NEW ISSUE – BOOK-ENTRY ONLY

RATINGS:
Moody's: "MIG 1"
S&P Global: "SP-1+"
(See "RATINGS" herein)

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2022A Notes is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax; and interest on the Series 2022A Notes is not included in Colorado taxable income or Colorado alternative minimum taxable income under Colorado income tax laws as described herein. See "TAX MATTERS" for a full description of the tax treatment of interest on the Series 2022A Notes

$350,000,000
STATE OF COLORADO
EDUCATION LOAN PROGRAM
TAX AND REVENUE ANTICIPATION NOTES
SERIES 2022A

Dated: Date of Delivery **Maturity Date: June 29, 2023**

The proceeds of the Series 2022A Notes will be used as more fully described herein to (i) make interest-free loans to certain Colorado school districts identified herein in order to alleviate temporary general fund cash flow deficits expected to be experienced by such school districts during the fiscal year ending June 30, 2023, and (ii) pay the costs of issuing the Series 2022A Notes. *Capitalized terms used on this cover page have the meanings set forth herein.*

The Series 2022A Notes will be issued in fully registered form and registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, the securities depository for the Series 2022A Notes. Beneficial Ownership Interests in the Series 2022A Notes, in non-certificated book-entry only form, may be purchased in integral multiples of $5,000 by or through participants in the DTC system. Beneficial Ownership Interests will be governed as to receipt of payments, notices and other communications, transfers and various other matters with respect to the Series 2022A Notes by the rules and operating procedures applicable to the DTC book-entry system as described herein.

The principal of and interest on the Series 2022A Notes, at the rate per annum specified below, is payable on the maturity date of the Series 2022A Notes specified above. The Series 2022A Notes are <u>*not*</u> subject to redemption prior to maturity.

Principal Amount	Interest Rate	Price	Reoffering Yield	CUSIP No.[†]
$ 55,000,000	3.75%	102.062	1.535%	19672M CX4
295,000,000	5.00	103.268	1.490	19672M CW6

The Series 2022A Notes are special, limited obligations of the State payable solely from and secured by a pledge of the Pledged Revenues described herein. Interest on the Series 2022A Notes will be payable from amounts deposited by the State Treasurer upon issuance of the Series 2022A Notes in the ETRANS 2022-23 Repayment Account; and the principal of the Series 2022A Notes will be payable from amounts received by the State Treasurer from the Participating Districts on or before June 25, 2023, as payment of their Program Loans and, if necessary, from certain State funds, all as described herein. The Series 2022A Notes do not constitute a debt, an indebtedness or a multiple fiscal year financial obligation of the State or the Participating Districts within the meaning of any applicable provision of the constitution or statutes of the State, and the Owners and Beneficial Owners of the Series 2022A Notes may not look to any source other than the Pledged Revenues for payment of the Series 2022A Notes.

An investment in the Series 2022A Notes involves risk. Prospective investors are urged to read this Official Statement in its entirety, giving particular attention to the matters discussed in "INVESTMENT CONSIDERATIONS," in order to obtain information essential to the making of an informed investment decision.

The Series 2022A Notes are offered when, as and if issued by the State, subject to the approving opinion of Kutak Rock LLP, Denver, Colorado, as Bond Counsel. Certain legal matters will be passed upon for the State by the Attorney General of the State, and by Kline Alvarado Veio, P.C., Denver, Colorado, as special counsel to the State. The Series 2022A Notes are expected to be delivered through the facilities of DTC on or about July 19, 2022.

Dated: July 12, 2022

[†] CUSIP is a registered trademark of the American Bankers Association. The CUSIP data included herein has been provided by CUSIP Global Services operated by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by Standard & Poor's, a business unit of McGraw-Hill Financial, and is provided solely for the convenience of the purchasers of the Series 2022A Notes and only as of the issuance of the Series 2022A Notes. The State takes no responsibility for the accuracy of such data now or at any time in the future.

PRELIMINARY NOTICES

This Official Statement does not constitute an offer to sell the Series 2022A Notes in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, salesman or other person has been authorized by the State, the State Treasurer or the Financial Advisor to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the State or any other person.

The information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described in this Official Statement since the date hereof.

The information in this Official Statement has been obtained from officers, employees and records of the State, the Participating Districts and other sources believed to be reliable, but this Official Statement is not to be construed as the promise or guarantee of the State, the State Treasurer or the Financial Advisor.

The order and placement of materials in this Official Statement, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections of this Official Statement. The offering of the Series 2022A Notes is made only by means of this entire Official Statement.

This Official Statement is submitted in connection with the initial offering and sale of the Series 2022A Notes and may not be reproduced or used, in whole or in part, for any other purpose.

The Series 2022A Notes have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have neither confirmed the accuracy nor determined the adequacy of this Official Statement. Any representation to the contrary is unlawful.

CAUTIONARY STATEMENT REGARDING PROJECTIONS, ESTIMATES AND OTHER FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

This Official Statement, including, but not limited to, the material set forth in "SOURCE OF PAYMENT OF PROGRAM LOANS – State Equalization Funding of School Districts – Summary Financial Information Regarding the Participating Districts," "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS," "DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS," "APPENDIX A – THE STATE GENERAL FUND," "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST" and "APPENDIX E – STATE PENSION SYSTEM," contains statements relating to future results that are "forward-looking statements." When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect" and similar expressions identify forward-looking statements. The achievement of certain results or other expectations contained in forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The State Treasurer does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which these statements are based occur.

TABLE OF CONTENTS

* * *

OFFICIAL STATEMENT

Relating to

$350,000,000
STATE OF COLORADO
EDUCATION LOAN PROGRAM TAX AND REVENUE ANTICIPATION NOTES
SERIES 2022A

INTRODUCTION

This Official Statement, which includes the cover page, inside cover, prefatory information and the appendices, furnishes information in connection with the issuance and sale by the State of Colorado (the "State") of its $350,000,000 State of Colorado Education Loan Program Tax and Revenue Anticipation Notes, Series 2022A (the "Series 2022A Notes").

This Official Statement contains information that was either not available or differs from that contained in the Preliminary Official Statement dated June 30, 2022, including, without limitation, the interest rates, prices, reoffering yields, CUSIP numbers, original purchasers and aggregate purchase price paid by the original purchasers of the Series 2022A Notes. Accordingly, prospective investors should read this Official Statement in its entirety.

This introduction is not a summary of this Official Statement. It is only a summary description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Series 2022A Notes to potential investors is made only by means of the entire Official Statement.

Purpose

Sections 29-15-112 and 22-54-110, Colorado Revised Statutes, as amended ("C.R.S."), referred to herein collectively as the "Loan Program Statutes," establish a program (the "Loan Program") for making interest-free loans ("Program Loans") to participating Colorado school districts (the "Participating Districts") in order to alleviate Participating Districts' temporary general fund cash flow deficits. The Series 2022A Notes are being issued for the purpose of funding the Loan Program for the State's fiscal year ending June 30, 2023 ("Fiscal Year 2022-23"), and paying the costs of issuing the Series 2022A Notes, and constitute the first series of Notes being issued for funding the Loan Program for Fiscal Year 2022-23. See "THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2022A NOTES."

The net proceeds of the sale of the Series 2022A Notes will be deposited in the Series 2022A Education Loan Program Tax and Revenue Anticipation Notes Proceeds Account (the "Series 2022A Notes Proceeds Account") of the State's General Fund (the "General Fund") and used to make Program Loans to Participating Districts in order to alleviate actual temporary general fund cash flow deficits currently forecast by each Participating District during Fiscal Year 2022-23. See "SOURCE OF PAYMENT OF PROGRAM LOANS – Summary Financial Information Regarding the Participating Districts." Prior to receiving a Program Loan, each Participating District is required to adopt a resolution (each a "District Resolution" and collectively the "District Resolutions") pledging to the repayment of its Program Loan those ad valorem property tax revenues received by the Participating District during the period of March through June of 2023 that are required to be deposited in the Participating District's general fund ("Taxes"), and is required to execute a promissory note payable to the State Treasurer (each a "District Note" and collectively the "District Notes") to evidence its repayment obligation. See "THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2022A NOTES – Program Loans – The Participating Districts," "DISTRICT RESOLUTIONS AND DISTRICT NOTES" and "SOURCE OF PAYMENT OF PROGRAM LOANS."

The Series 2022A Notes

Authorization. The Series 2022A Notes are issued pursuant to the Loan Program Statutes; Part 2 of Article 57 of Title 11, C.R.S. (the "Supplemental Public Securities Act"); and a resolution (the "State Resolution") adopted by the State Treasurer (the "State Treasurer") and approved and countersigned by the Controller of the State (the "State Controller"). See "THE SERIES 2022A NOTES – Authorization."

General Provisions. The Series 2022A Notes will be dated the date of issuance and delivery to the original purchasers thereof (the "Closing Date") and will mature on June 29, 2023 (the "Series 2022A Notes Maturity Date"). The Series 2022A Notes are not subject to redemption prior to the Series 2022A Notes Maturity Date. Interest on the Series 2022A Notes, at the rate per annum set forth on the cover page hereof (computed on the basis of a 360-day year of twelve 30-day months), will accrue from the Closing Date and will be payable on the Series 2022A Notes Maturity Date. See "THE SERIES 2022A NOTES – General Provisions."

Book-Entry Only System. The Series 2022A Notes will be issued in fully registered form (*i.e.*, registered as to payment of both principal and interest) and registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will serve as securities depository for the Series 2022A Notes. Ownership interests in the Series 2022A Notes ("Beneficial Ownership Interests"), in non-certificated book-entry only form, may be purchased in integral multiples of $5,000 by or through participants in the DTC system ("DTC Participants"). Beneficial Ownership Interests will be recorded in the name of the purchasers thereof ("Beneficial Owners") on the books of the DTC Participants from whom they are acquired, and will be governed as to the receipt of payments, notices and other communications, transfers and various other matters with respect to the Series 2022A Notes by the rules and operating procedures applicable to the DTC book-entry system as described in "THE SERIES 2022A NOTES – General Provisions" and "APPENDIX F – DTC BOOK-ENTRY SYSTEM." As used in this Official Statement, the term "Owners" of the Series 2022A Notes means the persons or entities in whose names the Series 2022A Notes are registered on the registration books kept by UMB Bank, n.a., Kansas City, Missouri, as the registrar (the "Registrar") for the Series 2022A Notes (such Owner initially being Cede & Co. or such other nominee as may be designated by DTC), and does not mean the Beneficial Owners.

Security and Sources of Payment. The Series 2022A Notes are special, limited obligations of the State payable solely from and secured by a pledge of the following (the "Pledged Revenues"), which the State Treasurer believes will be sufficient for the repayment of the Series 2022A Notes:

- amounts received by the State Treasurer from the Participating Districts on or before June 25, 2023, as repayment of their Program Loans;

- amounts deposited to the "Series 2022-23 Education Loan Program Tax and Revenue Anticipation Notes Repayment Account" of the General Fund (the "ETRANS 2022-23 Repayment Account") as discussed in "THE SERIES 2022A NOTES – Security and Sources of Payment – *The ETRANS 2022-23 Repayment Account*"; and

- any unexpended proceeds of the Series 2022A Notes and of any additional tax and revenue anticipation notes authorized and issued pursuant to the Loan Program Statutes and the Supplemental Public Securities Act and payable from and secured by a pledge of all or any portion of the Pledged Revenues on a parity with the pledge thereof in favor of the Owners of the Series 2022A Notes ("Parity Lien Notes") that have not been loaned to the Participating Districts, together with the interest earnings thereon in excess of the amount deposited by the State Treasurer in the Series 2022A Notes Proceeds Account on the Closing Date. See "THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2022A NOTES – The Series 2022A Notes Proceeds Account."

Interest on the Series 2022A Notes will be payable from a deposit to be made by the State Treasurer on the Closing Date to the Interest Subaccount of the ETRANS 2022-23 Repayment Account in an amount equal to the interest to accrue on the Series 2022A Notes from the Closing Date to the Series 2022A Notes Maturity Date. This deposit is to be made from "Current General Fund Revenues," consisting of any cash income or other cash receipt credited to the General Fund for Fiscal Year 2022-23 that is (i) subject to appropriation for Fiscal Year 2022-23 and (ii) not yet credited to the General Fund as of the Closing Date, but not including the proceeds of the Series 2022A Notes, any Parity Lien Notes or of any other borrowing of the State.

Principal of the Series 2022A Notes will be payable from amounts received by the State Treasurer from the Participating Districts on or before June 25, 2023, as repayment of their Program Loans, supplemented if necessary by, among other things, any funds on hand or in the custody or possession of the State Treasurer and eligible for investment in the District Notes, including Current General Fund Revenues and any amounts in the funds established by statute and the State Treasurer from which the State Treasurer is authorized to borrow under State law ("Borrowable Resources").

The ability of the State Treasurer to use Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes to fund a deficiency in the Principal Subaccount of the ETRANS 2022-23 Repayment Account is subordinate to the use of such funds for payment of any general fund tax and revenue anticipation notes of the State issued during Fiscal Year 2022-23.

The ETRANS 2022-23 Repayment Account and the Pledged Revenues are irrevocably pledged to the payment when due of the principal of and interest on the Series 2022A Notes and any Parity Lien Notes. The Owners of the Series 2022A Notes and any Parity Lien Notes will be equally and ratably secured by a first lien on the ETRANS 2022-23 Repayment Account and the moneys credited thereto.

The Series 2022A Notes do not constitute a debt, an indebtedness or a multiple fiscal year financial obligation of the State or the Participating Districts within the meaning of any applicable provision of the Constitution of the State of Colorado (the "State Constitution") or State statutes, and the Owners and Beneficial Owners of the Series 2022A Notes may not look to any source other than the Pledged Revenues for payment of the Series 2022A Notes.

See generally "THE SERIES 2022A NOTES – Security and Sources of Payment – Parity Lien Notes," "DISTRICT RESOLUTIONS AND DISTRICT NOTES," "SOURCE OF PAYMENT OF PROGRAM LOANS," "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS," "APPENDIX A – THE STATE GENERAL FUND" and "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST."

State Budgets and Revenue Forecasts

The State relies on revenue estimation as the basis for budgeting and establishing aggregate funds available for expenditure in connection with its appropriation process. By statute, the Office of State Planning and Budgeting ("OSPB") is responsible for providing the Governor of the State (the

"Governor") with timely and complete information and recommendations in order to enable the Governor to make public policy and budget decisions. Among other things, OSPB is responsible for developing periodic General Fund revenue estimates. The most recent OSPB revenue forecast, entitled "Colorado Economic and Fiscal Outlook," was issued in June 2022 (the "OSPB June 2022 Revenue Forecast") and is appended to this Official Statement in its entirety as "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST." The OSPB June 2022 Revenue Forecast includes both a national and Colorado economic outlook, an outlook of revenue to the General Fund and the State's cash funds, an outlook of the State budget and an outlook of the revenues subject to Article X, Section 20 of the State Constitution, entitled the Taxpayer's Bill of Rights and commonly known and referred to hereinafter in this Official Statement as "TABOR," as discussed in "STATE FINANCIAL INFORMATION – Taxpayer's Bill of Rights." The OSPB June 2022 Revenue Forecast is subject to a number of forecast risks and other caveats stated therein, and therefore prospective investors are advised to read such report in its entirety. See also "INVESTMENT CONSIDERATIONS – Budgets and Revenue Forecasts," "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations" and "APPENDIX A – THE STATE GENERAL FUND," as well as the cautionary statement in "PRELIMINARY NOTICES" on the inside front cover of this Official Statement regarding forward-looking statements..

State Economic and Demographic Information

This Official Statement contains economic and demographic information about the State prepared by Development Research Partners, Inc., for use by the State. See "APPENDIX D – CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION." Development Research Partners, Inc., has consented to the inclusion of such information in this Official Statement. The State does not assume responsibility for the accuracy, completeness or fairness of such information. The information in such Appendix has been included in the Official Statement in reliance upon Development Research Partners, Inc., as experts in the preparation of economic and demographic analyses. Potential investors should read such Appendix in its entirety for information with respect to the economic and demographic status of the State.

COVID-19 and Other Investment Considerations

An investment in the Series 2022A Notes involves risk, including, among others, the risk brought about by the ongoing novel coronavirus disease 2019 ("COVID-19") pandemic. Prospective investors are urged to read this Official Statement in its entirety in order to obtain information essential to the making of an informed investment decision, giving particular attention to the matters discussed in "IMPACT OF COVID-19 ON THE STATE AND SCHOOL DISTRICTS" and "INVESTMENT CONSIDERATIONS."

Legal and Tax Matters

Kutak Rock LLP, Denver, Colorado, is serving as bond counsel ("Bond Counsel") in connection with the issuance of the Series 2022A Notes and will deliver its opinion substantially in the form included in this Official Statement. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2022A Notes is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax; and interest on the Series 2022A Notes is not included in Colorado taxable income or Colorado alternative minimum taxable income under Colorado income tax laws as described herein.

Certain legal matters will be passed upon for the State by the Attorney General of the State and by Kline Alvarado Veio, P.C., Denver, Colorado, as special counsel to the State. See "LEGAL MATTERS."

Continuing Disclosure

In accordance with the exemption set forth in paragraph (d)(3) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), no undertaking to report annual financial information or operating data as set forth in the final Official Statement, or audited financial statements, will be provided by the State in connection with the Series 2022A Notes because the Series 2022A Notes have a stated maturity of less than 18 months. However, the State Treasurer does undertake in the State Resolution to provide notice of certain enumerated events if they occur, as described in "THE SERIES 2022A NOTES – Security and Sources of Payment – *The ETRANS 2022-23 Repayment Account* – Covenants of the State" and "CONTINUING DISCLOSURE."

For a discussion of the recent compliance by the State and certain State departments and agencies that utilize the State's credit with the various continuing disclosure undertakings of such entities, see "CONTINUING DISCLOSURE – Compliance With Other Continuing Disclosure Undertakings – MCDC Settlement Order with the Securities and Exchange Commission."

Additional Information

Brief descriptions of the Series 2022A Notes, the State Resolution, the Loan Program Statutes, the District Resolutions, the District Notes, the Participating Districts, the State and certain other statutes, reports, documents and instruments are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each such document, statute, report or other instrument. During the offering period, copies of the State Resolution and certain other documents referred to herein may be obtained from RBC Capital Markets, LLC (the "Financial Advisor"), 1801 California Street, Suite 3850, Denver, Colorado 80202, Attention: Dan O'Connell, telephone number (303) 595-1222.

Forward-Looking Statements

See the preliminary notice in this Official Statement regarding forward-looking statements.

Miscellaneous

The cover page, inside cover, prefatory information and appendices to this Official Statement are integral parts hereof and must be read together with all other parts of this Official Statement.

Information contained in this Official Statement has been obtained from officers, employees and records of the State, the Participating Districts and from other sources believed to be reliable, but this Official Statement is not to be construed as the promise or guarantee of the State, the State Treasurer or the Financial Advisor. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described in this Official Statement since the date hereof. So far as any statements made in this Official Statement involve matters of opinion, forecasts, projections or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

This Official Statement shall not be construed as a contract or agreement between the State and the Owners or Beneficial Owners of the Series 2022A Notes.

IMPACT OF COVID-19 ON THE STATE AND SCHOOL DISTRICTS

The COVID-19 pandemic, and the resulting economic recession that commenced in March 2020, have significantly impacted global, national, state and local economies, including the economy of the State. The pandemic resulted in the closure or restricted operation of many businesses in the State, limited the operations and finances of governmental entities such as the State and school districts and required school districts to employ alternatives to in-person learning such as online, virtual or remote learning. The COVID-19 pandemic caused a significant reduction in Colorado's economic activity in 2020 and had a corresponding negative impact on State revenues. Gross General Fund revenues increased in Fiscal Year 2019-20 by only 2.4% over Fiscal Year 2018-19. However, the OSPB June 2022 Revenue Forecast indicates that Gross General Fund revenues rebounded in Fiscal Year 2020-21 and are forecast to continue to do so in Fiscal Years 2021-22 and 2022-23 as discussed elsewhere in this Official Statement. The State has also incurred significant expenses in health care costs related to the COVID-19 pandemic.

A number of actions were taken by the State to address the fiscal impact of COVID-19 on State finances. Among other things, the Governor issued several executive orders that declared a disaster emergency in Colorado pursuant to the Colorado Disaster Emergency Act (Section 24-33.5-701, *et seq.*, C.R.S.) due to the presence of COVID-19, thereby triggering certain provisions under State law, including the use of the emergency reserve mandated by TABOR, and directed the use of various State funds for disaster emergency response purposes. In addition, at the request of the Governor, a major disaster for the State was declared pursuant to the federal Stafford Disaster Relief and Emergency Assistance Act. The OSPB subsequently provided guidance to departments and agencies of the State regarding fiscal conservation to reduce the use of State resources for non-emergency purposes. The Governor and the State legislature, known as the "General Assembly," also took steps to amend the Fiscal Year 2019-20 budget in an attempt to maintain the required Fiscal Year 2019-20 Unappropriated Reserve and directed the suspension or discontinuance of portions of State programs and services, including mandatory furloughs of certain State employees, through the end of Fiscal Year 2019-20, as well as the suspension of the July 1, 2020, distribution to the Public Employees' Retirement Association ("PERA"), which has since been recompensed, as discussed in "DEBT AND OTHER FINANCIAL OBLIGATIONS – Pension and Other Post-Employment Benefits" and "APPENDIX E – STATE PENSION SYSTEM – Funding of the State Division Plan – *Statutorily Required Contributions*." See also "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations – *Revenues and Unappropriated Amounts*," "APPENDIX A – THE STATE GENERAL FUND – General Fund Revenue Sources – General Fund Overview – *Revenue Shortfalls*" and "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST."

Numerous actions were also taken by the Governor to implement measures designed to mitigate the spread of COVID-19 within the State and protect against overwhelming the State's health care resources. These executive orders also required that public health orders be issued by the Colorado Department of Public Health and Environment (the "CDPHE") to implement the Governor's orders. However, due to the leveling off of known cases of COVID-19 in the State and the use of the hospital system in the State due to COVID-19 cases, various limitations on individuals and businesses which were intended to mitigate the spread of the COVID-19 virus have been eased. The State is currently subject to Public Health Order 20-38, as amended, which includes measures for individuals and businesses to mitigate the spread of COVID-19 in Colorado. The order requires face coverings in some settings, as well as maintains some additional protections for certain activities while the CDPHE continues to take steps to limit the spread of COVID-19 in Colorado. The order also includes hospital reporting requirements regarding bed capacity to provide the State with critical information to assess the status of the COVID-19 pandemic relative to the statewide capacity to provide necessary medical care and services to Coloradans. The CDPHE provides information relating to COVID-19 and related developments in the State on its website, covid19.colorado.gov. Reference to this website is for informational purposes only and the information or links contained therein are not incorporated into, nor are part of, this Official Statement.

On July 8, 2021, the Governor issued Executive Order D 2021 122 which, as amended and extended, rescinded all previous executive orders issued by the Governor due to COVID-19 in order to focus only on those measures related to the State's recovery from the COVID-19 pandemic emergency.

THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2022A NOTES

The Loan Program

Timing differences between revenue collections and disbursements cause many Colorado school districts to incur annual cash flow deficits. The salaries of some school district employees are paid over a 12-month period, and some school district expenses occur on a relatively consistent monthly basis, although most salaries and expenses of school districts are incurred during the traditional school year of September through May. The primary sources of revenue to school districts to meet these expenditures include (i) funding from the State pursuant to Article 54 of Title 22, C.R.S., known as the Public School Finance Act of 1994 (the "Public School Finance Act"), which is received in approximately equal monthly amounts throughout the July 1-June 30 fiscal year of the school districts and the State (the "Fiscal Year"), and (ii) property taxes levied by the school districts, most of which are received in March through June when property taxes are paid by taxpayers. See "SOURCE OF PAYMENT OF PROGRAM LOANS." As a result, school districts often experience cash flow shortages during the fall and winter months before such tax revenues are received. School districts may address this cash flow shortage in a variety of ways, including: (i) borrowing funds from the State; (ii) transferring funds to the school district's general fund from other school district funds on a short-term basis; (iii) borrowing funds on a short-term basis through the issuance by the school district of tax anticipation notes; or (iv) borrowing funds on a short-term basis from a bank or other lender. See also "IMPACT OF COVID-19 ON THE STATE AND SCHOOL DISTRICTS."

Under the Loan Program Statutes, upon approval by the State Treasurer of an application submitted by a school district, the State Treasurer is to make available to such school district in any month of the budget year in which a cash flow deficit occurs an interest-free or low-interest loan from the State's General Fund or from the proceeds of tax and revenue anticipation notes. There are certain limits on the receipt of such loans. For instance, a Program Loan may not be made to provide assistance for matters eligible for payment from the school district's contingency reserve or to cover a foreseeable level of uncollectible property taxes, nor may a Program Loan be used by a school district for the simultaneous purchase and sale of the same security or an equivalent security in order to profit from price disparity. All loans to a school district are to be made from the proceeds of tax and revenue anticipation notes issued by the State Treasurer as discussed below; provided, however, that if the amount of the tax and revenue anticipation notes, if any, issued on behalf of a school district as determined by the State Treasurer is not sufficient to cover the school district's cash deficit, the State Treasurer may, in his or her discretion, make available to such school district an emergency low-interest loan from the State's General Fund. Such loan is to have the same rate of interest as that paid by the State Treasurer on the general fund tax and revenue anticipation notes issued by the State Treasurer pursuant to Part 9 of Article 75 of Title 24, C.R.S. See "INVESTMENT CONSIDERATIONS – Liquidity Sources in the Event of a Default in the Repayment of Program Loans; Subordination of Certain State Funds."

The Loan Program Statutes authorize the State Treasurer to issue tax and revenue anticipation notes for the purpose of alleviating temporary cash flow deficits by making interest-free loans available to eligible school districts. The Series 2022A Notes are being issued pursuant to this authorization. See also "THE SERIES 2022A NOTES – Authorization."

Application of Series 2022A Notes Proceeds

The proceeds of the Series 2022A Notes, net of amounts used to pay costs and expenses relating to the issuance and sale of the Series 2022A Notes, will be deposited in the Series 2022A Notes Proceeds Account and disbursed from time to time by the State Treasurer upon request of the Participating Districts in order to alleviate temporary general fund cash flow deficits expected to be experienced by such Participating Districts during Fiscal Year 2022-23, subject to the conditions stated in the State Resolution and the District Resolutions. See "Program Loans" and "The Participating Districts" below, "DISTRICT RESOLUTIONS AND DISTRICT NOTES" and "SOURCE OF PAYMENT OF PROGRAM LOANS."

The Series 2022A Notes Proceeds Account

The State Resolution directs the State Controller to establish within the State's General Fund the Series 2022A Notes Proceeds Account, which is to be segregated from all other accounts in the General Fund. Moneys deposited in the Series 2022A Notes Proceeds Account are to be applied in accordance with the Loan Program Statutes, including the payment of the costs and expenses related to the issuance and sale of the Series 2022A Notes. The original purchasers of the Series 2022A Notes will not be responsible for the application or disposition by the State or its officers of any of the funds derived from the sale of the Series 2022A Notes.

Moneys held in the Series 2022A Notes Proceeds Account may be commingled for investment purposes with other moneys in the General Fund but are not available for the payment of other General Fund expenditures or interfund transfers. Investment earnings on moneys credited to the Series 2022A Notes Proceeds Account up to the amount deposited by the State Treasurer to the Interest Subaccount on the Closing Date are to be credited to the State General Fund and will not be credited to the Series 2022A Notes Proceeds Account; and investment earnings on moneys credited to the Series 2022A Notes Proceeds Account in excess of the amount deposited by the State Treasurer to the Interest Subaccount on the Closing Date are to be retained therein until June 25, 2023, on which date any remaining moneys credited to such Account are to be transferred to the Interest Subaccount of the ETRANS 2022-23 Repayment Account, after which the Series 2022A Notes Proceeds Account is to be closed. See "APPENDIX A – THE STATE GENERAL FUND – Investment of the State Pool."

Program Loans

In order to participate in the Loan Program, each Participating District's governing board (the "Board of Education") must adopt a resolution approving the amount of the Program Loan (the "Maximum Principal Amount") and submit any actual or projected financial or budgetary statements required by the State Treasurer, as well as certain other financial information required by the State Treasurer. Based on such information, the State Treasurer has approved the Maximum Principal Amount of the Program Loan for each such Participating District. An aggregate amount of not more than the Maximum Principal Amount may be drawn upon in the manner provided in the District Resolution and expended by the Participating District from time to time to fund its general fund cash flow deficit occurring during Fiscal Year 2022-23. See also "DISTRICT RESOLUTIONS AND DISTRICT NOTES," "SOURCE OF PAYMENT OF PROGRAM LOANS," "INTRODUCTION – General Statement Regarding the Impact of COVID-19 (Coronavirus) on the State and School Districts" and "INVESTMENT CONSIDERATIONS – Impact of COVID-19 on Payment of the Series 2022A Notes."

The Participating Districts

As of the date hereof, the Participating Districts that have requested the State Treasurer to issue the Series 2022A Notes on their behalf are set forth in "SOURCE OF PAYMENT OF PROGRAM LOANS –

Summary Financial Information Regarding the Participating Districts." The school districts that are expected to borrow the largest percentages of available proceeds of the Series 2022A Notes and planned Parity Lien Notes are set forth in "SOURCE OF PAYMENT OF PROGRAM LOANS – Summary Financial Information Regarding the Participating Districts."

THE SERIES 2022A NOTES

The following is a summary of certain provisions of the Series 2022A Notes during such time as the Series 2022A Notes are subject to the DTC book-entry system. Reference is hereby made to the State Resolution in its entirety for the detailed provisions pertaining to the Series 2022A Notes, including provisions applicable upon discontinuance of participation in the DTC book-entry system.

Authorization

The Series 2022A Notes are being issued pursuant to the Loan Program Statutes, the Supplemental Public Securities Act and the State Resolution. The Loan Program Statutes authorize the State Treasurer to issue tax and revenue anticipation notes from time to time to accomplish the purposes of the Loan Program Statutes. See "THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2022A NOTES." The State Treasurer may, and currently expects to, issue additional Parity Lien Notes in Fiscal Year 2022-23. See "Parity Lien Notes" in this section.

General Provisions

The Series 2022A Notes will be issued in fully registered form (*i.e.*, registered as to payment of both principal and interest) and registered initially in the name of Cede & Co., as nominee of DTC, which will serve as securities depository for the Series 2022A Notes. Beneficial Ownership Interests in the Series 2022A Notes, in non-certificated book-entry only form, may be purchased in integral multiples of $5,000 by or through DTC Participants. Such Beneficial Ownership Interests will be recorded in the name of the Beneficial Owners on the books of the DTC Participants from whom they are acquired, and will be governed as to payment of principal and interest and the receipt of notices and other communications, transfers and various other matters with respect to the Series 2022A Notes by the rules and operating procedures applicable to the DTC book-entry system as described in "APPENDIX F – DTC BOOK-ENTRY SYSTEM."

The Series 2022A Notes will be dated as of the Closing Date, mature on the Series 2022A Notes Maturity Date and bear interest at the rate per annum (computed on the basis of a 360-day year consisting of twelve 30-day months) set forth on the cover page of this Official Statement. Interest on the Series 2022A Notes will accrue from the Closing Date and will be payable on the Series 2022A Notes Maturity Date. The principal of and interest on the Series 2022A Notes will be payable by UMB Bank, n.a., Kansas City, Missouri, as paying agent for the Series 2022A Notes (the "Paying Agent"), to Cede & Co., as the Owner of the Series 2022A Notes, for subsequent credit to the accounts of the Beneficial Owners. See "APPENDIX F – DTC BOOK-ENTRY SYSTEM." Interest on the Series 2022A Notes will cease to accrue on the Series 2022A Notes Maturity Date.

UMB Bank, n.a., Kansas City, Missouri, will also serve as the Registrar for the Series 2022A Notes, subject to the provisions of the DTC book-entry system.

None of the State, the State Treasurer, the Deputy Treasurer, the Chief Financial Officer of the Department of the Treasury, the State Controller, the Paying Agent, the Registrar or the Financial Advisor has any responsibility or obligation to any Beneficial Owner with respect to (i) the accuracy of any records *maintained by DTC or any DTC Participant, (ii) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the Owners of the Series 2022A Notes under the State Resolution, (iii) the payment by DTC or any DTC Participant of any amounts received under the State Resolution with respect to the Series 2022A Notes, (iv) any consent given or other action taken by DTC or its nominee as the Owner of Series 2022A Notes or (v) any other related matter.*

No Redemption Prior to Maturity

The Series 2022A Notes are not subject to redemption prior to the Series 2022A Notes Maturity Date.

Security and Sources of Payment

The Series 2022A Notes are special, limited obligations of the State payable solely from the Pledged Revenues, on parity with any additional Parity Lien Notes. The Series 2022A Notes do not constitute a debt, an indebtedness or a multiple fiscal year financial obligation of the State or the Participating Districts within the meaning of any applicable provision of the State Constitution or State statutes, and the Owners and Beneficial Owners of the Series 2022A Notes may not look to any source other than the Pledged Revenues for payment of the Series 2022A Notes.

The Pledged Revenues. The Pledged Revenues consist of: (i) amounts received by the State Treasurer from the Participating Districts on or before June 25, 2023, in repayment of their Program Loans; (ii) amounts deposited to the ETRANS 2022-23 Repayment Account as provided below; and (iii) any unexpended proceeds of the Series 2022A Notes and any Parity Lien Notes that have not been loaned to Participating Districts, together with the interest earnings thereon in excess of the amount deposited by the State Treasurer in the Series 2022A Notes Proceeds Account on the Closing Date. See "THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2022A NOTES – The Series 2022A Notes Proceeds Account."

The ETRANS 2022-23 Repayment Account. The State Resolution directs the State Controller to establish within the General Fund the ETRANS 2022-23 Repayment Account, including therein the Interest Subaccount and the Principal Subaccount, all of which are to be segregated from all other accounts in the General Fund. The ETRANS 2022-23 Repayment Account and the Pledged Revenues are irrevocably pledged to the payment when due of the principal of and interest on the Series 2022A Notes and any Parity Lien Notes. The Owners of the Series 2022A Notes and any Parity Lien Notes will be equally and ratably secured by a first lien on the ETRANS 2022-23 Repayment Account and the moneys credited thereto.

On the Closing Date, the State Treasurer is required to deposit to the Interest Subaccount of the ETRANS 2022-23 Repayment Account, from Current General Fund Revenues then available, an amount equal to the interest to accrue on the Series 2022A Notes from the Closing Date to the Series 2022A Notes Maturity Date.

The State Resolution also requires the State Treasurer to credit to the Principal Subaccount of the ETRANS 2022-23 Repayment Account all amounts received from the Participating Districts on or before June 25, 2023, in repayment of their Program Loans. However, if on June 25, 2023, the amount credited to the Principal Subaccount is less than the principal amount of the Series 2022A Notes and any Parity Lien Notes, the State Treasurer is to deposit to the Principal Subaccount the amount of the deficiency from any funds on hand or in the custody or possession of the State Treasurer and eligible for investment in the District Notes. The State Resolution further provides that the State Treasurer is to first utilize all other funds that are eligible for investment in the District Notes prior to the application of Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes.

The ability of the State Treasurer to use Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes to fund a deficiency in the Principal Subaccount of the ETRANS 2022-23 Repayment Account is subordinate to the use of such funds for payment of any general fund tax and revenue anticipation notes of the State issued during Fiscal Year 2022-23. In addition, the covenant of the State Treasurer to first use all other funds that are eligible for investment in the District Notes in order to fund a deficiency in the Principal Subaccount of the ETRANS 2022-23 Repayment Account does not constitute a pledge of or lien on such other funds for that purpose, and there is no limit on the availability or use of such other funds for any other purpose permitted or required by law. If it becomes necessary to make a deposit to the Principal Subaccount of the ETRANS 2022-23 Repayment Account in order to fund a deficiency therein, the State Resolution requires the State Treasurer to take such actions as may be necessary to identify and designate the District Notes as an investment of the State funds used to make such deposit, and the Owners of the Series 2022A Notes will have no right or claim to any amounts received by the State under the District Notes after June 25, 2023. The making of such investment by the State Treasurer, and the determination of the State fund or funds, if any, to be used therefor, is in all cases subject to the application of the investment policies for the various State funds and the exercise of the discretion and fiduciary obligation of the State Treasurer in the investment of State funds. See "INVESTMENT CONSIDERATIONS – Liquidity Sources in the Event of a Default in the Repayment of Program Loans; Subordination of Certain State Funds," "STATE FINANCIAL INFORMATION – Investment and Deposit of State Funds," "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS" and "APPENDIX A – THE STATE GENERAL FUND."

Moneys held in the ETRANS 2022-23 Repayment Account may be commingled for investment purposes with other moneys in the General Fund but are not available for the payment of other General Fund expenditures or interfund transfers. Interest income from the investment or reinvestment of moneys credited to the Interest Subaccount and the Principal Subaccount up to and including June 29, 2023, is to be credited to the General Fund and not credited to the Interest Subaccount or the Principal Subaccount. See "APPENDIX A – THE STATE GENERAL FUND – Investment of the State Pool."

