\$ 21	\$ 141	\$ 6,545
-	-	503	14,668
-	8,513	150	8,695
17	-	225	3,261
-	-	488	488
-	-	3	4,717
-	-	409	409
-	-	20	20
-	-	192	192
-	-	-	1,184
17	8,534	2,131	40,179

11,731	3	25,542	601,407
11,731	3	25,542	601,407
\$ 11,748	\$ 8,537	\$ 27,673	\$ 641,586

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1996**

(DOLLARS IN THOUSANDS)

	UNEMPLOYMENT INSURANCE	STATE TREASURER	SEVERANCE TAX FUND	LAND BOARD
REVENUES:				
Taxes	\$ 189,913	\$ -	\$ 3,907	\$ -
Licenses, Permits, and Fines	-	-	-	-
Charges for Goods and Services	-	-	-	160
Interest	33,599	6	-	18,214
Federal Grants and Contracts	9,931	5,602	-	-
Other	-	6,416	-	9,281
TOTAL REVENUES	233,443	12,024	3,907	27,655
EXPENDITURES:				
Current:				
General Government	-	-	-	214
Business, Community and Consumer Affairs	198,354	-	-	-
Education	-	-	-	-
Health and Rehabilitation	-	-	-	-
Justice	-	-	-	-
Natural Resources	-	-	-	-
Social Assistance	-	-	-	-
Capital Outlay	-	-	-	-
Intergovernmental:				
Cities	-	-	-	-
Counties	-	5,602	-	3
School Districts	-	-	-	-
Special Districts	-	-	-	-
Other	-	-	-	-
TOTAL EXPENDITURES	198,354	5,602	-	217
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	35,089	6,422	3,907	27,438
OTHER FINANCING SOURCES (USES):				
Operating Transfer-In	-	-	-	135
Operating Transfer-Out	-	(6,554)	-	(27,551)
TOTAL OTHER FINANCING SOURCES (USES)	-	(6,554)	-	(27,416)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	35,089	(132)	3,907	22
FUND BALANCE, JULY 1	515,138	2,319	7,885	36
Prior Period Adjustment	-	-	(133)	-
FUND BALANCE, JUNE 30	\$ 550,227	\$ 2,187	\$ 11,659	\$ 58

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

VICTIMS COMPENSATION	CONSERVATION TRUST FUND	OTHER EXPENDABLE TRUSTS	TOTALS
\$ -	\$ -	\$ -	\$ 193,820
15,959	-	4,119	20,078
-	-	874	1,034
-	134	1,090	53,043
-	-	1,553	17,086
-	-	722	16,419
15,959	134	8,358	301,480
-	-	1,488	1,702
-	-	760	199,114
-	-	261	261
-	-	283	283
-	-	3,071	3,071
-	-	221	221
-	-	4	4
-	-	206	206
-	21,917	-	21,917
-	7,554	655	13,814
-	179	-	179
-	3,539	-	3,539
13,590	-	70	13,660
13,590	33,189	7,019	257,971
2,369	(33,055)	1,339	43,509
-	33,055	146	33,336
(38)	-	(98)	(34,241)
(38)	33,055	48	(905)
2,331	-	1,387	42,604
9,400	3	24,022	558,803
-	-	133	-
\$ 11,731	\$ 3	\$ 25,542	\$ 601,407

COLORADO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 1996

(DOLLARS IN THOUSANDS)	BALANCE JULY 1	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30
<u>DEPARTMENT OF REVENUE AGENCY FUNDS:</u>				
ASSETS:				
Cash and Cash Equivalents	\$ 46,166	\$ 1,074,018	\$ 1,067,359	\$ 52,825
Taxes Receivable, net	62,890	8,786	8,148	63,528
TOTAL ASSETS	\$ 109,056	\$ 1,082,804	\$ 1,075,507	\$ 116,353
LIABILITIES:				
Warrants Payable	\$ 1,405	\$ 274,929	\$ 274,782	\$ 1,552
Tax Refunds Payable	242	783	1	1,024
Due To Other Governments	89,838	1,522,525	1,511,524	100,839
Due To Other Funds	4,846	69,895	72,001	2,740
Other Current Liabilities	1,994	1,892	1,897	1,989
Other Long-Term Liabilities	10,731	20	2,542	8,209
TOTAL LIABILITIES	\$ 109,056	\$ 1,870,044	\$ 1,862,747	\$ 116,353
<u>DEPARTMENT OF TREASURY AGENCY FUNDS:</u>				
ASSETS:				
Cash and Cash Equivalents	\$ 98,442	\$ 2,780,301	\$ 2,764,354	\$ 114,389
Due From Other Funds	2,060	6,209	4,850	3,419
Investments	784,691	4,074,455	3,974,349	884,797
TOTAL ASSETS	\$ 885,193	\$ 6,860,965	\$ 6,743,553	\$ 1,002,605
LIABILITIES:				
Accounts Payable and Accrued Liabilities	\$ 293	\$ 6,030	\$ 6,003	\$ 320
Due To Other Governments	2,060	6,209	4,850	3,419
Obligations Under Reverse Repurchase Agreements	-	93,843	-	93,843
Deposits Held In Custody For Others	882,840	451,870	429,687	905,023
TOTAL LIABILITIES	\$ 885,193	\$ 557,952	\$ 440,540	\$ 1,002,605
<u>EMPLOYEE DEFERRED COMPENSATION PLAN:</u>				
ASSETS:				
Cash and Cash Equivalents	\$ 21	\$ 14,568	\$ 14,578	\$ 11
Other Receivables, net	133	-	133	-
Rights Under Deferred Compensation	183,143	42,448	15,355	210,236
TOTAL ASSETS	\$ 183,297	\$ 57,016	\$ 30,066	\$ 210,247
LIABILITIES:				
Accounts Payable and Accrued Liabilities	\$ 21	\$ 14,587	\$ 14,598	\$ 10
Due To Other Funds	133	576	560	149
Obligations Under Deferred Compensation	183,143	42,291	15,346	210,088
TOTAL LIABILITIES	\$ 183,297	\$ 57,454	\$ 30,504	\$ 210,247

