COLORADO STUDENT OBLIGATION BOND AUTHORITY
STUDENT LOAN PROGRAM FUNDS
Denver, Colorado

FINANCIAL STATEMENTS
June 30, 2001

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COLORADO STUDENT OBLIGATION BOND AUTHORITY
STUDENT LOAN PROGRAM FUNDS

FINANCIAL AUDIT

June 30, 2001

Clifton Gunderson LLP
Certified Public Accountants & Consultants

Members of the Legislative Audit Committee:

This report contains the results of the financial and compliance audit of the Student Loan Program Funds of the Colorado Student Obligation Bond Authority as of June 30, 2001. This report contains the results of the audit of the Student Loan Program Funds of the Colorado Student Obligation Bond Authority. The audit was conducted pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct audits of the departments, institutions and agencies of State government.

Clifton Gunderson LLP

Greenwood Village, Colorado
November 30, 2001

REPORT SUMMARY

COLORADO STUDENT OBLIGATION BOND AUTHORITY
STUDENT LOAN PROGRAM FUNDS
FINANCIAL AUDIT
FISCAL YEAR ENDED JUNE 30, 2001

Purpose and Scope

The Office of the State Auditor, State of Colorado engaged Clifton Gunderson LLP to conduct the financial and compliance audit of the Colorado Student Obligation Bond Authority Student Loan Program Funds (Student Loan Program Funds) for the fiscal year ended June 30, 2001. Clifton Gunderson LLP performed this audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

The purpose and scope of our audit was to express an opinion on the Student Loan Program Funds financial statements as of the fiscal year ended June 30, 2001.

Audit Opinions and Reports

We expressed an unqualified opinion on the Student Loan Program Funds financial statements, as of June 30, 2001.

Summary of Key Findings and Recommendations

We identified no findings or recommendations for the fiscal year ended June 30, 2001. The prior year report for the year ended June 30, 2000 included one recommendation, which has been implemented.

Required Communication

Management Judgements and Accounting Estimates. There were no significant accounting estimates of financial data which would be particularly sensitive and require substantial judgement by management.

Significant Audit Adjustments. Two audit adjustments were made during the completion of fieldwork.

- An adjustment was made to increase Accounts Receivable - Other and Interest Income by approximately $50,000 due to a formula error on supporting schedules.

- An adjustment was made to decrease intergovernmental payables - Federal and Other Financing uses by approximately $82,000 due to a revised arbitrage calculation prepared by a third party.

Disagreements with Management. There were no disagreements with management on financial accounting and reporting matters, auditing matters, auditing procedures or other matters which would be significant to the Fund's financial statements or our report on those financial statements.

DESCRIPTION OF THE COLORADO STUDENT OBLIGATION BOND AUTHORITY STUDENT LOAN PROGRAM FUNDS

Organization

The Colorado General Assembly established a student obligation bond program, a post secondary education expense program, and a college savings program, which are administered by the Colorado Student Obligation Bond Authority. The programs assist residents in meeting the expenses incurred in availing themselves of higher education opportunities.

Student Loan Program Funds

Primary operations of the student obligation bond program commenced in 1979. In meeting its legislative mandate, the Authority issues tax-exempt and taxable financings. The amount of tax-exempt financing authority is limited by Federal volume caps allocated to Colorado and by Colorado's allocation of these caps among State and local governments that issue debt. The proceeds from such financings are used to originate and purchase student loans. The Authority is authorized to issue its own revenue bonds, notes and other obligations in the aggregate amount of $1.3 billion. The bonds do not constitute an indebtedness, debt or liability of the State of Colorado.

The financial statements present the activities of the Bond Funds and the Authority's Administrative Fund. The Bond Funds represent bond proceeds that are restricted by the financing documents of each individual bond issue. Each Bond Fund is accounted for separately and is a separate trust estate.

The Administrative Fund consists of assets and revenue that are not pledged as collateral to the Bond Funds. These monies are available for the administration of the Colorado Student Obligation Bond Authority and for use in other programs in accordance with CRS 23-3.1-201 that are authorized by the General Assembly.

Clifton Gunderson LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Members of the Legislative Audit Committee
Colorado Student Obligation Bond Authority, Student Loan Program Funds

We have audited the accompanying balance sheet of the Colorado Student Obligation Bond Authority, Student Loan Program Funds as of June 30, 2001, and the related statements of revenue, expenses and changes in retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Colorado Student Obligation Bond Authority, Student Loan Program Funds's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements as of and for the nine month period ended June 30, 2000 were audited by other auditors whose report dated October 6, 2000, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller 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 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 Colorado Student Obligation Bond Authority, Student Loan Program Funds as of June 30, 2001 and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

Clifton Gunderson LLP

Greenwood Village, Colorado
September 21, 2001

COLORADO STUDENT OBLIGATION BOND AUTHORITY
STUDENT LOAN PROGRAM FUNDS
BALANCE SHEET
AS OF JUNE 30, 2001 AND 2000
(dollar amounts expressed in thousands)

	2001	2000
Assets:		
Unrestricted assets:		
Cash deposits	$ 2	$ 8
Investments	34,399	35,320
Student loans, net	14	1,165
Interest and other receivables	6,356	2,979
Prepaid expenses	33	70
Equipment and other assets, net	316	401
	41,120	39,943
Restricted assets:		
Investments	100,922	150,641
Student loans, net	623,575	589,849
Interest and other receivables	16,276	14,866
Prepaid expenses	311	325
Bond and note issuance costs, net	3,487	3,953
Total restricted assets	744,571	759,634
Total assets	$ 785,691	$ 799,577
Liabilities and Retained Earnings:		
Accounts payable and accrued expenses	$ 271	$ 239
Accrued compensated absences	76	64
Due to other agencies	21	-
Total liabilities payable from unrestricted assets	368	303
Liabilities payable from restricted assets:		
Accounts payable and accrued expenses	598	237
Due to other agencies	588	376
Interest payable	1,578	2,511
Arbitrage rebate payable	7,913	4,494
Bonds and notes payable	686,141	716,038
Total liabilities payable from restricted assets	696,818	723,656
Total liabilities	697,186	723,959
Retained earnings – restricted	41,630	30,443
Retained earnings – unrestricted		
Designated	38,991	24,733
Undesignated	7,884	20,442
Total retained earnings	88,505	75,618
Commitments and contingencies		
Total liabilities and retained earnings	$ 785,691	$ 799,577

The accompanying notes are an integral part of these financial statements.