Limitations on the Obligations of the State. The State Resolution provides that no provision thereof or of the Series 2022A Notes is to be construed or interpreted: (i) to directly or indirectly obligate the State to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (ii) as creating a debt or an indebtedness of the State within the meaning of any applicable provision of the State Constitution or State statutes; (iii) as creating a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the State within the meaning of Article X, Section 20 of the State Constitution (the "Taxpayer's Bill of Rights" or "TABOR") for which adequate cash reserves have not been pledged irrevocably and held for payment in all future fiscal years; (iv) as a delegation of governmental powers by the State; (v) as a loan or pledge of the credit or faith of the State or as creating any responsibility by the State for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the State Constitution; or (vi) as a donation or grant by the State to, or in aid of, any person, company or corporation within the meaning of Article XI, Section 2 of the State Constitution. See "STATE FINANCIAL INFORMATION – Taxpayer's Bill of Rights."

Parity Lien Notes

The State Resolution authorizes the State Treasurer from time to time during Fiscal Year 2022-23 to issue additional tax and revenue anticipation notes pursuant to the Loan Program Statutes that are payable from and secured by a pledge of all or any portion of the Pledged Revenues on a parity with (but not superior to) the pledge in favor of the Owners of the Series 2022A Notes. Such Parity Lien Notes may have such details as the State Treasurer may determine; provided, however, that the Parity Lien Notes are required to be (i) non-redeemable prior to their Maturity Date, (ii) due and payable as to both principal and interest on the Maturity Date and (iii) payable from the ETRANS 2022-23 Repayment Account.

The State Treasurer currently anticipates that one or more series of Parity Lien Notes will be issued in Fiscal Year 2022-23 in an aggregate principal amount of approximately $450 million. The State Resolution does not limit the principal amount of Parity Lien Notes.

Covenants of the State

The State Treasurer covenants in the State Resolution for the benefit of the original purchasers (the "Purchasers") and the Owners of the Series 2022A Notes to: (i) keep proper books of record and accounts showing complete and correct entries of all transactions relating to the Funds and Accounts referred to therein and in such manner that the amount of Program Loans made to each Participating District and the amount of repayment of such Program Loans by each Participating District may at all times be readily and accurately determined; and (ii) take any and all actions that may be reasonably required to ensure timely collection of the amounts due by Participating Districts under their respective District Notes.

Defaults and Remedies

Each of the following constitutes an "Event of Default" under the State Resolution:

- payment of the principal of or interest on any of the Series 2022A Notes is not made on the Series 2022A Notes Maturity Date; or

- the State fails to perform or observe any of the covenants, agreements or conditions contained in the State Resolution or in the Series 2022A Notes and such failure continues for 15 days after receipt of written notice thereof by the State Treasurer from any Owner of any of the Series 2022A Notes.

Upon the occurrence of any Event of Default, any Owner of the Series 2022A Notes may: (i) bring any suit, action or proceeding, at law or in equity, to collect sums due and owing on the Series 2022A Notes or to enforce and protect such Owner's rights under the State Resolution and the Series 2022A Notes; (ii) compel, to the extent permitted by law, by mandamus or otherwise, the performance by the State of any covenant in the State Resolution or the Series 2022A Notes; or (iii) examine the books and records of the State and require the State Treasurer to account for all moneys and investments constituting Pledged Revenues as if the State Treasurer were the trustee of an express trust. Neither principal of nor interest on the Series 2022A Notes may be accelerated as a consequence of any Event of Default.

If on the Maturity Date the moneys in the ETRANS 2022-23 Repayment Account are insufficient to pay the principal of and interest on the Series 2022A Notes and any Parity Lien Notes, the State Treasurer is to direct the Paying Agent to ratably apply the moneys in the ETRANS 2022-23 Repayment Account to the payment of the principal and interest then due and unpaid upon the Series 2022A Notes and any Parity Lien Notes, without preference or priority of principal over interest or of interest over principal, or of any Series 2022A Note or Parity Lien Note over any other Series 2022A Note or Parity Lien Note, according to the amounts due, respectively, for principal and interest, to the persons entitled thereto without any discrimination or preference.

Tax Covenant

The State Treasurer covenants in the State Resolution for the benefit of the Purchasers and the Owners of the Series 2022A Notes that, subject to further investment limitations established pursuant to the terms of the State Resolution, moneys in the Series 2022A Notes Proceeds Account and the ETRANS 2022-23 Repayment Account not immediately needed will be invested only in investments authorized by the Loan Program Statutes; Article 36 of Title 24, C.R.S.; or, to the extent applicable, Part 6 of Article 75 of Title 24, C.R.S.

The State Treasurer further covenants that the State Treasurer will not take any action or omit to take any action with respect to the Series 2022A Notes, the proceeds thereof or other funds of the State if such action or omission: (i) would cause the interest on the Series 2022A Notes to lose its exclusion from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations thereunder (the "Tax Code"); (ii) would cause interest on the Series 2022A Notes to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income; or (iii) would cause interest on the Series 2022A Notes to lose its exclusion from State taxable income or State alternative minimum taxable income under present State law. This covenant will remain in full force and effect notwithstanding the payment in full of the Series 2022A Notes until the date on which all obligations of the State Treasurer in fulfilling such covenant under the Tax Code and State law have been met. See also "TAX MATTERS."

INVESTMENT CONSIDERATIONS

An investment in the Series 2022A Notes involves certain investment risks that are discussed throughout this Official Statement. Each prospective investor should make an independent evaluation of all information presented in this Official Statement in order to make an informed investment decision. Particular attention should be given to the factors described below that, among others, could affect the payment of the principal of and interest on the Series 2022A Notes.

Limited Obligations

The Series 2022A Notes are special, limited obligations of the State payable solely from and secured by a pledge of the Pledged Revenues. The State has not pledged its General Fund, taxing power or revenues, other than the Pledged Revenues, to the payment of the Series 2022A Notes. The Series 2022A Notes do not constitute a debt, indebtedness or multiple fiscal year financial obligation of the State or any political subdivision thereof within the meaning of any applicable provision of the State Constitution or State laws; do not constitute general obligations of the State, the Participating Districts or any other political subdivision of the State; and no governmental entity has pledged its faith and credit for the payment of the Series 2022A Notes. If an Event of Default under the State Resolution should occur, there may not be sufficient Pledged Revenues available to pay the principal of and/or the interest on the Series 2022A Notes. See "THE SERIES 2022A NOTES – Security and Sources of Payment – Defaults and Remedies."

Repayment of Program Loans

The primary source of the Pledged Revenues pledged to pay the principal of the Series 2022A Notes is amounts received by the State Treasurer from the Participating Districts on or before June 25, 2023, as repayment of their Program Loans, which in turn are payable solely from the Taxes of the respective Participating Districts that are distributed to the Participating Districts by the applicable county treasurers during the period of March through June of 2023. Property taxes received by a Participating District either prior or subsequent to such period will not be available for repayment of its Program Loan. There is no assurance that a Participating District will receive sufficient Taxes from March through June of 2023 to repay its Program Loan in full. In such event, the State Treasurer is required by the State Resolution to fund the amount of the deficiency, and pay the principal amount of the Series 2022A Notes, from any funds on hand or in the custody or possession of the State Treasurer and eligible for investment in the District Notes, but is first to utilize all other funds that are eligible for investment in the District Notes prior to the application of Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes. The State Treasurer is entitled and intends to recover those moneys from such Participating District under the default provisions of the Loan Program Statutes and the District Resolution. See generally "DISTRICT RESOLUTIONS AND DISTRICT NOTES" and "SOURCE OF PAYMENT OF PROGRAM LOANS – Taxes – Ad Valorem Property Tax Procedure – Summary Financial Information Regarding the Participating Districts."

The obligation of a Participating District to make payments in respect of its Program Loan does not constitute a joint obligation with any other Participating District and is strictly limited to the principal amount of the District Note and, under the circumstances described in "DISTRICT RESOLUTIONS AND DISTRICT NOTES – Participation in the Loan Program," default interest thereon (the "Payment Obligation") under its District Resolution.

Liquidity Sources in the Event of a Default in the Repayment of Program Loans; Subordination of Certain State Funds

As discussed in "Repayment of Program Loans" in this section and "THE SERIES 2022A NOTES – Security and Sources of Payment – *The ETRANS 2022-23 Repayment Account*" and "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS," in the event of a deficiency in the Principal Subaccount of the ETRANS 2022-23 Repayment Account resulting from a default in the repayment of Program Loans, the State Resolution requires the State Treasurer to deposit to the Principal Subaccount of the ETRANS 2022-23 Repayment Account the amount of the deficiency from any funds on hand or in the custody or possession of the State Treasurer and eligible for investment in the District Notes. The State Resolution further provides that the State Treasurer is to utilize all other funds that are eligible for investment for such purpose prior to the application of Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes.

The ability of the State Treasurer to use Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes to fund a deficiency in the Principal Subaccount of the ETRANS 2022-23 Repayment Account is subordinate to the use of such funds for payment of any general fund tax and revenue anticipation notes of the State issued during Fiscal Year 2022-23. In addition, the covenant of the State Treasurer to first use all other funds that are eligible for investment in the District Notes in order to fund a deficiency in the Principal Subaccount of the ETRANS 2022-23 Repayment Account does not constitute a pledge of or lien on such funds for that purpose, and there is no limit on the availability or use of such funds for any other purpose permitted or required by law. If it becomes necessary to make a deposit to the Principal Subaccount of the ETRANS 2022-23 Repayment Account in order to fund a deficiency therein, the State Resolution requires the State Treasurer to take such actions as may be necessary to identify and designate the District Notes as an investment of the Funds used to make such deposit, and the Owners of the Series 2022A Notes will have no right or claim to any amounts received by the State under the District Notes after June 25, 2023. The making of such investment by the State Treasurer, and the determination of the Fund or Funds, if any, to be used therefor, is in all cases subject to the application of the investment policies for the various State funds established by statute and the State

Treasurer and the exercise of the discretion and fiduciary obligation of the State Treasurer in the investment of State funds. See "STATE FINANCIAL INFORMATION – Investment and Deposit of State Funds."

Impact of COVID-19 on Payment of the Series 2022A Notes

As discussed in "IMPACT OF COVID-19 ON THE STATE AND SCHOOL DISTRICTS," the COVID-19 pandemic, which triggered a nationwide recession that began in March 2020, significantly impacted the operations and finances of the State and the operations of Colorado school districts. However, both the U.S. and Colorado economies have since rebounded. The OSPB June 2022 Revenue Forecast states that the U.S. economy continues to rebound in 2022, but faces greater headwinds than previously expected due to inflationary pressures and the impact of the monetary policy response on aggregate demand. For additional information, see "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST." The State cannot determine with any certainty the extent to which the future trajectory of the COVID-19 pandemic and the economic recovery therefrom will impact the State, the General Fund and other sources of funds available to pay the Series 2022A Notes in the event of a default of the payment of Program Loans by the Participating Districts. See also "Repayment of Program Loans," "Liquidity Sources in the Event of a Default in the Repayment of Program Loans; Subordination of Certain State Funds" and "Budgets and Revenue Forecasts" in this section, as well as "THE SERIES 2022A NOTES – Security and Sources of Payment – *The ETRANS 2022-23 Repayment Account,*" "SOURCE OF PAYMENT OF PROGRAM LOANS," "STATE FINANCIAL INFORMATION – Investment and Deposit of State Funds." "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS," "APPENDIX A – THE STATE GENERAL FUND" and "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST."

Budgets and Revenue Forecasts

The State Constitution requires that expenditures for any Fiscal Year not exceed revenues for such Fiscal Year. In addition, Section 24-75-201.1(1)(d), C.R.S., provides that for each Fiscal Year, a portion of the unrestricted General Fund year-end balance is to be retained as a reserve (the "Unappropriated Reserve"), and Section 24-75-201.1, C.R.S., provides that General Fund appropriations for each Fiscal Year, with certain exceptions, may not exceed specified amounts, as discussed in "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations – *Revenues and Unappropriated Amounts – Expenditures; The Balanced Budget and Statutory Spending Limitation*."

The State relies on revenue estimation as the basis for budgeting and establishing aggregate funds available for expenditure for its appropriation process. By statute, the OSPB is responsible for developing the General Fund revenue estimate. The most recent OSPB revenue forecast, which was issued in June 2022, is appended to this Official Statement as "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST." See also "STATE FINANCIAL INFORMATION" and "APPENDIX A – THE STATE GENERAL FUND – Revenue Estimation; OSPB Revenue and Economic Forecasts." The Colorado Legislative Council also prepares quarterly revenue forecasts which are released on the same dates as the OSPB revenue forecasts.

The State's Fiscal Year budgets are not prepared on a cash basis, but rather are prepared using the modified accrual method of accounting in accordance with the standards promulgated by the Governmental Accounting Standards Board ("GASB"), with certain statutory exceptions. The State could experience temporary and cumulative cash shortfalls as the result of differences in the timing of the actual receipt of revenues and payment of expenditures by the State compared to the inclusion of such revenues and expenditures in the State's Fiscal Year budgets on a modified accrual basis, which is not solely based on when such amounts are received or paid. If an unanticipated cash shortfall were to occur in late Fiscal

Year 2022-23, it may adversely affect the State's ability to fund, if necessary, any deficiency in the Principal Subaccount of the ETRANS 2022-23 Repayment Account on June 25, 2023. See "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations," "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF DEFAULT IN THE REPAYMENT OF PROGRAM LOANS," "APPENDIX A – THE STATE GENERAL FUND – Revenue Estimation; OSPB Revenue and Economic Forecasts" and "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST."

The OSPB June 2022 Revenue Forecast states that Gross General Fund revenues in Fiscal Year 2020-21 increased by 11.2% over Fiscal Year 2019-20, and forecasts that Gross General Fund revenues will increase in Fiscal Year 2021-22 by 20.3% over Fiscal Year 2020-21, followed by a decline in Fiscal Year 2022-23 of 3.8% over Fiscal Year 2021-22. It is further stated therein that the State ended Fiscal Year 2020-21 with reserves of $2,864.0 million above the 2.86% Unappropriated Reserve requirement for such Fiscal Year, and forecasts that the State will end Fiscal Year 2021-22 with reserves of $1,596.2 million above the 13.04% Unappropriated Reserve requirement for such Fiscal Year and will end Fiscal Year 2022-23 with reserves of $39.0 million below the 15.0% Unappropriated Reserve requirement for such Fiscal Year. These figures are based on revenue and budget information available when the OSPB June 2022 Revenue Forecast was completed, and as such are subject to change in subsequent OSPB revenue forecasts based on new information on revenue and expenditures. The OSPB June 2022 Revenue Forecast is subject to a number of forecast risks and other caveats stated therein. In particular, it is noted therein that OSPB creates a point estimate forecast, the baseline scenario, for all economic and revenue variables. However, it does explore alternative economic growth scenarios to capture the risks in the economic environment. The baseline scenario includes sustained high inflation in 2022, which moderates in 2023 as monetary policy hikes begin to impact consumer demand, labor demand and housing prices, while global growth continues to slow. The upside scenario includes more solid consumer spending in the face of high inflation and rising interest rates, buoyed by approximately $2 trillion in excess savings that run off more quickly to meet the pent up services demand. Additionally, labor market demand remains elevated while the labor force participation nationwide returns to pre-pandemic levels, resulting in continued low unemployment as the Federal Reserve successfully manages inflation more quickly than the baseline. The resulting annual GDP forecasts for 2022 through 2024 under such conditions are expected to be 2.9%, 2.5% and 2.2%, respectively. The downside scenario includes prolonged inflation as the main downside risk, as continued high inflation may increase the nominal value of sales but would also eat into aggregate demand, thereby slowing economic growth. Additionally, further market selloffs alongside increased borrowing costs due to Federal Reserve actions could disrupt business investment as well as the completion of supply chain diversion efforts that are in progress. Finally, a prolonged war in the Ukraine would exacerbate existing food and energy supply shocks. Under this scenario, an aggressive monetary tightening response will slow demand enough to push the economy into a small recession, with two quarters of slightly negative growth to begin 2023. However, in such a scenario, the annual growth rate would still remain positive for the entire calendar year of 2023, at 0.5%. Economic conditions currently underlying the OSPB June 2022 Revenue Forecast is forecast are weighted towards downside risk. Prospective investors are advised to read the OSPB June 2022 Revenue Forecast in its entirety. See also "STATE FINANCIAL INFORMATION – Budget process and Other Considerations – *Revenues and Unappropriated Amounts*."

The next OSPB revenue forecast is scheduled to be released in September of 2022. General Fund revenue projections in this and subsequent OSPB revenue forecasts may be materially different from the OSPB June 2022 Revenue Forecast. If a revenue shortfall is projected for Fiscal Year 2022-23 and subsequent forecasted years, budget cuts and/or actions to increase the amount of money in the General Fund will be necessary to ensure a balanced budget. A revenue shortfall in Fiscal Year 2022-23 may adversely affect the State's ability to fund, if necessary, any deficiency in the Principal Subaccount of the ETRANS 2022-23 Repayment Account on June 25, 2023. See "Impact of COVID-19 on Payment of the Series 2022A Notes" in this section, as well as "SELECTED STATE FUNDS ELIGIBLE FOR

INVESTMENT IN DISTRICT NOTES IN THE EVENT OF DEFAULT IN THE REPAYMENT OF PROGRAM LOANS," "APPENDIX A – THE STATE GENERAL FUND – Revenue Estimation; OSPB Revenue and Economic Forecasts – *Revenue Shortfalls*" and "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST."

Prospective investors are cautioned that any forecast is subject to uncertainties, and inevitably some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasted and actual results, and such differences may be material. No representation or guaranty is made herein as to the accuracy of the forecasts. See the preliminary notice in this Official Statement regarding forward-looking statements.

Parity Lien Notes

The State Resolution permits the State to issue Parity Lien Notes upon satisfaction of certain conditions provided therein and in the Loan Program Statutes. If issued, such Parity Lien Notes would be payable from and secured by a pledge of the Pledged Revenues on parity with the pledge securing the Series 2022A Notes. Therefore, the issuance of Parity Lien Notes could materially diminish the level of repayment coverage provided by the Taxes and other funds as security for the Series 2022A Notes. The State Treasurer currently anticipates that one or more series of Parity Lien Notes will be issued in Fiscal Year 2022-23 in an aggregate principal amount of approximately $450 million. The State Resolution does not limit the principal amount of Parity Lien Notes. See "THE SERIES 2022A NOTES – Authorization – Parity Lien Notes."

Loss of Tax Exemption

As discussed in "TAX MATTERS," the interest on the Series 2022A Notes could become includable in gross income for federal income tax purposes and/or become includable in Colorado taxable income or Colorado alternative minimum taxable income as a result of a failure of the State to comply with certain covenants contained in the State Resolution.

Future Changes in Laws

Various State laws and constitutional provisions apply to the operations of the Participating Districts and the imposition, collection and expenditure of ad valorem property taxes and other funds by the Participating Districts, including the Taxes and other funds pledged to the repayment of the Program Loans, as well as to the operations of and availability and appropriation of funds by the State. There is no assurance that there will not be any changes in, interpretation of or addition to such laws that would have a material adverse effect, directly or indirectly, on the operations of the Participating Districts, the imposition, collection or expenditure of ad valorem property taxes and other funds by the Participating Districts or the ability of the Participating Districts to repay the Program Loans, or on the affairs of the State, the availability of and appropriation of funds by the State or the ability of the State to pay the Series 2022A Notes.

Cyber Security Risks

The State, like other large public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private or sensitive information, the State is a potential target for a variety of cyber threats, including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the State's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. Recognizing the potential damage that could be caused by any such attacks, the State has established the Governor's Office of Information Security ("OIT") as the single source for the State's cybersecurity readiness and awareness. The OIT has promulgated a series of policies and standards for State agencies and information security and provides mandatory training for State employees except those in the Department of Law, who receive training from the Department's own cybersecurity specialist due to the nature of the work performed by that Department. In addition, the State has procured insurance coverage for data breaches and other security and privacy incidents. The State does not believe that any material security breaches to its digital systems have occurred over the past 12-18 months, although employee computers at the Colorado Department of Transportation were the subject of a ransomware attack in February 2018. Nevertheless, no assurance can be given that the State's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the State.

DISTRICT RESOLUTIONS AND DISTRICT NOTES

The Board of Education of each Participating District that has requested the State Treasurer to issue the Series 2022A Notes on its behalf has, or prior to the Closing Date is required to have, adopted a District Resolution that authorizes the Participating District to borrow funds from the State Treasurer pursuant to the Loan Program, and has, or prior to the Closing Date is required to have, executed and delivered a District Note to the State Treasurer to evidence the Participating District's obligation to repay its Program Loan. The obligation of a Participating District to make payments in respect of its District Note is not a joint obligation with any other Participating District and is strictly limited to the Payment Obligations of such Participating District under its District Resolution.

Set forth below is a summary of the District Resolutions and District Notes. The District Resolutions and District Notes are substantially the same except as to Maximum Principal Amount and the cash flow projections. The references in this summary to a single District Resolution, District Note or Participating District are, except where otherwise indicated, equally applicable to all of the District Resolutions, District Notes, and Participating Districts. The following summary does not purport to be complete, and is qualified by express reference to the provisions of the District Resolutions and District Notes, copies of which are available as provided in "INTRODUCTION – Additional Information" and "MISCELLANEOUS." A District Resolution may be amended only with the written consent of the State Treasurer. See also "THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2022A NOTES – Program Loans – The Participating Districts."

Participation in the Loan Program

The District Resolution authorizes the Participating District to participate in the Loan Program for Fiscal Year 2022-23, and to issue and deliver the District Note to the State Treasurer in the Maximum Principal Amount to evidence the Participating District's Payment Obligation, for the purpose of paying the Participating District's projected budgeted expenditures during Fiscal Year 2022-23. The District Note matures on June 25, 2023 (the "District Note Maturity Date"), and is interest-free through such date; provided, however, that if the District Note is not paid in full on the District Note Maturity Date, it will become a defaulted note (a "Defaulted Note") and the unpaid portion thereof will bear interest thereafter until paid at a default rate equal to the interest rate, or the weighted average interest rate, paid by the State Treasurer on the Series 2022A Notes and any Parity Lien Notes. The District Note may be prepaid in whole or in part at any time prior to the District Note Maturity Date.

The Participating District may obtain draws on its Program Loan in the manner discussed in "THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2022A NOTES – Program Loans."

The State Treasurer is authorized pursuant to the District Resolution to maintain records on behalf of the Participating District that reflect the outstanding principal amount due under the District Note, the date and amount of the Program Loan and repayment of the Program Loan by the Participating District to the State Treasurer.

Security for and Payment of the District Note

The District Note is payable from and secured by a lien in the amount of the Participating District's Payment Obligations on all of the Participating District's ad valorem taxes on real and personal property received by the Participating District during the period of March through June of 2023 that are required to be credited to the Participating District's general fund. Such lien has priority over all other expenditures from such Taxes until the Participating District's Payment Obligations are paid in full. All Taxes received by the Participating District are to be paid to the State Treasurer within one Business Day of receipt until the Payment Obligations are paid in full. The District Resolution authorizes the State Treasurer to pledge and assign the District Note and all or any part of the Participating District's obligations thereunder, including, without limitation, the Participating District's Payment Obligations, to secure the payment of the Series 2022A Notes and any Parity Lien Notes. See "SOURCE OF PAYMENT OF PROGRAM LOANS."

Defaults and Remedies

The occurrence of any of the following constitutes a "District Event of Default" with respect to the District Resolution and District Note:

(i) failure by the Participating District to pay in full the principal amount of the District Note when due or before the District Note Maturity Date;

(ii) default by the Participating District in the performance or observance of any other covenant, agreement or obligation of the Participating District under its District Note or District Resolution (other than as described in the previous paragraph) and failure to cure such default within ten days after the earlier of the date that the Participating District furnishes notice of a default to the State Treasurer or the Participating District receives written notice of default from the State Treasurer;

(iii) with certain exceptions, any warranty, representation or other statement by or on behalf of the Participating District contained in its District Resolution or in any certificate, requisition, report or any other instrument furnished in compliance with or in reference to its District Resolution or its District Note is false or misleading in any material respect; or

(iv) the Participating District applies for or consents to the appointment of a receiver, trustee, liquidator, custodian or the like either of itself or of its property; admits in writing its inability to pay its debts generally as they become due; makes a general assignment for the benefit of creditors; or is adjudicated as bankrupt or insolvent.

Upon the occurrence of a District Event of Default as described in clause (i) above, the statutory remedy of the State Treasurer is to notify the treasurer of each county in which the Participating District levies Taxes that the Participating District is in default on its obligation to pay its Payment Obligation and the amount of the Payment Obligation. Pursuant to the Loan Program Statutes, the county treasurer is thereupon required to withhold any "Default Taxes" (being ad valorem taxes on real and personal property received or to be received by the Participating District after the District Note Maturity Date that are required to be credited to the Participating District's general fund and are available for payment of the Defaulted Note pursuant to Section 22-54-110(2)(c), C.R.S.) to be received by the District and in the possession of the county treasurer in the amount of such unpaid Payment Obligation. If the amount of Default Taxes to be received by the District and in the possession of the county treasurer at the time such notice is given is less than the amount of the Payment Obligation, the county treasurer is to withhold additional Default Taxes to be received by the District and in the possession of the county treasurer until such time as the Payment Obligation has been paid to the State Treasurer in full. *Default Taxes are available solely to repay a Participating District's Payment Obligation to the State Treasurer following a District Event of Default and are not pledged to the payment of the Series 2022A Notes.*

The State Treasurer also may, with the agreement of the Participating District, acquire from the Participating District real property having a fair market value at least equal to the outstanding balance of the District Note and lease back such property to the Participating District pursuant to a lease-purchase agreement that is subject to annual appropriation. If a Participating District defaults in the payment of rent required by the lease-purchase agreement and fails to cure such default, the State Treasurer may take possession of the property and, upon entry of a judgment in favor of the State Treasurer and the issuance of a writ of restitution, the State Treasurer is to liquidate the property to the best advantage of the State.

Upon the occurrence of any District Event of Default, the State Treasurer may take any other action at law or in equity to enforce the performance or observance of any other obligation, agreement or covenant of the Participating District, and to enforce the levy, liens, pledges and security interests granted or created under the District Resolution. The several remedies available to the State Treasurer upon a District Event of Default are cumulative. No delay or omission to exercise any right or power occurring upon any default is to impair any such right or power or be construed to be a waiver thereof, and all such rights and powers may be exercised as often as may be deemed expedient.

A District Event of Default does not constitute an Event of Default under the State Resolution. See "THE SERIES 2022A NOTES – Defaults and Remedies."

Other Covenants and Representations

The Participating District also makes the following covenants and agreements in the District Resolution:

- The Participating District will provide to the State Treasurer demographic and financial information concerning the Participating District relevant to the Participating District's obligations under the District Resolution, which the State Treasurer is authorized to provide, on behalf of the Participating District, to such other parties as the State Treasurer deems necessary and in the best interests of the Participating District in order to consummate the transactions contemplated by the District Resolution and under the Loan Program. The Participating District further covenants that, with respect to the Participating District's operations or description as of the Closing Date and as of the date provided, whether prior to or following the Closing Date, the information so provided will not contain any untrue statement of a material fact, and will not omit any material fact necessary to prevent such statements or information so provided, in light of the circumstances under which they are made, from being misleading.

- The Participating District will not issue notes or other obligations for cash flow purposes that are payable from the Taxes or Defaulted Taxes or are secured by a lien on the Taxes or Defaulted Taxes that is superior to or on a parity with the lien of the District Note.

- The Participating District will furnish to the State Treasurer as soon as possible (and in any event within two Business Days) after the discovery by the Participating District of any District Event of Default, or of any event, act or occurrence that with notice or lapse of time, or both, would become a District Event of Default (a "District Default"), a certificate of an Authorized Officer (as defined in the District Resolution) setting forth the details of such District Event of Default or District Default and the action proposed to be taken by the Participating District with respect thereto.

- The Participating District will deliver to the State Treasurer such financial data as the State Treasurer may reasonably request (including, without limitation, any information relating to Taxes, expenses, available funds, tax rolls, financial statements, budget and cash flow) and, if requested, copies of the Participating District's audited year-end financial statements, budgets, official statements and similar information issued by it to the public.

The Participating District also represents to the State Treasurer that unless, prior to the Closing Date, one of the Authorized Officers of the District notifies the State Treasurer in writing to the contrary, among other things: (i) it has had an ad valorem property tax collection rate of not less than 90% of the aggregate amount of ad valorem property taxes levied within the Participating District in each of the most recent three calendar years; (ii) as of the date of adoption of the District Resolution and on the date of issuance of the District Note the Participating District reasonably expects to collect at least 90% of such amount for Fiscal Year 2022-23; (iii) the Participating District has not defaulted within the past five years, and is not currently in default, on any debt obligation; (iv) any documents setting forth, among other matters, financial information regarding the District and information relating to the District Resolution and the District's obligations thereunder, other disclosures by the District pursuant to the District Resolution and cash flow projections and ongoing reports pursuant to the District Resolution have been and will be prepared consistent with generally accepted accounting principles; and (v) the District's budget and financial accounting policies and procedures are in compliance with State law.

Parties in Interest

Nothing in the District Resolution, expressed or implied, is intended to or is to be construed to confer upon or to give to any person or party other than the State Treasurer, acting on behalf of the State, as the sole owner of the District Note, any rights, remedies or claims under or by reason of the District Resolution or any covenant, condition or stipulation thereof, and all covenants, stipulations, promises and agreements in the District Resolution are for the sole and exclusive benefit of the State Treasurer, acting on behalf of the State, as a third party beneficiary.

SOURCE OF PAYMENT OF PROGRAM LOANS

Taxes

The Program Loans are payable solely from the Taxes of the Participating Districts, and do not constitute general obligations of the Participating Districts. See "DISTRICT RESOLUTIONS AND DISTRICT NOTES – Security for and Payment of the District Note."

Taxes are limited to ad valorem taxes on real and personal property received by the Participating District during the period of March through June of 2023 that are required to be credited to the Participating District's general fund. These in turn are comprised of the ad valorem property taxes that the Participating District is authorized to impose in accordance with the Public School Finance Act, plus certain permitted "override revenues," both of which are discussed in this section.

In addition to the Taxes, the Participating Districts are also authorized to impose ad valorem property taxes for certain other purposes, such as for bond redemption and capital improvements, and receive various other local, State and federal revenues. However, none of these other revenues constitute Taxes pledged to the payment of the District Loans.

State Equalization Funding of School Districts

The discussion in this section provides an overview of the funding of the Colorado school districts under existing State statutes. *The State portion of the school districts' funding is not pledged to pay the Program Loans*.

Public School Finance Act of 1994. Colorado school districts are funded primarily from revenues that are determined in accordance with the Public School Finance Act, which was adopted by the State legislature, known as the "General Assembly," pursuant to Article IX, Section 2 of the State Constitution in order to provide for a thorough and uniform system of public schools throughout the State. The Public School Finance Act has applied to school districts for budget years beginning on and after July 1, 1994, and its provisions are to be used to calculate for each school district an amount that represents the financial base of support for public education in that district (the "Total Program"), which is then funded in part by the school district and in part by the State.

The constitutionality of the existing public school finance system has been subject to legal challenges from time to time. With certain exceptions these challenges have been resolved in favor of the State. See also "INVESTMENT CONSIDERATIONS – Future Changes in Laws"

Total Program Funding Formula. Funding to school districts is based on a per-pupil formula that calculates the Total Program. For each pupil funded in the October 1 pupil count, the formula provides a base per pupil amount of money, increased each year to account for inflation, plus additional money to recognize variances among school districts in cost of living, personnel costs and size. The Total Program amount also includes additional funding for at-risk pupils. As these components vary among school districts, so does the amount of Total Program funding provided.

A new factor was introduced in the school finance formula starting in Fiscal Year 2010-11 due to the budget balancing challenges facing the State. This "Budget Stabilization Factor" reduces in an equitable manner the amount of funding that school districts would have received prior to the application of this adjustment. In general, the Budget Stabilization Factor is calculated by first determining the Total Program funding amount for all school districts in the State (the "Statewide Total Program") prior to application of the Budget Stabilization Factor. The Budget Stabilization Factor then reduces this Statewide Total Program to an amount set by the General Assembly, which amount reflects reductions to stabilize the State's budget for each Fiscal Year, as applicable. The difference between the Statewide Total Program amount prior to application of the Budget Stabilization Factor and the established floor amount for the Statewide Total Program after the application of the Budget Stabilization Factor is utilized to calculate a percentage reduction that is then applied to decrease each school district's Total Program funding amount for a given Fiscal Year.

The current general rule for calculating Total Program funding is as follows:

Total Program	=	Funded Pupil Count (October 1)	x	Total Per Pupil Funding	+	At-Risk Funding	+	On-Line Funding and ASCENT	-	Budget Stabilization Factor

Funded Pupil Count	=	The sum of (i) the school district's on-line and ASCENT pupil count, plus (ii) the school district's Preschool Program pupil count plus (iii) the greater of the number of K-12 pupils enrolled in the school district or the average enrollment for the current and up to four prior budget years.
Per Pupil Funding	=	A formula which takes into consideration a statewide base level plus adjustments for variances in district size, cost of living, personnel costs and non-personnel cost factors specified in the Public School Finance Act.
At-Risk Funding	=	Formulaic funding amounts which are based upon the percentage of district pupils eligible for free lunch and English language learner pupils.
On-Line Funding and ASCENT	=	Funding amounts for pupils receiving an education predominantly through a multi-district on-line program and residing in the State or participating in the "Accelerating Students Through Concurrent Enrollment" ("ASCENT") program administered by the Colorado Department of Education pursuant to Section 22-35-108, C.R.S. The goals of the ASCENT program are to, among other things, increase the percentage of students who participate in postsecondary education, especially among low-income and traditionally underserved populations.
Budget Stabilization Factor	=	The Budget Stabilization Factor is a State budget element that proportionately reduces the amount of total funding for each district, such that State aid is reduced.

The Statewide Total Program funding amount is established in the Public School Finance Act initially based upon projections of various factors. Once actual figures are known, a mid-year revision may be made to this amount. Per Senate Bill ("SB") 21-268, the initial Statewide Total Program funding amount for Fiscal Year 2021-22, after application of the Budget Stabilization Factor, was initially established at an amount of not less than $7,988,527,711, constituting a Budget Stabilization Factor of 6.68%. Per House Bill ("HB") 22-1186, this amount was adjusted to an amount of not less than $7,988,675,434, constituting a Budget Stabilization Factor of 5.93%. Per HB 22-1390, the initial Statewide Total Program funding amount for Fiscal Year 2022-23, after application of the Budget Stabilization Factor, was initially established at an amount of not less than $8,422,216,159, constituting a Budget Stabilization Factor of 3.67%, subject to a mid-year revision as discussed above.

The Public School Finance Act provides for a minimum level of Total Program funding, although a school district's ability to accept the full amount of Total Program funding may be limited by the constraints on the school district's annual revenue and spending growth discussed in "Taxpayer's Bill of Rights" below. The minimum level of Total Program funding for Fiscal Year 2021-22 is $9,065.32 per traditional pupil and $8,712.00 per on-line pupil ($8,527.58 and $8,195.22, respectively, after application of the Budget Stabilization Factor). The minimum level of Total Program funding for Fiscal Year 2022-23 is projected to be $9,388.64 per traditional pupil and $9,017.00 per on-line pupil ($9,043.65 and $8,685.66 respectively, after application of the Budget Stabilization Factor), subject to a mid-year revision as discussed above.

Amendment 23. In November of 2000, the State's voters approved an amendment to the State Constitution relating to funding for public schools, commonly referred to as "Amendment 23."

Amendment 23 requires that the base per-pupil funding amount and the funding for categorical programs (such as transportation, language proficiency, expelled and at-risk students, special education, gifted and talented education, vocational education, small attendance centers and comprehensive health education): (i) increase by the rate of inflation plus one percentage point for Fiscal Year 2001-02 through Fiscal Year 2010-11, and (ii) increase by at least the rate of inflation each year thereafter. Amendment 23 also creates the State Education Fund, and (i) mandates that there be deposited therein an amount equal to all State revenues collected from a tax of one-third of one percent on federal taxable income, as modified by law, of every individual, estate, trust and corporation, as defined by law, and (ii) exempts such revenues from the revenue limitations of TABOR. See "Taxpayer's Bill of Rights" below. The General Assembly may appropriate moneys from the State Education Fund only to increase funding in preschool through 12th grade education or for purposes specifically provided in Amendment 23, including accountable education reform, accountable programs to meet State academic standards, reducing class size, expanding technology education, improving public safety, accountability reporting, performance incentives for teachers and public school building capital construction. The Amendment 23 funds may not be used to reduce the current level of general fund appropriations for Total Program funding and categorical programs. See also "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS – Certain State Funds Eligible for Investment in the District Notes – *The State Education Fund*" for a discussion of the State Education Fund.

Sources of Funding of Total Program. Under the Public School Finance Act, a school district's Total Program is funded in part by the school district (the "local share"), with the State funding the balance (the "State share"). The local share is the amount raised by the school district's ad valorem property tax levy (assuming 100% collection) plus the amount of specific ownership tax revenue paid to the school district in the prior Fiscal Year that is attributable to the school district's general fund, excluding override revenues.