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

	BALANCE JULY 1	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30
<u>OTHER AGENCY FUNDS:</u>				
ASSETS:				
Cash and Cash Equivalents	\$ 52,402	\$ 27,124	\$ 19,364	\$ 60,162
Other Receivables, net	268	314	331	251
Due From Other Governments	-	372	372	-
Due From Other Funds	143	159	177	125
Inventories	17	376	367	26
Other Current Assets	27,246	556	4,597	23,205
Investments	43	3,719	-	3,762
TOTAL ASSETS	\$ 80,119	\$ 32,620	\$ 25,208	\$ 87,531
LIABILITIES:				
Warrants Payable	\$ 61	\$ -	\$ 9	\$ 52
Accounts Payable and Accrued Liabilities	2,775	3,564	6,229	110
Due To Other Governments	2	476	353	125
Due To Other Funds	13	43	38	18
Other Current Liabilities	1,515	634	538	1,611
Deposits Held In Custody For Others	75,628	29,109	19,235	85,502
Other Long-Term Liabilities	125	4	16	113
TOTAL LIABILITIES	\$ 80,119	\$ 33,830	\$ 26,418	\$ 87,531
<u>TOTALS - ALL AGENCY FUNDS:</u>				
ASSETS:				
Cash and Cash Equivalents	\$ 197,031	\$ 3,896,011	\$ 3,865,655	\$ 227,387
Taxes Receivable, net	62,890	8,786	8,148	63,528
Other Receivables, net	401	314	464	251
Due From Other Governments	-	372	372	-
Due From Other Funds	2,203	6,368	5,027	3,544
Inventories	17	376	367	26
Other Current Assets	27,246	556	4,597	23,205
Investments	784,734	4,078,174	3,974,349	888,559
Rights Under Deferred Compensation	183,143	42,448	15,355	210,236
TOTAL ASSETS	\$ 1,257,665	\$ 8,033,405	\$ 7,874,334	\$ 1,416,736
LIABILITIES:				
Warrants Payable	\$ 1,466	\$ 274,929	\$ 274,791	\$ 1,604
Tax Refunds Payable	242	783	1	1,024
Accounts Payable and Accrued Liabilities	3,089	24,181	26,830	440
Due To Other Governments	91,900	1,529,210	1,516,727	104,383
Due To Other Funds	4,992	70,514	72,599	2,907
Obligations Under Reverse Repurchase Agreements	-	93,843	-	93,843
Other Current Liabilities	3,509	2,526	2,435	3,600
Deposits Held In Custody For Others	958,468	480,979	448,922	990,525
Obligations Under Deferred Compensation	183,143	42,291	15,346	210,088
Other Long-Term Liabilities	10,856	24	2,558	8,322
TOTAL LIABILITIES	\$ 1,257,665	\$ 2,519,280	\$ 2,360,209	\$ 1,416,736

COLORADO

COMBINING BALANCE SHEET NONEXPENDABLE TRUST FUNDS JUNE 30, 1996

(DOLLARS IN THOUSANDS)	STATE LANDS	CONTROLLED MAINTENANCE	OTHER	TOTALS
ASSETS:				
Cash and Cash Equivalents	\$ 14,363	\$ 201,777	\$ 479	\$ 216,619
Other Receivables, net	774	616	-	1,390
Due From Other Funds	130	-	-	130
Investments	259,394	51,916	-	311,310
Property, Plant and Equipment, net	7,517	-	-	7,517
Other Long-Term Assets	1,394	-	-	1,394
TOTAL ASSETS	\$ 283,572	\$ 254,309	\$ 479	\$ 538,360
LIABILITIES:				
Due To Other Funds	\$ 1	\$ -	\$ -	\$ 1
Deferred Revenue	1,994	-	-	1,994
Obligations Under Reverse Repurchase Agreements	9,950	-	-	9,950
TOTAL LIABILITIES	11,945	-	-	11,945
FUND EQUITY:				
Fund Balances:				
Reserved For:				
Other Specific Purposes	271,627	70,580	479	342,686
Emergencies	-	183,729	-	183,729
TOTAL FUND EQUITY	271,627	254,309	479	526,415
TOTAL LIABILITIES AND FUND EQUITY	\$ 283,572	\$ 254,309	\$ 479	\$ 538,360

COMPREHENSIVE ANNUAL FINANCIAL REPORT - June 30, 1996

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND EQUITY
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 1996**

(DOLLARS IN THOUSANDS)	STATE LANDS	CONTROLLED MAINTENANCE	OTHER	TOTALS
OPERATING REVENUES:				
Interest and Rents	\$ 9,593	\$ 3,929	\$ -	\$ 13,522
TOTAL OPERATING REVENUES	9,593	3,929	-	13,522
OPERATING EXPENSES:				
TOTAL OPERATING EXPENSES	-	-	-	-
OPERATING INCOME (LOSS)	9,593	3,929	-	13,522
NON-OPERATING REVENUES AND (EXPENSES):				
Donations	-	-	312	312
TOTAL NON-OPERATING REVENUES (EXPENSES)	-	-	312	312
INCOME (LOSS) BEFORE OPERATING TRANSFERS	9,593	3,929	312	13,834
OPERATING TRANSFERS:				
Operating Transfer-In	4,878	196,000	-	200,878
Operating Transfer-Out	(1,919)	-	-	(1,919)
TOTAL OPERATING TRANSFERS	2,959	196,000	-	198,959
NET INCOME/CHANGE IN RETAINED EARNINGS	12,552	199,929	312	212,793
FUND EQUITY, JULY 1	259,075	54,380	167	313,622
FUND EQUITY, JUNE 30	\$ 271,627	\$ 254,309	\$ 479	\$ 526,415