COLORADO STUDENT OBLIGATION BOND AUTHORITY
STUDENT LOAN PROGRAM FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
FOR THE PERIOD ENDED JUNE 30
(dollar amounts expressed in thousands)

	Year Ended June 30, 2001	Nine Months Ended June 30, 2000
Revenues:		
Interest and special allowance on student loans	$ 54,359	$ 39,138
Net investment income	10,435	7,621
Total revenues	64,794	46,759
Expenses:		
Interest expense	36,621	31,221
Rebate tax expense, net	5,962	4,408
Loan servicing costs	4,506	3,240
Bond fees	2,219	1,598
Salaries and benefits	961	1,054
Depreciation and amortization	830	1,130
General and administrative expenses	808	1,259
Total expenses	51,907	43,910
Net income	12,887	2,849
Retained earnings, beginning of period	75,618	72,769
Retained earnings, end of period	$ 88,505	$ 75,618

The accompanying notes are an integral part of these financial statements.

COLORADO STUDENT OBLIGATION BOND AUTHORITY
STUDENT LOAN PROGRAM FUNDS
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30
(dollar amounts expressed in thousands)

	Year Ended June 30, 2001	Nine Months Ended June 30, 2000
Cash Flows from Operating Activities:		
Cash received from student loans	$ 127,909	$ 94,426
Cash purchases of student loans	(112,466)	(59,247)
Cash received from educational institutions	9,627	-
Cash loaned to educational institutions	(13,626)	-
Cash payments to suppliers for goods and services	(4,052)	(7,075)
Cash payments to employees for service	(956)	(1,091)
Net cash provided by operating activities	6,436	27,013
Cash Flows from Investing Activities:		
Proceeds from maturities of investments	365,675	582,583
Purchase of investments	(316,061)	(599,069)
Income received from investments	10,392	7,833
Net cash provided by (used for) investing activities	60,006	(8,653)
Cash Flows from Non-Capital Financing Activities:		
Payment of bond and note issuance costs	-	(1,590)
Repayment of bonds and notes	(30,110)	(11,449)
Interest paid on bonds and notes	(37,340)	(30,565)
Net cash used in non-capital financing activities	(67,450)	(43,604)
Cash Flows from Capital Financing Activities:		
Purchase of equipment and other assets	(24)	(189)
Net cash used in capital financing activities	(24)	(189)
Decrease in cash and cash equivalents	(1,032)	(25,433)
Cash and cash equivalents, beginning of period	41,299	66,732
Cash and cash equivalents, end of period	$ 40,267	$ 41,299

The accompanying notes are an integral part of these financial statements.

COLORADO STUDENT OBLIGATION BOND AUTHORITY
STUDENT LOAN PROGRAM FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED JUNE 30
(dollar amounts expressed in thousands)

	Year Ended June 30, 2001	Nine Months Ended June 30, 2000
Reconciliation of net income to net cash provided by operating activities:		
Net income	**$ 12,887**	$ 2,849
Items reflected as investing and non-capital financing activities:		
Income received from investments	**(10,392)**	(7,833)
Interest paid on bonds and notes	**37,340**	30,565
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of loss on defeasance	**213**	2,231
Amortization of bond discount	**2**	71
Amortization of bond and note issuance costs	**466**	448
Amortization of premium costs	**256**	618
Depreciation expense	**108**	64
Change in allowance for loan losses	**(211)**	30
Changes in assets and liabilities:		
Student loans	**(32,619)**	(2,000)
Interest and other receivables	**(5,116)**	(569)
Prepaid expenses	**51**	158
Interfund receivable	**328**	-
Accounts payable and accrued expenses	**636**	(306)
Interest payable	**(932)**	(1,644)
Amounts due to Federal government	**3,419**	2,331
Net cash provided by operating activities	**$ 6,436**	$ 27,013

The accompanying notes are an integral part of these financial statements.

COLORADO STUDENT OBLIGATION BOND AUTHORITY
NOTES TO STUDENT LOAN PROGRAM FUNDS
FINANCIAL STATEMENTS
JUNE 30, 2001 AND 2000

1. Organization and Summary of Significant Accounting Policies:

Pursuant to Colorado Revised Statutes 23-3.1-2 and 23-3.1-3, as amended, the Colorado Student Obligation Bond Authority (Authority) became a division of the Colorado Department of Higher Education as of May 26, 2000. The Executive Director of the Department (Executive Director) has responsibility for oversight and management of the Authority. In addition, the Authority has a nine-person Board of Directors (Board) designated by the Governor and approved by the State Senate to serve four-year terms.

The Colorado General Assembly established a student obligation bond program (Student Loan Program Funds), a post secondary education expense program (Prepaid Tuition Fund), and a college savings program (Scholars Choice Fund) which are administered by the Authority. The mission of the Authority is to provide innovative, quality financial resources and services that enable all Coloradans to pursue higher education. The financial statements presented here do not include operations of the post secondary education expense program or the college savings program.

The Authority receives no grants from, and is not otherwise financially assisted by, the State or any local government of the State. The Authority is an enterprise under Section 20, Article X of the Colorado Constitution.