Pursuant to the Public School Finance Act, for the 2021 property tax year (2022 tax collection year) and each property tax year thereafter, except as otherwise provided below for reorganized school districts, a school district's property tax levy to fund the local share of its Total Program is to be the lesser of: (i) the number of mills that will generate property tax revenue in an amount equal to the school district's total program for the applicable budget year minus the amount of specific ownership tax revenue paid to the school district (regardless of the applicability of Section 22-54-104(5)(g), C.R.S., for the purposes of this clause a school district's Total Program is to be the amount calculated pursuant to Section 22-54-104(2), C.R.S.); (ii) for a school district that has not obtained voter approval to retain and spend revenue in excess of the property tax revenue limitation imposed on the school district by TABOR (such voter approval commonly referred to as being "de-Bruced"), the number of mills that the school district may levy under the property tax revenue limitation imposed on the school district by TABOR. In calculating local growth for purposes of determining the property tax revenue limitation imposed on a school district by TABOR, a school district's student enrollment is the school district's funded pupil count; (iii) the number of mills that the school district levied in the preceding year; or (iv) 27.000 mills.

For the 2021 property tax year (2022 tax collection year) and each property tax year thereafter, if there is a reorganization pursuant to Article 30 of Title 22, C.R.S., that results in the creation of a new school district, then in the first year of operation the new school district, the school's property tax levy to fund the local share of its Total Program is to be the lesser of: (i) 27.000 mills; or (ii) the number of mills that will generate property tax revenue in an amount equal to the School district's Total Program for the first year of operation minus the amount of specific ownership tax revenue paid to the school district. Regardless of the applicability of Section 22-54-104(5)(g), C.R.S., for the purposes of this clause the school district's Total Program is to be the amount calculated pursuant to Section 22-54-104(2), C.R.S.

If pursuant to the foregoing paragraphs a school district is required to levy a greater number of mills than it levied in the 2019 property tax year, the Board of Education of the school district is required to grant a temporary property tax credit equal to the amount of the increase. The amount of revenue attributable to the number of mills for which there is a tax credit is not included in calculating the State share of the school district's Total Program. See also "Taxpayer's Bill of Rights" below and "INVESTMENT CONSIDERATIONS – Repayment of Program Loans."

Specific ownership tax revenue is the portion of the revenues of the specific ownership tax on certain motor vehicles and other personal property imposed by the State pursuant to Article 3 of Title 42, C.R.S., allocable to the school district. Specific ownership taxes are collected on property within each county by the county treasurer, and the total amount of specific ownership taxes collected by the county treasurer is apportioned among all taxing entities within the county on the basis of the amount of ad valorem property taxes levied by such entities within the county during the preceding calendar year.

The difference between the Total Program and the amount generated from the school district's mill levy and specific ownership taxes is required to be paid by the State. The General Assembly is required to make annual appropriations to fund the State's share of the Total Program of all school districts. The availability of State funds to the school district may be affected by actions of the legislature and by the cash position of the State itself. In the event the State's appropriation for its share of the Total Program of all school districts is not sufficient to fund fully the State's share, the Department of Education is required to submit a request for a supplemental appropriation in an amount which will fund fully the State's share during the Fiscal Year in which such insufficiency occurs. If a supplemental appropriation is not made, a percentage reduction in State aid to all school districts receiving State aid is to be made in funding categories not mandated by the State Constitution. See "Total Program Funding Formula" and "Amendment 23" above in this section.

Override Revenues

The other source of Taxes pledged to the repayment of Program Loans is "override revenues" received by the Participating District. If a school district or its electorate desires to spend property tax revenues in excess of the amount authorized to fund its share of the Total Program, the school district may, or upon receipt of a valid initiative petition is required to, seek voter approval to raise and spend additional, or "override," property tax revenues. Override revenues are generated solely from increased property taxes and do not affect the amount of State funding that the school district is otherwise eligible to receive under the Public School Finance Act.

Override revenues are currently permitted for specific purposes, which may be limited by statute in duration and amount. Specific purpose override revenues include excess transportation costs, special building and technology fund and cash funding of capital construction, new technology, existing technology upgrade and maintenance needs.

In addition to the specific purpose override revenues, school districts may raise additional local revenues pursuant to the limitations of Section 22-54-108, C.R.S. The school district's override revenues under this statute are limited to the sum of: (a) the greater of (i) 25% (30% for "small rural districts") of the school district's Total Program, or (ii) $200,000; plus (b) an amount equal to the maximum dollar amount of property tax revenue that the school district could have generated for Fiscal Year 2001-02 in a cost of living adjustment election pursuant to Section 22-54-107.5, C.R.S. Override revenues are also permitted for a school district whose Fiscal Year 1994-95 actual Total Program exceeded its funding formula calculation for that Fiscal Year (a "hold harmless" district). The hold harmless override revenue reduces the maximum allowable override permitted under Section 22-54-108, C.R.S.

School districts may be required to levy two additional mills above the Total Program mill discussed above to ensure the total mill levied by the school district is not less than the mill levied in the prior year. These school districts have the ability to fully fund total program without receiving a State share. The first mill is levied to partially offset the school district's repayment of other State revenues (*i.e.*, categorical program revenue). The second mill is a total program mill levied for the restricted purpose of offsetting any future reduction in the school district's Total Program caused by the Budget Stabilization Factor. Expenditures from the property tax revenues collected from levying the Total Program mill would be spent in years in which the school district's total program exceeded its local share (*i.e.*, total program mill levy revenue plus specific ownership tax).

Ad Valorem Property Taxation Procedure

Property Subject to Taxation. Subject to the limitations discussed in "Taxpayer's Bill of Rights" below, the Board of Education of each school district has the power to certify to each county in which the school district is located a levy for collection of ad valorem taxes against all taxable property within the school district.

Property taxes are uniformly levied against the assessed valuation of all taxable property within the boundaries of the school district. Both real and personal property are subject to taxation unless exempt. Exempt property includes, without limitation: property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; charitable property; religious property; nonprofit cemeteries; irrigation ditches, canals, and flumes used exclusively to irrigate the owner's land; household furnishings and personal effects not used to produce income; intangible personal property; and inventories of merchandise and materials and supplies that are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; and works of art, literary materials and artifacts on loan to a political subdivision, gallery or museum operated by a charitable organization. The State Board of Equalization supervises the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes.

Determination of Actual Value. Each county assessor in the State annually conducts appraisals in order to determine, on the basis of statutorily specified approaches, the statutory "actual" value of all taxable property within the county as of January 1st. The statutory actual value of a property is not intended to represent current market value, but, with certain exceptions, is determined by the county assessor utilizing a "level of value" ascertained for each two-year reassessment cycle from manuals and associated data published by the State Property Tax Administrator for the statutorily-defined period preceding the assessment date. The statutory actual value is based on the "level of value" for the period one and one-half years immediately prior to the July 1st preceding the beginning of the two-year reassessment cycle (adjusted to the final day of the data-gathering period). The one and one-half year period used to determine the level of value advances two years with the start of each reassessment cycle. For the 2021 and 2022 tax levy years (2022 and 2023 tax collection years), the level of value for the determination of statutory "actual" value is as of July 1, 2020, based on the period of January 1, 2019 to June 30, 2020.

Oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals are valued based on production levels rather than by the base year method. Public utilities are valued annually by the State Property Tax Administrator in accordance with State law utilizing unitary valuation procedures. The State Property Tax Administrator values each company, allocates a portion of the value to the State and then apportions such value to the appropriate counties based on the location of company's operating property or business activity, and the county assessor in turn allocates such value to the appropriate tax areas throughout the county.

Determination of Assessed Value. Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated by the county assessor as a percentage of the statutory "actual" value of such property. At the November 3, 2020, general election, the State's voters (i) repealed the provisions of the State constitution (commonly known as the "Gallagher Amendment") that provided a mechanism for the mandatory periodic adjustment of the ratio of valuation for assessment of residential real property, and (ii) froze the ratio of valuation for assessment of all other property at 29% of statutory "actual" value, the result being that any future changes to the ratio of valuation for assessment for any class of property are to be made in the discretion of the General Assembly. The State's voters also approved the enactment of Section 39-1-103.8, C.R.S., which provides that beginning with the property tax year that commenced January 1, 2020, there is a moratorium on changing the ratio of valuation for assessment for any class of property. As a result of the foregoing, for the 2020 assessment year (2021 property tax year), the ratio of valuation for assessment of all taxable property in the State other than residential real property, producing mines and lands or leaseholds producing oil or gas is 29% of statutory "actual" value, the ratio of valuation for assessment of residential real property is 7.15% of statutory "actual" value, the ratio of valuation for assessment of producing oil and gas property is 87.5% of statutory "actual" value (75% for property utilizing secondary recovery, tertiary recovery or recycling projects which conserve and avoid waste of oil and gas), and the ratio of valuation for assessment of producing mines is 25% of statutory "actual" value.

Per SB 21-293, the classification for assessment purposes of certain property has been changed, and the assessment rates for certain classes of taxable property are temporarily reduced for property tax years 2022 and 2023.

SB 21-293 repealed the moratorium on changing the ratio of valuation for assessment for any class of property discussed above and also made the following changes to the assessment of certain classes of taxable property:

- Agricultural property, lodging property (defined as hotels, motels, bed and breakfasts and personal property located at such establishments) and renewable energy production property are now classified as new subclasses of nonresidential property, and the assessment rate for agricultural property and renewable energy production property is temporarily reduced from 29% to 26.4% of statutory "actual" value for the 2022 and 2023 property tax years.

- Multi-family residential real property (defined as residential real property that is a duplex, triplex or multi-structure of four or more units) is now classified as a new subclass of residential real property and the assessment rate for such property is temporarily reduced from 7.15% to 6.8% of statutory "actual" value for the 2022 and 2023 property tax years.

- The assessment rate for residential real property other than multi-family residential real property is temporarily reduced from 7.15% to 6.95% of statutory "actual" value for the 2022 and 2023 property tax years.

SB 21-293 also expands the property tax deferral program to allow any person to defer the payment of the portion of real property taxes that exceed the tax-growth cap, which is an amount equal to the average of the person's real property taxes paid for the preceding two property tax years for the same homestead, increased by 4.6%. The total taxes that a taxpayer may defer under this authorization is $10,000, and the taxpayer is treated like a person called into military service for purposes of the equity the person must have in the homestead to qualify for deferral and surviving-spouse eligibility. See "*Homestead Exemption*" hereafter in this section.

SB 22-238 temporarily reduces the assessment rates for certain classes of taxable property for property tax years 2023 and 2024 (tax collection years 2024 and 2025), and as such will not affect the amount of Taxes received by the Participating Districts in 2023 that are the source of payment of the Series 2022A Notes.

Any future increase in the ratio of valuation for assessment for any class of property would require prior Statewide voter approval as discussed in "Taxpayer's Bill of Rights" hereafter in this section.

Protests, Appeals, Abatements and Refunds. Property owners are notified of the valuation of their land or improvements, or taxable personal property and certain other information related to the amount of property taxes levied, in accordance with certain statutory deadlines. Property owners are given the opportunity to object to increases in the actual value of such property, and may petition for a hearing thereon before the county's board of equalization. Upon the conclusion of such hearings, the county assessor is required to complete the assessment roll of all taxable property and, no later than August 25th each year, prepare an abstract of assessment therefrom (although for 2020, due to the presence of COVID-19, this date was extended to October 13th by rule adopted by the State Board of Equalization under authority of an executive order issued by the Governor). The abstract of assessment and certain other required information is reviewed by the State Property Tax Administrator prior to October 15th of each year and, if necessary, the State Board of Equalization may order the county assessor to correct assessments. The valuation of property is subject to further review during various stages of the assessment process at the request of the property owner, by the State Board of Assessment Appeals, the State courts or by arbitrators appointed by the applicable Board of County Commissioners. On the report of an erroneous assessment, an abatement or refund must be authorized by the Board of County Commissioners; however, in no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1st of the year in which the taxes were levied. Refunds or abatements of taxes are prorated among all taxing entities that levied a tax against the property.

Statewide Review. The General Assembly is required to cause a valuation for assessment study to be conducted each year in order to ascertain whether county assessors statewide have complied with constitutional and statutory provisions in determining statutory actual values and assessed valuations for that year. The final study, including findings and conclusions, must be submitted to the General Assembly and the State Board of Equalization by September 15th of the year in which the study is conducted. Subsequently, the State Board of Equalization may order a county to conduct reappraisals and revaluations during the following property tax levy year. A school district's assessed valuation may be subject to modification following any such annual assessment study.

Homestead Exemption. The State Constitution provides to qualified senior citizens and qualified disabled veterans a property tax exemption equal to 50% of the first $200,000 of the actual value of owner-occupied residential real property. In order to qualify for the senior citizen exemption, the owner or his or her spouse must be at least 65 years of age and have occupied the residence for at least ten years, and in order to qualify for the disabled veteran exemption, the veteran must be rated 100% permanently disabled by the federal government. The State is required to reimburse all local governments for the reduction in property tax revenue resulting from this exemption, and therefore the exemption does not result in a loss of revenue to school districts.

Taxation Procedure. The county assessor is required to certify to the school district the assessed valuation of property within the school district no later than August 25th of each year, which amount is subject to adjustment until December 10th of such year. Subject to the limitations of the State Constitution, based upon the valuation certified by the county assessor, the school district's Board of Education computes a rate of levy that, when levied upon every dollar of the valuation for assessment of taxable property within the school district, and together with other legally available school district revenues, will raise the amount required by the school district in its upcoming Fiscal Year. The school district subsequently certifies to the applicable county or counties the rate of levy sufficient to produce the needed funds. Such certification must be made no later than December 15th of the property tax levy year for collection of taxes in the ensuing year.

The Board of County Commissioners is required to certify to the county assessor the levy for all taxing entities within the county by December 22nd of each year. If such certification is not made, it is the duty of the county assessor to extend the levies of the previous year. Further revisions to the assessed valuation of property may occur prior to the final step in the taxing procedure, which is the delivery by the county assessor of the tax list and warrant to the county treasurer.

Property Tax Collections. Property taxes levied in one year are collected in the succeeding year. Thus, taxes levied in 2021 will be collected in 2022. Taxes are due on January 1st in the year of collection; however, they may be paid in either a single payment (not later than the last day of April) or in two equal installments (not later than the last day of February and June 15th) without interest or penalty. Interest accrues on unpaid first installments at the rate of 1% per month from March 1st until the date of payment unless the whole amount is paid by April 30th. If the second installment is not paid by June 15th, the unpaid installment will bear interest at the rate of 1% per month from June 16th until the date of payment, although notwithstanding the foregoing, if the full amount of taxes is to be paid in a single payment after the last day of April and is not so paid, the unpaid taxes will bear penalty interest at the rate of 1% per month accruing from the first day of May until the date of payment. The County Treasurer collects current and delinquent property taxes, as well as any interest or penalty, and after deducting a statutory fee for such collection, remits the balance to the school district on a monthly basis, with an additional mid-month payment in March, May and June.

All taxes levied on property, together with interest thereon and penalties for default, and other costs of collection with respect to such taxes as have become delinquent, constitute a perpetual lien on and against the property taxed from January 1st of the property tax levy year until paid. Once a tax lien attaches, it has priority over all other liens, even those created prior in time (except for certain federal liens) such as a deed of trust or mortgage on the property. Thus, while a foreclosure will extinguish liens junior to the lien being foreclosed, it will not extinguish an existing tax lien. The lien would have to be paid as part of the foreclosure process in order to obtain clear title to the property. It is the county treasurer's duty to enforce the collection of delinquent real property taxes by tax sale of the tax lien on such realty, but no lien can be filed or other collection procedures begun more than six years after the date the taxes become due. Delinquent personal property taxes are enforceable by court action, employment of a collection agency or distraint, seizure and sale of the property. Tax sales of tax liens on realty are held on or before the second Monday in December of the collection year, preceded by a notice of delinquency to the taxpayer and a minimum of four weeks of public notice of the impending public sale. The county treasurer will issue a certificate of purchase to the successful bidder at the sale, but a deed on the property cannot be issued until at least three years after the sale. Sales of personal property may be held at any time after October 1st of the collection year following notice of delinquency and public notice of sale.

Tax liens may not be sold for less than the aggregate amount of all due taxes, delinquent interest and fees. If no bid to settle the full value of the tax lien is offered, the county treasurer removes the property from the tax rolls and strikes off the tax lien to the county until the county sells the lien or it is redeemed by the original tax debtor. When any real property has been stricken off to the county and there has been no subsequent purchase, the taxes on such property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and they may be canceled by the county after that time. Therefore, to the extent that a tax lien is not successfully sold at an auction or the county cancels the uncollectible taxes, the proceeds of tax liens sold may not necessarily be sufficient to produce the amount required with respect to property taxes levied by the school district and property taxes levied by overlapping taxing authorities, as well as any interest or costs due thereon.

Taxpayer's Bill of Rights

Article X, Section 20 of the State Constitution limits the ability of the State and its local governments, such as school districts, to increase revenues, debt and spending and restricts property, income and other taxes. Generally, TABOR limits most percentage increases in spending and property tax revenues to the prior year's amounts, adjusted for inflation, local growth and voter approved changes. Local growth for school districts is defined as the percentage change in student enrollment. Any revenue received during a Fiscal Year in excess of the limitations provided for in TABOR must be refunded to the taxpayers during the next Fiscal Year unless voters approve a revenue change as an offset. TABOR also requires that school districts obtain voter approval for certain tax or tax rate increases and to create any "multiple fiscal year direct or indirect ... debt or other financial obligation," except for refinancing debt at a lower interest rate or adding new employees to existing pension plans. Voter approval under TABOR is not required for the issuance of the District Notes as they are both issued and payable within the same Fiscal Year and as such do not constitute a "multiple fiscal year direct or indirect ... debt or other financial obligation" within the meaning of TABOR. TABOR also requires school districts to establish and maintain an emergency reserve equal to 3% of fiscal year spending (as defined in TABOR) excluding bonded debt service.

Many of the provisions of TABOR are ambiguous. Several lawsuits have been filed regarding TABOR, and some of its provisions have been judicially interpreted. Future litigation regarding TABOR could raise questions that bear upon the operations and financial condition of school districts. See also "STATE FINANCIAL INFORMATION – Taxpayer's Bill of Rights."

Budgets

School districts are required by State law to annually formulate a budget and to hold a public hearing thereon prior to the determination of the amounts to be financed in whole or in part by ad valorem property taxes, funds on hand or estimated revenues from other sources.

No later than 30 days prior to the beginning of each Fiscal Year, the administrators of the school district are required to present the proposed budget to the Board of Education. After conducting a public hearing on the budget proposals, at which time any person paying school taxes in the school district has an opportunity to be heard, the Board of Education is required to adopt a budget for the succeeding Fiscal Year by resolution specifying the amount of money appropriated to each fund. By December 15th the Board of Education is to certify to the applicable board of county commissioners the amounts necessary to be raised from levies against the assessed valuation of all taxable property located within the school district to defray expenditures therefrom during the next ensuing Fiscal Year. The Board of Education may not expend moneys in excess of the amount appropriated by resolution for a particular fund.

The annual budget for all expenditures and estimated revenues prepared by the Board of Education becomes the financial operating plan for the school district after adoption by the Board of Education. The budget may be revised from time to time after following steps required by Board of Education policy and State law.

Financial Statements

An annual audit of the school district's financial affairs is required by State law to be submitted to the Board of Education within five months after the close of the Fiscal Year and filed with the State Auditor and the State Commissioner of Education within 30 days after receipt thereof by the school district. Failure to file an audit report may result in the withholding of moneys of the school district by the applicable county treasurers until the audit report is filed with the State Auditor.

Due to the number of Participating Districts, the audited financial statements of the Participating Districts are not presented in this Official Statement; however, such financial statements are available upon request as provided in "INTRODUCTION – Additional Information" and "MISCELLANEOUS."

Summary Financial Information Regarding the Participating Districts

The following table sets forth certain financial information concerning the Participating Districts. The Participating District expected to borrow the largest percentage of available proceeds of the Series 2022A Notes and planned Parity Lien Notes is described further in "Largest Borrower" following the table.

Participating District Financial Information

(Totals may not add due to rounding)

	Amount of Program Loans[1]						Fiscal Year 2022-23 Tax Information				Fiscal Year 2021-22 Loan Program Information	
Participating District	Series 2022A Notes	% of Total	Projected Parity Lien Notes	% of Total	Total Amount Borrowed	% of Total	Estimated 2022 Assessed Valuation (000's)[2]	Estimated 2023 Tax Collections[3]	Ratio of Amount Borrowed to Estimated 2023 Tax Collections	3 Year Average[4]	Amount Borrowed	Repayment Date (2022)
Denver R-1	$247,717,834	70.4%	$260,728,191	57.8%	$508,446,025	63.3%	$22,081,060	$794,847,001	64.0%	99.4%	$530,000,000	June 24
Boulder Valley RE-2	24,276,935	6.9	44,596,265	9.9	68,873,200	8.6	7,814,214	303,070,807	22.7	99.2	54,597,942	March 11
Cherry Creek (Arapahoe 5)	6,443,262	1.8	53,843,878	11.9	60,287,140	7.5	7,451,079	280,227,140	21.5	99.0	46,118,683	March 11
Douglas County RE-1	9,474,169	2.7	17,167,237	3.8	26,641,406	3.3	7,686,309	261,931,569	10.2	97.5	5,179,000	March 11
Mapleton (Adams 1)	9,013,776	2.6	12,085,841	2.7	21,099,617	2.6	964,016	31,957,762	66.0	97.5	16,419,663	May 25
Eagle County RE-50	8,939,751	2.5	9,684,159	2.1	18,623,910	2.3	3,238,360	51,633,617	36.1	98.0	14,486,709	March 11
Thompson (Larimer R2-J)	10,173,624	2.9	4,815,357	1.1	14,988,981	1.9	2,439,744	85,068,397	17.6	100.1	7,084,576	March 11
Summit County RE-1	7,860,636	2.2	6,857,505	1.5	14,718,141	1.8	2,438,882	30,550,879	48.2	99.7	5,300,000	March 11
Englewood (Arapahoe 1)	4,861,691	1.4	9,793,421	2.2	14,655,112	1.8	714,071	21,299,183	68.8	98.3	3,047,719	March 11
Windsor (Weld RE-4)	2,629,972	0.7	11,232,239	2.5	13,862,211	1.7	1,262,907	37,177,459	37.3	94.7	5,848,445	March 11
Littleton (Arapahoe 6)	7,827,961	2.2	4,632,066	1.0	12,460,027	1.6	2,034,824	78,465,510	15.9	100.1	1,410,181	March 11
Aspen School District RE-1	4,975,780	1.4	4,272,059	0.9	9,247,839	1.2	3,479,214	19,073,907	48.5	99.8	6,000,000	April 15
East Grand School District No. 2	3,464,047	1.0	1,476,506	0.3	4,940,553	0.6	838,099	12,785,190	38.6	98.8	N/A	N/A
Lake County (Leadville)	2,461,856	0.7	1,367,164	0.3	3,829,020	0.5	229,934	5,865,040	65.3	90.7	2,401,316	May 11
Estes Park (Larimer R-3)	1,942,879	0.6	1,764,220	0.4	3,707,099	0.5	463,243	11,349,993	32.7	99.6	2,820,000	March 11
Johnstown-Milliken (Weld RE-5J)	--	--	2,945,313	0.7	2,945,313	0.4	512,245	13,717,276	21.5	99.9	369,510	March 11
Brighton (Adams 27J)	--	--	2,033,240	0.5	2,033,240	0.3	2,142,761	54,463,159	3.7	104.3	3,966,505	March 25
Platte Valley (Weld RE-7)	--	--	1,940,018	0.4	1,940,018	0.2	1,703,177	12,050,231	16.1	99.9	1,584,027	June 2
	$352,064,173	100.0%	$451,234,679	100.0%	$803,298,852	100.0%						

[1] These are estimates based upon information furnished by the Participating Districts regarding the amounts that they will borrow from the proceeds of the Series 2022A Notes and Parity Lien Notes expected to be issued by the State Treasurer in Fiscal Year 2022-23. Such amounts do not necessarily represent the actual Maximum Principal Amount that will be borrowed from the Loan Program by such Participating Districts. See "THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2022A NOTES." The Owners of the Series 2022A Notes will have a lien upon the Taxes of these Participating Districts, as well as on the Taxes of any Participating Districts that have not yet expressed the intent to participate in the Series 2022A Notes program (and thus are not included in the table) but eventually do participate in the program. Such lien also will be on parity with the lien thereon of the Owners of any Parity Lien Notes. The State Treasurer expects to issue Parity Lien Notes in Fiscal Year 2022-23. See "THE SERIES 2022A NOTES – Parity Lien Notes."

[2] Assessed valuation amounts are required by State law to be certified by county assessors to the school districts within their respective counties no later than August 25th of each year, and are subject to adjustment until December 10th of such year. See "Ad Valorem Property Tax Procedure – *Taxation Procedure*" above. The estimated amounts have been provided by the Department of Education based upon information furnished by the Participating Districts and the applicable county assessors, and other factors. Such amounts are estimates only, and material differences could occur between these estimates and the final assessed valuations certified by the county assessors. See also the preliminary notice in this Official Statement regarding forward-looking statements.

[3] This amount was calculated for each Participating District by multiplying the estimated 2022 assessed value of the Participating District by the Participating District's estimated 2022 general fund mill levy; and assumes collections of 100% of Taxes collected by all Participating Districts normally during the months of March through June of 2023. Mill levies for 2023 tax collections are not required to be certified by the Participating Districts until December 15, 2022. The estimated mill levies used to calculate the estimated Taxes collected during Fiscal Year 2022-23 are based upon information provided by the Participating Districts and are subject to change. However, because Colorado school district taxes are determined pursuant to the Public School Finance Act, such changes, if any, are not expected to be material. See "State Equalization Funding of School Districts – Allocation of Total Program Funding" above and "INVESTMENT CONSIDERATIONS – Repayment of Program Loans."

[4] Based on each Participating District's actual collection data for Fiscal Years 2019-20, 2020-21 and 2021-22.

Sources: The Participating Districts, the Colorado Department of Education and the State Treasurer's Office

Largest Borrower

The only Participating District that is expected to borrow in excess of 20% of the proceeds of the Series 2022A Notes and planned Parity Lien Notes is Denver County School District No. 1, commonly known as Denver Public Schools ("DPS"), which is expected to borrow approximately 70.4% of the net proceeds of the Series 2022A Notes and approximately 57.8% of the net proceeds of the planned Parity Lien Notes, or approximately 63.3% of the combined amount of the Series 2022A Notes and the planned Parity Lien Notes.

DPS is the only school district serving the City and County of Denver, the boundaries of which are coterminous with those of the City, encompassing approximately 155 square miles with an estimated population of approximately 749,000. The district's full time equivalent pupil count (October 1 pupil count), including charter schools but excluding on-line and ASCENT pupils, for the past five years are set forth in the following table. See also "State Equalization Funding of School Districts – *Total Program Funding Formula*" above in this section.

School Year	Pupil Count
2017-18	86,294.0
2018-19	87,318.2
2019-20	86,853.0
2020-21	89,785.1
2021-22	87,100.5

The 2021 certified assessed valuation of DPS (for ad valorem property tax collections in 2022), net of the assessed valuation attributable to tax increment financing districts from which the district derives no property tax revenue, is approximately $22.638 billion. The district's tax levy for the 2021 levy year (2022 tax collection year) is 48.498 mills, including 26.541 mills is for the district's local share of Total Program funding pursuant to the Public School Finance Act, 10.445 mills for voter-approved override revenues, 1.517 for debt-free schools, 9.568 mills for debt service on general obligation bonds and 0.427 mills to recover lost revenue due to prior year tax abatements and credits. The 2022 assessed valuation of DPS (for ad valorem property tax collections in 2023), net of the assessed valuation attributable to tax increment financing districts from which the district derives no property tax revenue, is projected to be approximately $22.081 billion as set forth in the table on the previous page. The district's tax levy for the 2022 levy year (2023 tax collection year) will be certified in December 2022.

Major Taxpayers

Taxes consist of only those revenues that are received by the Participating Districts during the period of March through June of 2023. Typically, taxing entities do not collect 100% of the taxes levied each year; however, the property tax collection rate among the Participating Districts historically has been very high as shown in the previous table.

Receipt of Taxes by the Participating Districts requires timely payment of ad valorem property taxes by property owners. Participating Districts having one or more large taxpayers are particularly dependent upon the timely payment of property taxes by such taxpayers. Taxpayers owning more than 10% of the property comprising the certified assessed valuation of a Participating District typically are public or private companies involved in the mining or drilling industries or in the production of power. Property tax payments by such taxpayers could be impacted not only by each taxpayer's individual financial condition but also by events that negatively impact the energy production industry as a whole. It is not possible to predict whether any such events will occur that will have a material impact upon the repayment of the Program Loans.

THE STATE

General Profile

Colorado became the 38th state of the United States of America when it was admitted to the union in 1876. Its borders encompass 103,718 square miles of the high plains and the Rocky Mountains, with elevations ranging from 3,315 to 14,433 feet above sea level. The current population of the State is approximately 5.76 million. The State's major economic sectors include agriculture, professional and business services, manufacturing, technology, tourism, energy production and mining. Considerable economic activity is generated in support of these sectors by government, wholesale and retail trade, transportation, communications, public utilities, finance, insurance, real estate and other services. See also "APPENDIX C – STATE OF COLORADO ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2020" and "APPENDIX D – CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION" for additional information about the State.

Organization

The State maintains a separation of powers utilizing three branches of government: executive, legislative and judicial. The executive branch comprises four major elected officials: the Governor, State Treasurer, Attorney General and Secretary of State. The chief executive power is allocated to the Governor, who has responsibility for administering the budget and managing the executive branch. The State Constitution empowers the General Assembly to establish up to 20 principal departments in the executive branch. Most departments of the State report directly to the Governor; however, the Departments of Treasury, Law and State report to their respective elected officials, and the Department of Education reports to the elected State Board of Education. The elected officials serve four year terms. The current term of such officials commenced in January of 2019 (following the general election held in November of 2018) and will expire on the second Tuesday in January of 2023. No elected executive official may serve more than two consecutive terms in the same office.

The General Assembly is bicameral, consisting of the 35-member Senate and 65-member House of Representatives. Senators serve a term of four years and representatives serve a term of two years. No senator may serve more than two consecutive terms, and no representative may serve more than four consecutive terms. The State Constitution allocates to the General Assembly legislative responsibility for, among other things, appropriating State moneys to pay the expenses of State government. The General Assembly meets annually in regular session beginning no later than the second Wednesday of January of each year. Regular sessions may not exceed 120 calendar days. However, due to concerns regarding the spread of COVID-19, the General Assembly suspended the 2020 legislative session from March 16, 2020, through May 25, 2020. Special sessions may be convened by proclamation of the Governor or by written request of two-thirds of the members of each house of the General Assembly to consider only those subjects for which the special session is requested.

STATE FINANCIAL INFORMATION

The State Treasurer

The State Constitution provides that the State Treasurer is to be the custodian of public funds in the State Treasurer's care, subject to legislative direction concerning safekeeping and management of such funds. The State Treasurer is the head of the statutorily created Department of the Treasury (the "State Treasury"), which receives all State moneys collected by or otherwise coming into the hands of any officer, department, institution or agency of the State (except certain institutions of higher education).

The State Treasurer deposits and disburses those moneys in the manner prescribed by law. Every officer, department, institution and agency of the State (except for certain institutions of higher education) charged with the responsibility of collecting taxes, licenses, fees and permits imposed by law and of collecting or accepting tuition, rentals, receipts from the sale of property and other moneys accruing to the State from any source is required to transmit those moneys to the State Treasury under procedures prescribed by law or by fiscal rules promulgated by the Office of the State Controller. The State Treasurer and the State Controller may authorize any department, institution or agency collecting or receiving State moneys to deposit such moneys to a depository to the State Treasurer's credit in lieu of transmitting such moneys to the State Treasury.

The State Treasurer has discretion to invest in a broad range of interest bearing securities described by statute. See "Investment and Deposit of State Funds" in this section and "APPENDIX A – THE STATE GENERAL FUND – Investment of the State Pool." All interest derived from the deposit and investment of State moneys must be credited to the General Fund unless otherwise expressly provided by law.

Taxpayer's Bill of Rights

General. As discussed in "SOURCE OF PAYMENT OF PROGRAM LOANS – Taxpayer's Bill of Rights," Article X, Section 20 of the State Constitution, entitled the Taxpayer's Bill of Rights and commonly known as "TABOR," imposes various fiscal limits and requirements on the State and its local governments, excluding "enterprises," which are defined in TABOR as government-owned businesses authorized to issue their own revenue bonds and receiving less than 10% of their annual revenues in grants from all State and local governments combined. Certain limitations contained in TABOR may be exceeded with prior voter approval.

TABOR provides a limitation on the amount of revenue that may be kept by the State in any particular Fiscal Year, regardless of whether that revenue is actually spent during the Fiscal Year. This revenue limitation is effected through a limitation on "fiscal year spending" as discussed hereafter. Any revenue received during a Fiscal Year in excess of the limitations provided for in TABOR must be refunded to the taxpayers during the next Fiscal Year unless voters approve a revenue change.

TABOR also requires prior voter approval for the following, with certain exceptions: (i) any new State tax, State tax rate increase, extension of an expiring State tax or State tax policy change directly causing a net revenue gain to the State; or (ii) the creation of any State "multiple fiscal year direct or indirect ... debt or other financial obligation."

TABOR further requires the State to maintain an emergency reserve equal to 3% of its fiscal year spending (the "TABOR Reserve"), which may be expended only upon: (i) the declaration of a State emergency by passage of a joint resolution approved by a two-thirds majority of the members of both houses of the General Assembly and subsequently approved by the Governor; or (ii) the declaration of a disaster emergency by the Governor. The annual Long Appropriation Bill (the "Long Bill") designates the resources that constitute the TABOR Reserve, which historically have consisted of portions of various State funds plus certain State real property. The OSPB June 2022 Revenue Forecast states that the TABOR Reserve requirement for Fiscal Year 2020-21 was $469.3 million, and forecasts that the TABOR Reserve requirement for Fiscal Years 2021-22 and 2022-23 will be $480.4 and $499.7 million, respectively.

Fiscal Year Revenue and Spending Limits; Referendum C. As noted above, unless otherwise approved by the voters, TABOR limits annual increases in State revenues and fiscal year spending, with any excess revenues required to be refunded to taxpayers. Fiscal year spending is defined as all expenditures and reserve increases except those for refunds made in the current or next Fiscal Year or those from gifts, federal funds, collections for another government, pension contributions by employees and pension fund earnings, reserve transfers or expenditures, damage awards or property tax sales.

The maximum annual percentage change in State fiscal year spending is limited by TABOR to inflation plus the percentage change in State population in the prior calendar year, adjusted for revenue changes approved by voters after 1991, being the base year for calculating fiscal year spending. The operation of TABOR created State budget challenges in the early years following its passage, and in 2005 several measures were passed by the General Assembly in an effort to address these challenges, including one, designated "Referendum C," that was submitted to and approved by State voters and thereafter codified as Sections 24-77-103.6 and 106.5, C.R.S. Referendum C authorized the State to retain and spend any amount in excess of the TABOR limit in Fiscal Years 2005-06 through 2009-10. In addition, for Fiscal Years 2010-11 and thereafter, Referendum C created an Excess State Revenues Cap, or "ESRC," as a voter-approved revenue change under TABOR that now serves as the limit on the State's fiscal year revenue retention. The base for the ESRC was established as the highest annual State TABOR revenues received in Fiscal Years 2005-06 through 2009-10. This amount, which was determined to be the revenues received in Fiscal Year 2007-08, is then adjusted for each subsequent Fiscal Year for inflation, the percentage change in State population, the qualification or disqualification of enterprises and debt service changes, each having their respective meanings under TABOR and other applicable State law. However, per SB 17-267, the ESRC for Fiscal Year 2017-18 is an amount equal to (i) the ESRC for Fiscal Year 2016-17 calculated as provided above (ii) less $200 million. For subsequent Fiscal Years, the ESRC is to be calculated as provided above utilizing the ESRC for Fiscal Year 2017-18 as the base amount.

SB 17-267 also: (i) replaced the Hospital Provider Fee with the Healthcare Affordability and Sustainability Fee, which fee is exempt from TABOR as it is collected by an enterprise created by SB 17-267 within the Department of Health Care Policy and Financing; (ii) exempts retail marijuana from the 2.9% State sales tax, which results in less revenue subject to TABOR in Fiscal Years 2017-18 and thereafter; and (iii) extends and expands the income tax credit for business personal property taxes paid, which is projected to reduce income tax collections in Fiscal Years 2018-19 and thereafter, but will be offset in part by the distribution of a portion of the special sales tax on retail marijuana sales to the General Fund on an ongoing basis.

As a result of Referendum C, the State was able to retain various amounts in excess of the previously applicable TABOR limit in Fiscal Years 2005-06 through 2013-14, and no refunds were required because such revenues were below the ESRC. In Fiscal Year 2014-15, TABOR revenues exceeded the TABOR limit and resulted in the State being $169.7 million above the ESRC, thus triggering a TABOR refund. TABOR revenues again exceeded the TABOR limit in Fiscal Years 2015-16 and 2016-17 but were below the ESRC. In Fiscal Year 2017-18, TABOR revenues exceeded the TABOR limit and resulted in the State being $18.5 million above the ESRC, again triggering a TABOR refund, and in Fiscal Year 2018-19, TABOR revenues exceeded the TABOR limit and resulted in the State being $428.3 million above the ESRC, again triggering a TABOR refund. In Fiscal Year 2019-20, TABOR revenues did not exceed the TABOR limit. In Fiscal Year 2020-21, TABOR revenues exceeded the TABOR limit and resulted in the State being $525.5 million above the ESRC, triggering a TABOR refund. TABOR revenues are forecast in the OSPB June 2022 Revenue Forecast to exceed the TABOR limit in each of Fiscal Years 2021-22 through 2023-24, resulting in the State exceeding the ESRC by $3,353.4 million in Fiscal Year 2021-22, $2,022.8 million in Fiscal Year 2022-23 and $1,325.6 million in Fiscal Year 2023-24, thus triggering TABOR refunds.

