

# STATE OF COLORADO

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

### FOR THE FISCAL YEAR ENDED JUNE 30, 2009

## CONTENTS

### INTRODUCTORY SECTION

	Page
Letter of Transmittal.....	7
Certificate of Achievement .....	14
Organization Chart .....	15

### FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT.....	18
MANAGEMENT’S DISCUSSION AND ANALYSIS.....	21
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
<i>Statement of Net Assets</i> .....	47
<i>Statement of Activities</i> .....	48
Fund Financial Statements:	
<i>Balance Sheet – Governmental Funds</i> .....	50
<i>Reconciliation of the Balance Sheet to the</i>	
<i>Statement of Net Assets</i> .....	52
<i>Statement of Revenues, Expenditures, and</i>	
<i>Changes in Fund Balances – Governmental Funds</i> .....	54
<i>Reconciliation of the Statement of Revenues, Expenditures, and</i>	
<i>Changes in Fund Balances to the Statement of Activities</i> .....	56
<i>Statement of Net Assets – Proprietary Funds</i> .....	58
<i>Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds</i> .....	60
<i>Statement of Cash Flows – Proprietary Funds</i> .....	62
<i>Statement of Fiduciary Net Assets – Fiduciary Funds</i> .....	66
<i>Statement of Changes in Fiduciary Net Assets – Fiduciary Funds</i> .....	67
<i>Statement of Net Assets – Component Units</i> .....	68
<i>Statement of Revenues, Expenses, and Changes in Fund Net Assets – Component Units</i> .....	70
<i>Statement of Revenues, Expenses, and Changes in Net Assets – Component Units</i>	
<i>Recast to the Statement of Activities Format</i> .....	72
Notes to the Financial Statements	
Notes 1 Through 7 – Summary of Significant Accounting Policies	
Note 1 – Government-Wide Financial Statements .....	73
Note 2 – Reporting Entity .....	73
Note 3 – Basis of Presentation – Government-Wide Financial Statements.....	74
Note 4 – Basis of Presentation – Fund Financial Statements .....	75
Note 5 – Basis of Accounting.....	78
Note 6 – Accounting Policies Affecting Specific Assets, Liabilities, and Net Assets.....	79
Note 7 – Accounting Policies Affecting Revenues, Expenditures/Expenses .....	83

Note 8 – Stewardship, Accountability, and Legal Compliance .....	85
Notes 9 Through 17 – Details of Asset Items	
Note 9 – Cash and Pooled Cash .....	88
Note 10 – Noncash Transactions in the Proprietary Fund Types .....	89
Note 11 – Receivables .....	89
Note 12 – Inventory .....	91
Note 13 – Prepaids, Advances, and Deferred Charges .....	91
Note 14 – Investments .....	92
Note 15 – Treasurer’s Investment Pool .....	103
Note 16 – Capital Assets .....	103
Note 17 – Other Long-Term Assets .....	105
Notes 18 Through 27 – Details of Liability Items	
Note 18 – Pension System and Obligations .....	106
Note 19 – Other Postemployment Benefits and Life Insurance .....	109
Note 20 – Other Employee Benefits .....	112
Note 21 – Risk Management .....	116
Note 22 – Lease Commitments .....	119
Note 23 – Short-Term Debt .....	121
Note 24 – Notes, Bonds, and Certificates of Participation Payable .....	121
Note 25 – Changes in Long-Term Liabilities .....	125
Note 26 – Defeased Debt .....	127
Note 27 – Pollution Remediation Obligations .....	128
Notes 28 Through 29 – Details of Net Assets and Fund Equity	
Note 28 – Prior Period Adjustments and Accounting Changes .....	129
Note 29 – Fund Equity .....	130
Note 30 – Interfund Receivables and Payables .....	132
Note 31 – Transfers Between Funds .....	134
Note 32 – Unusual or Infrequent Transactions .....	137
Note 33 – Donor Restricted Endowments .....	137
Note 34 – Pledged Revenue .....	138
Note 35 – Segment Information .....	139
Note 36 – Component Units .....	141
Note 37 – Related Parties and Organizations .....	142
Note 38 – Contingencies .....	144
Note 39 – Subsequent Events .....	146