COMBINING STATEMENT OF CASH FLOWS NONEXPENDABLE TRUST FUNDS FOR THE YEAR ENDED JUNE 30, 1996

(DOLLARS IN THOUSANDS)	STATE LANDS	CONTROLLED MAINTENANCE	OTHER	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Operating Income (Loss)	\$ 9,593	\$ 3,929	\$ -	\$ 13,522
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:				
Interest (Income) Expense	(9,593)	(3,929)	-	(13,522)
Net Changes in Assets and Liabilities Related to Operating Activities:				
(Increase) Decrease in Operating Receivables	(223)	(286)	10	(499)
(Increase) Decrease in Other Operating Assets	245	-	-	245
Increase (Decrease) in Other Operating Liabilities	72	-	-	72
NET CASH PROVIDED BY OPERATING ACTIVITIES	94	(286)	10	(182)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Donations	-	-	312	312
Operating Transfer-In	4,878	196,000	-	200,878
Operating Transfer-Out	(1,919)	-	-	(1,919)
Net Changes in Assets and Liabilities Related to Non-Capital Financing Activities:				
(Increase) Decrease in Due From Other Funds	122	-	-	122
NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES	3,081	196,000	312	199,393
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Net Changes in Assets and Liabilities Related to Capital Financing Activities:				
(Increase) Decrease in Property, Plant and Equipment	2	-	-	2
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	2	-	-	2
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends on Investments	9,593	3,929	-	13,522
Disposition of Reverse Repurchase Agreement Investment	9,950	-	-	9,950
Acquisition of Repurchase Agreement Investment	(9,950)	-	-	(9,950)
Net Changes in Assets and Liabilities Related to Investment Activities:				
(Increase) Decrease in Investments	(8,939)	(17,531)	-	(26,470)
NET CASH FROM INVESTING ACTIVITIES	654	(13,602)	-	(12,948)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,831	182,112	322	186,265
CASH AND CASH EQUIVALENTS, JULY 1	10,532	19,665	157	30,354
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 14,363	\$ 201,777	\$ 479	\$ 216,619

**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, 1996**

(DOLLARS IN THOUSANDS)

	LAND AND IMPROVEMENTS	BUILDINGS	LEASEHOLD IMPROVEMENTS
GENERAL GOVERNMENT			
Legislature	\$ -	\$ -	\$ -
Military Affairs	1,358	14,898	43
Personnel	2,971	68,010	-
Revenue	1,627	4,509	390
Subtotal	5,956	87,417	433
BUSINESS, COMMUNITY & CONSUMER AFFAIRS:			
Agriculture	1,123	7,899	-
¹ GOV, GJTO, OEC, OED	-	-	-
Labor and Employment	617	2,808	-
Local Affairs	-	-	-
Regulatory Agencies	-	-	-
Revenue	-	-	25
State	-	175	-
Subtotal	1,740	10,882	25
EDUCATION			
Education	224	6,163	-
Higher Education	2,398	7,170	-
Subtotal	2,622	13,333	-
HEALTH AND REHABILITATION			
Public Health and Environment	403	2,154	-
Human Services	5,775	80,454	69
Subtotal	6,178	82,608	69
JUSTICE			
Corrections	6,638	298,831	6,567
DHS, Division of Youth Services	75	45,081	-
Judicial	1,605	11,835	-
Law	-	-	-
Public Safety	303	3,154	-
Regulatory Agencies	-	-	-
Subtotal	8,621	358,901	6,567
NATURAL RESOURCES			
Natural Resources	147,990	59,149	24,020
SOCIAL ASSISTANCE			
Human Services	-	-	729
Health Care Policy and Finance	-	-	-
Subtotal	-	-	729
TRANSPORTATION			
Transportation	4,016	44,022	-
TOTAL GENERAL FIXED ASSETS	\$ 177,123	\$ 656,312	\$ 31,843

¹Governor's Office, Governor's Job Training Office, Office of Energy Conservation, and the Office of Economic Development

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EQUIPMENT	CONSTRUCTION IN PROGRESS	OTHER FIXED ASSETS	TOTALS
\$ 1,185	\$ -	\$ 100	\$ 1,285
70	3,439	31	19,839
6,123	2,259	-	79,363
16,940	390	-	23,856
24,318	6,088	131	124,343
2,803	4	-	11,829
399	-	287	686
3,811	-	-	7,236
676	-	-	676
2,553	-	-	2,553
566	-	-	591
3,052	-	-	3,227
13,860	4	287	26,798
1,688	-	2,068	10,143
523	35	1,522	11,648
2,211	35	3,590	21,791
12,683	-	-	15,240
13,378	5,029	61	104,766
26,061	5,029	61	120,006
23,268	11,106	37	346,447
2,188	10,341	-	57,685
10,651	-	689	24,780
123	-	-	123
30,005	-	-	33,462
85	-	-	85
66,320	21,447	726	462,582
26,245	3,815	8,509	269,728
10,020	550	-	11,299
1,333	-	-	1,333
11,353	550	-	12,632
162,467	-	-	210,505
\$ 332,835	\$ 36,968	\$ 13,304	\$ 1,248,385

COLORADO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND DEPARTMENT JUNE 30, 1996