SB 17-267 also changed the TABOR refund mechanisms. Under prior law, the means by which revenues in excess of the ESRC could be refunded to taxpayers included: (i) a sales tax refund to all taxpayers, (ii) the earned income tax credit to qualified taxpayers and (iii) a temporary income tax rate reduction, the particular refund mechanism used to be determined by the amount that needs to be refunded.

Per SB 17-267, beginning with Fiscal Year 2017-18, there is added as the first refund mechanism the amount reimbursed by the State Treasurer to county treasurers in the year of the TABOR refund for local property tax revenue losses attributable to certain property tax exemptions. See also "APPENDIX A – THE STATE GENERAL FUND – General Fund Overview."

Referendum C also created the "General Fund Exempt Account" within the General Fund, to which there is to be credited moneys equal to the amount of TABOR revenues in excess of the TABOR limit that the State retains for a given Fiscal Year pursuant to Referendum C. Such moneys may be appropriated or transferred by the General Assembly for the purposes of: (i) health care; (ii) public elementary, high school and higher education, including any related capital construction; (iii) retirement plans for firefighters and police officers if the General Assembly determines such funding to be necessary; and (iv) strategic transportation projects in the Colorado Department of Transportation Strategic Transportation Project Investment Program.

Voter Approval to Retain and Spend Certain Marijuana Taxes Associated with Proposition AA. At the general election held on November 3, 2015, the State's voters authorized the State to retain and spend $66.1 million in sales and excise taxes on the sale of marijuana and marijuana products ("Marijuana Taxes") authorized by Proposition AA approved by the State's voters in November of 2013 that otherwise would have been subject to a required refund to taxpayers in Fiscal Year 2015-16 pursuant to TABOR. HB 15-1367, which referred the measure to the State's voters as Proposition BB, also provides for the allocation of the retained amount for public school capital construction, for various purposes such as law enforcement, youth programs and marijuana education and prevention programs and for use by the General Fund for any purpose. For more information on how these amounts are treated in the General Fund, see the discussion in "General Fund and State Education Fund Budget" in the OSPB June 2022 Revenue Forecast. SB 17-267 increased the special sales tax on retail marijuana sales from 10% to 15% effective July 1, 2017.

Effect of TABOR on the Series 2022A Notes. Voter approval under TABOR is not required for the issuance of the Series 2022A Notes as they are both issued and payable within the same Fiscal Year and as such do not constitute a "multiple fiscal year direct or indirect ... debt or other financial obligation" within the meaning of TABOR. Further, the revenue and spending limits of TABOR are not expected to affect the ability of the State to collect and spend the Pledged Revenues for the payment of the principal of and interest on the Series 2022A Notes and any Additional Notes.

State Funds

The General Fund. The principal operating fund of the State is the General Fund. All revenues and moneys not required by the State Constitution or statutes to be credited and paid into a special State fund are required to be credited and paid into the General Fund. The General Fund is discussed in detail in "APPENDIX A – THE STATE GENERAL FUND."

Other Funds. The State also maintains a large number of statutorily created special funds for which specific revenues are designated for specific purposes. Some of these special funds are considered Borrowable Resources available to pay the principal of and interest on the Series 2022A Notes and on education loan anticipation notes issued by the State. See "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS – Borrowable Resources" and "DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS – Note Issues of the State."

Budget Process and Other Considerations

Phase I (Executive). The budget process begins in June of each year when State departments reporting to the Governor prepare both operating and capital budgets for the Fiscal Year beginning 13 months later. In August, these budgets are submitted to the OSPB, a part of the Governor's office, for review and analysis. The OSPB advises the Governor on departmental budget requests and overall budgetary status. Budget decisions are made by the Governor following consultation with affected departments and the OSPB. Such decisions are reflected in the first budget submitted in November for each department to the Joint Budget Committee, as described below. In January, the Governor makes additional budget recommendations to the Joint Budget Committee for the budget of all branches of the State government, except that the elected executive officials, the judicial branch and the legislative branch may also make recommendations to the Joint Budget Committee for their own budgets.

Phase II (Legislative). The Joint Budget Committee, consisting of three members from each house of the General Assembly, develops the legislative budget proposal embodied in the Long Bill, which is introduced in and approved by the General Assembly. Following receipt of testimony by State departments and agencies, the Joint Budget Committee marks up the Long Bill and directs the manner in which appropriated funds are to be spent. The Long Bill includes: (i) General Fund appropriations, supported by general purpose revenue such as taxes; (ii) General Fund Exempt appropriations primarily funded by TABOR-exempt or excess TABOR revenues retained under Referendum C; (iii) cash fund appropriations supported primarily by grants, transfers and departmental charges for services; (iv) reappropriated amounts funded by transfers and earnings appropriated elsewhere in the Long Bill; and (v) estimates of federal funds to be expended that are not subject to legislative appropriation. The Long Bill usually is reported to the General Assembly in March or April with a narrative text. Under current practice, the Long Bill is reviewed and debated in party caucuses in each house. Amendments may be offered by each house, and the Joint Budget Committee generally is designated as a conference committee to reconcile differences. The Long Bill has always been adopted prior to commencement of the Fiscal Year in July. Specific bills creating new programs or amending tax policy are considered separately from the Long Bill in the legislative process. The General Assembly acts on these specific bills, some of which include additional appropriations separate from the Long Bill.

Phase III (Executive). The Governor may approve or veto the Long Bill or any specific bills. In addition, the Governor may veto line items in the Long Bill or any other bill that contains an appropriation. The Governor's vetoes are subject to override by a two-thirds majority of each house of the General Assembly.

Phase IV (Legislative). During the Fiscal Year for which appropriations have been made, the General Assembly may increase or decrease appropriations through supplemental appropriations. Any supplemental appropriations are considered amendments to the Long Bill and are subject to the line item veto of the Governor.

Revenues and Unappropriated Amounts. For each Fiscal Year, a statutorily defined amount of unrestricted General Fund year-end balances is required to be retained as a reserve (as previously defined, the "Unappropriated Reserve"), which may be used for possible deficiencies in General Fund revenues. Unrestricted General Fund revenues that exceed the required Unappropriated Reserve, based upon revenue estimates, are then available for appropriation, unless they are obligated by statute for another purpose. In response to economic conditions and their effect on estimated General Fund revenues, the General Assembly periodically modifies the required amount of the Unappropriated Reserve. Set forth in the following table are the Unappropriated Reserve requirements for Fiscal Years 2015-16 through 2021-22. See also "APPENDIX A – THE STATE GENERAL FUND – General Fund Overview."

State of Colorado
Unappropriated Reserve Requirement

Fiscal Years	Unappropriated Reserve Requirement[1,2,3,4]
2016-17	6.00%
2017-18	6.50
2018-19	7.25
2019-20	3.07
2020-21	2.86
2021-22	13.40
2022-23	15.00

[1] The Unappropriated Reserve requirement, which is codified as Section 24-75-201.1(1)(d), C.R.S., is a percentage of the amount appropriated for expenditure from the General Fund in the applicable Fiscal Year. Per HB 16-1419 and SB 16-218, for Fiscal Year 2015-16 only, the percentage is of the amount subject to the appropriations limit minus the amount of income tax revenue required by to be diverted to a reserve fund to fund severance tax refunds resulting from the ruling of the Colorado Supreme Court on April 25, 2016, in *BP America Production Company v. Colorado Department of Revenue*. See "General Fund Overview" table in "APPENDIX A – THE STATE GENERAL FUND – General Fund Overview," and the section of the OSPB June 2022 Revenue Forecast captioned "CASH FUND REVENUE FORECAST – Severance Tax Revenue."

[2] Per SB 15-251, in Fiscal Years 2016-17 and 2017-18, General Fund appropriations for lease-purchase agreement payments made in connection with certificates of participation sold to fund certain capital projects were made exempt from the reserve calculation requirement. See "DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS – The State, State Departments and Agencies."

[3] Per SB 18-276, the Unappropriated Reserve requirement was increased to 7.25% for Fiscal Year 2018-19. The legislation also removed the exemption of General Fund appropriations for lease purchase agreement payments made in connection with certificates of participation from the reserve calculation requirements.

[4] Per HB 20-1383 and SB 21-226, the Unappropriated Reserve requirement was reduced to 3.07% for Fiscal Year 2019-20, 2.86% for Fiscal Year 2020-21, 13.40% for Fiscal Year 2021-22 and 15.00% for Fiscal Years 2022-23 and thereafter.

Source: State Treasurer's Office

The OSPB June 2022 Revenue Forecast states that the State ended Fiscal Year 2020-21 with reserves of $2,864.0 million above the 2.86% Unappropriated Reserve requirement for such Fiscal Year, and forecasts that the State will end Fiscal Year 2021-22 with reserves of $1,596.2 million above the 13.4% Unappropriated Reserve requirement for such Fiscal Year and will end Fiscal Year 2022-23 with reserves of $39.0 million below the 15.0% Unappropriated Reserve requirement for such Fiscal Year. These figures are based on revenue and budget information available when the OSPB June 2022 Revenue Forecast was completed, and as such are subject to change in subsequent OSPB revenue forecasts based on new information on revenue and expenditures.

See also generally "APPENDIX A – THE STATE GENERAL FUND – General Fund Overview – Revenue Estimation; OSPB Revenue and Economic Forecasts" and "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST."

Expenditures; The Balanced Budget and Statutory Spending Limitation. The State Constitution mandates that expenditures for any Fiscal Year may not exceed available resources for such Fiscal Year. Total unrestricted General Fund appropriations for each Fiscal Year are limited as provided in Section 24-75-201.1, C.R.S. For Fiscal Years 2009-10 and thereafter, total General Fund appropriations are limited to: (i) such moneys as are necessary for reappraisals of any class or classes of taxable property for property tax purposes as required by Section 39-1-105.5, C.R.S., plus (ii) an amount equal to 5% of Colorado personal income (as reported by the U.S. Bureau of Economic Analysis for the calendar year preceding the calendar year immediately preceding a given Fiscal Year).

Excluded from this appropriations limit are: (i) any General Fund appropriation that, as a result of any requirement of federal law, is made for any new program or service or for any increase in the level of service for any existing program beyond the existing level of service; (ii) any General Fund appropriation that, as a result of any requirement of a final State or federal court order, is made for any new program or service or for any increase in the level of service for an existing program beyond the existing level of service; or (iii) any General Fund appropriation of any moneys that are derived from any increase in the rate or amount of any tax or fee that is approved by a majority of the registered electors of the State voting at any general election.

The limitation on the level of General Fund appropriations may be exceeded for a given Fiscal Year upon the declaration of a State fiscal emergency by the General Assembly, which may be declared by the passage of a joint resolution approved by a two-thirds majority vote of the members of both houses of the General Assembly and approved by the Governor.

See "Taxpayer's Bill of Rights" above for a discussion of fiscal year spending and revenue limits imposed on the State by TABOR and changes to these limits as the result of the approval of Referendum C.

Fiscal Year Spending and Emergency Reserves. Through TABOR, the State Constitution imposes restrictions on increases in fiscal year spending without voter approval and requires the State to maintain the TABOR Reserve. See "Taxpayer's Bill of Rights" in this section for a discussion of the effects of the State Constitution on the State's financial operations.

Fiscal Controls and Financial Reporting

No moneys may be disbursed to pay any appropriations unless a commitment voucher has been prepared by the agency seeking payment and submitted to the central accounting system, which is managed by the Office of the State Controller, a division of the Department of Personnel & Administration. The State Controller is the head of the Office of the State Controller. The State Controller or his delegate have statutory responsibility for reviewing each commitment voucher submitted to determine whether the proposed expenditure is authorized by appropriation, whether the appropriation contains sufficient funds to pay the expenditure and whether the prices are fair and reasonable. All payments from the State Treasury are made by warrants checks signed by the State Controller and countersigned by the State Treasurer, or by electronic funds transfer. The signature of the State Controller on a warrant or check is full authority for the State Treasurer to pay the warrant or check upon presentation.

The State Controller is appointed by the Executive Director of the Department of Personnel & Administration. Except for certain institutions of higher education which have elected to establish their own fiscal rules, the State Controller has statutory responsibility for coordinating all procedures for financial administration and financial control in order to integrate them into an adequate and unified system, conducting all central accounting and issuing warrants or checks for payment of claims against the State. The State Controller prepares an Annual Comprehensive Financial Report, or "ACFR" (previously entitled Comprehensive Annual Financial Report) in accordance with generally accepted accounting principles ("GAAP") applicable to governmental entities, with certain statutory exceptions for budget compliance and reporting. The State's ACFR for Fiscal Year 2020-21 (the "Fiscal Year 2020-21 ACFR") is appended to this Official Statement and includes the most current annual financial statements for the State.

The State implemented a new integrated financial system in July 2014 and experienced various issues, including the labor allocation process which continues to utilize the State's legacy payroll system. The longer time period to complete labor allocation, the first time closing in the new system and developing financial statement reports caused delays in closing the books and producing the State's financial statements. This resulted in delays in the release of the State's ACFRs for Fiscal Years 2014-15 and 2015-16 and the inability of the State to timely submit its audited financial statements for posting on EMMA as required by various continuing disclosure undertakings entered into by the State, the State Treasurer and certain State departments and agencies that utilize the State's credit. See "CONTINUING DISCLOSURE – Compliance With Other Continuing Disclosure Undertakings."

Basis of Accounting

For a detailed description of the State's basis of accounting, see Note 1 to the audited financial statements included in the State Fiscal Year 2020-21 ACFR appended to this Official Statement.

Basis of Presentation of Financial Results and Estimates

The financial reports and financial schedules contained in this Official Statement are based on principles that may vary based on the requirements of the report or schedule. The cash flow schedules include all financial activity reported specifically in the General Purpose Revenue Fund on a cash basis, while the Fund level financial statements and revenue estimates are primarily prepared on the modified accrual basis of accounting. Revenue estimates are prepared for those revenues that are related primarily to the general taxing powers of the State and to a lesser degree include intergovernmental transactions, charges for services and receipts from the federal government. The General Fund as defined in the financial statements includes revenues and expenditures for certain special cash receipts that are related to fees, permits and other charges rather than to the general taxing power of the State. See also "APPENDIX A – THE STATE GENERAL FUND – General" for a discussion of the distinction between the statutory General Fund and the GAAP General Fund.

Financial Audits

Financial and post-performance audits of all State agencies are performed by the State Auditor (the "Auditor") through the Auditor's staff as assisted by independent accounting firms selected solely by the Auditor. The Auditor is an employee of the legislative branch and is appointed for a term of five years by the General Assembly based on the recommendations of the Legislative Audit Committee of the General Assembly. The present Auditor has been appointed to a term commencing July 1, 2021, and expiring on June 30, 2026. The Legislative Audit Committee is comprised of members of both houses of the General Assembly and has responsibility to direct and review audits conducted by the Auditor.

The Office of the State Auditor, being the State's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein any procedures on the financial statements presented in the Fiscal Year 2020-21 ACFR, nor has the State Auditor performed any procedures relating to this Official Statement.

Investment and Deposit of State Funds

The State Treasurer is empowered by Articles 36 and 75 of Title 24, C.R.S., as well as other State statutes, to invest State funds in certain public and non-public fixed income securities. In making such investments, the State Treasurer is to use prudence and care to preserve the principal and to secure the maximum rate of interest consistent with safety and liquidity. The State Treasurer is also required to formulate investment policies regarding the liquidity, maturity and diversification appropriate to each fund or pool of funds in the State Treasurer's custody available for investment. In accordance with this directive, the State Treasurer has developed standards for each portfolio to establish the asset allocation, the level of liquidity, the credit risk profile, the average maturity/duration and performance monitoring measures appropriate to the public purpose and goals of each State fund.

The State Treasurer is also authorized to deposit State funds in national or state chartered banks and savings and loan associations having a principal office in the State and designated as an eligible public depository by the State Banking Board or the State Commissioner of Financial Services, respectively. To the extent that the deposits exceed applicable federal insurance limits, they are required to be collateralized with eligible collateral (as defined by statute) having a market value at all times equal to at least 100% of the amount of the deposit that exceeds federal insurance (102% for banks).

See also Notes 3 and 4 to the State Fiscal Year 2020-21 ACFR appended to this Official Statement and "APPENDIX A – THE STATE GENERAL FUND – Investment of the State Pool."

SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS

General

On the Closing Date, the State Treasurer is required to deposit to the Interest Subaccount of the ETRANS 2022-23 Repayment Account, from Current General Fund Revenues then available, an amount equal to the interest to accrue on the Series 2022A Notes from the Closing Date to the Series 2022A Notes Maturity Date. See "The State General Fund" below and "APPENDIX A – THE STATE GENERAL FUND."

The State Resolution also requires the State Treasurer to credit to the Principal Subaccount of the ETRANS 2022-23 Repayment Account all amounts received from the Participating Districts on or before June 25, 2023, in repayment of their Program Loans. However, if on June 25, 2023, the amount credited to the Principal Subaccount of the ETRANS 2022-23 Repayment Account is less than the principal amount of the Series 2022A Notes and any Parity Lien Notes, the State Resolution requires the State Treasurer to deposit the amount of the deficiency to the Principal Subaccount from any funds on hand or in the custody or possession of the State Treasurer and eligible for investment in the District Notes. The State Resolution further provides that the State Treasurer is to first utilize all other funds that are eligible for investment in the District Notes prior to the application of Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes. See "THE SERIES 2022A NOTES – Security and Sources of Payment – *The ETRANS 2022-23 Repayment Account*."

The ability of the State Treasurer to use Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes to fund a deficiency in the Principal Subaccount of the ETRANS 2022-23 Repayment Account is subordinate to the use of such funds for payment of any general fund tax and revenue anticipation notes of the State issued during Fiscal Year 2022-23. See "INVESTMENT CONSIDERATIONS – Liquidity Sources in the Event of a Default in the Repayment of Program Loans; Subordination of Certain State Funds" and "APPENDIX A – THE STATE GENERAL FUND."

Certain State Funds Eligible for Investment in the District Notes

A deficiency in the Principal Subaccount of the ETRANS 2022-23 Repayment Account on June 25, 2023, is required to be funded by the State Treasurer first from all other funds that are eligible for investment in the District Notes prior to the application of Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes. However, such covenant does not constitute a pledge of or lien on any such funds for that purpose, and there is no limit on the availability or use of such funds for any other purpose permitted or required by law. Further, the State Treasurer has both a statutory and a fiduciary obligation to use prudence and care in investing State funds. See "STATE FINANCIAL INFORMATION – Investment and Deposit of State Funds."

If it becomes necessary to make a deposit to the Principal Subaccount of the ETRANS 2022-23 Repayment Account in order to fund a deficiency therein, the State Resolution requires the State Treasurer to take such actions as may be necessary to identify and designate the District Notes as an investment of the State funds used to make such deposit, and the Owners of the Series 2022A Notes will have no right or claim to any amounts received by the State under the District Notes after June 25, 2023. See also "INVESTMENT CONSIDERATIONS – Liquidity Sources in the Event of a Default in the Repayment of Program Loans; Subordination of Certain State Funds," "STATE FINANCIAL INFORMATION – Investment and Deposit of State Funds" and "APPENDIX A – THE STATE GENERAL FUND."

By constitutional or statutory provision and judicial decision, certain State funds, including, without limitation, the State Education Fund, the Highway Users Tax Fund, the Public School Permanent Fund and the TABOR Emergency Reserve Fund, are not Borrowable Resources although moneys therein may be eligible for investment by the State Treasurer. The two State funds in this category with the largest current balances that are eligible for investment, and thus the State funds that are likely to be considered first by the State Treasurer as an available source of investment in the District Notes in order to provide liquidity in the Principal Subaccount of the ETRANS 2022-23 Repayment Account in the event of a deficiency therein, are the State Education Fund and the State Highway Fund. Prospective investors are cautioned, however, that these State funds are neither required to be utilized by the State Treasurer, nor pledged for such purpose. The making of such investment by the State Treasurer, and the determination of the State fund or funds, if any, to be used therefor, is in all cases subject to the application of the investment policies for the various State funds established by statute and the State Treasurer for such State funds and the exercise of the discretion and fiduciary obligation of the State Treasurer in the investment of State funds. Accordingly, no representation or warranty is made herein that the State Treasurer will in fact utilize amounts available in these State funds, if necessary, to provide liquidity to fund a deficiency in the Principal Subaccount of the ETRANS 2022-23 Repayment Account. See also "STATE FINANCIAL INFORMATION – Investment and Deposit of State Funds."

The State Education Fund. The State Education Fund was established by Amendment 23. Amendment 23 also mandates that an amount equal to all State revenues collected from a tax of one-third of one percent on federal taxable income, as modified by law, of every individual, estate, trust and corporation, as defined by law, is to be deposited into the State Education Fund, and that such funds are exempt from the revenue limitations of "TABOR." See "STATE FINANCIAL INFORMATION – Taxpayer's Bill of Rights." The General Assembly may appropriate moneys from the State Education Fund only to increase funding in preschool through 12th grade education or for purposes specifically provided in Amendment 23 as discussed in "SOURCE OF PAYMENT OF PROGRAM LOANS – State Equalization Funding – Amendment 23." The State Education Fund represents a shift of General Fund moneys to a restricted cash fund. Moneys in the State Education Fund may not be transferred to the General Fund, and consequently the State Education Fund is not a Borrowable Resource.

The following information has been provided by the State Treasurer's office to show the actual cash and short term investment balances in the State Education Fund at June 30 since Fiscal Year 2016-17.

State of Colorado
State Education Fund Actual Cash and Short Term Investment Balances
(Dollar amounts expressed in millions)

At June 30	Cash and Investment Balance
2017	$ 102.2
2018	204.8
2019	176.0
2020	166.7
2021	553.7
2022 (projected)	820.1
2023 (projected)	1,049.0

Source: State Treasurer's Office

The State Highway Fund. The State Highway Fund is established by Section 43-1-219, C.R.S. All receipts from the following sources are to be credited to the State Highway Fund: (i) such appropriations as may, from time to time, be made by law to the State Highway Fund from excise tax revenues; (ii) all revenues accruing to the State Highway Fund by law, by way of excise taxation from the imposition of any license, registration fee or other charge with respect to the operation of any motor vehicle upon any public highways in the State, and the proceeds from the imposition of any excise tax on gasoline or other liquid motor fuel; and (iii) certain receipts from the Limited Gaming Fund. Moneys in the State Highway Fund are to be expended for, among other things, the construction, reconstruction, repair, improvement, planning, supervision and maintenance of the State highway system and other public highways, including any county and municipal roads and highways, together with the acquisition of rights-of-way and access rights for the same; provided, however, that receipts from the Limited Gaming Fund are to be used solely for public roads and highways leading to and within a 50-mile radius of any limited gaming community (currently Black Hawk, Central City, Cripple Creek and any Indian lands where limited gaming is authorized). Moneys in the State Highway Fund may not be transferred to the General Fund, and consequently the State Highway Fund is not a Borrowable Resource.

The following information has been provided by the State Treasurer's office to show the actual cash balances in the State Highway Fund at June 30 since Fiscal Year 2016-17.

State of Colorado
State Highway Fund Actual Cash and Short Term Investment Balances
(Dollar amounts expressed in millions)

At June 30	Cash and Investment Balance
2017	$541.2
2018	572.1
2019	770.2
2020	700.4
2021	792.6
2022 (projected)	755.6
2023 (projected)	342.4

Source: State Treasurer's Office

Borrowable Resources

Borrowable Resources consist of over 600 State funds and accounts other than the General Fund. By constitutional or statutory provision and judicial decision, certain State funds, such as the Public School Permanent Fund, the State Education Fund, the Highway Users Tax Fund and the TABOR Emergency Reserve Fund, are not Borrowable Resources. Borrowable Resources are considered to be moneys in the State pool, and as such are invested as described in "STATE FINANCIAL INFORMATION – Investment and Deposit of State Funds" and "APPENDIX A – THE STATE GENERAL FUND – Investment of the State Pool."

The ability of the State Treasurer to utilize Borrowable Resources to fund a deficiency in the Principal Subaccount of the ETRANS 2022-23 Repayment Account will depend upon the availability of funds in the State Treasury that are eligible for investment in the District Notes, and is subordinate to the use of such funds for payment of any general fund tax and revenue anticipation notes of the State issued during Fiscal Year 2022-23. The availability of Borrowable Resources may also be affected by the State's statutory obligation to assure the timely payment of certain school district bonds and lease obligations pursuant to Section 22-41-110, C.R.S., commonly referred to as the "State Intercept Act."

The following tables set forth the actual and estimated Borrowable Resources for Fiscal Years. 2020-21 and 2022-2023. The estimates in the tables are based on various assumptions made by the State Treasurer's office, which are subject to uncertainties. Inevitably, some assumptions used to develop the forecasted amounts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecasted amounts in the tables and the amounts ultimately realized, and such differences may be material. See also the preliminary notice in this Official Statement regarding forward-looking statements. See also "STATE FINANCIAL INFORMATION – Fiscal Controls and Financial Reporting."

State of Colorado
Actual and Estimated Borrowable Resources
Fiscal Year 2021-22 [1,2,3]

(Amounts expressed in millions; totals may not add due to rounding)

	Actual										Estimated	
	July 2021	**Aug 2021**	**Sept 2021**	**Oct 2021**	**Nov 2021**	**Dec 2021**	**Jan 2022**	**Feb 2022**	**Mar 2022**	**Apr 2022**	**May 2022**	**June 2022**
Aviation Fund	$ 22.2	$ 22.7	$ 23.1	$ 22.1	$ 23.4	$ 23.1	$ 22.4	$ 23.7	$ 24.7	$ 23.7	$ 23.4	$ 23.9
Capital Construction Fund	26.4	27.8	27.3	25.9	24.0	22.8	19.8	15.8	13.8	16.9	10.7	10.9
College Scholarship Fund	13.3	14.2	5.1	5.1	12.9	51.0	50.2	33.8	12.8	13.7	13.4	9.3
Colorado Student Obligation Bond Authority – Administration	70.9	72.1	89.1	86.7	82.9	68.4	72.7	71.2	71.5	70.9	71.8	91.9
Hazardous Substance Fund	10.7	10.6	11.0	11.0	10.9	10.6	10.9	10.7	10.6	10.8	10.9	11.2
Higher Education Funds [4]	1,288.0	1,585.1	1,748.1	1,692.9	1,625.4	1,553.7	1,727.2	1,794.7	1,794.8	1,720.6	1,610.3	1,701.6
Hospital Provider Fee	72.0	21.3	22.7	30.5	37.5	44.2	55.6	68.9	67.8	77.7	87.1	23.0
Limited Gaming Fund	4.2	0.3	0.4	0.7	1.1	1.4	1.8	2.2	2.6	3.1	3.5	4.0
Lottery Fund	38.3	42.3	28.8	36.3	42.7	34.7	41.0	43.8	29.2	36.9	44.9	31.2
Mineral Impact Fund	90.9	100.4	62.0	74.9	85.1	72.6	80.9	90.3	82.5	95.6	106.7	82.0
School Capital Construction Assistance	546.0	628.3	612.2	602.5	630.4	649.2	666.6	759.4	706.4	710.6	761.5	770.5
State and Local Severance Tax Funds	172.9	172.2	162.1	168.1	157.0	166.9	169.7	172.9	179.4	189.5	196.3	194.8
State Public School Fund	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.0
Tobacco Tax Funds	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0
Water Conservation Construction Fund	331.0	338.0	388.9	382.8	374.4	394.9	385.1	372.1	388.9	415.4	425.7	438.7
Workers' Compensation Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Borrowable Resources	919.4	914.2	1,037.3	889.6	979.2	2,233.0	2,136.5	2,144.6	2,110.1	2,019.6	2,232.5	1,160.3
Total Borrowable Resources	**3,606.5**	**3,949.8**	**4,218.4**	**4,029.5**	**4,087.1**	**5,326.8**	**5,440.7**	**5,604.3**	**5,495.2**	**5,405.3**	**5,599.0**	**4,553.4**
Total General Fund	1,984.1	1,816.4	1,267.3	1,742.6	1,962.9	665.3	1,775.0	1,776.5	742.3	2,174.7	2,234.1	3,208.4
Less: Notes Issued and Outstanding	--	--	--	--	--	--	--	--	--	--	--	--
Net Borrowable Resources	**$5,590.6**	**$5,766.2**	**$5,485.7**	**$5,772.1**	**$6,050.0**	**$5,992.0**	**$7,215.7**	**$7,380.9**	**$6,237.5**	**$7,580.0**	**$7,833.1**	**$7,761.8**

[1] This table shows monthly balances for 16 individual funds plus over 600 other funds and accounts of the State constituting Borrowable Resources. Such funds do not represent State funds with the largest fund balances and are included in this table to be consistent with the Borrowable Resources disclosures provided by the State in the last several years.

[2] The information in this table is presented on a cash basis, and is not directly comparable to similar information included in the State's ACFRs, which is presented on the modified accrual and accrual basis.

[3] Amounts in this table shown as estimates have been made by the State Treasurer's office based on various assumptions and are subject to change. No representation or guaranty is made herein that such estimates will be realized. See also the preliminary notice in this Official Statement regarding forward-looking statements.

[4] The amounts shown for Higher Education primarily represent cash balances in institutions of higher education other than certain institutions that have statutory authority to operate their own Treasury.

Source: State Treasurer's Office

State of Colorado
Estimated Borrowable Resources
Fiscal Year 2022-23 [1,2,3]
(Amounts expressed in millions; totals may not add due to rounding)

	July 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023
Aviation Fund	$ 24.4	$ 24.9	$ 25.3	$ 24.3	$ 25.7	$ 25.4	$ 24.7	$ 26.0	$ 27.1	$ 26.0	$ 25.8	$ 26.3
Capital Construction Fund	11.5	12.1	11.9	11.2	10.4	9.9	8.6	6.9	6.0	7.3	4.6	4.7
College Scholarship Fund	9.9	10.7	3.8	3.8	9.7	38.2	37.7	25.4	9.6	10.3	10.1	7.0
Colorado Student Obligation Bond Authority – Administration	93.5	95.2	117.6	114.3	109.4	90.3	96.0	93.9	94.3	93.5	94.7	121.3
Hazardous Substance Fund	11.1	11.0	11.4	11.4	11.3	11.0	11.3	11.1	11.0	11.2	11.3	11.7
Higher Education Funds [4]	1,288.0	1,585.1	1,748.1	1,692.9	1,625.4	1,553.7	1,727.2	1,794.7	1,794.8	1,720.6	1,610.3	1,701.6
Hospital Provider Fee	72.0	21.3	22.7	30.5	37.5	44.2	55.6	68.9	67.8	77.7	87.1	23.0
Limited Gaming Fund	4.2	0.3	0.4	0.7	1.1	1.4	1.8	2.2	2.6	3.1	3.5	4.0
Lottery Fund	34.4	38.0	25.9	32.6	38.3	31.2	36.8	39.3	26.2	33.2	40.4	28.0
Mineral Impact Fund	90.6	100.0	61.8	74.6	84.8	72.3	80.6	90.0	82.2	95.3	106.3	81.7
School Capital Construction Assistance	546.0	628.3	612.2	602.5	630.4	649.2	666.6	759.4	706.4	710.6	761.5	770.5
State and Local Severance Tax Funds	194.0	193.2	181.8	188.6	176.1	187.2	190.4	194.0	201.2	212.6	220.2	218.5
State Public School Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tobacco Tax Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water Conservation Construction Fund	448.0	457.5	526.3	518.0	506.7	534.5	521.2	503.5	526.3	562.2	576.1	593.8
Workers' Compensation Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Borrowable Resources	1,153.8	1,147.3	1,301.8	1,116.4	1,228.8	2,233.0	2,136.5	2,144.6	2,110.1	2,019.6	2,232.5	1,160.3
Total Borrowable Resources	**3,981.4**	**4,324.7**	**4,651.0**	**4,422.1**	**4,495.7**	**5,481.5**	**5,594.9**	**5,760.0**	**5,665.6**	**5,583.2**	**5,784.4**	**4,752.3**
Total General Fund	2,067.5	1,822.9	1,082.0	1,497.8	1,680.3	82.0	795.9	666.8	(595.1)	702.3	1,101.9	2,014.8
Less: Notes Issued and Outstanding	--	--	--	--	--	--	--	--	--	--	--	--
Net Borrowable Resources	**$6,048.9**	**$6,147.6**	**$5,733.0**	**$5,919.9**	**$6,176.0**	**$5,563.5**	**$6,390.8**	**$6,426.7**	**$5,070.5**	**$6,285.5**	**$6,886.3**	**$6,767.1**

[1] This table shows monthly balances for 16 individual funds plus over 600 other funds and accounts of the State constituting Borrowable Resources. Such funds do not represent State funds with the largest fund balances and are included in this table to be consistent with the Borrowable Resources disclosures provided by the State in the last several years.

[2] The information in this table is presented on a cash basis estimate, and is not directly comparable to similar information to be included in the State's ACFR, which will be presented on the modified accrual and accrual basis.

[3] Amounts in this table are estimates made by the State Treasurer's office based on various assumptions and are subject to change. No representation or guaranty is made herein that such estimates will be realized. See also the preliminary notice in this Official Statement regarding forward-looking statements.

[4] The amounts shown for Higher Education primarily represent cash balances in institutions of higher education other than certain institutions that have statutory authority to operate their own Treasury.

Source: State Treasurer's Office

The State General Fund

The General Fund is the principal operating fund of the State. All revenues and moneys not required by the State Constitution or statutes to be credited and paid into a special State fund are required to be credited and paid into the General Fund. As required by changes in GAAP, the General Fund reported in the State Fiscal Year 2010-11 ACFR and subsequent ACFRs includes a large number of statutorily created special State funds that do not meet the GAAP requirements to be presented as Special Revenue Funds. To make the distinction between the statutory General Fund and the GAAP General Fund, the ACFR refers to the statutory General Fund as the General Purpose Revenue Fund. The revenues in the General Purpose Revenue Fund are not collected for a specific statutory use but rather are available for appropriation for any purpose by the General Assembly. The following discussion of the General Fund represents the legal and accounting entity referred to in the State Fiscal Year 2020-21 ACFR as the General Purpose Revenue Fund.

It is presently anticipated that a deficiency in the Principal Subaccount of the ETRANS 2022-23 Repayment Account would be funded from Current General Fund Revenues eligible for investment in the District Notes only after all other sources of funding therefor have been utilized. In addition, the right of the State Treasurer to use Current General Fund Revenues for this purpose is subordinate to the use of such funds for payment of any general fund tax and revenue anticipation notes of the State issued during Fiscal Year 2022-23. See "APPENDIX A – THE STATE GENERAL FUND" for a discussion of the General Fund.

DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS

The State, State Departments and Agencies

The State Constitution prohibits the State from incurring debt except for limited purposes, for limited periods of time and in inconsequential amounts. The State courts have defined debt to mean any obligation of the State requiring payment out of future years' general revenues. The State currently has, and upon issuance of the Series 2022A Notes will have, no outstanding general obligation debt.

The State is authorized to and has entered into lease-purchase agreements in connection with various public projects, some of which have been financed by the sale of certificates of participation in the revenues of the related lease-purchase agreements. The obligations of the State to make lease payments under such agreements each Fiscal Year are contingent upon annual appropriations by the General Assembly. See Notes 11 and 12 to the State Fiscal Year 2020-21 ACFR appended to this Official Statement for a discussion of the outstanding lease-purchase agreements entered into by the State as of June 30, 2021, as well as the aggregate minimum lease payments due under such lease-purchase agreements entered into by the State for Fiscal Years 2020-21 and thereafter. See also Note 21 to the State Fiscal Year 2020-21 ACFR appended to this Official Statement for a discussion of lease-purchase agreements entered into by the State after June 30, 2021, but before publication of the Fiscal Year 2020-21 ACFR.

In addition to lease-purchase agreements, the State is authorized to enter into lease or rental agreements for buildings and/or equipment, all of which contain a stipulation that continuation of the lease is subject to funding by the General Assembly. Historically, these agreements have been renewed in the normal course of business and are therefore treated as non-cancelable for financial reporting purposes. In addition, these agreements generally are entered into through private negotiation with lessors, banks or other financial institutions rather than being publicly offered. See Notes 10 and 12 to the State Fiscal Year 2020-21 ACFR appended to this Official Statement for a discussion of the outstanding lease/rental agreements entered into by the State as of June 30, 2021, as well as the aggregate minimum payment obligations under such agreements in Fiscal Years 2020-21 and thereafter.

State departments and agencies, including State institutions of higher education, also issue revenue bonds for business type activities, as well as bonds and/or notes for the purchase of equipment and construction of facilities and infrastructure. With the exception of the University of Colorado, which is governed by an elected Board of Regents, the institutions of higher education are governed by boards whose members are appointed by the Governor with the consent of the State Senate. See Notes 11, 12 and 21 to the State Fiscal Year 2020-21 ACFR appended to this Official Statement for a discussion of such bonds and notes outstanding as of June 30, 2021, and of those issued after June 30, 2021, but before publication of the Fiscal Year 2020-21 ACFR. The revenue bonds and certificates of participation listed in such Notes have in most cases been publicly offered, while the notes payable listed in such Notes have generally been private financings directly with banks or other financial institutions. The State has contingent moral obligations to intercept revenue and make certain debt payments on notes and bonds issued by State school districts in the event they fail to make a required payment to the holders of such notes and bonds. See Notes 19 and 21 to the State Fiscal Year 2020-21 ACFR appended to this Official Statement.