Primary operations of the student obligation bond program commenced in 1981. In meeting its legislative mandate, the Authority issues tax-exempt and taxable financings. The proceeds from such financings are used to originate and purchase student loans and make loans to institutions of higher education for the College Lender Program. The Authority is authorized to issue its own revenue bonds, notes and other obligations in the aggregate amount of $1.3 billion, which are not deemed to constitute an indebtedness, a debt or liability of the State of Colorado.

Reporting Entity:

The Student Loan Program Funds present the combined financial statements of the Administrative Fund and the Bond Funds. The Administrative and Bond Funds are accounted for as separate enterprise funds. An enterprise fund is established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the fund be self-supporting.

The accompanying financial statements of the Student Loan Program Funds are not intended to present the financial position, results of operations, and cash flows of the Authority as a whole in conformity with generally accepted accounting principles.

Administrative Fund

The Authority utilizes an Administrative Fund for payment of general and administrative expenses and other activities of the Bond Funds, the Prepaid Tuition Fund and the Scholars Choice Fund necessary to fulfill their purposes. These expenses and activities have been allocated to the respective Funds.

1. Organization and Summary of Significant Accounting Policies (continued):

Reporting Entity (continued):

Administrative Fund (continued)

Assets and revenues of the Administrative Fund are not pledged as collateral for the Bond Funds. As of June 30, 2001, the Administrative Fund has loaned $6.1 million to various Bond Funds to pay bond and note issuance costs and operating expenses and $1.9 million to the Prepaid Tuition Fund to pay software development costs and operating expenses.

Bond Funds

The financial activities of the Bond Funds are recorded in funds and accounts established under various financing documents. The financing documents for each Bond Fund restrict assets held in the respective trust estate for the payment of the outstanding obligations. Each Bond Fund is accounted for separately and is a separate trust estate. All obligations are revenue bonds or notes and are collateralized as provided in the bond or note indentures, by an assignment and pledge to the Trustee of all the Authority's right, title and interest in the investments and student loans and the revenues and receipts derived from investments and student loans.

Budgets and Budgetary Accounting:

By statute, the Authority and the Student Loan Program Funds are continuously appropriated through user charges. Therefore, the budget is not legislatively adopted and a Statement of Revenues and Expenses – Budget to Actual is not a required part of these financial statements. Total budgeted expenses for the Student Loan Program Funds for the fiscal year ended June 30, 2001 were $50.8 million, compared with actual expenses of $51.9 million. The total expenditures over budget of $1.1 million were due to increases in bond interest expense of the Student Loan Program Funds and were covered by corresponding increases in the interest rate charged to borrowers. Total budgeted revenues of the Student Loan Program Funds were $56.6 million as compared with actual revenues of $64.8 million. The Executive Director and the Board exercise oversight responsibilities, including budgetary and financial oversight.

Basis of Accounting:

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles and standards of the Governmental Accounting Standards Board (GASB). The Authority has applied pronouncements issued on or before November 30, 1989 by the Financial Accounting Standards Board, the Accounting Principles Board, and the Committee on Accounting Procedure except for pronouncements that conflict with or contradict the GASB. As enterprise activities, the Student Loan Program Funds use the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

1. Organization and Summary of Significant Accounting Policies (continued):

Cash and Cash Equivalents:

The Authority considers all cash, demand deposit accounts, money market accounts, investment agreements, and investments purchased with maturities of three months or less to be cash equivalents.

Investments:

Investments are carried at fair value, which are determined primarily based on quoted market prices at June 30, 2001.

Student Loans:

Student loans are carried at their uncollected principal balances net of an allowance for loan losses. The Bond Funds may purchase student loans from lenders at a premium or discount. The Bond Funds also originate student loans directly to borrowers. The Bond Funds pay an origination fee of 1% when the loan is disbursed. Premiums, guarantee, and origination fees are amortized over the estimated life of the loan using a method approximating the effective interest method. Unamortized premiums, guarantee, and origination fees collectively were $2.2 million and $511,000 at June 30, 2001 and 2000, respectively.

Allowance for Loan Losses:

The provision for loan losses is included in general and administrative expenses and is determined by management's evaluation of the student loan portfolios. This evaluation considers such factors as historical loss experience, quality of student loan servicing and collection, and economic conditions. When this evaluation determines that an exposure to loss is probable and can be reasonably estimated, a provision against current operations net of student loan recoveries is recorded. Actual losses are charged against the allowance for loan losses as they occur. The allowance for loan loss was $834,000 and $1,044,000 at June 30, 2001 and 2000, respectively.

Equipment and Other Assets:

Equipment is carried at cost less accumulated depreciation. Costs of major additions and improvements are capitalized. Expenditures for maintenance and repairs are charged to operations as incurred. Depreciation of equipment is computed on the straight-line method over the estimated life of the equipment ranging from three to five years. Leasehold improvements are carried at cost, less accumulated amortization. Amortization is computed on the straight-line method over the office facility lease term.

Bond and Note Issuance Costs:

Bond and note issuance costs are carried at cost, less accumulated amortization. Amortization of issuance costs is computed using a method approximating the effective interest method over the life of the bond or note issue, unless the bonds or notes are retired early, at which time the remaining issuance costs related to the retired bonds or notes are expensed.

1. Organization and Summary of Significant Accounting Policies (continued):

Compensated Absences:

Compensated absences, known as general leave, include vacation and sick pay and are included in accounts payable and accrued expenses. Compensated absences are based on an employee's length of service and are earned ratably during the term of employment. Vested and accumulated general leave that is expected to be liquidated is accrued and charged against current operations.

Due to Other Agencies:

Due to other agencies of $21,000 includes an allocation of costs from the Colorado Department of Higher Education. Due to other agencies of $588,000 is for services provided to the Student Loan Program Funds by the Colorado Student Loan Program.