(DOLLARS IN THOUSANDS)	BALANCE			BALANCE
	JULY 1	ADDITIONS	DELETIONS	
GENERAL GOVERNMENT				
Administration	\$ 78,251	\$ -	\$ 78,251	\$ -
Governor's Office	170	-	170	-
Legislature	1,210	192	117	1,285
Military Affairs	16,634	3,311	106	19,839
Personnel	44	79,385	66	79,363
Revenue	24,022	2,570	2,736	23,856
Subtotal	120,331	85,458	81,446	124,343
BUSINESS, COMMUNITY & CONSUMER AFFAIRS:				
Agriculture	16,553	1,632	6,356	11,829
¹ GOV, GJTO, OEC, OED	646	40	-	686
Labor and Employment	7,284	550	598	7,236
Local Affairs	1,244	198	766	676
Regulatory Agencies	2,259	567	273	2,553
Revenue	504	100	13	591
State	2,894	333	-	3,227
Subtotal	31,384	3,420	8,006	26,798
EDUCATION				
Education	10,066	465	388	10,143
Higher Education	11,614	262	228	11,648
Subtotal	21,680	727	616	21,791
HEALTH AND REHABILITATION				
Public Health and Environment	13,736	2,047	543	15,240
Human Services	102,819	2,676	729	104,766
Subtotal	116,555	4,723	1,272	120,006
JUSTICE				
Corrections	335,123	11,325	1	346,447
DHS, Division of Youth Services	50,380	7,454	149	57,685
Judicial	26,188	3,142	4,550	24,780
Law	789	20	686	123
Public Safety	31,879	2,635	1,052	33,462
Regulatory Agencies	86	-	1	85
Subtotal	444,445	24,576	6,439	462,582
NATURAL RESOURCES				
Natural Resources	251,523	19,609	1,404	269,728
SOCIAL ASSISTANCE				
Human Services	9,334	2,130	165	11,299
Health Care Policy and Finance	1,309	24	-	1,333
Subtotal	10,643	2,154	165	12,632
TRANSPORTATION				
Transportation	42,591	172,114	4,200	210,505
TOTAL GENERAL FIXED ASSETS	\$ 1,039,152	\$ 312,781	\$ 103,548	\$ 1,248,385

¹Governor's Office, Governor's Job Training Office, Office of Energy 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.

COLORADO STATE FAIR AUTHORITY

The authority leases the state fairgrounds from the state and conducts the annual Colorado State Fair and Industrial Exposition.

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
FOR THEIR MOST RECENT FISCAL YEAR END**

(DOLLARS IN THOUSANDS)

	PROPRIETARY FUND TYPES				
	COLORADO STATE FAIR 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
ASSETS:					
Cash and Cash Equivalents	\$ 4	\$ 1,381	\$ 20,430	\$ 38,999	\$ 3,565
Taxes Receivable, net	-	4,413	-	-	-
Other Receivables, net	47	190	35,783	1,365	9
Due From Other Governments	-	-	-	9,560	-
Due From Other Funds	-	-	-	6,966	-
Inventories	70	-	3,743	-	-
Other Current Assets	121	331	960	-	-
Investments	347	-	121,351	51,778	-
Property, Plant and Equipment, net	9,090	198,075	149,933	64	-
Other Long-Term Assets	94	2,314	10,316	194,378	11,646
TOTAL ASSETS	\$ 9,773	\$ 206,704	\$ 342,516	\$ 303,110	\$ 15,220
LIABILITIES:					
Accounts Payable and Accrued Liabilities	\$ 1,263	\$ 5,145	\$ 47,796	\$ 10,392	\$ 137
Due To Other Governments	-	-	-	4,706	-
Due To Other Funds	-	-	-	5,680	-
Deferred Revenue	257	-	-	677	56
Other Current Liabilities	1,170	-	1,907	371	2,940
Capital Lease Obligations	527	6,791	-	-	-
Notes and Bonds Payable	3,354	111,319	137,882	182,572	-
Accrued Compensated Absences	54	-	5,216	-	-
Other Long-Term Liabilities	-	-	2,163	-	-
TOTAL LIABILITIES	6,625	123,255	194,964	204,398	3,133
FUND EQUITY:					
Contributed Capital	-	386	-	57,883	-
Retained Earnings	3,148	83,063	-	40,829	12,087
Fund Balances:					
Reserved For:					
Other Specific Purposes	-	-	-	-	-
Unreserved:					
Undesignated	-	-	147,552	-	-
TOTAL FUND EQUITY	3,148	83,449	147,552	98,712	12,087
TOTAL LIABILITIES AND FUND EQUITY	\$ 9,773	\$ 206,704	\$ 342,516	\$ 303,110	\$ 15,220

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FIDUCIARY FUND TYPE	TOTALS
COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	
\$ 27,326	\$ 91,705
-	4,413
1,040	38,434
-	9,560
-	6,966
-	3,813
-	1,412
49,380	222,856
-	357,162
-	218,748
\$ 77,746	\$ 955,069
\$ -	\$ 64,733
33,655	38,361
1,286	6,966
-	990
-	6,388
-	7,318
-	435,127
-	5,270
-	2,163
34,941	567,316
-	58,269
-	139,127
42,805	42,805
-	147,552
42,805	387,753
\$ 77,746	\$ 955,069

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND EQUITY
ALL DISCRETELY PRESENTED COMPONENT UNITS
PROPRIETARY FUNDS
FOR THEIR MOST RECENT FISCAL YEAR ENDED**

(DOLLARS IN THOUSANDS)	COLORADO STATE FAIR AUTHORITY	DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY
OPERATING REVENUES:				
Charges for Goods and Services	\$ 7,174	\$ -	\$ 227,836	\$ 2,030
Interest and Rents	-	810	-	11,132
Other	-	-	14,091	-
TOTAL OPERATING REVENUES	7,174	810	241,927	13,162
OPERATING EXPENSES:				
Salaries & Fringe Benefits	-	-	90,978	-
Operating and Travel	7,564	154	71,963	12,595
Cost of Goods Sold	-	-	44,897	-
Depreciation	362	3,740	9,501	14
Other	-	-	1,322	50
TOTAL OPERATING EXPENSES	7,926	3,894	218,661	12,659
OPERATING INCOME (LOSS)	(752)	(3,084)	23,266	503
NON-OPERATING REVENUES AND (EXPENSES):				
Taxes	-	23,622	-	-
Interest and Rents	66	387	6,211	2,033
Donations	1,122	-	-	-
Other Financing Sources	-	-	-	1,615
Debt Service	(325)	(6,084)	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	863	17,925	6,211	3,648
INCOME (LOSS) BEFORE OPERATING TRANSFERS	111	14,841	29,477	4,151
OPERATING TRANSFERS:				
Operating Transfer-In	-	-	-	1,506
TOTAL OPERATING TRANSFERS	-	-	-	1,506
NET INCOME/CHANGE IN RETAINED EARNINGS	111	14,841	29,477	5,657
FUND EQUITY, FISCAL YEAR BEGINNING	3,037	68,608	118,736	83,656
Additions (Deductions) to Contributed Capital	-	-	-	9,399
Prior Period/Other Adjustments	-	-	(661)	-
FUND EQUITY, FISCAL YEAR END	\$ 3,148	\$ 83,449	\$ 147,552	\$ 98,712