See also the Statistical Section of the State Fiscal Year 2020-21 ACFR appended to this Official Statement for a ten year history of the total outstanding debt and related debt service expenditures of the State.

State Tax and Revenue Anticipation Notes

Under State law, the State Treasurer is authorized to issue and sell notes payable from the anticipated revenues of any one or more State funds or groups of accounts to meet temporary cash flow shortfalls. Since Fiscal Year 1984-85, the State has issued tax and revenue anticipation notes in order to fund cash flow shortfalls in the General Fund, although no such notes were issued for Fiscal Year 2021-22 and none are currently planned to be issued for Fiscal Year 2022-23. For certain Fiscal Years, the State has also funded cash flow shortfalls by use of Borrowable Resources. Since Fiscal Year 2003-04, the State has also issued education loan tax and revenue anticipation notes, such as the Series 2022A Notes, for local school districts in anticipation of local school district revenues to be collected at a later date. See Notes 10 and 21 to the State Fiscal Year 2020-21 ACFR appended to this Official Statement for a discussion of State tax and revenue anticipation notes outstanding as of June 30, 2021, and of such notes issued after June 30, 2021, but before publication of the Fiscal Year 2020-21 ACFR. All tax and revenue anticipation notes previously issued by the State have been paid in full and on time.

See also the Statistical Section of the State Fiscal Year 2020-21 ACFR appended to this Official Statement for a ten year history of the total outstanding debt and related debt service expenditures of the State.

State Authorities

A number of State authorities have issued financial obligations to support activities related to the special purposes of such entities. Such obligations do not constitute a debt or liability of the State and the State Treasurer has no responsibility for such issuances, although pursuant to Section 22-30.5-408, C.R.S., the State may, but is not obligated to, appropriate moneys to cure unreplenished draws on debt service reserve funds for certain bonds issued by the Colorado Educational and Cultural Facilities Authority to fund facilities for charter schools. Generally, State authorities are legally separate, independent bodies governed by their own boards, some including ex-officio State officials and/or members appointed by the Governor or ranking members of the General Assembly (in most cases with the consent of the State Senate).

Pension and Other Post-Employment Benefits

General. The State provides post-employment benefits to its employees based on their work tenure and earnings history through a defined benefit pension plan (as more particularly defined in "APPENDIX E – STATE PENSION SYSTEM," the "State Division Plan"). State employees hired after

2005 may, in lieu of participating in the State Division Plan, elect to participate in a defined contribution plan (the "State Division DC Plan"), although the majority of State employees participate in the State Division Plan. Each plan is administered by the Public Employees' Retirement Association ("PERA"), which is a statutorily created legal entity that is separate from the State. PERA also administers plans for school districts, local governments and other entities, each of which is considered a separate division of PERA and for which the State has no obligation to make contributions or fund benefits except to the extent described below. The State does not participate in the federal Old-Age, Survivors and Disability Insurance (Social Security) program.

For a general description of the State Division Plan and PERA, see "APPENDIX E – STATE PENSION SYSTEM." For a detailed discussion of the State Division Plan, the State Division DC Plan and PERA, see Notes 6-8 to the State Fiscal Year 2020-21 ACFR appended to this Official Statement, as well as PERA's Annual Comprehensive Financial Report for calendar year 2021 (the "PERA 2021 ACFR"). The information in the State Fiscal Year 2020-21 ACFR regarding PERA is derived from PERA's Comprehensive Annual Financial Report (as such report was then entitled) for calendar year 2020, while the information in this Official Statement is derived from the PERA 2021 ACFR.

The State Division Plan. The State Division Plan is funded with contributions made by the State and by each participating State employee at rates that are established by statute. The State has consistently made all statutorily required contributions to the State Division Plan. However, the State Division Plan remains significantly underfunded.

In order to address the funding status of PERA's defined benefit plans, including the State Division Plan, the General Assembly enacted SB 18-200, which made changes to the defined benefit plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability, or "UAAL," of such plans and thereby reach a 100% funded ratio for each of such plans within a 30-year period. SB 18-200 made changes to certain benefit and contribution provisions of the defined benefit plans administered by PERA, including implementing a provision that automatically adjusts employee and employer contribution rates, annual cost of living increases and the State's annual direct contribution to PERA within certain statutory parameters so as to stay within the 30-year funding goal. Previously, such adjustments required action by the General Assembly.

SB 18-200 further requires the State to make an annual direct distribution to PERA of \$225 million (actual dollars) from State funds on July 1, 2018, and on July 1 of each year thereafter until there are no unfunded actuarial accrued liabilities in the trust fund of any Division that receives such distribution. PERA is to allocate the distribution to the State Division Trust Fund, the School Division Trust Fund, the Judicial Division Trust Fund and the Denver Public Schools Division Trust Fund based upon the covered payroll of each such Division. The July 1, 2020, distribution required by SB 18-200 was suspended per HB 20-1379 due to the actual and forecast impact of COVID-19 on the State's revenues. However, per HB 22-1029, in order to fully recompense PERA for the suspended distribution, the State Treasurer is directed to make a supplemental distribution to PERA in the amount of \$380 million (in addition to the amount otherwise required to be distributed to PERA on July 1, 2022, pursuant to SB 18-200) on the effective date of HB 22-1379 (June 7, 2022) or as soon as possible thereafter. HB 22-1029 further provides that the amount to be distributed to PERA on July 1, 2023, pursuant to SB 18-200 is to be reduced by the sum of \$155 million plus an amount equal to 7.25% multiplied by \$380 million, except that if the 2021 annual rate of return on investments as reported in PERA's annual report for 2021 exceeds 7.25%, then such reduction is to be the sum of \$155 million plus an amount equal to PERA's rate of return on investments multiplied by \$380 million, but not less than \$155 million nor greater than \$190 million. The PERA 2021 ACFR reports that the total fund investment return for 2021 was 16.1%. Therefore, per, HB 22-1029, the July 1, 2023, distribution is to be reduced by \$190 million, resulting in a payment of \$35 million. Per HB 22-1029, the amount to be distributed to PERA on July 1, 2024, pursuant to SB 18-200 is to be reduced by the lesser of an amount equal to 7.25% multiplied by \$380 million or an amount equal to PERA's annual rate of return on investments as reported in PERA's annual report for 2022 multiplied by $380 million, except that there is to be no reduction if the rate of return is zero or less. See "APPENDIX E – STATE PENSION SYSTEM – Funding of the State Division Plan – *Statutorily Required Contributions*."

The PERA 2021 ACFR reports that at December 31, 2021, the actuarial value of assets of the State Division Plan was approximately $17.380 billion and the actuarial accrued liability, or "AAL," of the Plan was approximately $27.160 billion, resulting in a UAAL of approximately $9.780 billion, a funded ratio of 64.0% and an amortization period (including consideration of HB 20-1379), of 23 years, all as further described in "APPENDIX E – STATE PENSION SYSTEM." The actuarial value of assets of the State Division Plan is determined by using an asset valuation method of smoothing the difference between the market value of assets and the actuarial value of assets over a four-year period to prevent extreme fluctuations that may result from short-term or cyclical economic and market conditions. Based on the market value of assets of the State Division Plan, the PERA 2021 ACFR reports that at December 31, 2021, the UAAL of the Plan was approximately $7.449 billion and the funded ratio was 72.6%.

The funding status of the State Division Plan summarized above reflects the implementation by PERA in 2014 of GASB Statement No. 67, "Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25" ("GASB 67"), which established new standards for financial reporting and note disclosure by defined benefit pension plans administered through qualified trusts, such as the State Division Plan, and note disclosure requirements for defined contribution pension plans administered through qualified trusts, such as the State Division DC Plan.

Because the State's annual contributions with respect to the State Division Plan are set by statute and funded in the State's annual budget, such contributions are not affected in the short term by changes in the actuarial valuation of the Plan assets or the funding ratio of the Plan.

See generally "APPENDIX E – STATE PENSION SYSTEM" for further information regarding the State Division Plan.

Other Post-Employment Benefits. The State currently offers other post-employment health and life insurance benefits to its employees. The post-employment health insurance to State employees is provided through PERA's Health Care Trust Fund, in which members from all divisions of PERA are eligible to participate. The Health Care Trust Fund is a cost-sharing, multiple employer plan under which PERA subsidizes a portion of the monthly premium for health insurance coverage for certain State retirees and the remaining amount of the premium is funded by the benefit recipient through an automatic deduction from the monthly retirement benefit. The Health Care Trust Fund is funded by a statutory allocation of moneys consisting of portions of, among other things, the employer statutorily required contributions, the amount paid by members and the amount of any reduction in the employer contribution rates to amortize any overfunding in each Division's trust fund. The PERA 2021 ACFR reports that at December 31, 2021, the actuarial value of assets of the Health Care Trust Fund was approximately $0.511 billion and AAL of the Health Care Trust Fund was approximately $1.345 billion, resulting in a UAAL of approximately $0.834 billion, a funded ratio of 38.0% and an amortization period (including consideration of HB 20-1379, as well as HB 20-1394 which is applicable only to the Judicial Division), of 13 years. Because the Health Care Trust Fund is a cost-sharing, multiple employer plan, PERA's actuary has not determined the portion of the unfunded actuarial accrued liability that applies to each Division participant. The benefit provided by the Health Care Trust Fund is a fixed limited subsidy of the retiree's health care insurance premium payment, and the retiree bears all risk of medical cost inflation. See Notes 9 and 11 to the PERA 2021 ACFR for additional information regarding the Health Care Trust Fund.

For a discussion of other post-employment benefit plans in which the State participates, see Note 7 to the State Fiscal Year 2020-21 ACFR appended to this Official Statement.

Effect of Pension Liability on the Series 2022A Notes. The Series 2022A Notes are short-term obligations maturing on June 29, 2023, and are payable from Pledged Revenues which are expected to consist primarily of amounts received by the State Treasurer from the Participating Districts on or before June 25, 2023, as repayment of their Program Loans and a portion of the proceeds of the Series 2022A Notes deposited to the ETRANS 2022-23 Repayment Account as discussed in "THE SERIES 2022A NOTES – Security and Sources of Payment." Therefore, the State's current pension liability is not expected to adversely affect the State's ability to pay the Series 2022A Notes. See also the discussion of the State's pension liability in Management's Discussion and Analysis in the State Fiscal Year 2020-21 ACFR appended to this Official Statement, and particularly the section thereof captioned "CONDITIONS EXPECTED TO AFFECT FUTURE OPERATIONS – Pension Plan Contributions."

LITIGATION, GOVERNMENTAL IMMUNITY AND SELF-INSURANCE

No Litigation Affecting the Series 2022A Notes

There is no litigation pending, or to the knowledge of the State threatened, either seeking to restrain or enjoin the issuance or delivery of the Series 2022A Notes or questioning or affecting the validity of the Series 2022A Notes or the proceedings or authority under which they are to be issued. There is also no litigation pending, or to the State's knowledge threatened, that in any manner questions the right of the State Treasurer to adopt the State Resolution and to secure the Series 2022A Notes in the manner provided in the State Resolution and the Loan Program Statutes.

Governmental Immunity

The Colorado Governmental Immunity Act, Article 10 of Title 24, C.R.S. (the "Immunity Act"), provides that public entities and their employees acting within the course and scope of their employment are immune from liability for tort claims under State law based on the principle of sovereign immunity, except for those specifically identified events or occurrences defined in the Immunity Act. Whenever recovery is permitted, the Immunity Act also generally limits the maximum amount that may be recovered. For incidents occurring prior to July 1, 2013, the limits are $150,000 for injury to one person in a single occurrence and an aggregate of $600,000 for injury to two or more persons in a single occurrence, except that no one person may recover in excess of $150,000; for incidents occurring on and after January 1, 2013, but before January 1, 2018, the maximum amounts that may be recovered under the Immunity Act are $350,000 for injury to one person in a single occurrence and an aggregate of $990,000 for injury to two or more persons in a single occurrence, except that no one person may recover in excess of $350,000; and for incidents occurring on and after January 1, 2018, but before January 1, 2022, the maximum amounts that may be recovered under the Immunity Act are $387,000 for injury to one person in a single occurrence and an aggregate of $1,093,000 for injury to two or more persons in a single occurrence, except that no one person may recover in excess of $387,000. These amounts are subject to adjustment on or before January 1, 2022, and every fourth year thereafter based on the consumer price index for Denver-Boulder-Greeley, or its successor index. In individual cases the General Assembly may authorize the recovery from the State of amounts in excess of these limits by legislative action initiated either directly by the General Assembly or upon recommendation of the State Claims Board. The Immunity Act does not limit recovery against an employee who is acting outside the course and scope of his/her employment. The Immunity Act specifies the sources from which judgments against public entities may be collected and provides that public entities are not liable for punitive or exemplary damages. The Immunity Act does not prohibit claims in Colorado state court against public entities or their employees based on contract and may not prohibit such claims based on other common law theories. However, the Immunity Act does bar certain federal actions or claims against the State or State employees sued in their official capacities under federal statutes when such actions are brought in state court. The Eleventh Amendment to the U.S. Constitution bars certain federal actions or claims against the State or its employees sued in their official capacities under federal statutes when such actions are brought in federal court.

HB 12-1361 amended the Immunity Act by waiving sovereign immunity of the State in an action for injuries resulting from a prescribed fire started or maintained by the State or any of its employees on or after January 1, 2012. A prescribed fire is defined as the application of fire in accordance with a written prescription for vegetative fuels, but excluding a controlled burn used in farming industry to clear land of existing crop residue, kill weeds and weed seeds or to reduce fuel build-up and decrease the likelihood of a future fire.

Self-Insurance

In 1985, the General Assembly passed legislation creating a self-insurance fund, the Risk Management Fund, and established a mechanism for claims adjustment, investigation and defense, as well as authorizing the settlement and payment of claims and judgments against the State. The General Assembly also utilizes the self-insurance fund for payment of State workers' compensation liabilities. The State currently maintains self-insurance for claims arising on or after September 15, 1985, under the Immunity Act and claims against the State, its officials or its employees arising under federal law. See Notes 6H, 21, 43 and General Fund Components (in Supplementary Information) in the State Fiscal Year 2020-21 ACFR appended to this Official Statement. Judgments awarded against the State for which there is no insurance coverage or that are not payable from the Risk Management Fund ordinarily require a legislative appropriation before they may be paid.

Current Litigation

For a description of pending material litigation in which the State is a defendant, see Note 19 to the State Fiscal Year 2020-21 ACFR appended to this Official Statement. The State believes that it has a reasonable possibility of favorable outcomes for the actions discussed in Note 19, but the ultimate outcome cannot presently be determined. Except as otherwise noted, no provision for a liability has been made in the financial statements related to the contingencies discussed in such Note.

RATINGS

Moody's Investors Service, Inc. ("Moody's"), and S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P Global"), have assigned to the Series 2022A Notes the ratings set forth on the cover page of this Official Statement. No other ratings have been applied for.

A rating reflects only the views of the rating agency assigning such rating, and an explanation of the significance of such rating may be obtained from each such rating agency. The State has furnished to the rating agencies certain information and materials relating to the Series 2022A Notes, the State and its financial condition and operations, including certain information and materials which have not been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions by the rating agencies. There is no assurance that any of the ratings will continue for any given period of time or that any of the ratings will not be revised downward, suspended or withdrawn entirely by any such rating agency if, in its judgment, circumstances so warrant. Any such downward revision, suspension or withdrawal of any such rating may have an adverse effect on the market price of the Series 2022A Notes. The State has not undertaken any responsibility to oppose any such revision, suspension or withdrawal.

CONTINUING DISCLOSURE

Series 2022A Notes

In accordance with the exemption set forth in paragraph (d)(3) of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended, which exemption applies to offerings of municipal securities having a stated maturity of 18 months or less, such as the Series 2022A Notes, the State Treasurer will not undertake to provide on an ongoing basis either audited annual financial statements or annual financial information or operating data of the type presented in this Official Statement. However, the State Treasurer will undertake in the State Resolution, for the benefit of the Owners and Beneficial Owners of the Series 2022A Notes, that during such time as any of the Series 2022A Notes are outstanding, the State Treasurer will provide to the Municipal Securities Rulemaking Board (the "MSRB"), via its Electronic Municipal Market Access ("EMMA") system, in a timely manner, not in excess of ten Business Days after the occurrence of the event, notice of the occurrence of any of the events enumerated in Subsection (b)(5)(i)(C) of Rule 15c2-12 with respect to the Series 2022A Notes, including: (i) principal and interest payment delinquencies; (ii) nonpayment related defaults, if material; (iii) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Series 2022A Notes; (iv) modifications to rights of owners of the Series 2022A Notes, if material; (v) defeasances; and (vi) rating changes; as well as the following events to the extent applicable to the Series 2022A Notes: (a) unscheduled draws on debt service reserves reflecting financial difficulties; (b) unscheduled draws on credit enhancements reflecting financial difficulties; (c) substitution of credit or liquidity providers, or their failure to perform; (d) Series 2022A Note calls, if material, and tender offers; (e) release, substitution or sale of property securing repayment of the Series 2022A Notes, if material; (f) bankruptcy, insolvency, receivership or similar event of the State; (g) the consummation of a merger, consolidation or acquisition involving the State or the sale of all or substantially all of the assets of the State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (h) appointment of a successor or additional trustee or the change of name of a trustee, if material; (i) incurrence of a Financial Obligation (as defined in paragraph (f)(11) of Rule 15c2-12) of the State or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the State or obligated person, any of which affect the Owners of the Series 2022A Notes, if material; and (j) default, event of acceleration, termination event, modification of terms or other similar events under the terms of the Financial Obligation of the State or obligated person, any of which reflect financial difficulties.

The obligations of the State Treasurer pursuant to the undertaking are for the benefit of the Owners and Beneficial Owners of the Series 2022A Notes, and, if necessary, may be enforced by such Owners and Beneficial Owners by specific performance of such obligations by any judicial proceeding available. However, breach of the State Treasurer's obligations pursuant to the undertaking does not constitute an Event of Default under the State Resolution, and none of the rights and remedies provided in the State Resolution for Events of Default will be available to the Owners or Beneficial Owners of the Series 2022A Notes in the event of a breach of such continuing disclosure undertaking.

Compliance With Other Continuing Disclosure Undertakings

The State Treasurer has statutory authority over debt issuance and post-issuance compliance with continuing disclosure undertakings entered into by the State, the State Treasurer and certain State departments and agencies that utilize the State's credit (collectively, the "Included Entities") in connection with financial obligations issued by or for the benefit of such the Included Entities. Consistent with this authorization, the responsibility for compliance with the continuing disclosure undertakings entered into by the Included Entities has been centralized with the State Treasurer, which is intended to ensure future compliance with such continuing disclosure undertakings.

The State Treasurer has determined that both prior to and during the previous five years, the State Treasurer and certain other State departments or agencies have not complied in all material respects with other continuing disclosure undertakings entered into by such entities pursuant to Rule 15c2-12 in connection with municipal securities issued by or for the benefit of such entities by failing to file, or to file on a timely basis, on the EMMA website and its predecessor repositories, certain annual financial information, audited financial statements and/or notices of material events as required by those continuing disclosure undertakings.

In early 2013, the State Treasurer retained Digital Assurance Certification, LLC ("DAC Bond"), as its disclosure dissemination agent for the purpose of assisting it with auditing past compliance, making remedial filings and ensuring ongoing compliance with its continuing disclosure filing requirements with the MSRB of all information required in the continuing disclosure undertakings entered into by the Included Entities, and plans to implement other procedures intended to ensure future material compliance with such continuing disclosure undertakings.

In addition, consistent with its statutory authorization and as a result of the circumstances described above, the State Treasurer's office commenced, and is continuing to carry out, a comprehensive review of compliance by the State with the continuing disclosure undertakings entered into by the Included Entities for the purpose of determining whether there are other instances of material noncompliance with such continuing disclosure undertakings. Instances of material noncompliance discovered by the State Treasurer's office to date have been addressed by making appropriate corrective filings or taking other remedial actions, either directly or by DAC Bond, and may include corrective action and participation in the SEC's Municipal Continuing Disclosure Cooperation Initiative.

The State has on occasion failed or been unable to comply with its various continuous disclosure undertakings, including the following instances that have occurred since Fiscal Year 2016-17: (i) due to various issues experienced by the State in connection with the implementation of a new integrated financial system as described in "STATE FINANCIAL INFORMATION – Fiscal Controls and Financial Reporting," the State was unable to timely file with EMMA its unaudited Basic Financial Statements and ACFR for Fiscal Years 2015-16 and 2016-17 in accordance with numerous continuing disclosure undertakings entered into by the Included Entities; (ii) certain operating data for the Department of Human Services for Fiscal Year 2015-16 was not timely filed with EMMA in connection with the Colorado State Department of Human Services (Division of State and Veterans Nursing Homes) Enterprise System Revenue Anticipation Warrants, Series 2002A; and (iii) a late journal entry by a department resulted in a late release of the State Fiscal Year 2020-21 ACFR and corresponding late filing of such ACFR with EMMA with respect to some of the State's outstanding issues. In each case, a notice of failure to file such information was filed with EMMA shortly after the due date for such filing, and such information was subsequently filed with EMMA promptly when available.

MCDC Settlement Order with the Securities and Exchange Commission

In March of 2014, the SEC announced its Municipal Continuing Disclosure Cooperation Initiative (the "MCDC") pursuant to which underwriters and municipal issuers could self-report instances where official statements of municipal issuers failed to report instances in which the issuer failed to comply in all material respects with its continuing disclosure undertakings. Pursuant to the MCDC, on or about November 26, 2014, the State Treasurer reported certain prior failures to the SEC.

In May of 2016, the State Treasurer, on behalf of the Colorado Department of Transportation ("CDOT"), executed an Offer of Settlement (the "Offer") with the SEC under the MCDC, which Offer was accepted by the SEC on August 24, 2016, and became an order of the SEC (the "Order"). As described in the Order, CDOT participated in one negotiated offering in 2011 in which the final official statement stated in relevant part that during the past five years, CDOT had complied in all material respects with its continuing disclosure undertakings. Notwithstanding such statement, however, CDOT's audited financial statements for 2006, 2007, 2008, 2009 and 2010 were not filed until 2014 when it was discovered that such financial statements had not been filed previously with the Nationally Recognized Municipal Securities Information Repositories or the MSRB through the EMMA system, as applicable.

Pursuant to the Order, the State Treasurer agreed to (i) within 180 days of the entry of the Order, establish written policies and procedures and undertake periodic training regarding continuing disclosure obligations, including designation of an individual or officer responsible for ensuring compliance with such policies and procedures, (ii) within 180 days of the entry of the Order, comply with existing continuing disclosure undertakings, and, if not currently in compliance, update past delinquent filings, (iii) disclose in clear and conspicuous fashion the terms of the Offer in any official statement for an offering through the State Treasurer within five years of the institution of the proceedings, (iv) cooperate with any subsequent investigation by the SEC regarding false statements and/or material omissions and (v) not later than one year from the date of the institution of the proceedings, certify, in writing, compliance with the foregoing undertakings.

In a letter dated August 22, 2017, to the SEC, the State Treasurer stated that written policies and procedures and periodic training regarding continuing disclosure obligations to effect compliance were implemented and that the State was in compliance with all continuing disclosure obligations, including updating past delinquent filings if the State Treasurer was not in compliance with its continuing disclosure obligations. The State Treasurer has and intends to continue to fully disclose in a clear and conspicuous fashion the terms of the settlement accompanying the Order in any final official statement for offering by the State Treasurer within five years of the institution of proceedings.

The State Treasurer has updated its continuing disclosure procedures in order to ensure filings are done in accordance with its continuing disclosure agreements.

Additional information concerning the matters discussed in this section may be obtained from the Colorado Attorney General's Office, 1300 Broadway, 6th Floor, Denver, Colorado 80203, Attention: Lori Ann F. Knutson, Esq., First Assistant Attorney General, telephone number (720) 508-6153.

LEGAL MATTERS

All legal matters incident to the validity and enforceability of the Series 2022A Notes, as well as the treatment of interest on the Series 2022A Notes for purposes of federal and State income taxation, are subject to the approving legal opinion of Kutak Rock LLP, Denver, Colorado, as Bond Counsel. The substantially final form of the opinion of Bond Counsel is appended to this Official Statement. Certain legal matters will be passed upon for the State by the Office of the Attorney General of the State and by Kline Alvarado Veio, P.C., Denver, Colorado, as special counsel to the State in connection with the preparation of this Official Statement. Payment of legal fees to Bond Counsel and special counsel are contingent upon the sale and delivery of the Series 2022A Notes.

TAX MATTERS

Generally

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2022A Notes is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the State with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended, that must be met subsequent to the issuance of the Series 2022A Notes. Failure to comply with such covenants could cause interest on the Series 2022A Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2022A Notes. The State has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2022A Notes.

Bond Counsel is further of the opinion that interest on the Series 2022A Notes is not included in Colorado taxable income or Colorado alternative minimum taxable income under Colorado income tax laws.

The accrual or receipt of interest on the Series 2022A Notes may otherwise affect the federal income tax liability of the owners of the Series 2022A Notes. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2022A Notes, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Tax Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2022A Notes.

The amount treated as interest on the Series 2022A Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Service (the "Service") Notice 94-84, 1994-2 C.B. 559. Notice 94-84 states that the Service is studying whether the amount of the payment at maturity on debt obligations such as the Series 2022A Notes that is excluded from gross income for federal income tax purposes is (i) the stated interest payable at maturity or (ii) the difference between the issue price of the Series 2022A Notes and the aggregate amount to be paid at maturity of the Series 2022A Notes (the "original issue discount"). For this purpose, the issue price of the Series 2022A Notes is the first price at which a substantial amount of the Series 2022A Notes is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). Until the Service provides further guidance, taxpayers may treat either the stated interest payable at maturity or the original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt debt obligations with a term that is not more than one year from the date of issue in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Series 2022A Notes if the taxpayer elects original issue discount treatment.

Tax Treatment of Original Issue Premium

The following disclosure relates to purchasers of the Series 2022A Notes who, under Notice 94-84 discussed above, treat the stated interest payable at the maturity of the Series 2022A Notes as the amount excluded from gross income for federal income tax purposes. An amount equal to the excess of the issue price of a Series 2022A Note over its stated redemption price at maturity constitutes original issue premium on such Series 2022A Note. An initial purchaser of a Series 2022A Note must amortize any original issue premium in accordance with the provisions of Section 171 of the Tax Code. Purchasers of a Series 2022A Note with original issue premium should consult with their tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to state and local tax consequences of owning Series 2022A Notes with original issue premium.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Series 2022A Notes. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2022A Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series

2022A Notes or the market value thereof would be impacted thereby. Purchasers of the Series 2022A Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2022A Notes, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2022A Notes is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Tax Code. This reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2022A Notes from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

UNDERWRITING

The Series 2022A Notes will be purchased from the State by Barclays Capital Inc. and Wells Fargo Bank, N.A., Municipal Finance Group (the "Underwriters"), pursuant to a competitive sale conducted by the State, for an aggregate purchase price of $360,624,450, being the aggregate principal amount of the Series 2022A Notes plus an aggregate original issue premium of $10,774,700 and less an aggregate underwriting discount of $150,250.

FINANCIAL ADVISOR

RBC Capital Markets, LLC, Denver, Colorado, is acting as Financial Advisor to the State in connection with the issuance of the Series 2022A Notes, and in such capacity has assisted in the preparation of this Official Statement and other matters relating to the planning, structuring, rating and execution and delivery of the Series 2022A Notes. However, the Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in this Official Statement. The Financial Advisor will act as an independent advisory firm and will not be engaged in underwriting or distributing the Series 2022A Notes. The Financial Advisor's fee for services rendered with respect to the sale of the Series 2022A Notes is contingent upon the issuance and delivery of the Series 2022A Notes.

MISCELLANEOUS

The cover page, inside cover, prefatory information and appendices to this Official Statement are integral parts hereof and must be read together with all other parts of this Official Statement. The descriptions of the documents, statutes, reports or other instruments included herein do not purport to be comprehensive or definitive and are qualified in the entirety by reference to each such document, statute, report or other instrument. During the offering period of the Series 2022A Notes, copies of the State Resolution and certain other documents referred to herein may be obtained from the Financial Advisor at RBC Capital Markets, LLC, 1801 California Street, Suite 3850, Denver, Colorado 80202, Attention: Dan O'Connell, telephone number (303) 595-1222. So far as any statements made in this Official Statement involve matters of opinion, forecasts, projections or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

OFFICIAL STATEMENT CERTIFICATION

The preparation and distribution of this Official Statement have been authorized by the State Treasurer. This Official Statement is hereby approved by the State Treasurer as of the date set forth on the cover page hereof.

By: /s/ David L. Young
State Treasurer

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APPENDIX A

THE STATE GENERAL FUND

The State Resolution requires that if on June 25, 2023, the amount credited to the Principal Subaccount of the ETRANS 2022-23 Repayment Account is less than the principal amount of the Series 2022A Notes and any Parity Lien Notes, the State Treasurer is to deposit the amount of the deficiency to the Principal Subaccount from any funds on hand or in the custody or possession of the State Treasurer and eligible for investment in the District Notes. The State Treasurer is to first utilize all other funds that are eligible for investment in the District Notes prior to the application of Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes. The ability of the State Treasurer to use Current General Fund Revenues that are eligible for investment in the District Notes to fund a deficiency in the Principal Subaccount of the ETRANS 2022-23 Repayment Account is subordinate to the use of such funds for payment of any general fund tax and revenue anticipation notes of the State issued during Fiscal Year 2022-23. See "THE SERIES 2022A NOTES – Security and Sources of Payment – *The ETRANS 2022-23 Repayment Account*" and "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS."

This Appendix contains a discussion of the General Fund, including the estimated cash flows for the General Fund for Fiscal Year 2022-23. See also "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST."

The General Fund

The General Fund is the principal operating fund of the State. All revenues and moneys not required by the State Constitution or statutes to be credited and paid into a special State fund are required to be credited and paid into the General Fund. As required by GAAP, the General Fund reported in the State Fiscal Year 2010-11 ACFR and subsequent ACFRs includes a large number of statutorily created special State funds that do not meet the GAAP requirements to be presented as Special Revenue Funds. To make the distinction between the statutory General Fund and the GAAP General Fund, the ACFR refers to the statutory General Fund as the General Purpose Revenue Fund. The revenues in the General Purpose Revenue Fund are not collected for a specific statutory use but rather are available for appropriation for any purpose by the General Assembly. The following discussion of the General Fund represents the legal and accounting entity referred to in the State Fiscal Year 2020-21 ACFR as the General Purpose Revenue Fund.

General Fund Revenue Sources

The major revenue sources to the General Fund are individual and corporate income taxes and sales and use taxes. The State also imposes excise taxes on the sale of cigarettes, tobacco products and liquor, and receives revenues from a diverse group of other sources such as insurance taxes, pari-mutuel taxes, interest income, court receipts and gaming taxes. The following table sets forth the State's receipts from major revenue sources for the past five Fiscal Years, as well as current OSPB estimates for Fiscal Years 2021-22 and 2022-23. See also "Revenue Estimation; OSPB Revenue and Economic Forecasts" in this Appendix and "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST," as well as the preliminary notice in this Official Statement regarding forward-looking statements.

State of Colorado
General Fund Revenue Sources[1]
Fiscal Years 2016-17 through 2022-23
(Accrual basis; dollar amounts expressed in millions)

	Actual										OSPB June 2022 Revenue Forecast			
	Fiscal Year 2016-17		Fiscal Year 2017-18		Fiscal Year 2018-19		Fiscal Year 2019-20		Fiscal Year 2020-21		Fiscal Year 2021-22		Fiscal Year 2022-23	
Revenue Source	**Amount**	**% Change**	**Amount**	**% Change**	**Amount**	**% Change**	**Amount**	**% Change**	**Amount**	**% Change**	**Amount**	**% Change**	**Amount**	**% Change**
Excise Taxes:														
Sales Tax[1]	$ 2,826.1	6.5%	$ 3,094.2	9.5%	$ 3,246.6	4.9%	$ 3,196.0	4.7%	$ 3,418.1	6.9%	$ 4,023.9	17.7%	$ 4,230.4	5.1%
Use Tax	259.5	7.6	309.9	19.4	345.5	11.5	210.5	(39.1)	214.2	1.8	235.3	9.9	254.4	8.1
Retail Marijuana Sales – 15% Special Sales Tax[1]	--	--	--	--	--	--	245.5	27.4	288.2	17.4	256.7	(10.9)	261.0	1.7
Cigarette Tax	36.6	(1.7)	34.6	(5.5)	32.6	(5.8)	32.5	(0.1)	30.1	(7.3)	25.6	(15.0)	23.7	(7.3)
Tobacco Products	21.2	0.6	16.4	(22.7)	22.3	35.8	24.4	9.5	29.0	19.1	25.4	(12.4)	26.4	3.7
Liquor	45.0	3.3	46.5	3.3	48.3	3.9	50.1	3.7	53.4	6.6	56.2	5.4	57.3	1.9
Proposition EE/Nicotine[2]	--	--	--	--	--	--	--	--	49.0	N/A	205.3	318.8	193.8	(5.6)
Total Excise Taxes	3,188.4	6.4	3,501.6	9.8	3,695.3	5.5%	3,759.0	1.7	4,082.1	8.6	4,828.6	18.3	5,047.0	4.5
Income Taxes:														
Net Individual Income Tax	6,760.9	3.6	7,577.2	12.1	8,247.0	8.8	8,644.9	4.8	9,478.1	9.6	11,468.0	21.0	10,878.7	(5.1)
Net Corporate Income Tax	509.3	(21.9)	781.9	53.5	919.8	17.6	728.3	(20.8)	1,183.7	62.5	1,408.1	19.0	990.6	(29.7)
Total Income Taxes	7,270.2	1.3	8,359.1	15.0	9,166.8	9.7	9,373.2	2.3	10,661.8	13.7	12,876.2	20.8	11,869.3	(7.8)
Less: State Education Fund Diversion[3]	*540.0*	*3.3*	*617.0*	*14.3*	*692.8*	*12.3*	*(646.7)*	*(6.7)*	*874.6*	*35.2*	*965.7*	*10.4*	*890.2*	*(7.8)*
Total Income Taxes to the General Fund	6,730.2	1.1	7,742.1	15.0	8,474.0	9.5	8,726.5	3.0	9,787.2	12.2	11,910.5	21.7	10,979.1	(7.8)
Other Revenues:														
Insurance	290.5	3.6	303.6	4.5	314.7	3.6	337.4	7.2	336.3	(0.3)	392.1	16.6	465.7	18.8
Interest Income	14.7	18.6	19.5	32.4	26.5	35.8	31.1	17.2	50.0	60.9	54.2	8.3	40.4	(25.4)
Pari-Mutuel	0.6	(6.6)	0.5	(10.7)	0.5	(1.7)	0.4	(23.7)	0.3	(21.2)	0.4	20.7	0.4	6.4
Court Receipts	4.1	17.5	4.4	7.6	4.2	(5.3)	3.9	(6.7)	3.5	(9.8)	2.3	(34.7)	3.4	51.1
Other Income[4]	47.3	109.7	152.2	221.7	48.9	(67.9)	9.7	(80.2)	50.7	423.4	20.6	(59.5)	26.9	30.9
Total Other	357.2	11.8	480.2	34.4	394.8	(17.8)	382.5	(3.1)	440.9	15.3	469.5	6.5	536.9	14.4
Gross General Fund	**$10,275.8**	**3.1%**	**$11,723.9**	**14.1%**	**$12,564.1**	**7.2%**	**$12,868.0**	**2.4%**	**$14,310.1**	**11.2%**	**$17,208.5**	**20.3%**	**$16,563.0**	**(3.8)%**

1 State voters approved Proposition AA in November of 2013, which included the imposition by the State of a sales tax of 10% on sales of retail marijuana and retail marijuana products effective January 2014. Per SB 17-267, this tax is increased to 15% effective July 1, 2017. The revenue derived from this sales tax is shared by the State and local governments where such sales occur. Through Fiscal Years 2016-17, the entire State share of this revenue is first credited to the General Fund and then transferred to the Marijuana Tax Cash Fund. Per SB 17-267, for Fiscal Year 2020-21, 28.15% of the State share of this revenue, less $30 million, is to be retained in the General Fund, 71.85% is to be transferred to the Marijuana Tax Cash Fund and $30 million is to be credited to the Public School Fund and distributed to rural school districts. Proposition AA also approved the imposition by the State of an excise tax of 15% on certain sales of unprocessed retail marijuana effective January 2014 that does not flow through the General Fund but is mostly credited directly to a cash fund for public school capital construction projects. See "STATE FINANCIAL INFORMATION – Taxpayers' Bill of Rights – *Voter Approval to Retain and Spend Certain Marijuana Taxes Associated with Proposition AA.*"

2 State voters approved Proposition EE, a ballot measure referred to the voters by HB 20-1427, in November of 2020, which imposes additional taxes on cigarettes and other tobacco products and creates a tax on other nicotine products such as e-cigarettes. Specifically, Proposition EE (a) adds a tax of $1.10 per pack of cigarettes, more than doubling the then-current tax of $0.84 per pack, (b) increases the tax on other tobacco products by 10% (from 40% to 50%) of manufacturer's list price, and (c) creates a tax on other nicotine products, starting at 30% of manufacturer's list price and increasing to 50% of manufacturer's list price by the end of Fiscal Year 2022-23. Through Fiscal Year 2022-23, revenue from the Proposition EE-imposed taxes is largely transferred to the State Education Fund, with smaller amounts going to the Rural Schools Cash Fund, the Housing Development Grant Fund, the Tobacco Tax Cash Fund, the Eviction Legal Defense Fund and the Preschool Programs Cash Fund. The constitutionality of a provision of HB 20-1427 that mandates a minimum retail price for cigarettes sold in Colorado is currently being challenged, although a negative outcome of such litigation is not expected to have a material adverse impact on these forecasted revenues.