Arbitrage Rebate Payable:

Interest income in the Bond Funds from investments and student loans is limited by U. S. Treasury regulations to the bond yield on certain tax-exempt bond issues. Interest income in excess of this limit has been deposited in rebate accounts in accordance with applicable financing documents. These rebate funds are remitted to the Federal government as required by the applicable laws and regulations.

Interest income from student loans is limited to 1.5% or 2% over bond yield of the respective tax-exempt bond issue. Student loans, including principal and accrued interest, and cash have been deposited in Excess Earnings accounts in the amount of the interest income which exceeded the limit. The Bond Funds may utilize losses on non-performing, non-guaranteed student loans; reduction of principal on performing, guaranteed loans; or pay the Federal government to liquidate the liability for excess earnings.

Retained Earnings:

The Bond Funds restrict retained earnings to uses prescribed in the respective financing documents.

The Administrative Fund has interfund loans of $6.1 million and $5.5 million, respectively, as of June 30, 2001 and 2000, to various Bond Funds to pay bond and note issuance costs and operating expenses and $1.9 million and $2.2 million, respectively, to the Prepaid Tuition Fund to pay software development costs and operating expenses. The interfund loans of $6.1 million and $5.5 million have been eliminated in the aggregation of the Student Loan Program Funds financial reporting. The $1.9 million and $2.2 million loans are reflected in the interest and other receivables amount on the balance sheet. In addition, as of June 30, 2001 and 2000, the Authority has designated $25.0 million and $11.0 million, respectively, of retained earnings in the Administrative Fund to provide for the College Lender Program and $6.0 million as of June 30, 2001 and 2000, to provide for a Loan Incentives For Teachers program. Total designated retained earnings are $39.0 million and $24.7 million as of June 30, 2001 and 2000, respectively.

COLORADO STUDENT OBLIGATION BOND AUTHORITY
NOTES TO STUDENT LOAN PROGRAM FUNDS
FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001 AND 2000

1. Organization and Summary of Significant Accounting Policies (continued):

Revenues

Revenue consists of interest income on student loans, investment income and a special allowance on student loans. Pursuant to the Higher Education Act (Act), special allowance payments are intended to assure that the limitation on interest rates and other conditions imposed by the Act do not impede the carrying out of the purposes of the Act or cause the return to holders of loans made and insured under the Act to be less than equitable. The rate of special allowance payments for loans depends on the date of disbursement of the loan, and the source of the holder's funding to acquire the loan.

Reclassifications:

Certain amounts in the June 30, 2000 financial statements have been reclassified to conform to the current year's presentation.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from these estimates.

2. Cash Deposits and Investments:

Cash Deposits:

All cash deposits are held by a bank or a trustee as agent for the Authority. Payments and cash receipts are deposited to demand deposit accounts daily. Monies in the demand deposit accounts are insured by federal depository insurance for the first $100,000. Deposits in excess of the $100,000 limit are collateralized subject to the provisions of the State's Public Deposit Protection Act (PDPA) for monies held within the State. Monies held by the trustee are collateralized with U.S. government securities. Collected balances are transferred daily into money market funds.

Cash deposits as of June 30 are as follows:

	2001	2000
Demand deposit account	$ 2,000	$ 8,000
Total Cash Deposits	$ 2,000	$ 8,000

The carrying amount and bank balance of demand deposit accounts of $2,000 and $2,000 as of June 30, 2001 and $8,000 and $2,000 as of June 30, 2000, were fully insured by the FDIC.

2. Cash Deposits and Investments (continued):

Investments:

In accordance with GASB Statement No. 3, as amended by GASB Statement No. 31, the Authority's cash, cash equivalents, and investments have been categorized into the following three categories of credit risk:

Category 1 --- includes investments that are insured or registered, or investments which are held by the Authority's agent in the Authority's name.

Category 2 --- Investments that are uninsured or unregistered which are held by an agent or trust department in the Authority's name.

Category 3 --- Investments that are uninsured or unregistered which are held by an agent or trust department but not in the Authority's name.

The Board approves the investment policy for the Authority. Generally, investments include direct obligations of the U.S. government and its agencies, demand deposits, certificates of deposit, bankers acceptances, commercial paper, money market funds, written reverse and repurchase agreements, general or revenue obligations of any state in the United States, and investment agreements as authorized by the Colorado Revised Statutes Section 24-75-6. With respect to these investments, the Authority is subject to market risk, which represents the exposure to changes in the market, such as a change in interest rates or a change in price or principal value of a security. Credit risk is the exposure to the default of the issuer of the investment securities.

Investment agreements are between the trustee, the Authority, and various AAA rated financial institutions. The agreements pay interest monthly at a rate of the London Interbank Offering Rate (LIBOR) less 5 to 26 basis points.

Investments in the State Treasurer's cash pool, money market funds, and investment agreements are not categorized because they are not evidenced by securities that exist in physical or book entry form. Investments are stated at fair value.

Investments as of June 30 are as follows:

	2001		2000	
	Total Fair Value		Total Fair Value	
	Unrestricted Assets	**Restricted Assets**	Unrestricted Assets	Restricted Assets
	(dollar amounts in thousands)			
Uncategorized investments				
Money market funds	**$ 976**	**$ 5,866**	$ 35,320	$ 5,971
State Treasurer's cash pool	**33,423**	**-**	-	-
Investment agreements	**-**	**95,056**	-	144,670
Total Investments	**$ 34,399**	**$ 100,922**	$ 35,320	$ 150,641

2. Cash Deposits and Investments (continued):

Investments (continued):

Cash deposits and investments have been reclassified for the June 30, 2001 and 2000 statements of cash flows as follows:

	2001	2000
	(dollar amounts in thousands)	
Cash and cash equivalents	**$ 40,267**	$ 41,299
Investments	**95,056**	144,670
Total Cash, Cash Equivalents and Investments	**$ 135,323**	$ 185,969