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COLORADO UNINSURABLE HEALTH INSURANCE	
PLAN	TOTALS
\$ 8,133	\$ 245,173
-	11,942
-	14,091
8,133	271,206
-	90,978
9,010	101,286
-	44,897
-	13,617
-	1,372
9,010	252,150
(877)	19,056
-	23,622
583	9,280
-	1,122
-	1,615
-	(6,409)
583	29,230
(294)	48,286
-	1,506
-	1,506
(294)	49,792
12,379	286,416
-	9,399
2	(659)
\$ 12,087	\$ 344,948

**COMBINING STATEMENT OF CASH FLOWS
ALL DISCRETELY PRESENTED COMPONENT UNITS
PROPRIETARY FUNDS
FOR THEIR MOST RECENT FISCAL YEAR ENDED**

(DOLLARS IN THOUSANDS)

	COLORADO STATE FAIR AUTHORITY	DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	UNIVERSITY OF COLORADO HOSPITAL AUTHORITY
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Operating Income (Loss)	\$ (752)	\$ (3,084)	\$ 23,266
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	362	3,740	9,501
Interest (Income) Expense	-	-	1,322
Net Periodic Pension Cost	-	-	4,763
Other Adjustments	-	-	-
Net Changes in Assets and Liabilities Related to Operating Activities:			
(Increase) Decrease in Operating Receivables	18	(28)	(5,652)
(Increase) Decrease in Inventories	(10)	-	237
(Increase) Decrease in Other Operating Assets	(40)	(87)	1,043
Increase (Decrease) in Accounts Payable	883	37	5,389
Increase (Decrease) in Accrued Compensated Absences	2	-	(339)
Increase (Decrease) in Other Operating Liabilities	233	-	(8,638)
Insurance Premiums and State Subsidy	-	-	-
Claims and General Insurance Expenses Paid	-	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	696	578	30,892
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Operating Transfer-In	-	-	-
NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Taxes	-	23,391	-
Grants and Private Donations	1,122	-	-
Principal Repayments of Loans Receivable	-	-	-
Loans Made	-	-	-
Proceeds from the Issuance of Certificates of Beneficial Ownership	-	7,371	-
Note and Bond Proceeds	-	45	22,831
Additions to Contributed Capital	-	-	-
Purchase of Property, Plant, and Equipment	(2,382)	(45,218)	(65,336)
Sales of Property, Plant, and Equipment	-	71	-
Sales of Nonadmitted Assets	-	-	-
Capital Lease Obligation Payments	-	(645)	-
Debt Service Payments	(1,074)	(6,720)	(9,568)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(2,334)	(21,705)	(52,073)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends on Investments	66	853	8,481
Sales of Investments	-	27,153	132,633
Purchases of Investments	-	(9,910)	(112,810)
Net Changes in Assets and Liabilities Related to Investment Activities:			
(Increase) Decrease in Investments	1,555	-	-
NET CASH FROM INVESTING ACTIVITIES	1,621	18,096	28,304
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(17)	(3,031)	7,123
CASH AND CASH EQUIVALENTS, FISCAL YEAR BEGINNING	21	4,412	13,307
CASH AND CASH EQUIVALENTS, FISCAL YEAR END	\$ 4	\$ 1,381	\$ 20,430

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COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	COLORADO UNINSURABLE HEALTH INSURANCE PLAN	TOTALS
\$ 4,150	\$ (877)	\$ 22,703
157	-	13,760
-	-	1,322
-	-	4,763
-	877	877
113	-	(5,549)
-	-	227
20	-	936
1,005	-	7,314
-	-	(337)
264	-	(8,141)
-	8,199	8,199
-	(7,505)	(7,505)
5,709	694	38,569
1,506	-	1,506
1,506	-	1,506
-	-	23,391
-	-	1,122
8,585	-	8,585
(27,918)	-	(27,918)
-	-	7,371
24,525	-	47,401
8,895	-	8,895
(52)	-	(112,988)
-	-	71
-	2	2
-	-	(645)
(8,495)	-	(25,857)
5,540	2	(70,570)
-	97	9,497
-	-	159,786
-	-	(122,720)
4,550	-	6,105
4,550	97	52,668
17,305	793	22,173
21,694	2,772	42,206
\$ 38,999	\$ 3,565	\$ 64,379

COLORADO

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL DISCRETELY PRESENTED COMPONENT UNITS
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1995**

(DOLLARS IN THOUSANDS)	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY
REVENUES:	
Interest	\$ 2,552
TOTAL REVENUES	2,552
EXPENDITURES:	
TOTAL EXPENDITURES	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,552
OTHER FINANCING SOURCES (USES):	
Operating Transfer-Out	(1,506)
TOTAL OTHER FINANCING SOURCES (USES)	(1,506)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,046
FUND BALANCE, JANUARY 1	41,759
FUND BALANCE, DECEMBER 31	\$ 42,805