**REQUIRED SUPPLEMENTARY INFORMATION:**

**Budget and Actual Schedules – Budgetary Basis:**

<i>Schedule of Revenues, Expenditures, and</i> <i>Changes in Fund Balances – General Funded</i> .....	150
<i>Schedule of Revenues, Expenditures/Expenses, and</i> <i>Changes in Fund Balances/Net Assets – Cash Funded</i> .....	151
<i>Schedule of Revenues, Expenditures/Expenses, and</i> <i>Changes in Fund Balances/Net Assets – Federally Funded</i> .....	152
<i>Reconciling Schedule All Budget Fund Types to All GAAP Fund Types</i> .....	154
<i>General Fund Schedule of Revenues, Expenditures, and</i> <i>Changes in General Fund Surplus</i> .....	157

Notes to Required Supplementary Information:

Note RSI-1 Budgetary Information .....	158
Note RSI-2 Roadway Infrastructure Reported Under the Modified Approach .....	160
Note RSI-3 Schedule of Funding Progress for Other Postemployment Benefits .....	162

SUPPLEMENTARY INFORMATION:

Governmental Funds:

<i>Combining Balance Sheet – Governmental Funds</i> .....	164
<i>Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Other Governmental Funds</i> .....	165
<i>Combining Balance Sheet – Special Revenue Funds</i> .....	168
<i>Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Special Revenue Funds</i> .....	170
<i>Combining Balance Sheet – Permanent Funds</i> .....	174
<i>Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Permanent Funds</i> .....	175

Proprietary Funds:

<i>Combining Statement of Net Assets – Other Enterprise Funds</i> .....	178
<i>Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Other Enterprise Funds</i> .....	180
<i>Combining Statement of Cash Flows – Other Enterprise Funds</i> .....	182
<i>Combining Statement of Net Assets – Internal Service Funds</i> .....	188
<i>Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds</i> .....	190
<i>Combining Statement of Cash Flows – Internal Service Funds</i> .....	192

Fiduciary Funds

<i>Combining Statement of Fiduciary Net Assets – Pension and Other Employee Benefit Funds</i> .....	115
<i>Combining Statement of Changes in Fiduciary Net Assets – Pension and Other Employee Benefit Funds</i> .....	115
<i>Combining Statement of Fiduciary Net Assets – Private Purpose Trust Funds</i> .....	198
<i>Combining Statement of Changes in Fiduciary Net Assets – Private Purpose Trust Funds</i> .....	199
<i>Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds</i> .....	200

Component Units:

<i>Combining Statement of Net Assets – Other Component Units</i> .....	204
<i>Combining Statement of Revenues, Expenses, and Changes in Net Assets – Other Component Units</i> .....	205

Other Schedules

<i>Schedule of Capital Assets Used in Governmental Activities</i> .....	208
<i>Schedule of Other Funds Detail</i> .....	212

**STATISTICAL SECTION**

Government-Wide Schedule of Net Assets – Last Eight Fiscal Years .....	216
Government-Wide Schedule of Changes in Net Assets – Last Eight Fiscal Years.....	222
Schedule of Revenues, Expenditures, and Changes in Fund Balance	
All Governmental Fund Types - Last Ten Fiscal Years.....	228
General Purpose Revenues (After TABOR Refunds) - General Fund - Last Ten Fiscal Years.....	230
Expenditures by Department and Transfers - Funded by General Purpose Revenues	
Last Ten Fiscal Years.....	232
Fund Balance – Reserved and Unreserved – General Fund and All Other Governmental	
Types – Last Eight Fiscal Years.....	234
Debt Service Expenditures – All Governmental Fund Types – Last Ten Fiscal Years .....	236
Total Outstanding Debt – Primary Government – Last Ten Fiscal Years .....	236
TABOR Revenues, Expenditures, Fiscal Year Spending Limitations, and Refunds –	
Last Ten Fiscal Years.....	238
Individual Income Tax Returns by Adjusted Gross Income Class .....	240
Sales Tax Returns by Industry Class.....	240
Colorado Tax Rates .....	240
Demand Drivers of the Primary Government .....	242
Building Square Footage Owned by the Primary Government.....	244
Building Square Footage Leased by the Primary Government.....	244
Number of Full-Time Equivalent State Employees by Function,	
and Average Monthly Salary - Last Ten Fiscal Years .....	246
Revenue Bond Coverage – Last Ten Fiscal Years .....	248
Colorado State Highway System – Centerline and Lane Miles – Last Ten Years.....	249
Colorado State-Owned Bridges by Functional Classification – Last Seven Years.....	249
Value of Total Construction in Colorado by Type – Last Ten Years .....	250
Colorado Sales and Gross Farming Revenue – Last Ten Years.....	250
Colorado Demographic Data – Last Ten Years .....	251
Colorado Employment by Industry – Last Ten Years.....	251
Colorado Facts .....	252