Net investment income as of June 30, 2001 and 2000 was comprised of the following:

	2001	2000
	(dollar amounts in thousands)	
Interest and dividends	**$ 9,918**	$ 8,729
Change in fair value of investments	**517**	(1,108)
Net Investment Income	**$ 10,435**	$ 7,621

3. Student Loans:

The Bond Funds originate student loans directly to the borrower and purchase student loans from originating lenders in accordance with the provisions of the Higher Education Act (Act). The U. S. Department of Education administers and regulates the Federal Family Education Loan Program (FFELP). Student loans in the Bond Funds have been originated under the FFELP. The FFELP includes loans originated in the Federal Stafford Loan (Stafford) program, formerly the Guaranteed Student Loan Program, the Federal Parent Loan for Undergraduate Students (PLUS) program, and the Federal Consolidation Loan (Consolidation) program. Loan terms and interest rates vary depending on the respective loan program and date of origination. Loan terms generally provide repayment of principal and interest on a monthly basis over a period of up to thirty years. Interest rates range from 6 to 12%. Interest to the borrower is either at a fixed or variable rate subject to a maximum rate. The loan yield to the Bond Funds is the maximum interest rate to the borrower or a rate indexed to the 91-day Treasury bill rate for each calendar quarter, for loans originated before January 1, 2000 or a rate indexed to the 91-day commercial paper rate for each calendar quarter for loans originated on or after January 1, 2000.

The Reauthorization Bill of 1998 amended Section 427A to extend the July 1, 1998 Stafford and PLUS interest rate index and changes in Consolidation loan interest rates to July 1, 2003. These interest rates are less than applicable rates prior to the Reauthorization Bill and could affect future operating revenues.

3. Student Loans (continued):

Principally, the Colorado Student Loan Program (CSLP) guarantees FFELP loans against the borrower's default, death, disability and bankruptcy. CSLP is reinsured under the Act. The loan guarantee is subject to applicable procedures relating to the origination and servicing of student loans. There are penalties up to loss of guarantee if the applicable procedures are not met. The Authority can reinstate guarantees under certain circumstances. The Authority also has recourse provisions with its lenders and its servicers for any loss of guarantee. Loans disbursed on or after October 1, 1993 are insured up to 98% of principal and accrued interest in the case of default. Management has provided an allowance for loan losses of principal and/or interest due to claim penalties, loss of guarantee and insurance below 100%.

4. Equipment and Other Assets:

Equipment and other assets as of June 30 are as follows:

	2001	2000
	(dollar amounts in thousands)	
Equipment and other assets	**$ 739**	$ 715
Less accumulated depreciation and amortization	**(423)**	(314)
Equipment and Other Assets, Net	**$ 316**	$ 401

5. Bond and Note Issuance Costs:

Bond and note issuance costs as of June 30 are as follows:

	2001	2000
	(dollar amounts in thousands)	
Bond and note issuance costs	**$ 4,636**	$ 4,636
Less accumulated amortization	**(1,149)**	(683)
Bond and Note Issuance Costs, Net	**$ 3,487**	$ 3,953

6. Bonds and Notes Payable:

The Authority issues bonds and notes to originate and purchase student loans. Each bond or note payable is a separate financing. All financings are revenue bonds or notes that are collateralized as provided in the financing agreements, by an assignment and pledge to a Trustee of all the Authority's rights, title and interest in the investments and student loans and the revenues and receipts derived from investments and student loans. The Authority has issued bonds and notes in different series under master indentures which allows cross collateralizing, greater efficiency and the ability to issue additional bonds and notes.

6. Bonds and Notes Payable (continued):

Restrictive Covenants:

Certain indentures of trust and insurance policies include, among other requirements, covenants relative to restrictions on additional indebtedness, limits as to direct and indirect administrative expenses, restrictions to student loan portfolio mix, and requirements for maintaining certain financial ratios. Also, certain indentures of trust require the establishment of reserve accounts. The Authority was in compliance with such covenants as of June 30, 2001 and 2000.

The serial bonds and notes may, at the option of the Authority, be redeemed, without premium, from available surpluses in the respective Bond Funds. The term bonds and notes are subject to mandatory redemption at their principal amount plus accrued interest to the redemption date, to the extent monies are available in the respective Bond Funds.

Refunding:

On November 10, 1999, the Authority issued Taxable Notes Series 1999IV A-1 of $96.8 million and A-2 of $96.8 million, and Tax-Exempt Bonds Series 1999IV A-3 of $21.8 million and A-4 of $19.3 million to advance refund $229.6 million of various bonds and notes.

Net proceeds of approximately $234.7 million (net of $1.8 million in issuance costs) were used to purchase U.S. Treasury Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Refunded Notes. As a result, the Refunded Notes were considered to be legally defeased on November 10, 1999, and the liability for those notes has been removed from the accompanying financial statements.

These refundings resulted in a deferred loss, which is the difference between the reacquisition price and the net carrying amount of the old debt, of $2.5 million. This difference is reported as a deduction from notes and bonds payable and is charged to operations through the fiscal year 2003 using a method approximating the effective interest method. For the fiscal year ended June 30, 2001, $212,000 was amortized against operations.

These refundings resulted in an economic gain (difference in the present values of the old and new debt service payments) of $ 1.5 million, based on gross savings of $312,000.