STATISTICAL SECTION

**REVENUES AND OTHER FINANCINGS 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)

	1995-96	1994-95	1993-94	1992-93
REVENUES AND OTHER FINANCING SOURCES:				
Taxes	\$ 4,841	\$ 4,549	\$ 4,177	\$ 3,837
Licenses, Permits, and Fines	358	301	289	263
Charges for Goods and Services	171	179	343	450
Interest	170	130	104	137
Federal Grants and Contracts	2,133	2,048	2,121	2,022
Other	111	126	112	57
Other Financing Sources	7	-	-	108
Transfers-In	500	450	369	243
TOTAL REVENUES AND OTHER SOURCES	8,291	7,783	7,515	7,117
EXPENDITURES AND OTHER USES BY FUNCTION:				
Current:				
General Government	184	140	216	149
Business, Community and Consumer Affairs	405	378	449	472
Education	65	60	53	53
Health and Rehabilitation	359	340	346	342
Justice	534	487	447	423
Natural Resources	109	102	92	89
Social Assistance	1,703	1,630	1,562	1,701
Transportation	558	543	582	499
Capital Outlay	96	74	88	92
Intergovernmental:				
Cities	157	161	151	130
Counties	676	663	626	594
School Districts	1,783	1,659	1,581	1,492
Other	161	126	125	100
Debt Service	43	45	40	23
Other	6	-	-	115
Transfers-Out:				
Higher Education	632	557	543	532
Other	644	431	372	180
TOTAL EXPENDITURES AND OTHER USES	8,115	7,396	7,273	6,986
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	176	387	242	131
Prior Period Adjustments	4	(20)	1	-
FUND BALANCE, JUNE 30	\$ 2,327	\$ 2,147	\$ 1,780	\$ 1,537

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1991-92	1990-91	1989-90	1988-89	1987-88	1986-87
\$ 3,519	\$ 3,205	\$ 3,225	\$ 3,050	\$ 2,777	\$ 2,666
249	229	102	74	154	146
173	144	110	83	74	57
150	162	84	107	81	83
1,778	1,505	1,216	1,119	1,073	1,043
166	110	204	129	141	91
144	29	71	65	1	37
245	288	242	236	163	208
6,424	5,672	5,254	4,863	4,464	4,331
211	196	219	195	168	155
432	326	108	104	130	117
47	51	48	37	33	42
323	308	284	266	245	233
394	367	379	303	263	239
78	73	68	63	70	67
1,328	1,023	913	823	848	821
505	525	418	414	400	406
106	93	202	131	118	119
					1,462
131	108	104	91	80	-
542	493	433	402	387	-
1,134	1,216	1,166	1,076	1,010	-
109	91	45	36	33	-
173	26	12	7	3	3
1	-	-	-	-	-
508	504	529	488	445	384
173	217	195	202	127	175
6,195	5,617	5,123	4,638	4,360	4,223
229	55	131	225	104	108
-	-	2	-	-	-
\$ 1,406	\$ 1,177	\$ 1,122	\$ 989	\$ 764	\$ 660

**GENERAL FUND
GENERAL PURPOSE REVENUE
IN DOLLARS AND AS A PERCENT OF TOTAL**

Last Ten Fiscal Years

(DOLLARS IN MILLIONS)

	1995-96	1994-95	1993-94	1992-93	1991-92
Income Tax:					
Individual, net after FY 1986-87	\$ 2,318	\$ 2,106	\$ 1,920	\$ 1,760	\$ 1,608
Corporate, net after FY 1986-87 (Refunds)	206	191	147	139	113
Net Income Tax	2,524	2,297	2,067	1,899	1,721
Sales, Use, and Excise Taxes	1,415	1,316	1,208	1,079	1,000
Inheritance and Gift Taxes	32	28	34	20	34
Insurance Tax	110	105	102	92	89
Other Taxes	18	17	20	25	12
Interest	37	29	18	8	6
Medicaid Provider Revenues	69	127	205	259	82
Other	64	77	71	61	52
TOTAL GENERAL REVENUES	\$ 4,269	\$ 3,996	\$ 3,725	\$ 3,443	\$ 2,996
Percent Change Over Previous Year	6.8%	7.3%	8.2%	14.9%	12.5%

(AS PERCENT OF TOTAL)

Net Income Tax	59.1%	57.5%	55.5%	55.2%	57.4%
Sales, Use, and Excise Taxes	33.2	32.9	32.4	31.3	33.4
Inheritance and Gift Taxes	0.7	0.7	0.9	0.6	1.1
Insurance Tax	2.6	2.6	2.7	2.7	3.0
Other Taxes	0.4	0.4	0.5	0.7	0.4
Interest	0.9	0.7	0.5	0.2	0.2
Medicaid Provider Revenues	1.6	3.2	5.5	7.5	2.7
Other	1.5	2.0	2.0	1.8	1.8
TOTAL GENERAL REVENUES	100.0%	100.0%	100.0%	100.0%	100.0%

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1990-91	1989-90	1988-89	1987-88	1986-87
\$ 1,462	\$ 1,381	\$ 1,311	\$ 1,195	\$ 1,320
116	104	166	113	159
				(261)
1,578	1,485	1,477	1,308	1,218
931	913	833	814	811
15	21	15	13	18
85	82	82	81	-
10	8	11	7	93
4	16	16	6	11
-	-	-	-	-
41	55	50	54	26
\$ 2,664	\$ 2,580	\$ 2,484	\$ 2,283	\$ 2,177
3.3%	3.9%	8.8%	4.9%	4.3%

59.2%	57.6%	59.5%	57.3%	55.9%
34.9	35.4	33.5	35.7	37.3
0.6	0.8	0.6	0.6	0.8
3.2	3.2	3.3	3.5	0.0
0.4	0.3	0.4	0.3	4.3
0.1	0.6	0.6	0.3	0.5
0.0	0.0	0.0	0.0	0.0
1.6	2.1	2.1	2.3	1.2
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)