3 All individual and corporate income tax revenues are deposited to the General Fund and then a portion of the amount is diverted by law to the State Education Fund.

4 Other income in Fiscal Year 2017-18 includes receipt of a one-time settlement payment under the Tobacco Master Settlement Agreement.

Source: Office of State Planning and Budgeting

General Fund Overview

The following table summarizes the actual revenues, expenditures and changes in fund balances for the General Fund for Fiscal Years 2016-17 through 2020-21, as well as the forecasts for Fiscal Years 2021-22 and 2022-23 from the OSPB June 2022 Revenue Forecast. The overview incorporates the budget under current law as of the publication of the OSPB June 2022 Revenue Forecast for Fiscal Years 2021-22 and 2022-23. Any new budget information will be incorporated in subsequent OSPB revenue forecasts. The format of the following table is used by the State in developing its annual budget, as discussed in "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations." See also "Revenue Estimation; OSPB Revenue and Economic Forecasts" in this Appendix and "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST," as well as the preliminary notice in this Official Statement regarding forward-looking statements.

State of Colorado
General Fund Overview
Fiscal Years 2016-17 through 2022-23

(Dollar amounts unless otherwise indicated and expressed in millions. Totals may not add due to rounding.)

	Actual (Unaudited)[1]					OSPB June 2022 Revenue Forecast	
	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23[2]
Revenue							
Beginning Reserve	**$ 512.7**	**$ 614.5**	**$ 1,366.0**	**$ 1,262.6**	**$ 1,825.7**	**$ 3,178.0**	**$ 3,208.4**
Gross General Fund Revenue	**10,275.8**	**11,723.9**	**12,564.0**	**12,868.0**	**14,310.1**	**17,208.5**	**16,563.0**
Transfers to the General Fund	44.8	98.6	17.2	248.0	336.8	28.7	57.6
TOTAL GENERAL FUND AVAILABLE	**10,833.4**	**12,436.9**	**13,947.2**	**14,378.6**	**16,472.6**	**20,415.3**	**19,829.0**
Expenditures							
Appropriation Subject to Limit[3]	**9,784.5**	**10,430.9**	**11,258.7**	**11,805.2**	**10,979.1**	**12,031.2**	**13,692.0**
Dollar Change From Prior Year	448.9	646.4	827.8	546.4	(826.1)	1,052.1	1,660.7
Percent Change From Prior Year	4.8%	6.6%	7.9%	4.9%	(7.0)%	9.6%	13.8%
Spending Outside Limit	**640.1**	**784.5**	**1,596.3**	**910.5**	**2,347.9**	**5,175.7**	**4,122.2**
TABOR Refund under Subsection (7)(d)[4]	0.0	39.8	428.5	0.0	547.9	3,353.4	2,022.8
Homestead Exemption (Net of TABOR Refund)[4]	0.0	132.3	106.4	0.0	157.9	0.0	0.0
Other Rebates and Expenditures[5]	285.0	158.5	159.7	145.7	137.9	137.1	137.9
Transfers for Capital Construction[6]	84.5	112.1	180.5	213.6	43.0	354.0	482.2
Transfers for Transportation[6]	79.0	79.0	495.0	300.0	30.0	400.4	200.5
Transfers to State Education Fund	25.3	25.3	25.0	40.3	113.0	123.0	290.0
Transfers to Other Funds[7]	164.8	208.6	201.1	210.9	1,318.3	807.7	988.8
Other Expenditures Exempt from General Fund Appropriations Limit[8]	1.5	29.0	--	--	--	--	--
TOTAL GENERAL FUND OBLIGATIONS	**10,424.6**	**11,215.5**	**12,855.0**	**12,715.6**	**13,327.0**	**17,206.9**	**17,814.2**
Percent Change from Prior Year	1.9%	7.6%	14.6%	(1.1)%	4.8%	29.1%	3.5%
Reversions and Accounting Adjustments[9]	(205.7)	(123.3)	(170.3)	(160.3)	(32.4)	0.0	0.0
Reserves							
Year-End General Fund Balance	**614.5**	**1,344.8**	**1,262.5**	**1,823.2**	**3,178.0**	**3,208.4**	**2,014.8**
Year-End General Fund as a % of Appropriations	6.3%	12.9%	11.2%	15.4%	28.9%	26.7%	14.7%
General Fund Statutory Reserve Amount[10]	584.3	674.9	814.2	362.4	314.0	1,612.2	2,053.8
Unappropriated Reserve Percentage[10]	6.00%	6.50%	7.25%	3.07%	2.86%	13.4%	15.0%
Amount Above (Below) Statutory Reserve[11]	30.2	669.9	448.3	1,460.8	2,864.0	1,596.2	(39.0)

1 This table is unaudited, although some of the figures reported in these columns are identified by the OSPB from the State's ACFRs which are audited for the applicable Fiscal Years.

2 Fiscal Year 2020-21 and 2021-22 expenditures reflect all legislation that has passed through both houses of the General Assembly prior to the preparation of the June 2022 OSPB Revenue Forecast. Fiscal Year 2022-23 appropriations will be adopted in future budget legislation. Therefore, the expenditures and fund balance projections shown in the table for Fiscal Year 2022-23 are illustrative only.

3 Total State appropriations during this period have been limited to such moneys as are necessary for reappraisals of any class or classes of taxable property for property tax purposes as required by Section 39-1-105.5, C.R.S., plus an amount equal to 5.0% of Colorado personal income.

4 Current law requires TABOR refunds to be accounted for in the year the excess revenue is collected, although the refunds are actually made in subsequent Fiscal Years. The refund applicable to excess revenue collected in Fiscal Year 2018-19 is being made via an income tax rate reduction and the senior and disabled veteran homestead exemption. In addition, the amount to be refunded to taxpayers in Fiscal Year 2020-21 has been adjusted as the result of: (a) changes that were made to State accounting records for years in which TABOR refunds occurred that resulted in changes in required refunds to taxpayers, and (b) the refund to taxpayers in previous years being different than the actual amount required. Such adjustments are held by the State until a future year in which a TABOR refund occurs when they adjust the total refund amount distributed to taxpayers. See "SOURCE OF PAYMENT OF PROGRAM LOANS – Ad Valorem Property Taxation Procedure – *Homestead Exemption*," "STATE FINANCIAL INFORMATION – Taxpayers' Bill of Rights – *Fiscal Year Revenue and Spending Limits; Referendum C*" and "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST – Taxpayer's Bill of Rights: Revenue Limit."

[Notes continued on next page]

[5] Other Rebates and Expenditures generally includes the Cigarette Rebate, which distributes money from a portion of State cigarette tax collections to local governments that do not impose their own taxes or fees on cigarettes; the Marijuana Rebate, which distributes 15% of the retail marijuana sales tax to local governments based on the percentage of retail marijuana sales in local areas; the Old Age Pension program, which provides assistance to low-income elderly individuals who meet certain eligibility requirements; the Property Tax, Heat and Rent Credit, which provides property tax, heating bill or rent assistance to qualifying low-income disabled or elderly individuals; and, prior to Fiscal Year 2017-18, the Homestead Property Tax Exemption, which reduces property tax liabilities for qualifying seniors and disabled veterans. Commencing with Fiscal Year 2017-18, the Homestead Property Tax Exemption has been shown as a separate category as the result of SB 17-267, which added as the first TABOR refund mechanism amounts reimbursed to county treasurers in the year of the TABOR refund for local property tax revenue losses attributable to the Homestead Property Tax Exemption as discussed in "STATE FINANCIAL INFORMATION – Taxpayers' Bill of Rights – *Fiscal Year Revenue and Spending Limits; Referendum C*." See also "SOURCE OF PAYMENT OF PROGRAM LOANS – Ad Valorem Property Taxation Procedure – *Homestead Exemption*."

[6] Section 24-75-219, C.R.S., requires certain transfers from the General Fund to the Highway Users Tax Fund and the Capital Construction Fund, commonly referred to as "228" transfers based on SB 09-228 which originally provided for the transfers. The amounts of the 228 transfers were revised per HB 16-1416 and SB 17-262. The amount of the capital construction transfers in Fiscal Years 2015-16, 2016-17 and 2017-18 also included transfers of General Fund money in addition to the required 228 transfers. In addition, SB 18-001 commits General Fund revenue for transportation projects in Fiscal Years 2018-19 and 2019-20. However, such transfers may be modified by the General Assembly.

[7] State law requires transfers of General Fund money to various State cash funds. This line item includes transfers of amounts credited to the General Fund from the retail marijuana sales tax to a cash fund. See Note 1 to the table in "General Fund Revenue Sources" above. The Fiscal Year 2016-17 amount includes a diversion of income tax revenue out of the General Fund to a separate severance tax fund pursuant to SB 16-218. However, due to the risk of lower than expected severance tax revenues in Fiscal Year 2017-18 and thereafter, HB 18-1338 requires General Fund transfers to various severance tax cash funds to protect program funding, and also requires an equivalent amount of future severance tax revenue to be diverted to the General Fund to repay these transfers.

[8] Spending by the Medicaid program above the appropriated amount, called "Medicaid Overexpenditures," is usually the largest amount in this line.

[9] The Fiscal Year 2016-17 amount in this line is an atypically large amount due mostly to a large reversion of Medicaid-related expenditures.

[10] The Unappropriated Reserve requirement, codified as Section 24-75-201.1(1)(d), C.R.S., is a percentage of the amount appropriated for expenditure from the General Fund in the applicable Fiscal Year. For Fiscal Year 2015-16 only, the percentage is of the amount subject to the appropriations limit minus the amount of income tax revenue required by to be diverted to a reserve fund to fund severance tax refunds as discussed above. In Fiscal Years 2016-17 and 2017-18, General Fund appropriations for lease-purchase agreement payments made in connection with certificates of participation sold to fund certain capital projects were made exempt from the reserve calculation requirement. These appropriations were $46.0 million in Fiscal Year 2016-17 and $48.1 million in Fiscal Year 2017-18. SB 18-276 repealed the exemption of the lease-purchase agreement payments from the calculation of the reserve requirement. See "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations – *Revenues and Unappropriated Amounts*" and "DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS – The State, State Departments and Agencies."

[11] Under current law, all amounts remaining in the General Fund in excess of the statutory reserve become part of the beginning reserve and funds available in the following Fiscal Year.

Source: Office of State Planning and Budgeting

Revenue Estimation; OSPB Revenue and Economic Forecasts

Revenue Estimating Process. The State relies on revenue estimation as the basis for establishing aggregate funds available for expenditure for its appropriation process. By statute, the OSPB is responsible for developing a General Fund revenue estimate. No later than June 20th prior to the beginning of each Fiscal Year, and no later than September 20th, December 20th and March 20th within each Fiscal Year, the Governor, with the assistance of the State Controller and the OSPB, is required to make an estimate of General Fund revenues for the current and certain future years. The revenue estimates are not binding on the General Assembly in determining the amount of General Fund revenues available for appropriation for the ensuing Fiscal Year. The revenue estimates may be subject to more frequent review and adjustment in response to significant changes in economic conditions, policy decisions and actual revenue flow. See "INVESTMENT CONSIDERATIONS – Impact of COVID-19 on Payment of the Series 2022A Notes."

The most recent OSPB revenue forecast was issued in June 2022 and is included in this Official Statement as "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST." The OSPB June 2022 Revenue Forecast projects revenues for Fiscal Years 2021-22 through 2023-24. The amounts forecast for Fiscal Years 2021-22 and 2022-23 are summarized in "General Fund Revenue Sources" and "General Fund Overview" above in this Appendix. See also "INVESTMENT CONSIDERATIONS – Impact of COVID-19 on Payment of the Series 2022A Notes – Budgets and Revenue Forecasts" and the preliminary notice in this Official Statement regarding forward-looking statements."

The OSPB begins estimating revenue by obtaining macroeconomic forecasts for national and State variables. The national forecast for the OSPB June 2022 Revenue Forecast was provided by Moody's Economy.com. The OSPB forecasts the State economy using a model originally developed partly in-house and partly by consultants to the State.

The model of the State economy is updated quarterly. This model is comprised of numerous dynamic regression equations and identities. Moody's Economy.com's forecasts for national variables are inputs to many of the Colorado equations. The model of the State economy generates forecasts of key indicators such as employment, retail sales, inflation and personal income. These forecasts are then used as inputs to revenue forecasts for income tax receipts, corporate collections, sales tax receipts, etc.

The econometric model used to forecast General Fund revenue relies on the economic data estimated using the model of the State economy discussed above. The models used for forecasting General Fund revenues incorporate changes in policy, both State and federal, as well as changes in the economic climate and historical patterns. The General Fund models are comprised of regression equations for many of the revenue categories. There are three main categories of tax revenues: excise tax receipts, income tax receipts and other tax receipts. The General Fund models forecast the majority of the categories of General Fund receipts separately. For example, the model forecasts each type of income tax receipt (withholding, estimated payments, cash with returns and refunds) individually and then aggregates the numbers to arrive at a net individual income tax receipts forecast. However, for corporate income tax receipts and sales tax collections, the model forecasts only the aggregate amount for these revenues. For many of the smaller tax revenue categories, simple trend analyses are generally utilized to derive a forecast.

Revenue Shortfalls. The State's Fiscal Year budgets are prepared and surplus revenues are determined using the modified accrual basis of accounting in accordance with the standards promulgated by GASB, with certain statutory exceptions. As a result, although the Fiscal Year budgets are balanced and, based upon the current forecast, there is anticipated to be an Unappropriated Reserve, the State may experience temporary and cumulative cash shortfalls. This is caused by differences in the timing of the actual receipt of cash revenues and payment of cash expenditures by the State compared to the inclusion of such revenues and expenditures in the State's Fiscal Year budgets on an accrual basis, which does not take into account the timing of when such amounts are received or paid. Also, prior forecasts of General Fund revenue may have overestimated the amount the State would receive for the Fiscal Year.

Whenever the Governor's revenue estimate for the current Fiscal Year indicates that General Fund expenditures for such Fiscal Year, based on appropriations then in effect, will result in the use of one-half or more of the Unappropriated Reserve, the Governor is required to formulate a plan for the General Fund expenditures so that the Unappropriated Reserve as of the close of the Fiscal Year will be at least one-half of the required amount. The Governor is required by statute to notify the General Assembly of the plan and to promptly implement it by: (i) issuing an executive order to suspend or discontinue, in whole or in part, the functions or services of any department, board, bureau or agency of the State government; (ii) approving the action of other State officials to require that heads of departments set aside reserves out of the total amount appropriated or available (except the cash funds of the Department of Education); or (iii) after a finding of fiscal emergency by a joint resolution of the General Assembly approved by the Governor, taking such actions necessary to be utilized by each principal department and institution of higher education to reduce State personnel expenditures. This occurred in Fiscal Year 2019-20 as the result of the actual and anticipated impact of the COVID-19 pandemic on the State's finances. See "IMPACT OF COVID-19 ON THE STATE AND SCHOOL DISTRICTS."

The next OSPB revenue forecast is scheduled to be released in September of 2022. General Fund revenue projections in this and subsequent OSPB revenue forecasts may be materially different from the OSPB June 2022 Revenue Forecast if economic conditions change markedly. If a revenue shortfall is projected for Fiscal Year 2022-23 and subsequent forecasted years which would result in a budgetary shortfall, budget cuts and/or actions to increase the amount of money in the General Fund will be necessary to ensure a balanced budget. See "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF DEFAULT IN THE REPAYMENT OF PROGRAM LOANS" and "INVESTMENT CONSIDERATIONS – Budgets and Revenue Forecasts – Impact of COVID-19 on Payment of the Series 2022A Notes."

Investment of the State Pool

General. The investment of public funds by the State Treasurer is subject to the general limitations discussed in "STATE FINANCIAL INFORMATION – Investment and Deposit of State Funds." The State Treasurer has adopted investment policies further restricting the investment of State pool moneys, which includes the General Fund. The purpose of these investment policies is to limit investment risk by limiting the amount of the portfolio that may be invested in particular types of obligations, or in obligations of particular issuers or in particular issues, by imposing rating or financial criteria for particular types of investments more restrictive than those required by law, and by limiting the maximum term of certain types of investments. A minimum of 10% of the portfolio is required to be held in U.S. Treasury securities. Any reverse repurchase agreements may be for interest rate arbitrage only, and not for liquidity or leverage purposes. Each reverse repurchase agreement and the total investment it is arbitraged against must be closely matched in both dollar amount and term.

Fiscal Years 2020-21 and 2021-22 Investments of the State Pool. The following tables set forth the investment by category of the moneys in the State Pool as of the end of each month in Fiscal Years 2020-21 and 2021-22 for which information is available.

State of Colorado
State Pool Portfolio Mix
Fiscal Year 2021-22
(Amounts expressed in millions)[1]

	July 2020	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	June 2021
Agency CMOs	$ 155.1	$ 197.6	$ 215.9	$ 215.8	$ 212.3	$ 240.7	$ 187.8	$ 186.4	$ 185.5	$ 182.8	$ 461.2	$ 457.6
Commercial Paper	986.4	1,285.6	2,029.3	2,089.3	1,899.3	1,694.7	2,254.4	2,906.3	3,390.6	3,791.5	4,274.5	2,709.2
U.S. Treasury Notes	1,800.4	1,924.3	2,378.9	2,785.7	2,830.2	508.4	3,042.2	2,624.0	2,286.3	2,151.8	2,465.6	2,954.9
Federal Agencies	1,301.3	1,624.2	1,265.2	988.3	990.2	1,100.2	745.8	940.6	850.6	822.9	861.6	1,035.5
Asset-Backed Securities	457.8	455.1	453.1	450.8	447.4	443.3	393.8	389.7	385.6	380.2	374.8	469.9
Money Market	1,757.0	1,172.0	560.0	495.0	665.0	925.0	1,190.0	790.0	690.0	1,020.0	4,255.0	3,810.0
Corporates	3,982.8	4,811.9	4,723.3	4,754.1	4,300.0	4,338.7	4,489.2	4,583.4	4,812.5	4,763.9	5,370.1	6,231.6
Certificates of Deposit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Totals	**$10,440.8**	**$11,470.7**	**$11,625.7**	**$11,779.0**	**$11,344.4**	**$9,251.0**	**$12,303.2**	**$12,420.4**	**$12,601.1**	**$13,113.1**	**$18,062.8**	**$17,668.7**

[1] This table includes all moneys in the State Pool, which includes the General Fund, Borrowable Resources and other moneys that are invested by the State Treasurer.

Source: State Treasurer's Office

State of Colorado
State Pool Portfolio Mix
Fiscal Year 2021-22
(Amounts expressed in millions)[1]

	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022
Agency CMOs	$ 454.6	$ 536.4	$ 666.3	$ 753.0	$ 689.5	$ 676.0	$ 710.3	$ 696.1	$ 660.8	$ 676.4	$ 666.2
Commercial Paper	4,120.1	4,323.9	5,198.6	5,230.0	5,230.8	5,161.9	5,565.8	5,363.7	5,580.3	6,498.9	6,231.3
U.S. Treasury Notes	2,754.0	2,570.4	2,477.2	2,476.6	2,344.2	2,343.1	3,211.1	3,243.8	3,207.7	3,217.6	3,247.4
Federal Agencies	1,070.1	1,044.3	1,007.5	1,007.5	1,058.2	1,058.2	1,082.3	1,107.4	1,132.5	1,190.5	1,301.9
Asset-Backed Securities	526.5	499.6	498.4	418.8	378.2	341.9	307.9	307.6	308.5	468.5	596.7
Money Market	1,935.0	1,735.0	1,350.0	960.0	700.0	1,280.0	1,035.0	770.0	910.0	2,600.0	2,070.0
Corporates	6,818.9	6,896.0	6,929.8	7,244.5	7,406.3	7,428.6	7,652.9	7,784.1	7,826.8	7,688.3	7,680.6
Certificates of Deposit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Totals	**$17,679.2**	**$17,605.6**	**$18,127.8**	**$18,090.4**	**$17,807.2**	**$18,289.7**	**$19,565.3**	**$19,272.7**	**$19,626.6**	**$22,340.2**	**$21,794.1**

[1] This table includes all moneys in the State Pool, which includes the General Fund, Borrowable Resources and other moneys that are invested by the State Treasurer.

Source: State Treasurer's Office

General Fund Cash Flow

General Fund cash flow deficits are attributable to several categories of loans and expenditures by the State throughout each Fiscal Year, including public school distributions, medical assistance and grants and contract purchased services. The State Treasurer has certain administrative powers to remedy negative cash balances, including the ability to issue tax and revenue anticipation notes in anticipation of the receipt of revenues in the General Fund and to use Borrowable Resources. The Governor also has authority to impose spending restrictions, and the General Assembly may defer certain payments from one Fiscal Year to the next, if necessary, to ensure that the General Fund will not end any Fiscal Year with a negative fund balance. See "THE SERIES 2022A NOTES – Authorization" and "STATE FINANCIAL INFORMATION – The State Treasurer."

The following tables present on a cash basis the actual and estimated cash flows of the General Fund for Fiscal Years 2021-22 and 2022-23 by total categories of receipts and disbursements. The tables are based on revenue and expenditure projections prepared on the modified accrual basis of accounting, with accounting adjustments made by the State Treasurer to arrive at a cash basis presentation, and should be read in conjunction with the information set forth above in this Appendix. See also "STATE FINANCIAL INFORMATION – Fiscal Controls and Financial Reporting."

Monthly cash flow projections for Fiscal Years 2021-22 and 2022-23 are based upon (i) the General Fund appropriations for Fiscal Years 2021-22 and 2022-23 adopted by the General Assembly, (ii) historical experience as adjusted to reflect economic conditions, (iii) statutory and administrative changes and anticipated payment dates for payrolls and (iv) the OSPB June 2022 Revenue Forecast discussed in "Revenue Estimation; OSPB Revenue and Economic Forecasts" above. Unforeseen events or variations from underlying assumptions may cause an increase or decrease in receipts and/or disbursements from those projected for a given month, which may adversely affect the projections of estimated cash flows. Additionally, the timing of transactions from month to month may vary from the forecasts. Therefore, there are likely to be differences between the forecasted and actual results, and such differences may be material. See the preliminary notice in this Official Statement regarding forward-looking statements.

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State of Colorado
Actual and Estimated General Fund Cash Flow
Fiscal Year 2021-22
Current Law[1]

(Amounts expressed in millions; totals may not add due to rounding)

	Actual										Estimated		
	July 2021	**Aug 2021**	**Sept 2021**	**Oct 2021**	**Nov 2021**	**Dec 2021**	**Jan 2022**	**Feb 2022**	**Mar 2022**	**Apr 2022**	**May 2022**	**June 2022**	**Total**
Beginning Cash and Investments Balance	$ 3,168.0												$ 3,168.0
Revenues:													
General Fund Revenue:													
Sales and Use Tax	247.4	$ 345.3	$ 359.1	$ 346.3	$ 325.5	$ 355.0	$ 425.6	$ 322.3	$ 327.1	$ 365.3	405.1	435.2	4,259.2
Individual Income Tax	410.3	660.7	925.9	845.9	753.9	877.2	1,201.0	337.1	450.9	1,289.5	1,183.4	1,566.6	10,502.3
Corporate Income Tax	(0.2)	8.4	200.5	75.2	(57.8)	114.1	96.2	15.2	157.1	253.7	90.0	455.5	1,408.1
Other	54.8	51.1	39.8	(29.2)	24.7	(55.5)	21.8	147.6	94.2	390.0	(23.6)	323.1	1,038.9
Total General Fund Revenue	712.3	1,065.5	1,525.3	1,238.3	1,046.5	1,290.8	1,744.7	822.2	1,029.2	2,298.5	1,655.0	2,780.3	17,208.5[2]
Federal Revenue	514.4	579.6	741.5	472.1	634.1	704.2	587.3	604.7	726.1	518.6	663.8	1,386.3	8,132.8
Total Revenues	1,226.7	1,645.1	2,266.8	1,710.4	1,680.6	1,995.1	2,332.1	1,426.9	1,755.3	2,817.1	2,318.8	4,166.6	25,341.4
Expenditures:													
Payroll	170.5	197.6	194.4	195.6	193.9	179.9	194.3	187.6	190.0	184.1	186.5	205.7	2,280.1
Medical Assistance	508.1	558.9	406.2	400.8	606.0	514.7	347.5	557.8	442.1	739.9	737.1	493.3	6,312.5
Public School Distribution	874.8	(14.2)	907.3	0.2	2.0	901.8	3.3	0.4	902.1	0.4	0.2	2.3	3,580.6
Higher Education Distribution	3.7	45.1	2.1	4.1	4.2	42.6	0.3	0.4	0.4	0.4	0.4	(0.8)	102.9
Grants and Contracts	155.0	277.9	330.1	220.6	255.3	321.3	274.0	263.2	298.2	260.3	267.6	301.4	3,224.8
Other	513.4	772.8	978.3	383.4	387.3	1,334.0	452.5	388.0	970.5	187.7	846.3	1,730.4	8,944.5
Total Expenditures:	(2,225.6)	(1,838.2)	(2,818.4)	(1,204.7)	(1,448.7)	(3,294.3)	(1,271.9)	(1,397.3)	(2,803.4)	(1,372.8)	(2,038.1)	(2,732.2)	(24,445.5)[2]
Total Revenues Minus Total Expenditures	2,169.1	(193.1)	(551.6)	505.7	231.9	(1,299.2)	1,060.1	29.6	(1,048.0)	1,444.3	280.7	1,434.3	4,063.9[3]
Revenue Accrual Adjustment	163.6	(36.0)	3.8	11.7	(57.4)	16.6	7.4	(1.0)	(7.2)	38.1	(194.2)	(83.0)	(137.7)
Expenditure Accrual Adjustment	(80.6)	61.5	(1.4)	(42.0)	45.8	(15.0)	42.2	(27.1)	21.1	110.0	(27.2)	(377.1)	(289.8)
Extraordinary Items Impacting Cash:													
TABOR Refund	--	--	--	--	--	--	--	--	--	--	--	--	--
Transfer in Cash and Investments Per Statute	(225.0)	--	--	--	--	--	--	--	--	--	--	--	(225.0)
Homestead Exemption	--	--	--	--	--	--	--	--	--	(160.0)	--	--	(160.0)
General Fund Notes – Including Interest	--	--	--	--	--	--	--	--	--	--	--	--	--
Capital Construction Transfer	(43.0)	--	--	--	--	--	--	--	--	--	--	--	(43.0)
General Fund Reserve Transfer to Highway Users Tax Fund	--	--	--	--	--	--	--	--	--	--	--	--	--
State Education Fund Transfer	--	--	--	--	--	--	--	--	--	--	--	--	--
Actual/Projected Monthly Cash Change	1,984.1	(167.6)	(549.2)	475.3	220.3	(1,297.6)	1,109.7	1.5	(1,034.2)	1,432.4	59.3	974.3	3,208.4
General Fund Cash Balance End of Month	**$ 1,984.1**	**$ 1,816.4**	**$ 1,267.3**	**$ 1,742.6**	**$ 1,962.9**	**$ 665.3**	**$ 1,775.0**	**$ 1,776.5**	**$ 742.3**	**$ 2,174.7**	**$ 2,234.1**	**$ 3,208.4**	

[1] General Fund revenues in this table are derived from the OSPB June 2022 Revenue Forecast. All other amounts are estimates made by the State Treasurer's office based on various assumptions and are subject to change. No representation or guaranty is made herein that such forecasted amounts will be realized. See the preliminary notice in this Official Statement regarding forward-looking statements.

[2] OSPB June 2022 estimate.

[3] Includes beginning cash balance in July.

Source: State Treasurer's Office

State of Colorado
Estimated General Fund Cash Flow
Fiscal Year 2022-23[1]
Current Law

(Amounts expressed in millions; totals may not add due to rounding)

	July 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	June 2023	Total
Beginning Cash and Investments Balance	$ 3,208.4												$ 3,208.4[2]
Revenues:													
General Fund Revenue:													
Sales and Use Tax	247.4	$ 392.7	$ 408.4	$ 393.8	$ 370.2	$ 375.2	$ 449.9	$ 340.7	$ 345.7	$ 386.1	$ 373.4	$ 401.1	4,484.8
Individual Income Tax	410.3	713.4	999.8	913.5	814.1	864.4	1,182.9	331.9	444.3	1,270.6	879.4	1,164.1	9,988.5
Corporate Income Tax	25.0	8.1	191.3	71.8	(55.1)	78.0	65.8	10.4	107.4	173.4	35.4	178.9	890.2
Other	54.8	45.4	60.5	(31.5)	9.6	(33.4)	37.1	135.0	126.5	456.5	(20.8)	385.0	1,224.6
Total General Fund Revenue	712.3	1,159.6	1,660.0	1,347.6	1,138.9	1,284.2	1,735.7	817.9	1,023.9	2,286.6	1,267.3	2,129.0	16,563.0
Federal Revenue	514.4	556.9	712.4	453.6	609.2	704.2	587.3	604.7	726.1	518.6	612.8	1,279.6	7,879.9
Total Revenues	1,226.7	1,716.5	2,372.4	1,801.2	1,748.1	1,988.4	2,323.0	1,422.6	1,750.0	2,805.2	1,880.1	3,408.6	24,442.9
Expenditures:													
Payroll	170.5	227.7	222.6	224.0	222.0	199.6	217.5	210.0	212.7	206.1	208.8	231.4	2,552.9
Medical Assistance	508.1	585.0	425.1	419.5	634.2	537.2	362.7	582.1	461.4	772.2	769.2	514.8	6,571.7
Public School Distribution	874.8	(14.2)	906.3	0.2	2.0	900.8	3.3	0.4	901.2	0.4	0.2	2.3	3,577.8
Higher Education Distribution	3.7	45.1	2.1	4.1	4.2	42.6	0.3	0.4	0.4	0.4	0.4	(0.8)	102.9
Grants and Contracts	155.0	273.5	324.9	217.1	251.2	310.1	264.5	254.0	287.8	251.2	258.3	290.9	3,138.6
Other	513.4	913.4	1,232.3	465.9	486.6	1,580.4	530.4	467.7	1,175.1	257.7	146.0	815.3	8,584.2
Total Expenditures:	(2,225.6)	(2,030.6)	(3,113.4)	(1,330.7)	(1,600.3)	(3,570.7)	(1,378.7)	(1,514.5)	(3,038.6)	(1,488.0)	(1,383.0)	(1,854.0)	(24,528.1)[2]
Total Revenues Minus Total Expenditures	2,209.5	(314.1)	(741.0)	470.5	147.8	(1,582.3)	944.4	(91.9)	(1,288.6)	1,317.3	497.1	1,554.6	3,123.2[3]
Revenue Accrual Adjustment	163.6	(20.1)	2.1	6.5	(32.1)	4.5	2.0	(0.3)	(1.9)	10.2	(52.5)	(17.6)	64.4
Expenditure Accrual Adjustment	(80.6)	89.6	(2.0)	(61.3)	66.7	(20.4)	57.5	(36.9)	28.7	149.9	(45.0)	(624.2)	(477.9)
Extraordinary Items Impacting Cash:													
TABOR Refund (No Refund)	--	--	--	--	--	--	--	--	--	--	--	--	--
Transfer in Cash and Investments Per Statute	(225.0)	--	--	--	--	--	--	--	--	--	--	--	(225.0)
Homestead Exemption	--	--	--	--	--	--	--	--	--	(180.0)	--	--	(180.0)
General Fund Notes – Including Interest	--	--	--	--	--	--	--	--	--	--	--	--	--
Capital Construction Transfer	--	--	--	--	--	--	--	--	--	--	--	--	--
General Fund Reserve Transfer to Highway Users Tax Fund	--	--	--	--	--	--	--	--	--	--	--	--	--
State Education Fund Transfer	--	--	--	--	--	--	(290.0)	--	--	--	--	--	(290.0)
Projected Monthly Cash Change	2,067.5	(244.6)	(740.8)	415.7	182.5	(1,598.3)	713.9	(129.1)	(1,261.9)	1,297.4	399.6	912.8	2,014.8
General Fund Cash Balance End of Month	**$ 2,067.5**	**$ 1,822.9**	**$ 1,082.0**	**$ 1,497.8**	**$ 1,680.3**	**$ 82.0**	**$ 795.9**	**$ 666.8**	**$ (595.1)**	**$ 702.3**	**$ 1,101.9**	**$ 2,014.8**	

[1] General Fund revenues in this table are derived from the OSPB June 2022 Revenue Forecast. All other amounts are estimates made by the State Treasurer's office based on various assumptions and are subject to change. No representation or guaranty is made herein that such forecasted amounts will be realized. See the preliminary notice in this Official Statement regarding forward-looking statements.

[2] OSPB June 2022 estimate.

[3] Includes beginning cash balance in July

Source: State Treasurer's Office

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APPENDIX B

OSPB JUNE 2022 REVENUE FORECAST

As discussed in "APPENDIX A – THE STATE GENERAL FUND – Revenue Estimation; OSPB Revenue and Economic Forecasts," the OSPB prepares quarterly revenue estimates and is currently forecasting for Fiscal Years 2021-22 through 2023-24. The forecasts include projections of General Fund revenues available for spending and end-of-year reserves through the forecast period. Budgeted General Fund spending levels are also included. The forecasts are based on historical patterns, with economic and legislative changes explicitly included in the models that forecast revenue growth, and include both State and national economic forecasts.

The most recent OSPB revenue forecast was issued in June 2022 and is presented in its entirety in this Appendix. The pagination of this Appendix reflects the original printed document.

Prospective investors are cautioned that any forecast is subject to uncertainties, and inevitably some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasted and actual results, and such differences may be material. No representation or guaranty is made herein as to the accuracy of the forecasts. See also the preliminary notice in this Official Statement regarding forward-looking statements.

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Colorado
Economic & Fiscal Outlook

June 21, 2022

STATE OF COLORADO

Governor's Office of State Planning & Budgeting

COLORADO

Governor Jared Polis

Contents

Jared Polis – Governor
Lauren Larson – Budget Director
Meredith Moon – Deputy Director
Bryce Cooke – Chief Economist
Alex Carlson – Senior Economist
Emily Dohrman – Economist
Kevin Amirehsani – Senior Tax Policy Analyst
Solveig Delabroye – Senior Economist
Will Mixon – Economist

For additional information about the Governor's Office of State Planning and Budgeting, to access this publication electronically, or to sign up to be notified by email when the quarterly forecast is released, please visit www.colorado.gov/ospb.

Forecast in Brief

NATIONAL ECONOMIC OUTLOOK

The U.S. economy continues to rebound in 2022, but faces greater headwinds than previously expected due to inflationary pressures and the impact of the monetary policy response on aggregate demand. Broad-based price growth includes energy and food prices, the cost of shelter, and growing services inflation as companies pass higher input prices onto consumers. Aggregate household finances remain strong as wage growth continues at a rapid pace in 2022, but the magnitude of labor market tightness, i.e. when job openings outnumber unemployed workers, shrinks in 2023 and 2024 largely due to reduced labor demand in the face of headwinds to the business environment.

COLORADO ECONOMIC OUTLOOK

Colorado's job growth is expected to remain strong in 2022, exceeding 2021 growth. Job growth slows in the outyears, but continues to outpace the nation, as Colorado's unemployment rate is expected to settle at 3.3 percent, while the rate is projected to increase to 3.7 percent nationally by 2024. The inflation rate is expected to face additional upward pressure from shelter and service prices relative to the nation as a whole. Real retail sales growth remains positive in 2022 at a pace slightly higher than the U.S., but then similar to the country as a whole, turns negative in 2023 in the face of rising inflation.

GENERAL FUND REVENUE

General Fund revenue is projected to increase to $17.2 billion in FY 2021-22, a 20.3 percent change from the prior fiscal year based mostly on actuals received to date. The projection for FY 2021-22 is $1,021.4 million higher than the March forecast, in response to record high income tax revenue in April, a record month for many states. OSPB expects revenues to then fall by 3.8 percent off this higher base in FY 2022-23 before growing again by 4.3 percent in FY 2023-24. The downward revision in FY 2022-23 is due to reduced expectations in future individual and corporate revenues of estimated payments and cash with returns that more than offset higher sales tax revenue. In FY 2023-24, however, revenues are revised up as higher sales tax revenues will more than offset downward revisions in income revenue in the form of withholdings and, to a lesser extent, estimated payments.

CASH FUND REVENUE

In FY 2021-22, cash fund revenue subject to TABOR is projected to increase by 16.9 percent to $2.62 billion, followed by a 1.8 percent reduction in FY 2022-23 and 4.4 percent growth in FY 2023-24. Upward revisions in severance tax collections are a major driver of these fluctuations.