The detail of the defeased bonds' outstanding as of June 30, 2001 is as follows:

Defeased Bond Series (dollar amount in thousands)	
Series 1992B/C/D	$ 10,230
Series 1992E/F/G/H	14,230
Series 1994J/K/L	8,075
Total defeased bonds	$ 32,535

6. Bonds and Notes Payable (continued):

The following bonds and notes payable are outstanding:

	Authorized And Issued	Outstanding June 30, 2000	Redeemed/ Amortized During 2001	**Outstanding June 30, 2001**
		(dollar amounts in thousands)		
1999 Series A Master Indenture, Variable Rate Notes/Bonds:				
Weekly Adjustable Interest Rate Bonds				
1989A, Jun. 8, 1989 *	$ 80,000	$ 80,000	$ -	**$ 80,000**
1990A, Jan. 4, 1990 *	66,655	60,655	-	**60,655**
1999A-1, Mar. 24, 1999	16,950	16,950	6,750	**10,200**
1999A-2, Mar. 24, 1999	56,000	56,000	-	**56,000**
1999A-3, Mar. 24, 1999	32,300	32,300	-	**32,300**
Monthly Adjustable Interest Rate Bonds				
1999A-4, Mar. 24, 1999	209,000	196,348	23,362	**172,986**
1999 Series IV Master Indenture, Variable Rate Notes/Bonds:				
Monthly Adjustable Interest Rate Bonds				
Series 1995III-A1, Nov. 29, 1995	32,000	12,400	-	**12,400**
Series 1999IV-A1, Nov. 1, 1999	96,800	96,800	-	**96,800**
Series 1999IV-A2, Nov. 1, 1999	96,800	96,800	-	**96,800**
Series 1999IV-A3, Nov. 1, 1999	21,800	21,800	-	**21,800**
Series 1999IV-A4, Nov. 1, 1999	19,300	19,300	-	**19,300**
Fixed Interest Rate Subordinate Notes				
Series 1993I-B, Dec. 1, 1993	6,000	5,999	-	**5,999**
Series 1995II-B, Jun. 29, 1995	21,000	20,987	(2)	**20,989**
	754,605	716,339	30,110	**686,229**
Less Unamortized Loss of Defeasance on Bonds and Notes		301	(213)	**88**
Bonds and Notes Payable	$ 754,605	$ 716,038	$ 29,897	**$ 686,141**

- Remarketed on March 24, 1999. Cross-collateralized with the 1999 Series.

Liquidity and Insurance Agreements:

The Authority entered into an agreement with a liquidity provider on March 24, 2000. Pursuant to the Standby Agreement, the Liquidity Provider agreed, subject to the terms and conditions therein, to purchase certain 1999 Series A-1, A-2, and A-3 Bonds, Series 1989A Bonds or Series 1990A Bonds which are tendered by the owners thereof to the Tender Agent or are subject to mandatory purchase but are not remarketed by the Remarketing Agents. The liquidity fee on principal and interest is paid quarterly. The term of the agreement is for ten years.

6. Bonds and Notes Payable (continued):

On March 24, 1999, the Authority entered into an agreement to obtain municipal bond insurance on the Series 1999A-1, A-2, A-3, and A-4 Bonds, Series 1989A Bonds and Series 1990A Bonds. The policy insures payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. The term of the policy is for the life of the bonds and requires an annual fee.

Weekly Adjustable Interest Rate Bonds:

The weekly adjustable interest rate bonds are subject to purchase on demand of the holder at a price equal to principal plus accrued interest on seven days notice and delivery to the Authority's Remarketing Agent and Trustee. The Remarketing Agent is authorized to sell the repurchased bonds at par by adjusting the interest rate. Interest is paid quarterly at a variable rate established weekly by the Remarketing Agent. The annual effective interest rate for such bonds was 3.85% for the year ended June 30, 2001. Under certain conditions, the bonds may be converted to a variable rate with varying interest rate periods or to a fixed rate. Principal will mature on September 1, 2034.

Monthly Adjustable Interest Rate Notes/Bonds:

The Authority issued Taxable Senior Asset-Backed Notes that are subject to an auction every 28 days when the Auction Agent determines the interest rate for the subsequent period. The annual effective interest rate for such notes was 5.98% for the year ended June 30, 2001. Principal on the bonds will mature on December 1, 2034.

The Authority issued its Tax-Exempt Senior Asset-Backed Bonds that are subject to an auction every 35 days when the Auction Agent determines the interest rate for the subsequent period. The effective interest rate for such bonds was 4.20% for the year ended June 30, 2001. Bond principal matures on December 1, 2002 and November 27, 2012.

The Authority issued its taxable notes under a master indenture. Interest on such taxable notes is paid monthly at a variable rate equal to a predetermined percentage above the LIBOR rate. The annual effective interest rate for such notes was 6.23% for the year ended June 30, 2001. Principal on the notes matures on December 1, March 1, June 1 and September 1 through on March 1, 2009.

Fixed Interest Rate Subordinate Notes (Net of bond discount):

The Authority issued its Tax-Exempt Subordinate Asset-Backed Bonds concurrently with the issuance of the Taxable Senior Asset-Backed Notes/Bonds. The Subordinate Bonds are payable from the Trust Estate on a subordinate basis to the Senior Notes/Bonds in accordance with the terms of the master indenture. Interest on the Subordinate Bonds is paid on June 1 and December 1. The annual effective interest rate for such bonds was 6.09% for the year ended June 30, 2001. Principal on the bonds will be payable on December 1, 2006 and 2008.

6. Bonds and Notes Payable (continued):

The scheduled principal and interest payments (based on interest rates at June 30, 2001) relating to the Authority's bonds and notes is as follows (excluding the unamortized loss on defeasance of $88,000):

	Principal	Interest	Total
	(dollar amounts in thousands)		
2002	$ 24,630	$ 24,899	$ 49,529
2003	71,267	22,966	94,233
2004	29,032	21,279	50,311
2005	26,988	19,980	46,968
2006	25,544	18,830	44,374
Thereafter	508,680	350,676	859,356
Total Bonds and Notes Payable	**$ 686,141**	**$ 458,630**	**$ 1,144,771**

7. Commitments and Contingencies:

Grants and Other:

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenses under the terms of the grants. Such audits could lead to reimbursement to the grantor agency or the U.S. Department of Education. Management believes that any liabilities arising from such audits will be immaterial to the financial statements.