	1995-96	1994-95	1993-94	1992-93	1991-92
Department:					
Administration		\$ 9,056	\$ 10,905	\$ 11,535	\$ 15,375
Agriculture	\$ 6,477	6,310	5,712	5,568	5,543
Corrections	234,049	204,073	179,173	157,012	143,072
Education	1,590,861	1,503,783	1,416,693	1,217,078	1,133,740
Governor	3,509	6,698	2,475	2,632	2,450
Health			21,473	20,755	21,128
Health Care Policy and Financing	692,241	666,813			
Higher Education	581,143	537,905	531,344	526,337	496,344
Human Services	407,321	366,960			
Institutions			125,750	140,987	140,349
Judicial Branch	150,447	142,681	132,944	126,116	117,623
Labor and Employment	610	272	-	-	141
Law	6,454	7,139	6,859	7,059	7,545
Legislative Branch	19,891	18,970	18,707	17,852	17,727
Local Affairs	23,986	21,718	15,803	14,519	12,466
Military Affairs	2,572	2,601	2,523	2,432	2,412
Natural Resources	22,442	20,157	17,408	16,519	15,879
Personnel	13,185	4,464	4,201	4,040	3,900
Public Health and Environment	17,277	16,080			
Public Safety	36,325	33,269	30,202	28,220	26,579
Regulatory Agencies	898	527	107	620	9,677
Revenue	38,654	35,095	26,750	28,863	26,216
Social Services			832,629	833,566	644,451
State	-	-	-	-	-
Transportation	-	-	-	-	-
Treasury	2,535	3,852	2,410	2,356	3,143
Transfer to the Capital Construction Fund	254,962	201,708	173,073	32,555	(27,177)
Transfer to the Controlled Maintenance Trust Fund	196,000	19,400	32,650	-	-
Transfers for Water Construction Projects	-	30,000	-	-	-
Transfer to the Highway Users Tax Fund	-	-	-	-	-
Unclassified by Department	88,614	54,384	57,081	53,238	60,238
TOTAL	\$4,390,453	\$3,913,915	\$3,646,872	\$3,249,859	\$2,878,821

(AS PERCENT OF TOTAL)

Education	36.2%	38.4%	38.8%	37.5%	39.4%
Health Care Policy and Financing	15.8	17.0			
Higher Education	13.2	13.7	14.6	16.2	17.2
Human Services	9.3	9.4			
Transfer to the Capital Construction Fund	5.8	5.2	4.7	1.0	-0.9
Corrections	5.3	5.2	4.9	4.8	5.0
Transfer to the Controlled Maintenance Trust Fund	4.5				
Judicial	3.4	3.6	3.6	3.9	4.1
Social Services			22.8	25.6	22.4
Institutions			3.4	4.3	4.9
All Others	6.5	7.5	7.2	6.7	7.9
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%

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1990-91	1989-90	1988-89	1987-88	1986-87
\$ 13,349	\$ 13,543	\$ 11,626	\$ 12,272	\$ 14,853
5,636	5,833	5,760	5,329	4,938
134,566	133,037	97,039	77,180	63,029
1,083,912	1,037,844	961,463	899,245	843,960
2,782	4,629	3,081	3,039	2,817
23,774	24,263	22,634	23,327	20,145
501,669	497,761	475,069	438,663	415,055
135,113	125,210	123,571	117,702	113,140
111,103	104,950	96,797	88,855	82,153
652	406	625	-	2,100
6,166	6,381	5,870	3,769	8,978
16,616	16,986	16,631	15,065	13,997
13,567	7,815	7,134	10,069	8,140
1,995	1,786	1,803	1,559	1,515
16,588	16,100	15,346	15,033	14,008
4,137	3,772	3,546	3,464	3,087
28,617	22,401	17,684	15,936	15,705
9,003	8,693	7,684	7,139	5,330
24,921	23,038	22,116	21,964	21,830
514,359	442,149	402,300	339,994	304,032
-	-	(630)	(2,065)	657
-	-	-	-	-
2,321	2,236	1,653	1,568	422
41,554	32,450	70,481	27,573	N/A
-	-	-	-	-
1,000	400	5,000	-	N/A
10,000	10,000	30,000	15,700	N/A
60,594	59,331	52,596	86,016	55,856
\$2,763,994	\$2,601,014	\$2,456,879	\$2,228,396	\$2,015,747
39.2%	39.9%	39.1%	40.4%	41.9%
18.2	19.1	19.3	19.7	20.6
1.5	1.2	2.9	1.2	0.0
4.9	5.1	3.9	3.5	3.1
4.0	4.0	3.9	4.0	4.1
18.6	17.0	16.4	15.3	15.1
4.9	4.8	5.0	5.3	5.6
8.7	8.9	9.5	10.6	9.6
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**

	1995-96	1994-95	1993-94	1992-93	1991-92
General Government	2,333	2,300	2,297	2,420	2,647
Business, Community, and Consumer Affairs	2,267	2,265	2,276	2,238	2,148
Education	26,862	26,216	26,327	25,864	24,945
Health and Rehabilitation	4,043	4,292	4,216	4,179	4,242
Justice	8,140	7,785	7,534	7,123	6,807
Natural Resources	1,337	1,337	1,307	1,281	1,236
Social Assistance	1,138	1,056	1,269	1,259	1,332
Transportation	3,103	3,092	3,095	3,061	2,996
TOTAL FTE	49,223	48,343	48,321	47,425	46,353
AVERAGE MONTHLY SALARY					
TOTAL CLASSIFIED FTE	28,483	28,131	28,172	27,763	27,373
AVERAGE MONTHLY SALARY	\$ 2,954	\$ 2,877	\$ 2,686	\$ 2,666	\$ 2,597
TOTAL NON-CLASSIFIED FTE	20,740	20,212	20,149	19,662	18,980
AVERAGE MONTHLY SALARY	\$ 3,935	\$ 3,825	\$ 3,586	\$ 3,539	\$ 3,445

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

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.