TABOR

After exceeding the Referendum C cap (as restored by S.B. 21-260) by $547.9 million in FY 2020-21, revenue subject to TABOR is expected to remain above this cap through the duration of the forecast period. Current projections show that revenue will be $3,353.4 million above the cap in FY 2021-22, $2,022.8 million above the cap in FY 2022-23, and $1,325.6 million above the cap in FY 2023-24, triggering the temporary income tax rate reduction in each year.

GENERAL FUND RESERVE

Under this forecast, the General Fund ending balance is projected to be $1,596.2 million above the statutory reserve level of 13.4 percent of appropriations in FY 2021-22. The statutory reserve grows to 15 percent of appropriations in FY 2022-23 and beyond.

Economic Outlook

While the labor market continues its strong recovery, high inflation and tightening monetary conditions dampen the economic outlook for the US and Colorado. The downward pressure stems primarily from the response to Federal Reserve's interest rate hikes and forward guidance for 2022 and 2023; however, ongoing pressures from supply and demand mismatch for consumer goods, energy products, and labor create headwinds during the forecast period.

This forecast expects economic activity to slow in the fourth quarter of 2022, dipping just below 1 percent annualized GDP growth in mid-2023 before recovering to historical averages in 2024. Consumer and corporate spending are projected to be a drag on growth, as high prices and rising interest rates curb consumption. Further, consumer spending habits are expected to shift towards services over the next year, while durable goods spending falls as a share of spending. These shifts will put additional downward pressure on consumer spending in mid-2023 as durable goods' share will have troughed while services spending begins to revert back to a more normal share of expenditures. The shift away from durable goods spending will likely continue to impact equity values for large retailers. Government expenditures are also projected to drag on growth as federal government stimulus continues to roll off.

Slower growth combined with high inflation will have mixed effects on the economy. A cooling economy should reduce the gap between supply and demand in the labor market, pulling labor force participation up slightly while decreasing the strong demand and wage pressures the U.S. and Colorado are currently facing. Further, changing financial conditions may limit household savings and motivate individuals currently not looking for work back into the labor market. That said, the U.S. unemployment rate has already returned to approximately pre-pandemic levels across all races, and Black and Hispanic households experienced greater income growth than White households between 2019 and 2021, thereby lessening racial gaps in median income. Conversely, elevated mortgage rates will reduce housing demand in most markets, which also typically curbs consumer spending on some durable and nondurable goods, and may help even out the high demand for homes.

The conflict between Russia and Ukraine and resultant shortages of oil, natural gas, and certain agricultural commodities will continue to exacerbate inflation throughout most of 2022, as will the supply chain constraints from China's zero-COVID policy. These ongoing constraints are causing the global economic growth outlook to cool as well, putting developing nations in a much more precarious position as they continue to grapple with the impacts of the pandemic. The dollar is appreciating on tighter monetary conditions in the US, which often creates dire consequences for U.S. exporters and dollar-denominated debt holders, especially in a low-growth environment.

Overall, while the outlook has softened from the March forecast, a deep or protracted recession is not currently expected. The strength of the labor market and high wages and salaries will help buoy the US and Colorado economies through the anticipated slowdown next year.

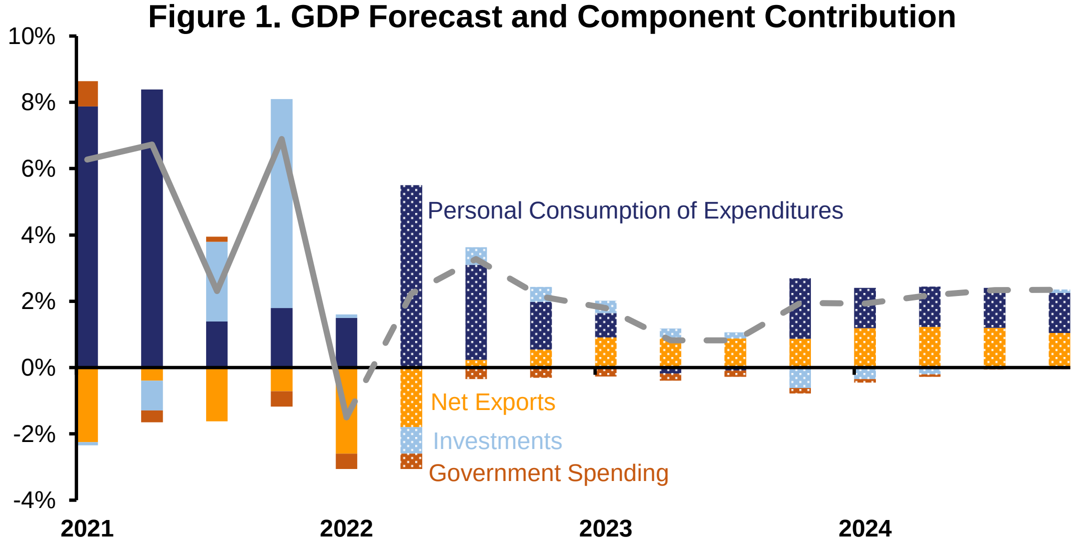
Gross Domestic Product

U.S. economic activity is rebalancing after two tumultuous years of pandemic-related impacts. After rebounding by a robust 5.7 percent in 2021, U.S. Gross Domestic Product (GDP) dipped by 1.5 percent in the first quarter of 2022 over the previous quarter at an annualized rate. While a dip in quarterly activity could portend economic woes, the slowdown in quarter-over-quarter activity can be attributed to a few transitory factors:

- Very strong, 6.7 percent, annualized growth in the fourth quarter of 2021;
- Unusually strong imports in the first quarter leading to an exacerbated negative trade balance largely due to ongoing supply chain disruptions; and
- A decline in government expenditures coming off of unprecedented 2021 levels.

The outlook for 2022 remains positive with 2.5 percent growth; however, this forecast has been revised down from the March forecast based on inflationary pressures impacting consumer and business spending decisions. GDP growth for 2023 is expected to decline to 1.8 percent, as interest rate hikes further dig into economic activity and cause the annualized growth rate to slow to under 1 percent for the middle two quarters of the year. In 2024, U.S. GDP is forecast to

Figure 1. GDP Forecast and Component Contribution



Source: U.S. Bureau of Economic Analysis; OSPB June Forecast tick up slightly to 1.9 percent growth, which sets the country back on a historical growth trajectory.

The largest component of GDP, personal consumption expenditures (PCE), has been driven by strong durable goods consumption during the last two years, a trend that is starting to slow and is expected to fall below the historical trend at the beginning of 2023 due to rising interest rates. Consumers are shifting towards services in particular with pandemic concerns mostly abated, leading to a rise of in component's share of spending to above its historical trend this year before sloughing off in 2023. The forecast for PCE can be seen in the consumer spending section below, but is generally expected to follow the same trend as overall GDP levels through the forecast period.

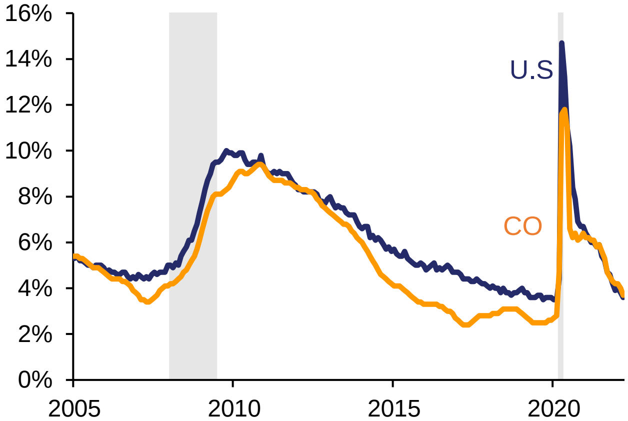
Strong consumer spending paired with supply chain disruptions led to strong business investment and import levels, the latter pushing net exports lower. With high levels of inflation pushing prices up and consumer sentiment down, business investment, particularly in the retail sector, is expected to wane. Supply chain issues resulted in some retailers and manufacturers stocking up in recent months, leaving them now with high inventories. The positive impact of international orders being pulled forward is some alleviation on the US trade balance, which has dragged on GDP growth over the last few quarters.

Government investment peaked in 2020 as the federal government spent trillions of dollars to combat the health and economic impacts of the pandemic. It has steadily declined since the first quarter of 2021 upon the passage of the American Rescue Plan Act, and is expected to continue to roll off steadily except for a potential uptick resulting from the Infrastructure Investment and Jobs Act.

Labor Market

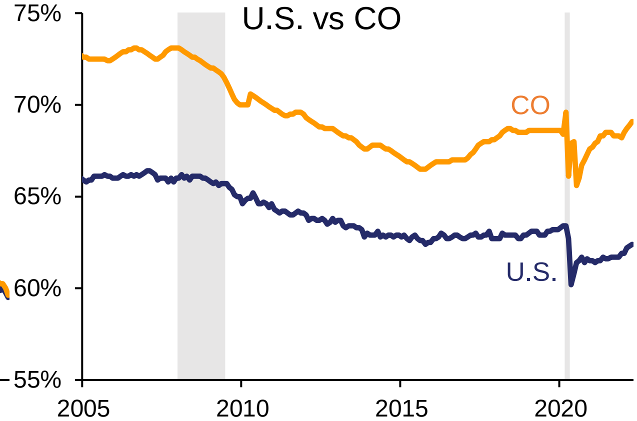
Labor market conditions are tight in Colorado and across the U.S., as labor demand continues to exceed supply. The unemployment rate has dropped since the last forecast, reaching 3.5 percent for Colorado and 3.6 percent in the U.S. in May. Combined with an uptick in labor force participation and strong employment growth, the lower unemployment rate signifies that more non-employed workers are being matched with jobs. OSPB expects Colorado's unemployment rate to continue to drop slightly for the rest of 2022, down to a low of 3.4 percent by the end of the year (for an annual average of 3.6 percent), as the effects of expanded unemployment benefits and stimulus payments on household savings decline, and strong wage growth draws more workers into employment. Similarly, it is expected that the U.S. will drop throughout the year to 3.4 percent by the end of 2022, for an annual average of 3.5 percent.

Figure 2. Unemployment Rate
U.S. vs CO



Note: Shaded areas denote recession.
Source: Bureau of Labor Statistics

Figure 3. Labor Force Participation Rate
U.S. vs CO

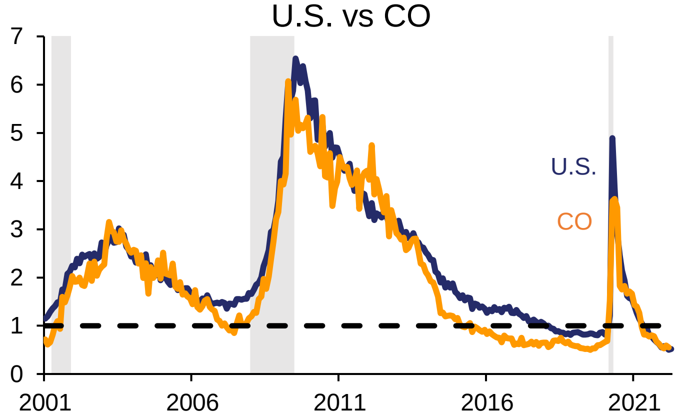


Note: Shaded areas denote recession.
Source: Bureau of Labor Statistics

Colorado’s labor force participation rate ticked up slightly since the March forecast to 69.4 percent in May, surpassing its February 2020 level of 68.9 percent for the second consecutive month. This is in contrast to the U.S., for which the labor force participation rate has stayed flat in 2022 at 62.3 percent, 1.1 percentage points below its pre-pandemic level of 63.4 percent. Colorado’s labor force participation rate historically tends to be higher than the nation’s. Reasons for the state’s high labor force participation may include higher educational attainment, lower fertility rates, demographic factors, and a higher cost of living. OSPB expects the labor force participation rate in Colorado and the U.S. to increase slightly throughout the year as high wages draw more workers off the sidelines and into the labor force, and the accumulation of excess savings declines.

As previously mentioned, the labor market has remained tight with labor demand exceeding supply. Figure 4 shows the number of unemployed people per job opening in Colorado and the U.S. as a measure of labor market tightness. When the labor market is tight, there are more job openings than unemployed people resulting in a ratio less than one. When the labor market is looser, there are more unemployed workers than job openings, resulting in a ratio greater than one.

Figure 4. Number Unemployed per Job Opening
U.S. vs CO

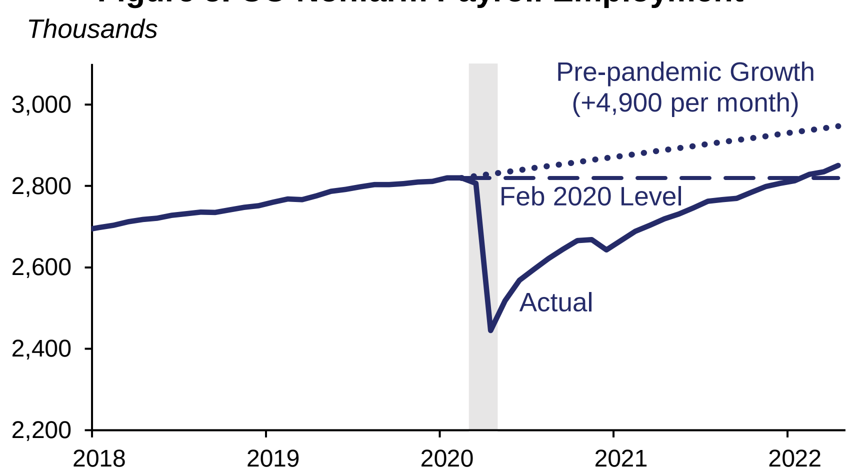


Note: Shaded areas denote recession.
Source: Bureau of Labor Statistics

The labor market in Colorado has historically been tighter than the nation's, particularly in expansionary periods. Currently, the ratio for Colorado and the U.S. is 0.5, signifying that there are two job openings available per every unemployed person. The number of job openings for both Colorado and the U.S. is considerably higher than before the pandemic. However, Colorado has more unemployed people than it did pre-pandemic while the unemployment level in the U.S. has mostly recovered. Therefore, by this measure, the nation's labor market is tighter than it was before the pandemic because there are fewer job openings per unemployed person, while Colorado has a similar ratio of unemployment to job openings as it did before the pandemic.

With labor demand remaining elevated, total employment has grown steadily in Colorado, surpassing its February 2020 level. During the previous expansion, Colorado's economy added an average of 4,900 jobs per month. Over the past year, total employment has increased much faster, growing at a pace of 10,800 jobs on average as the economy recovered from the sudden and deep loss of jobs in 2020. This rapid job growth has caused employment to surpass the February 2020 level. However, the dotted line in Figure 5 shows a counterfactual of employment if jobs had continued to grow at the pre-pandemic rate, absent a recession. The figure shows that because employment took such a large hit as a result of the Covid-19 pandemic, employment levels are still well below this counterfactual. OSPB expects that employment growth will start to slow to a more sustainable pace throughout the year, and therefore will remain below the counterfactual pre-pandemic trend going forward.

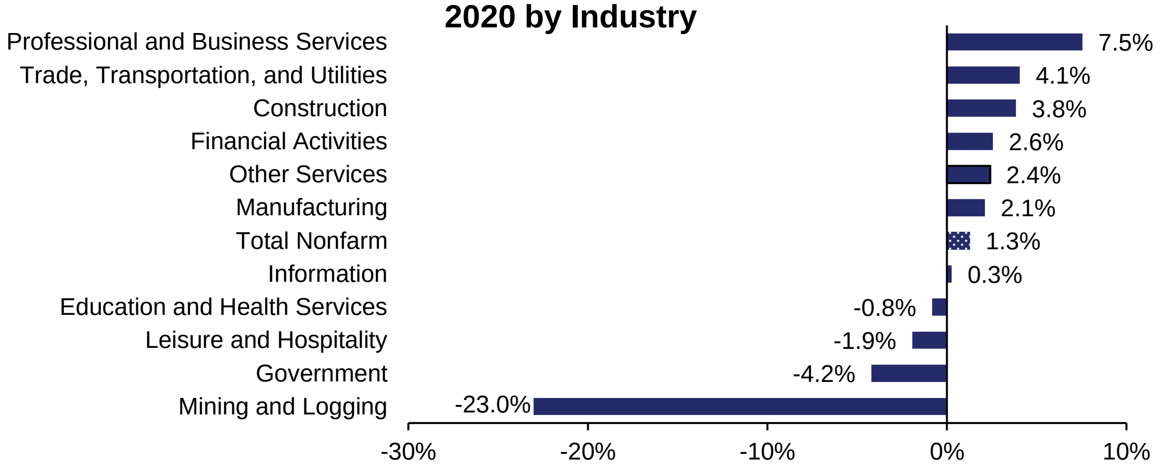
Figure 5. CO Nonfarm Payroll Employment



Note: Shaded areas denote recession.
Source: Bureau of Labor Statistics, CDLE

While total Colorado employment has rebounded to pre-pandemic levels, the employment recovery has varied significantly by industry. Figure 6 shows the percent change in employment by industry from February 2020 to May 2022, where a positive number means there are more jobs now than there were in February 2020. In general, high wage industries have recovered more robustly than low wage industries. Professional and Business Services and Trade, Transportation, and Utilities are the two largest industries by employment, and are the two industries driving the employment recovery. Professional and Business Services experienced a smaller hit to employment in 2020 and has grown fairly close to trend since, likely due to more opportunities for flexibility including remote work, flexible work schedules, floating free days, and upskilling. Employment in Trade, Transportation, and Utilities declined by over ten percent in April 2020 but has rebounded strongly as demand for warehouse workers surged with strong demand for goods.

Figure 6. CO Percent Change in Employment since February 2020 by Industry



Source: Bureau of Labor Statistics, Current Employment Statistics

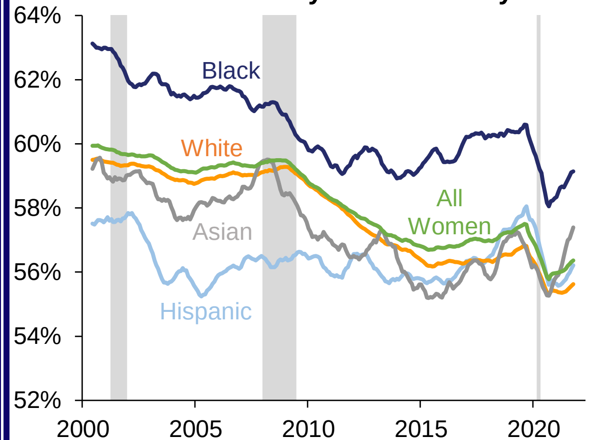
On the other end of the spectrum, Government employment is the biggest drag on overall employment, remaining 4.2 percent below its February 2020 level. Government employment declines are concentrated in state government education employment and local government employment, both education and non-education, which is at least partially driven by stagnant wage growth. Additionally, the Mining and Logging industry, which includes the oil and gas industry, is down 23 percent since the start of the pandemic, by far the largest percentage decline of any industry.

Overall, the fundamentals of the Colorado labor market are strong so far in 2022. Labor force participation is fully recovered, employment is growing steadily, and demand for labor is high. Looking forward, some downside risks include the potential for overheating and Federal Reserve rate hikes resulting in decreased demand for labor.

U.S. Labor Force Participation for Women

The U.S. labor force participation rate for women stood at 56.7 percent in April 2022, which is 1.2 percentage points below where it was before the pandemic, and 11.3 percentage points lower than the labor force participation rate for men. The labor force participation rate has been falling consistently for both men and women over the past 20 years due to an aging population. However, the extent of this labor force trend for women varies by racial and ethnic group. Black women have historically had the highest labor force participation rate, but have dropped the most substantially since 2000 out of all four groups. Researchers Leah Platt Boustan and William J. Collins found that the high labor force participation for Black women may be due to a legacy of differences in social norms around women working outside the home[1]. Meanwhile, Hispanic women historically had the lowest labor force participation rate, but remained fairly steady between 2000 and 2016, before picking up toward the end of the last expansion. The Covid-19 pandemic has affected all four groups differently as well. Black, White, Asian, and Hispanic women all experienced declines in labor force participation in 2020. However, as of April 2022, Asian women have fully recovered while White, Black, and Hispanic women's labor force participation rates are respectively 1.4, 2.2, and 3.0 percent lower than they were pre-pandemic. Some of the racial and ethnic disparities can be explained by differences in industry makeup of employment across different groups due to White and Asian women being more concentrated in Professional and Business Services, as well as childcare constraints affecting racial groups differently.

Figure 7. U.S. Labor Force Participation Rate for Women by Race/Ethnicity



Note: Shaded region denotes recession.
Source: Bureau of Labor Statistics

Wages and Income

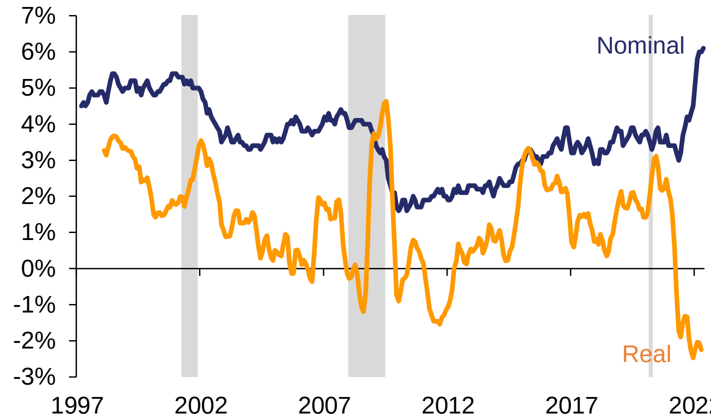
Nominal wage growth has been historically high over the last year as the labor shortage caused businesses to compete for workers by raising wages at a faster pace than historical trends. According to data from the Federal Reserve Bank of Atlanta's wage growth tracker, nominal wage growth for the U.S. reached 6.1 percent in May, the highest growth on record for this series. This series is measured as the median percent change in the hourly wage of individuals observed 12 months apart, and therefore is less sensitive to composition effects (e.g. changes in the industry makeup of the workforce) than other measures of wage growth. The blue line on Figure 8 shows

[1] Boustan, L.P. and Collins, W. (2013). The Origin and Persistence of Black-White Differences in Women's Labor Force Participation. L.P. Boustan, C. Frydman, & R. A. Margo (Eds.). *Human Capital in History: The American Record* (p. 205 – 240).

this series over time. OSPB expects wage growth to remain strong in the short term and begin to revert back to normal growth by the end of 2022.

Despite record highs in nominal wage growth, elevated inflation has diminished the real impact for individuals. After adjusting for inflation, real wage growth has been negative since April 2021. The most recent reading shows that real wage growth was -2.1 percent, meaning that the median individual's real wages are 2.1 percent lower in April 2022 than they were in April 2021. OSPB anticipates that as inflation begins to normalize and nominal wage growth softens but remains strong, real wages will rebound through the end of 2022 and 2023.

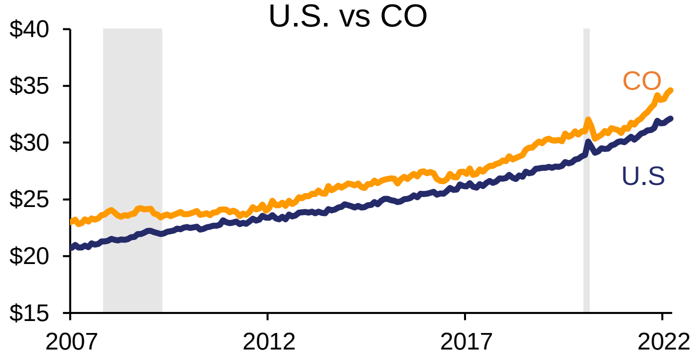
Figure 8. U.S. Median Wage Growth
Nominal vs. Real



Note: Shaded region denotes recession
Source: Alanta Fed Wage Tracker; Author's calculations

Wages tend to be higher in Colorado than the nation as a whole, and recently have been increasing at a faster rate. In May, the average wage per hour was $34.62 in Colorado and $32.10 for the U.S. Additionally, the percent change in average hourly earnings has been higher for Colorado than the rest of the nation. Nominal wages in Colorado are currently 9.0 percent higher than they were one year ago, compared to 5.2 percent for the U.S. However, average hourly earnings are partially driven by composition effects (unlike the data from the Atlanta Fed), so some of this wage growth could be due to the changing composition of employment by industry, such as growing employment in Professional and Business services and lower employment in Leisure and Hospitality.

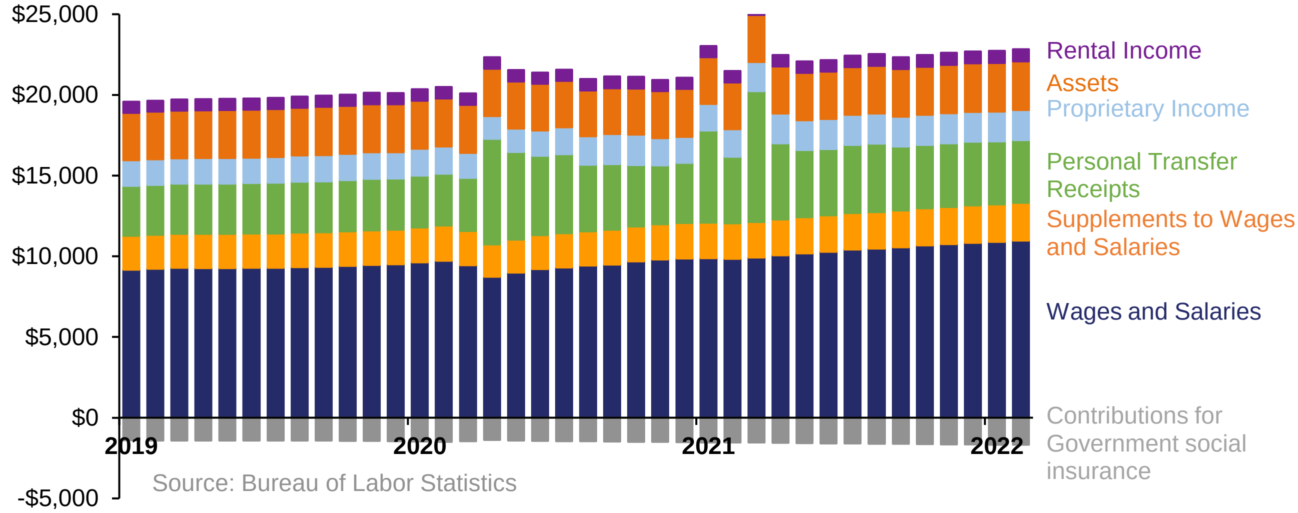
Figure 9. Average Hourly Earnings
U.S. vs CO



Note: Shaded areas denote recession.
Source: Bureau of Labor Statistics, retrieved from FRED

As nominal wages have reached record highs, so have total wages and salaries and personal income in Colorado, even surpassing the pre-pandemic trends. Strong growth in total wages and salaries has been driven by high wage growth and healthy employment gains, particularly in high wage sectors. Similarly, supplements to wages and salaries, which consists of employer contributions for employee pensions, insurance funds, and government social insurance, are more than fully recovered from before the pandemic.

Figure 10. U.S. Components of Personal Income

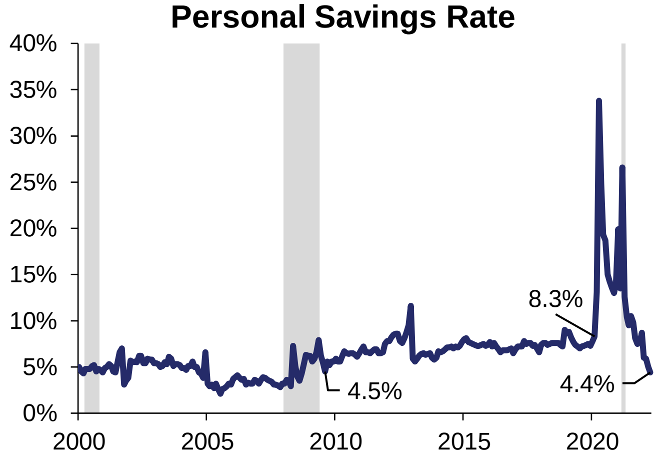


Source: Bureau of Labor Statistics

While wages and salaries is the biggest component, proprietary income also contributed to higher overall personal income, up 10 percent from a year ago as business revenue remains elevated due to high consumer spending. All of these gains have offset the decline in income coming from government transfers that were elevated from stimulus payments and unemployment benefits, and an increase in the contributions for government social insurance.

Despite higher overall personal income, the level of personal savings has come back down to pre-pandemic levels after being elevated for most of 2020 and 2021. In fact, the personal savings rate sat at 4.4 percent in April 2022, the lowest rate since the great recession, and well below the pre-pandemic savings rate of 8.3 percent. This may indicate that households are spending off their excess savings that were built up from government transfers and stimulus in 2020 and 2021, and is indicative of the impact that inflation is having on households. Higher costs for essentials such as housing and energy in particular mean that households are paying more for the same basket of goods than they were a year ago. Easing price pressures should help bring the savings rate back to an expansionary level by mid-2023.

Figure 11. U.S. Personal Savings Rate



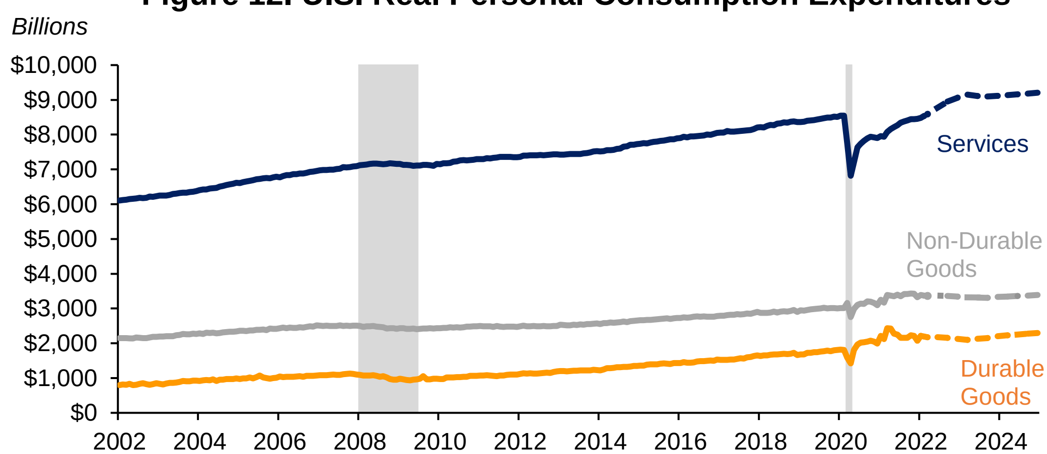
Note: Shaded region denotes recession.
Source: Bureau of Economic Analysis

Consumer Spending

Consumer spending remains strong at both the national and state level despite stiff inflationary and monetary headwinds. Real personal consumption expenditures (PCE) in the U.S. grew at an annualized rate of 3.1 percent in the first quarter of 2022, even as overall GDP contracted. The uptick in demand for services outpaced growth in goods demand, which dragged on overall PCE growth. At the state level, nominal retail sales growth continues at a rapid pace, well outpacing inflation. However, consumer spending faces downward pressure moving forward as inflation and interest rate hikes portend an expected drag in goods spending, but growth in the near-term is expected to maintain strength due to pent-up demand for services before slowing in the out-years.

After well above-average PCE growth for most of 2021 that was led by historic durable goods spending, growth has begun to moderate with total goods spending dropping by 1.0 percent year-over-year in the first quarter of 2022. Durable goods spending dropped by 2.0 percent year-over-year in the first quarter of 2022, while nondurable goods increased by 2.9 percent. Meanwhile, spending on services recorded robust year-over-year growth of 6.9 percent in the first quarter. These trends indicate that consumer spending is slowly correcting back to pre-pandemic trends following heavy goods spending during the heights of the pandemic with the service sector partially shuttered. As shown in Figure 12, real PCE growth throughout 2022 and 2023 is forecast to heavily rely on increased services spending due to pent-up demand for services such as travel, restaurants, and recreation. Meanwhile, durable and nondurable goods are expected to see slightly negative growth rates over the course of 2022 and 2023 as a result of inflationary pressures and interest rate hikes. By 2024, spending across all three major categories is expected to fully normalize as consumer behavior shifts back to expected, pre-pandemic trends.

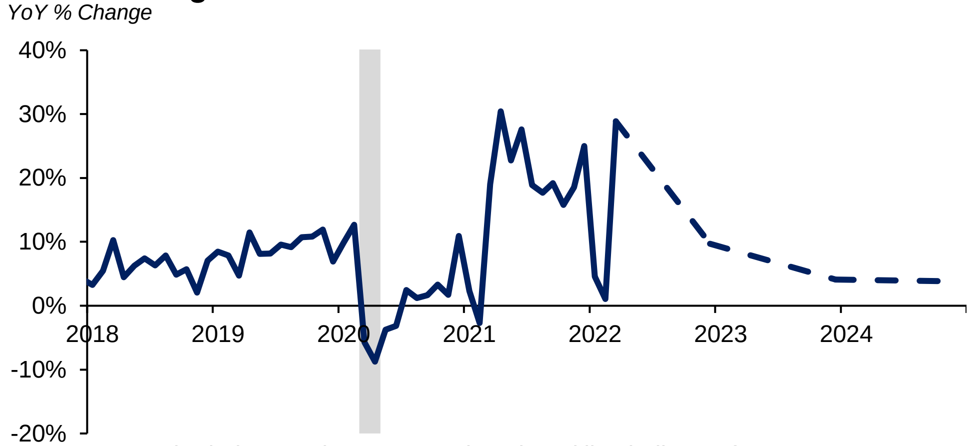
Figure 12. U.S. Real Personal Consumption Expenditures



Note: Shaded areas denote recession; dotted line indicates forecast.
Source: Bureau of Economic Analysis; OSPB forecast

In Colorado, nominal retail sales growth remains very high as depicted in Figure 13. In the first quarter of 2022, nominal retail sales grew 19.8 percent compared to the same period in 2021, totaling approximately $67.7 billion in sales compared to $56.5 billion last year. While growth is expected to moderate compared to current growth, Colorado is still forecast for well-above average growth at 9.7 percent in 2022, and the U.S. is expected to see 9.1 percent growth. Colorado retail data includes certain services not accounted for in the U.S. data, which can slightly boost state growth over the nation.

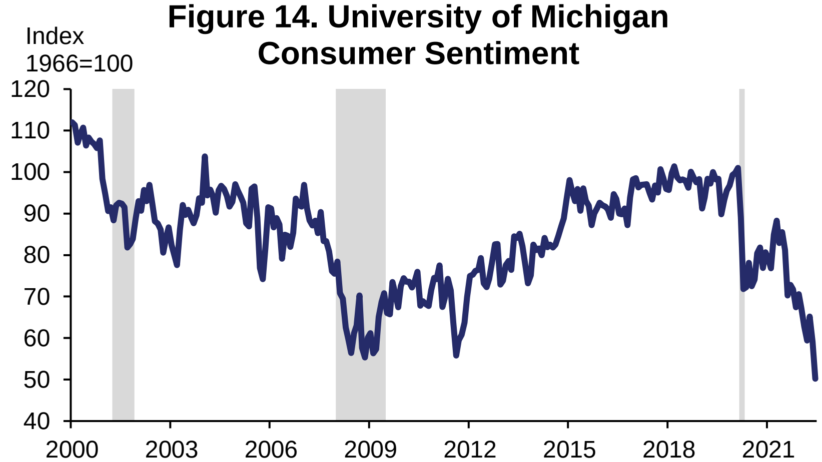
Figure 13. CO Nominal Retail Sales Growth



Note: Shaded areas denote recession; dotted line indicates forecast.
Source: Colorado Department of Revenue

Although the official data show strong retail sales through April, some softening is beginning to show as major retailers Wal-Mart and Target recently missed their earnings expectations in the first quarter of 2022 and shed billions of dollars in market capitalization, citing that inflation and supply chain issues drove the miss. The companies also saw inventories increase by 30 percent in the first quarter reflecting some consumer pullback of discretionary purchases. In contrast, discount retailers beat first quarter expectations and upwardly revised their forecasts for the year as lower-income consumers search for less-expensive options in an inflationary environment. However, in a sign of continued consumer strength, occasion-based clothing retail and sporting goods stores saw strong sales growth in the first quarter as consumers purchase certain goods to fully engage with the service sector once again. With downside risk outweighing the upside, nominal retail growth in 2023 and 2024 is expected to return to average levels of 4.1 percent and 3.8 percent in Colorado, respectively, while real growth is forecast to remain relatively flat to slightly negative, as overall economic activity is expected to slow.

Figure 14. University of Michigan Consumer Sentiment



Note: Shaded areas denote recession
Source: University of Michigan

While consumer spending remains strong, consumer sentiment has recently soured in the face of broad-based inflation, supply chain issues, and higher interest rates. As shown in Figure 14, June consumer sentiment bottomed to levels below the trough recorded during the Great Recession. The 50.2 index reading was the lowest recorded in the series history dating back to 1952. Even though this cloudy sentiment has not yet translated to significantly lower spending, it does indicate that consumers are becoming wary of current economic conditions and will likely result in a reduction in some spending. Durable goods have the biggest downside risks as they face the strongest upward price pressures, primarily due to interest rate increases as well as inflation and supply chain problems.