Purchase Commitments:

The Authority has entered into agreements to purchase student loans from lenders throughout Colorado. Approximately $67.3 million of remaining purchase commitments was outstanding as of June 30, 2001.

Lease Commitments:

The Authority leases certain office facilities under an operating lease agreement which expires on February 14, 2003. The total rent expense for the fiscal year ended June 30, 2001 and for the nine months ended June 30, 2000 was $181,000 and $128,000, respectively. Minimum future lease payments under the agreement are as follows:

As of June 30, 2001	Minimum Future Lease Payment
2002	$ 199,000
2003	122,000
Total Future Lease Payments	$ 321,000

8. Retirement Plan:

Plan Description

Virtually all of the Authority's 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 plan is a cost sharing multiple employer plan administered by the Public Employees' Retirement Association (PERA). PERA was established by state statute in 1931. Responsibility for the organization and administration of the plan is placed with the Board of Trustees of PERA. Changes to the plan require legislation by the General Assembly. The state plan and other divisions' plans are included in PERA's financial statements, which may be obtained by writing PERA at 1300 Loan Street, Denver, Colorado 80203.

Plan members vest after five years of service and are eligible for retirement benefits at age 50 with 30 years of service, age 60 with 20 years of service or at age 65 with 5 years of service. Members are also eligible for retirement benefits without a reduction for early retirement if they are at least 55 and have a minimum of 5 years of service credit, and their age plus years of service equals 80 or more. State troopers and judges comprise a small percentage of plan members but have higher contribution rates and are eligible for retirement benefits at different ages and 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.

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 spouse or their eligible children under the age of 18 (23 if a full time student) are entitled to monthly benefit payments. If there is no eligible spouse, financially dependent parents will receive a survivor's benefit.

Funding Policy

Most employees contribute 8.0% (10.0% for state troopers) of their gross covered wages to an individual account in the plan.

During FY00-01, the state contributed 10.4% (13.1% for state troopers and 14.0% for the Judicial Branch) of the employee's gross covered wages which was allocated by PERA before January 1, 2001, as follows:

- 1.1% was allocated to the Health Care Trust Fund.
- 9.3% was allocated to the defined benefit plan.

After January 1, 2001, the state contribution was allocated to three separate programs by PERA according to a statutory change in funding policy:

8. Retirement Plan (continued):

- 1.42% was allocated to the Health Care Trust Fund.
- The amount needed to meet the match requirement established by the PERA Board was allocated to the Matchmaker program (See Note 10 below.)
- The balance remaining after allocations to the Matchmaker program and the Health Care Trust Fund was allocated to the defined benefit plan.

The annual gross covered wages subject to PERA is the 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 contribution requirements of plan members and their employers are established, and may be amended, by the General Assembly.

The Authority's contribution to the three programs described above for the fiscal year ending June 30, 2001 and for the nine months ended June 30, 2000 was $78,000 and $5,000, respectively. Those contributions met the contribution requirement for each year.

The previous retirement plan administered by the Variable Annuity Life Insurance Company (VALIC) was effective through May 31, 2000. Under the provisions of the plan, the contribution by the employee is equal to 4% of payroll, and the Authority's contribution is equal to 6% of payroll. The Authority contributed $39,000 under this plan for the nine months ended June 30, 2000. This defined contribution retirement plan was terminated in fiscal year 2001.

9. Voluntary Tax-deferred Retirement Plans:

Beginning on January 1, 2001, the Matchmaker Program established a state match for PERA member's voluntary contributions to tax-deferred retirement plans. The match was 100% of up to 3% of the employee's gross covered wages paid during the month (7% for judges in the Judicial Branch). The PERA Board sets the level of the match annually – based on the actuarial funding of the defined benefit pension plan. Two percent of gross salary plus 50% of any reduction in the overall contribution rate due to overfunding of the pension plan was available for the match. PERA offers a voluntary 401k plan entirely separate from the defined benefit pension plan. The state offers a 457 deferred compensation plan and certain agencies and institutions of the state offer a 403b plan. Members who contribute to any of these plans also receive the state match.

10. Postretirement Health Care and Life Insurance Benefits:

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 FY 00-01, the premium subsidy was $115.00 for those with 20 years of service credit ($230 for members under age 65), and it was reduced by 5% for each year of service fewer than 20. Medicare eligibility also affects the premium subsidy.

10. Postretirement Health Care and Life Insurance Benefits (continued):

The Health Care Trust Fund is maintained by an employer's contribution as discussed above in Note 9.

Monthly premium costs for participants depend on the health care plan selected, the number of persons covered, Medicare eligibility, and the number of years of service credit. PERA contracts with a major medical indemnity carrier to administer claims for self-insured plans, and with health maintenance organizations providing services within Colorado. As of December 31, 1999 there were 31,266 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 collected monthly by payroll deduction or other means.

11. Risk Management:

Self Insurance - The State of Colorado 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 and worker's compensation. The state Risk Management Fund is a restricted General Fund used for claims adjustment, investigation, defense and authorization for the settlement and payment of claims or judgements against the State except for employee 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 Pinnacol Assurance (formerly Colorado Compensation Insurance Authority), a related party, to administer its plan. The State reimburses Pinnacol Assurance for the current cost of claims paid and related administrative expenses.

The Authority participates in the Risk Management Fund. State 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 limits of liability for which the State accepts responsibility pursuant to the Colorado Governmental Immunity Act, section 24-10-101 are as follows:

Liability	Limits of Liability
General & Automobile	Each person $150,000 Each occurrence $600,000

11. Risk Management (continued):

There were no significant reductions or changes in insurance coverage from the prior year. Settled claims did not exceed insurance coverage in any of the past three fiscal years.