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1990-91	1989-90	1988-89	1987-88	1986-87
2,441	2,425	2,705	2,712	2,819
2,165	2,287	2,399	2,516	2,440
24,459	24,360	24,306	23,647	22,747
4,344	4,270	4,205	4,122	4,262
6,637	6,194	5,691	5,407	4,978
1,206	1,233	1,201	1,182	1,198
1,387	1,380	1,362	1,312	1,264
2,911	2,901	2,929	3,034	3,100
45,550	45,050	44,798	43,932	42,808
		2,557	2,481	2,392
27,113	27,392	N/A	N/A	N/A
\$ 2,482	\$ 2,377	N/A	N/A	N/A
18,437	17,658	N/A	N/A	N/A
\$ 3,262	\$ 3,090	N/A	N/A	N/A

REVENUE BOND COVERAGE Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expense	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
<u>Higher Education Facilities</u>							
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
1989-90	139,528	113,817	25,711	4,322	10,202	14,524	1.77
1988-89	131,217	106,078	25,139	4,156	8,950	13,106	1.92
1987-88	123,254	99,836	23,418	3,976	8,574	12,550	1.87
1986-87	115,429	93,857	21,572	5,247	7,827	13,074	1.65

COLORADO SALES AND ASSESSED PROPERTY VALUES 1987 to 1996

(Amounts in Billions)

Year	Retail Sales	Wholesale Sales	Assessed Property Values
1996 est	\$ 43.3	\$ 26.6	N/A
1995	40.6	25.0	32.5
1994	38.4	23.6	29.8
1993	34.2	21.2	28.5
1992	31.3	19.5	28.5
1991	28.9	19.3	28.3
1990	27.5	17.8	29.1
1989	26.2	16.0	29.1
1988	24.8	16.4	31.6
1987	24.5	15.8	33.3

Wholesale sales include only those sales reported on sales tax reports.

Source: Colorado Department of Revenue, Colorado Division of Property Taxation, and the Colorado Business/Economic Outlook Committee.

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VALUE OF TOTAL CONSTRUCTION IN COLORADO BY TYPE 1987 TO 1996

(Amounts in Millions)

Year	Residential	Non-Residential	Non-Building	Total
1996 est	\$ 3,356	\$ 2,040	\$ 1,110	\$ 6,506
1995 est	3,849	1,858	975	6,682
1994	3,896	1,585	974	6,455
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
1990	1,426	947	879	3,252
1989	1,191	946	661	2,798
1988	1,173	973	604	2,750
1987	1,517	969	697	3,183

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

COLORADO BANK DEPOSITS AND LIFE INSURANCE SALES 1987 TO 1996

(Amounts in Millions)

Year	Life Insurance Sales	Bank Deposits	Savings & Loan Deposits	Credit Union Deposits	Total Deposits
1996 est	\$17,680	\$32,078	\$1,500	\$5,186	\$38,764
1995 est	17,250	30,262	1,500	4,986	36,748
1994	16,862	28,021	1,758	4,704	34,483
1993	16,385	25,934	2,297	4,515	32,746
1992	15,770	22,891	5,815	4,245	32,951
1991	15,327	21,410	7,563	4,190	33,163
1990	15,741	21,102	9,336	3,409	33,847
1989	15,630	21,102	10,039	3,392	34,533
1988	16,370	19,667	10,726	3,032	33,425
1987	16,678	19,767	10,560	2,936	33,263

Source: Colorado Department of Regulatory Agencies and the Colorado Business/Economic Outlook Committee.

COLORADO DEMOGRAPHIC DATA 1987 TO 1996

Year	Population (000)	% of U.S. Population	Per Capita Personal Income	% of U.S. Per Capita Income	Employ- ment (000)	Unemploy- ment %
1996 est	3,795	1.43%	\$ 24,665	103.6%	2,052	4.2%
1995 est	3,732	1.42	23,438	103.0	2,002	4.0
1994	3,656	1.40	22,320	102.9	1,912	4.2
1993	3,564	1.38	21,560	103.6	1,801	5.2
1992	3,465	1.36	20,610	102.3	1,712	5.9
1991	3,390	1.34	19,744	102.8	1,694	5.0
1990	3,304	1.32	18,814	100.8	1,678	4.9
1989	3,285	1.33	17,767	100.4	1,597	5.8
1988	3,271	1.33	16,696	100.5	1,598	6.4
1987	3,264	1.35	15,922	101.8	1,565	7.7

Source: Colorado Department of Local Affairs and the Colorado Business/Economic Outlook Committee.

COLORADO EMPLOYMENT BY INDUSTRY 1988-1995

(Amounts in Thousands)

Industry	1995 est	1994	1993	1992	1991	1990	1989	1988
Agriculture	20.8	18.9	21.3	21.9	22.6	25.6	36.3	44.0
Mining	15.5	15.7	16.1	16.6	18.6	19.9	19.6	20.7
Construction	98.0	97.0	86.0	74.8	66.5	63.6	60.2	60.4
Manufacturing	196.0	191.2	188.1	185.9	185.6	193.2	193.4	189.6
Transportation, Communication, and Public Utilities	109.5	107.7	104.3	99.8	97.8	96.1	93.7	91.4
Trade	449.9	429.4	404.0	385.6	375.5	371.8	363.9	352.9
Finance, Insurance, and Real Estate	111.8	110.2	106.2	99.9	96.7	96.9	96.8	95.7
Services	530.0	502.1	469.4	443.4	421.1	402.6	383.6	358.8
Government	304.1	301.5	296.7	291.1	283.3	276.8	271.4	266.7
Total	1,835.6	1,773.7	1,692.1	1,619.0	1,567.7	1,546.5	1,518.9	1,480.2

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

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

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