Furniture and Equipment – The State of Colorado carries a $15,000 deductible replacement policy on all state owned furniture and equipment. For each loss incurred, the Authority is responsible for the first $1,000 of the deductible and the State of Colorado is responsible for the next $14,000 of the deductible. Any loss in excess of $15,000 is covered by the insurance carrier up to replacement cost.

12. Subsequent Event:

On July 31, 2001, the Authority issued its Tax-Exempt Bonds Series 2001V-A of $36.25 million and it Taxable Notes Series 2001VI-A of $63.8 million. The Series 2001VA and 2001VIA obligations were issued on a parity basis with the 1999 Series IV Master Indenture.

The proceeds of the Series 2001VI-A notes will be used to currently refund and redeem $31.9 million of the Series 1999IV-A1 notes and $31.9 million of the Series 1999IV-A2 notes on August 23, 2001 and September 5, 2001, respectively. The Series 2000 V-A proceeds will be used to acquire student loans.

SUPPLEMENTARY INFORMATION

Colorado Student Obligation Bond Authority
Supplementary Schedule - Student Loan Program Funds Combining Balance Sheet
June 30, 2001
(dollar amounts expressed in thousands)

	1999A Bond Fund	1999IV Bond Fund	Total Bond Funds (Restricted)	Administrative Fund (Unrestricted)	Total Student Loan Program Funds 2001	Total Student Loan Program Funds 2000
Unrestricted assets:						
Cash deposits	$ -	$ -	$ -	$ 2	$ 2	$ 8
Investments	-	-	-	34,399	34,399	35,320
Student loans, net	-	-	-	14	14	1,165
Interest and other receivables	-	-	-	4,488	4,488	781
Interfund receivable	-	-	-	7,991	7,991	7,733
Prepaid expenses	-	-	-	33	33	70
Equipment, net	-	-	-	316	316	401
Total unrestricted assets	-	-	-	47,243	47,243	45,478
Restricted assets:						
Investments	57,289	43,633	100,922	-	100,922	150,641
Student loans, net	372,586	250,989	623,575	-	623,575	589,849
Interest and other receivables	10,106	6,170	16,276	-	16,276	14,866
Prepaid expenses	291	20	311	-	311	325
Bond and note issuance costs, net	1,930	1,557	3,487	-	3,487	3,953
Total restricted assets	442,202	302,369	744,571	-	744,571	759,634
	$ 442,202	$ 302,369	744,571	47,243	791,814	805,112
Elimination of interfund receivable			-	(6,123)	(6,123)	(5,535)
Total assets			$ 744,571	$ 41,120	$ 785,691	$ 799,577
Liabilities and retained earnings:						
Accounts payable and accrued expenses	$ -	$ -	$ -	$ 271	$ 271	$ 239
Accrued compensated absences	-	-	-	76	76	64
Due to other agencies	-	-	-	21	21	-
Total liabilities payable from unrestricted assets	-	-	-	368	368	303
Liabilities payable from restricted assets:						
Accounts payable and accrued expenses	409	189	598	-	598	237
Due to other agencies	376	212	588	-	588	376
Interest payable	1,087	491	1,578	-	1,578	2,511
Interfund payable	3,162	2,961	6,123	-	6,123	5,535
Amounts due to Federal government	5,891	2,022	7,913	-	7,913	4,494
Bonds and notes payable	412,141	274,000	686,141	-	686,141	716,038
Total liabilities payable from restricted assets	423,066	279,875	702,941	-	702,941	729,191
Retained earnings - restricted	19,136	22,494	41,630	-	41,630	30,443
Retained earnings - unrestricted						
Designated	-	-	-	38,991	38,991	24,733
Undesignated	-	-	-	7,884	7,884	20,442
Total retained earnings	19,136	22,494	41,630	46,875	88,505	75,618
	$ 442,202	$ 302,369	744,571	47,243	791,814	805,112
Elimination of interfund payable			(6,123)	-	(6,123)	(5,535)
Total liabilities and retained earnings			$ 738,448	$ 47,243	$ 785,691	$ 799,577

See accompanying independent auditors' report.

Colorado Student Obligation Bond Authority
Supplementary Schedule - Student Loan Program Funds Combining Statement of Revenues, Expenses and Changes in Retained Earnings
For the year ended June 30, 2001
(dollar amounts expressed in thousands)

	1999A Bond Fund	1999IV Bond Fund	Total Bond Funds (Restricted)	Administrative Fund (Unrestricted)	Total Student Loan Program Funds 2001	Total Student Loan Program Funds 2000
Revenues:						
Interest and special allowance on student loans	$ 33,899	$ 20,455	$ 54,354	$ 5	$ 54,359	$ 39,138
Investment income (loss)	4,079	4,151	8,230	2,205	10,435	7,621
Total revenues	37,978	24,606	62,584	2,210	64,794	46,759
Expenses:						
Interest expense	20,938	15,683	36,621	-	36,621	31,221
Rebate tax expense, net	4,531	1,431	5,962	-	5,962	4,408
Loan servicing costs	2,770	1,724	4,494	12	4,506	3,240
Bond fees	1,443	776	2,219	-	2,219	1,598
Salaries and benefits	431	242	673	288	961	1,054
Depreciation and amortization	474	248	722	108	830	1,130
General and administrative expenses	400	306	706	102	808	1,259
Total expenses	30,987	20,410	51,397	510	51,907	43,910
Net income	6,991	4,196	11,187	1,700	12,887	2,849
Retained earnings, beginning of period	12,145	18,298	30,443	45,175	75,618	72,769
Retained earnings, end of period	$ 19,136	$ 22,494	$ 41,630	$ 46,875	$ 88,505	$ 75,618

See accompanying independent auditors' report.

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