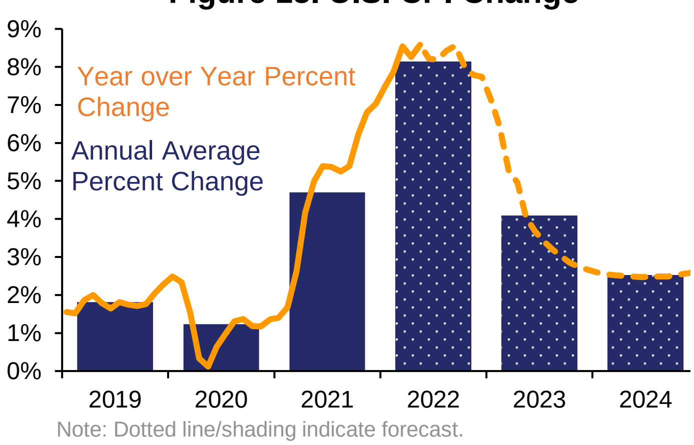
After two years of strong growth in consumer spending, downside risk outweighs the upside over the forecast period due to inflation, interest rate increases, and dwindling individual savings. With that, the service sector is expected to buoy consumer spending in the near-term as goods spending drops, but after 2022, overall spending growth is expected to moderate.

Inflation

Consumer price index (CPI) inflation for the U.S. hit 8.5 percent year-over-year in March before dropping to 8.3 percent in April, and reaching a new peak of 8.6 percent in May, all above expectations due to heightened prices across all components. Inflation for the Denver-Aurora-Lakewood area also came in high over the past three months, peaking in March at 9.1 percent, before dropping to 8.3 percent in May. Price growth continues to be broad-based and high prices for energy, food, and other goods have proven more resilient than anticipated. Inflation is expected to moderate over the course of the year, but at a slower rate than was anticipated in March, due to sustained price pressures in the shelter and other services categories combined with high food and energy prices and lingering supply chain issues.

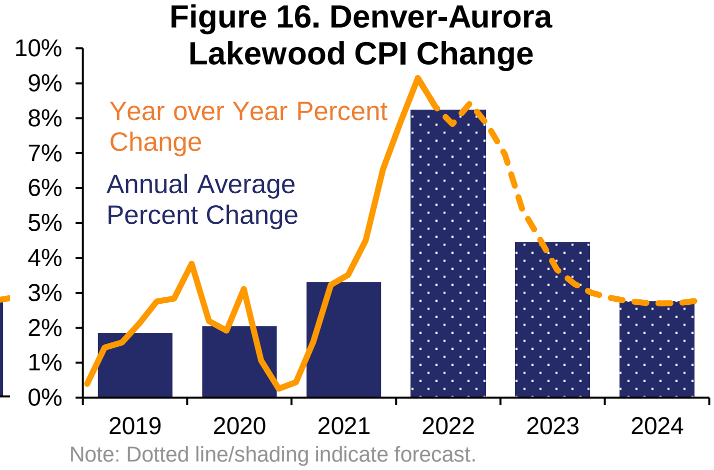
As a result of these drivers, the 2022 inflation forecast has been revised upward from 7.0 percent to 8.1 percent for the U.S. and from 7.2 percent to 8.2 percent for Colorado. The inflation forecasts for 2023 have also been revised upward from 2.8 to 4.1 percent for the U.S. and from

Figure 15. U.S. CPI Change



Note: Dotted line/shading indicate forecast.
Sources: BEA; OSPB forecast

Figure 16. Denver-Aurora Lakewood CPI Change

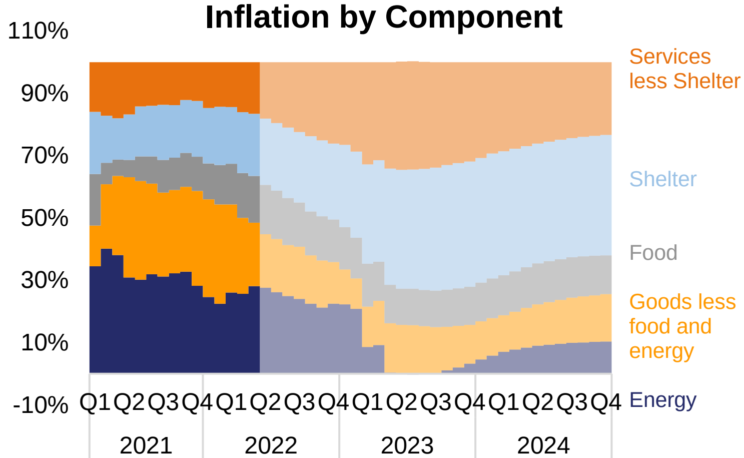


Note: Dotted line/shading indicate forecast.
Sources: BEA; OSPB forecast

3.0 to 4.4 percent for Colorado. These forecasts are shown on both a monthly and yearly basis in Figures 15 and 16.

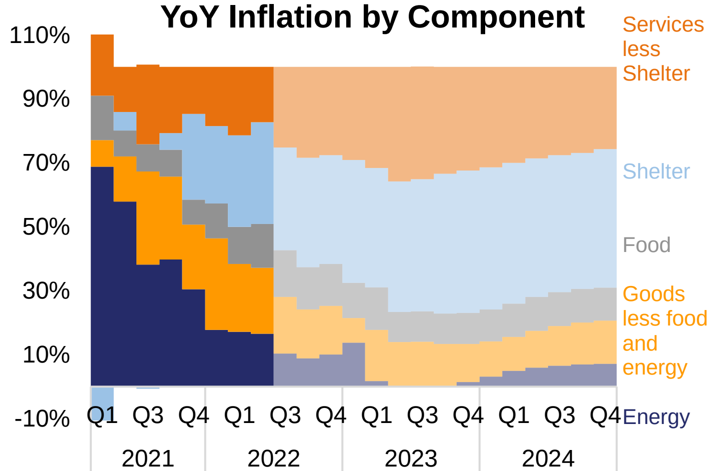
Inflationary pressures in 2022 have been broad-based. However, price increases in energy and other goods (not including food) are expected to slow through the rest of 2022 and early 2023, at which point CPI increases will be driven largely by shelter and other services. These trends are illustrated by Figures 17-18 and described in detail in the individual sections below. U.S. shelter and other services are expected to contribute nearly 51 percent of inflation by December 2022, in contrast to only 37 percent in May 2022. Each of the categories will return toward their historical norms by the end of 2024, contributing to inflation commensurate with their component weights.

Figure 17. U.S. Contribution to YoY Inflation by Component



Note: Shaded areas to the right indicate forecast.
Sources: BEA; OSPB forecast.

Figure 18. Colorado Contribution to YoY Inflation by Component



Note: Shaded areas to the right indicate forecast.
Sources: BEA; OSPB forecast.

Goods minus Food/Energy

- *Recent Data*: U.S. goods inflation was 8.5 percent in May and made up 20.4 percent of total inflation. Goods inflation has been high over the past year, peaking at 12.3 percent in February, as compared to an average of 0.2 percent year-over-year growth in 2019. Colorado goods inflation peaked at 10.7 percent in January.
- *Factors Driving Prices*: High goods prices are a result of historic demand for goods paired with persistent constraints on supply. Supply chain issues have been driven by multiple factors, including zero-COVID policies in Asian countries, port backlogs, and labor supply constraints in the trucking industry. In particular, surveys from Federal Reserve Banks indicate that supply chain disruptions remained highest in the Kansas City region, which includes Colorado. Still, the Fed's supply chain index trended downward consistently over the past three months and on average is at their lowest levels since February 2021.
- *Expectations*: As goods demand slows and supply chain pressures ease, goods inflation is projected to retract from its February peak of 12.3 percent down to 4.8 percent by December 2022. Colorado's location and distance from major ports means that it may

experience slightly more drawn out effects on goods prices related to these supply chain effects, but the impacts on inflation will be minimal in comparison to the shelter and service inflation effects discussed below.

Food

- *Recent Data:* U.S. food price inflation was 10.1 percent in May and contributed 15.0 percent of total inflation. Food prices have increased at consistently higher rates than usual over the course of the pandemic, and the 10.1 percent growth rate in May was the highest rate seen since February 1981. These price increases have been particularly high for meat, dairy, eggs, and grains. For example, the price of flour was up 13.7 percent and the price for a carton of eggs was up 32.2 percent for the U.S. in May. Colorado food prices followed the nations as well, up 9.8 percent in May.
- *Factors Driving Prices:* High food price inflation has been driven by high prices for agricultural inputs like fertilizers, public health concerns in food production facilities, and worker shortages suppressing supply. The war in Ukraine exacerbated these pressures as both Ukraine and Russia are major exporters of corn and wheat.
- *Expectations:* U.S. food price increases are expected to have hit their peak in May at 10.1 percent. Then, food price growth is expected to slow, though food price inflation is expected to remain at or above 8.0 percent through December, with continued price increases largely driven by the persistence of the war. Due to the global nature of food supply and demand, the trends in Colorado will likely continue to tie closely to those on the national side, peaking in May and slowing through the rest of the year.

Energy

- *Recent Data:* After nearly an 18 percent drop at the onset of the pandemic, energy prices remained suppressed until February 2021 due to lower demand. However, prices have spiked over the past year with strong demand and the supply effect of the war in Ukraine. Accordingly, energy inflation has significantly outpaced the other categories, hovering between 25 and 33 percent thus far in 2022 as both gas prices and home energy costs have soared above pre-pandemic levels. U.S. energy prices were up 34.6 percent in May over 2021 levels, the highest rate since September 2005. Colorado energy inflation has largely followed the nation, but was slightly lower in May at 24.7 percent. Gas prices have been particularly affected, up 62 percent over 2021 (from $3.07 to $4.97).[2]
- *Factors Driving Prices:* Energy prices have been driven by both consumer demand coming out of the pandemic, reduced supply over the course of the pandemic, and the supply effects of the war in Ukraine.
- *Expectations:* Growth is expected to slow over the rest of 2022 and early 2023, eventually turning briefly negative in June 2023, as production across the world ramps up to meet demand in response to a sustained elevated price. These production expectations are discussed in more detail in the energy section below. While energy prices are expected to fall in 2023 and 2024, the pace of falling prices is expected to be slow given the moderate

[2] AAA Gas Price data from June 9, 2022, available at https://gasprices.aaa.com/.

growth in production as a result of capital discipline. Colorado energy prices have generally seen the same trajectory as in the U.S. as a whole, with some monthly variation, and it is expected that the trajectories will remained aligned through the forecast period.

Services less Shelter

- *Recent Data:* U.S. services inflation came in at 6.0 percent in May and comprised 16.6 percent of total inflationary pressure. While 6.0 percent is less than the increases seen in other categories, it is much higher than historical rates of services inflation. For example, the average from 2000 through February 2020 was only 2.8 percent.
- *Factors Driving Prices:* Growing services inflation and a shift away from goods inflation follows the broader shift in spending habits, as goods consumption reverts down to trend levels and services consumption increases above trend levels in late 2022 and early 2023.
- *Expectations:* Service prices have gradually ramped up in 2022 and are expected to surpass goods price growth on a year-over-year basis in August 2022 in the U.S. and in July 2022 in Colorado. Consistent with this ongoing shift toward services spending and inflation, U.S. service inflation is expected to reach its peak of 8.2 percent in December 2022, at which point it will make up more than a third of total CPI growth. Colorado service inflation is expected to follow the same path as the nation and peak at 9.0 percent in September.

Shelter

- *Recent Data:* U.S. shelter inflation was 5.5 percent in May and made up 19.9 percent of total inflation. Colorado shelter inflation was up 7.2 percent in May and made up 31.8 percent of total inflation. Shelter is the largest component of CPI, and therefore has an outsized impact on headline inflation, especially in Colorado. However, it has lagged both energy and goods despite historically high housing prices amidst a mismatch of supply and demand in the housing market.
- *Factors Driving Prices:* Housing prices tend to lead increases in the shelter component, albeit with smaller relative impacts to shelter given the calculation of shelter inflation -- rent and rent equivalent for *occupied* units as opposed to real time changes in the prices of homes hitting the market. Additionally, home purchase prices only influence shelter inflation to the extent that they impact rental prices, as shelter CPI is a measure of inflation for rent and rental equivalence. Federal Reserve rate hikes will also eventually negatively impact prices through reduced demand.
- *Expectations:* U.S. shelter inflation is expected to grow to its peak of 6.0 percent in September while already high Colorado shelter inflation is expected to grow to a peak of 9.0 percent in September. Both U.S. and Colorado shelter inflation will remain high through the end of 2022. In 2023 and 2024, price growth is expected to slow as the joint effects of (1) Fed rate hikes reducing demand for housing due to higher mortgage rates and (2) increased supply slowing home price growth and passing through to shelter inflation. The shelter component is most critical for understanding the gap between U.S. and Colorado inflation due to its larger weight in Colorado and stronger underlying housing price pressure. The gap between overall U.S. and Colorado inflation over the

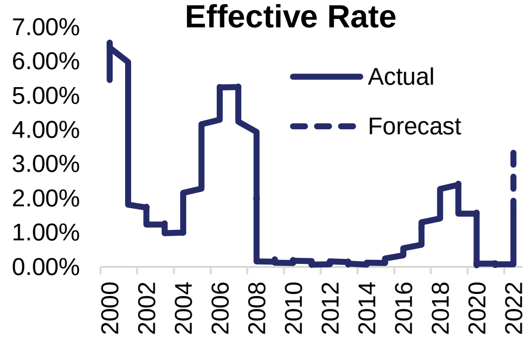
forecast period, in particular in the latter half of 2022 and over the course of 2023, reflects these differences and is consistent with historical differences in inflation.

Federal Reserve Action and the Effects of Monetary Policy on Inflation
As a result of these elevated price pressures, the Federal Reserve is tightening monetary policy to slow inflation and will continue to tighten through the end of the year. The Federal Reserve has already initiated three interest rate hikes, including a 25 basis point (0.25 percentage points) hike in March, a 50 basis point hike in May, and a 75 basis point hike in June. These rate hikes will continue, likely raising the effective federal funds rate to above 3.0 percent by December 2022 through four additional 25 to 75 basis point hikes dependent on the path of inflation. These interest rate actions have no direct effect on inflation, rather they work through other mechanisms to cool down the economy, including:

1. Making borrowing more expensive and shifting the balance between spending and saving, thus slowing consumer demand for goods;
2. Constraining the availability of cheap credit for firms. When combined with lowering expectations for corporate profits and company earnings, this results in less capital and subsequent reductions in company hiring rates; and
3. Raising the costs of large purchases such as homes by prompting increases in mortgage rates, thus slowing the demand side of the housing market.

There are a few caveats to the impact of Federal Reserve action on inflation. The indirect nature of these rate hikes means (1) that the effects are lagged, and (2) that some sectors of the economy are more responsive than others. For instance, effects on retail sales and production will likely lag rate hikes more than the effects on the housing market. Additionally, the effective federal funds rate is at a low level, and will remain relatively low even after these rate hikes ensue, as shown in Figure 19. Some economists posit that this real inflation-adjusted rate well below 0 will not be sufficient to slow price pressures. Still, this downside outlook is not the baseline expectation and it is expected that the Federal Reserve will be able to rein in inflation.

Figure 19. Federal Funds Effective Rate



Note: Dotted line indicates forecast.
Sources: Board of Governor's of the Federal Reserve; OSPB forecast.

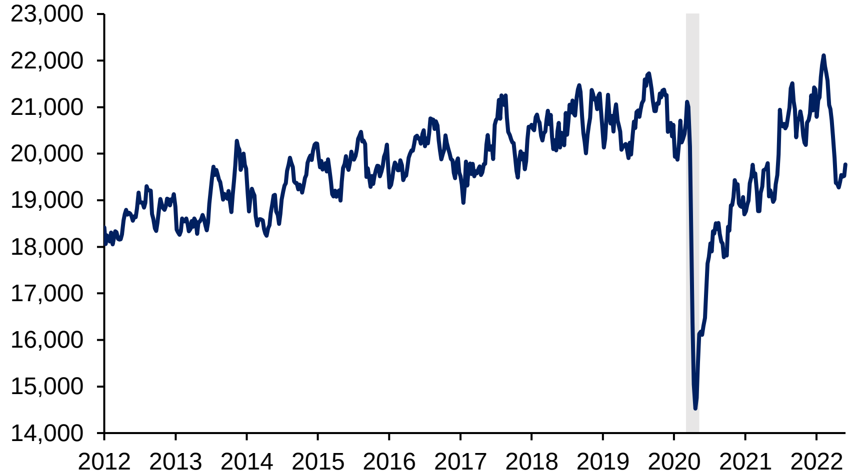
Energy

The energy forecast remains highly uncertain and prone to above-average volatility. Strong demand coupled with supply constraints related to the Russian invasion of Ukraine, low global inventories, the rate at which domestic and international producers increase drilling, and production decisions made by OPEC+ contribute to an ambiguous trajectory with upside price pressures.

Oil demand, as measured by U.S. petroleum products supplied which depicts consumption, surged through the beginning of 2022 (Figure 20) as latent economic activity regained momentum over the summer of 2021, and hitting the highest consumption on record in February 2022. Travel, commutes, and the purchase of consumer and intermediate goods all combined to drive oil prices to the highest levels since 2014. Since the consumption peak in mid-February, seasonal effects have driven demand to settle around the ten-year average as of early June. Moving forward, demand could temper for the remainder of 2022 due to inflationary headwinds, although it should remain buoyed by pent-up travel demand as hotel occupancy and air traffic volumes tick up year-over-year.

Figure 20. U.S. Petroleum Products Supplied

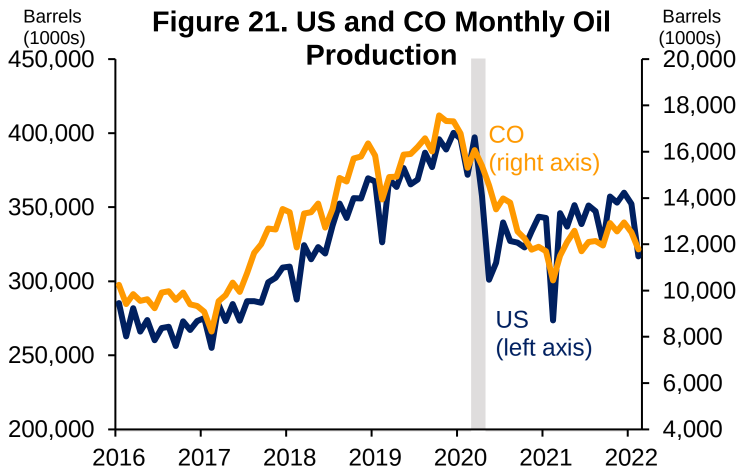
4-week average, thousand barrels per day



Note: Shaded area denotes recession. Source: Energy Information Administration.

With demand surpassing pre-pandemic levels, tight supply and global uncertainties have pressured prices upward. West Texas Intermediate (WTI), the U.S. oil market benchmark, rose to an average level of $109.55 per barrel in May – the highest monthly level since August 2008. This represents a 68.1 percent year-over-year increase. Spurred by the continued supply and demand imbalance, global oil inventories have decreased for seven consecutive quarters, driving upward price pressures. The U.S. Energy Information Administration (EIA) forecasts that oil inventories will increase but remain below their five-year average until the fourth quarter of 2023.

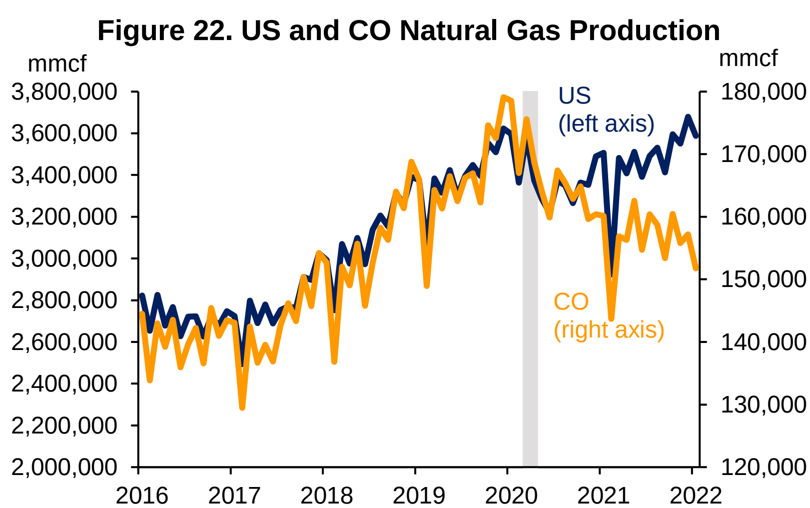
High WTI prices have translated to record-high gasoline prices in both the U.S. and Colorado with national prices for unleaded gas pushing $5 per gallon in early June, and Colorado maintaining gas prices about $0.20 below the national average. The EIA forecasts that WTI prices will drop, yet remain at elevated levels, to $102.47 in 2022 and $93.24 in 2023. Natural gas prices, benchmarked by the Henry Hub Natural Gas price, are also at sustained, elevated levels not recorded since 2008. Compared to the ten-year weekly average of $3.18 per million BTU, the Henry Hub price averaged $8.14 in May. This reflects an increase of 156 percent over the ten-year weekly average and the highest monthly level since August 2008. The EIA forecasts Henry Hub prices to be $7.69 in 2022 before dropping to $4.92 in 2023.



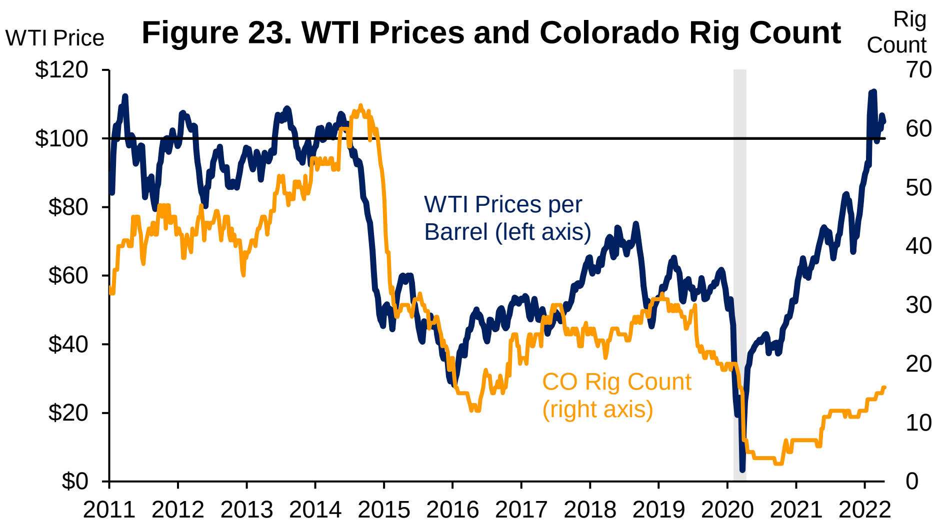
Note: Shaded area denotes recession
Source: Energy Information Administration.

One important element driving oil demand to outpace supply is producers' slow return to drilling since the onset of the pandemic. Prior to the pandemic-induced reduction in production, U.S. monthly oil production peaked in December 2019 at 400.2 million barrels while Colorado peaked at 17.6 million barrels produced in October 2019. As of January 2022, U.S. monthly oil production is at 316.7 million barrels and Colorado is at 12.5 million, reflecting a reduction of 20.9 percent and 29.0 percent, respectively, since the late-2019 peak. Colorado's slow return to production is more pronounced than the U.S., but firms across the country are hesitant to invest due to the increasing cost of labor, intensive capital costs for production, current debt levels, and the fiscal incentive of maintaining stable investment levels that result in higher profit margins due to elevated WTI prices. There is also a current investor preference with public firms to focus on dividends and debt reduction in lieu of growth.

Conversely, U.S. natural gas production has exceeded pre-pandemic levels; however, Colorado production levels remain well below pre-pandemic, with January 2022 production levels 15.3 percent below the peak reached in December 2019 as depicted in Figure 22. The natural gas production lag in Colorado is caused in part by the majority of the state's natural gas production coming as a result of oil drilling which also continues to lag.

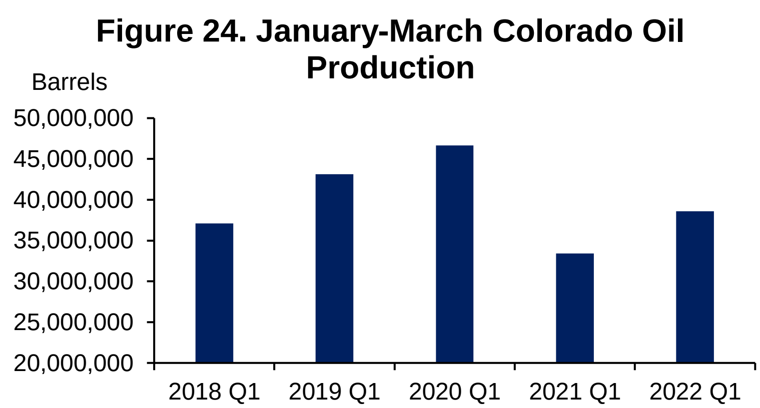


Note: Shaded area denotes recession
Source: Energy Information Administration.



Note: Shaded area denotes recession.
Source: Energy Information Administration and Baker Hughes

Although Colorado oil and gas production has lagged the nation over the past couple years, there are some signs that it is beginning to pick up some positive momentum. Over the first half of 2022, Colorado rig counts have increased from 12 at the beginning of the year to 16 in May as shown in Figure 23. The drilling rig count typically serves as a leading indicator of both oil and gas production of shale wells, indicating that a possible bump in production could take place through the end of 2022 and into 2023. Compared to peak state production in fall 2019 when the rig count was 23, the count is down about 30 percent, though the rig count has doubled since last year. This lag in rig counts has not constrained oil and gas profits, as prices have historically been the primary driver of revenue, and companies are largely choosing to maintain stable investment levels in lieu of rapid production growth.



Note: This chart depicts the top six oil-producing counties in Colorado which make up approximately 98% of production. The counties are Weld, Adams, Arapahoe, Larimer, Rio Blanco, and Broomfield.
Source: Colorado Oil and Gas Conservation Commission.

Further, Figure 24 compares first quarter oil production in Colorado's top six oil-producing counties (which make up 98 percent of production) over the past five years, and production thus far in 2022 is up 15.4 percent compared to the first quarter of 2021 and up 3.9 percent over 2018, which was the second-highest oil production year in Colorado history. Still, compared to the first quarters of 2019 and 2020 (which was prior to pandemic market effects), Colorado oil production is down 10.6 percent and 17.4 percent, respectively. Major energy firm consolidation in the region over the past couple years may put downward pressure on larger production increases as there is lower incentive for firms to grow in a less competitive environment. However, operators are continuing to draw down their drilled-butuncompleted (DUC) well inventories, indicating a short-term uptick in production. Regional industry expectations for future activity are also strong with firms in the 10th District of the Federal Reserve (which includes Colorado) indicating in the most recent quarterly energy survey that they expect drilling and business activity, capital expenditures, and access to credit to increase over the next six months. While oil production will likely not reach 2019 levels in 2022, there are signs that production will pick up as firms react, albeit slowly, to sustained, high WTI prices.

Over the forecast horizon, oil and natural gas demand is expected to continue to exceed supply in the near-term with some return to equilibrium in the out-years. Supply uncertainties include the rate at which domestic and international energy firms ramp up production, supply shocks due to the Russian invasion of Ukraine, and low inventories on the global scale. On the demand side, there is downside risk due to stringent, zero-COVID policies in China and slowing economic growth in the out-years. On balance, the energy sector forecast faces more near-term upside price risk, although it remains highly uncertain and likely volatile.

Housing and Rental Market

After strong growth in both residential construction and home prices since early 2020, lingering supply chain effects, labor shortages, and rate hikes are gradually having an impact on homebuilder and buyer sentiment. Still, the effects have been less pronounced in Colorado compared to the U.S., with housing permits in particular increasing at a much higher rate in Colorado in 2021, which should help the tight statewide housing market.

Figure 25. Colorado and US Building Permits Forecast

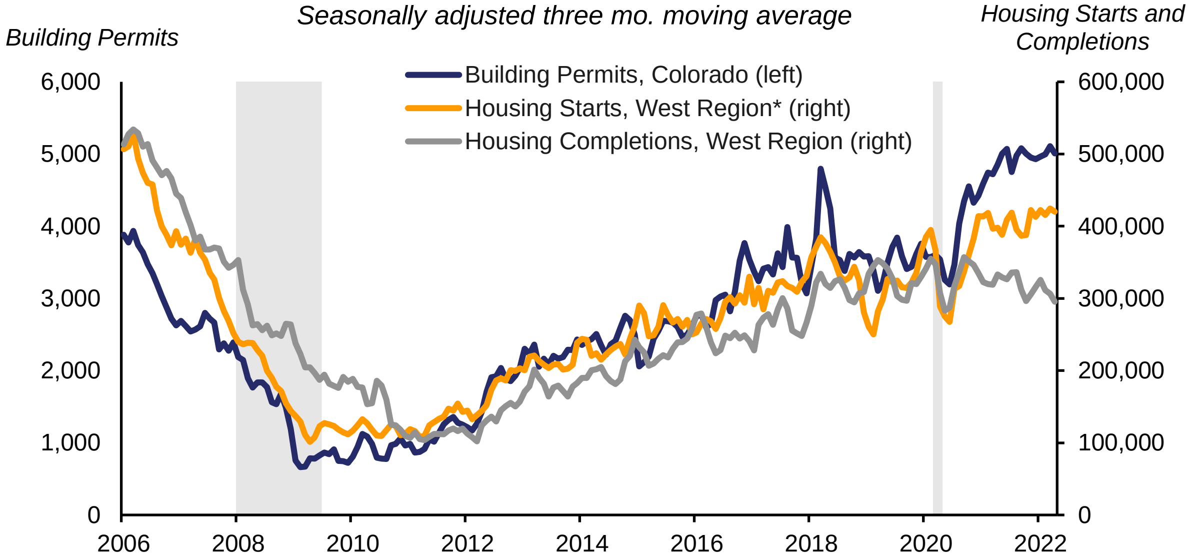
	Actual			June 2022 Forecast					
	2020	**2021**	**Change**	**2022**	**Change**	**2023**	**Change**	**2024**	**Change**
Colorado	40,500	56,500	39.7%	54,400	-3.8%	53,800	-1.0%	53,900	0.1%
US	1,471,000	1,711,000	16.3%	1,820	6.4%	1,780,00	-2.1%	1,760,000	-1.5%

Source: OSPB forecast, U.S. Census Bureau, and U.S. Department of Housing and Urban Development

While the number of housing units permitted and started have shown strong growth since 2020, housing completions have stagnated as of late. According to the National Association of Homebuilders Housing Market Index, homebuilder confidence both nationally and in the Western region has fallen to its lowest level since June 2020 as increases in labor and material costs make building more expensive, illustrated by the Producer Price Index of construction materials increasing 47 percent since February 2020. In addition, 30-year fixed rate mortgages reached 5.3 percent in mid-May, their highest level since July 2009. At the same time, the number of new home lots (an indicator of single-family homebuilders' ability to meet demand) remained flat according to Zonda's Lot Supply Index, suggesting both a significantly undersupplied market but one where builders' inventory levels will soon increase. Still, recent sharp falls in the price of lumber may provide some input price relief residential construction.

Figure 26. Private Housing Units Authorized by Building Permits, Started, and Completed

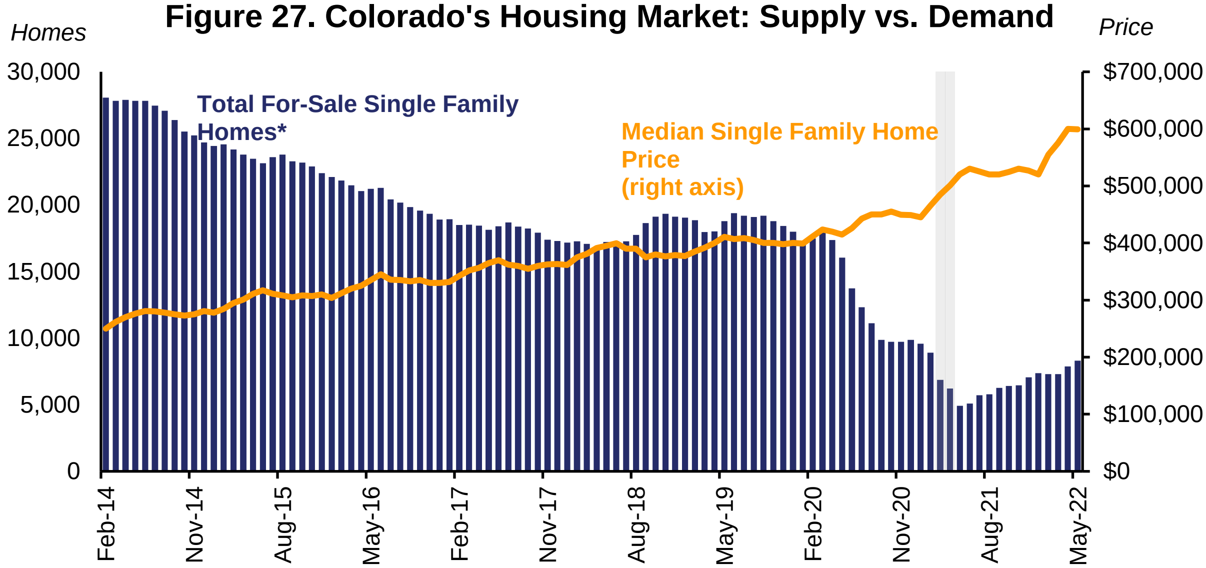
Seasonally adjusted three mo. moving average



*West Region is comprised of AZ, CA, CO, ID, MT, NM, NV, OR, UT, WA, and WY
Note: Shaded areas denote recession
Source: U.S. Census Bureau and U.S. Department of Housing and Urban Development

Across the state, the median price of a home for sale continues to increase after plateauing during the second half of 2021, reaching $599,000 for a single-family home and $435,000 for a townhouse/condo in May. The inventory of for-sale homes has started to steadily increase since February after decreasing at a record rate in 2020 and 2021, but supply is still very low by historical standards, according to the Colorado Association of Realtors. In addition, an April study by Zonda of 25 different U.S. markets showed Denver with the largest year-over-year growth in home sales at 16 percent. Still, seasonally adjusted national and regional data from the U.S. Census Bureau and U.S. Department of Housing and Urban Development indicate steep falls in sales of both existing and new homes since January, with simultaneous increases in inventory. While home sales in Colorado haven't yet dropped, they have been growing more slowly on a year-over year basis since last July.

Figure 27. Colorado's Housing Market: Supply vs. Demand



*Seasonally adjusted
Source: Colorado Association of Realtors

The mortgage market is also beginning to show signs of cooling. The Mortgage Bankers Association's weekly market composite index, which tracks mortgage loan application volume, dropped 6.5 percent in early June to its lowest level in 22 years, and its fourth consecutive week of decline. Both purchase and refinance applications dropped sharply on a year-over-year basis, by 21 percent and 75 percent, respectively. Mortgage rates alone are estimated to have increased the cost of owning a home 30 percent since the beginning of the year.

Other metrics continue to show housing demand in Colorado far outstripping supply, such as the average single-family home and townhouse/condo remaining on the market for only 22 and 19 days in May, respectively (compared to 65 and 52 in May 2014). Further, the average supply of inventory for single-family homes and townhouses/condos was only 1.1 and 0.8 months in May (dropping from 8.3 and 11.5 months in January 2010). Despite the fact that the median home price in Colorado is 66 percent higher than the national average in April according to the US and Colorado Realtors Associations, the homeownership rate in Colorado has modestly increased to 65.9 percent in 2021, the highest level since 2011 and marginally higher than the national rate at 65.5 percent, according to the U.S. Census Bureau. The recent growth in building permits is expected to continue to provide modest upward pressure on the homeownership rate.

In many counties, home price appreciation has far outpaced average wage growth over the last four years, further limiting the ability of low- and middle-income workers to own a home and build equity. This is often amplified in mountain towns where already limited housing supply is further constrained by growth in short-term rentals (STRs), which in the last two months has led to a proposed ballot measure to tax STRs in Dillon, stricter proposed STR regulations in Vail, proposed STR licensing in Breckenridge, and a new STR moratorium in Summit County.

Figure 28. Growth in Median Single Family Home Sales Price and Average Wages
Selected Counties, April 2018-October 2021

County	Median Home Price Appreciation	Average Wage Growth
Alamosa	59%	32%
Boulder	31%	46%
Chaffee	75%	48%
Clear Creek	65%	21%
Delta	11%	34%
Douglas	30%	40%
Garfield	61%	32%
Grand	95%	45%
La Plata	19%	41%
Lake	58%	30%
Mesa	36%	28%
Pueblo	53%	31%
Summit	64%	42%
Weld	38%	26%
Statewide Average	**35%**	**38%**

Source: Colorado Association of Realtors, Bureau of Labor Statistics

Rental units have also become increasingly unaffordable for a growing number of Coloradans as the drop in home affordability has pushed rental demand higher. Average annual apartment rents in metro Denver rose 14.4 percent year-over-year in the first quarter.[3] According to Zumper's Observed Rent Index, one-bedroom and two-bedroom apartments in Denver saw 27 percent and 15 percent year-over-year rent growth in May, with those in Colorado Springs seeing 15 percent each, although growth rates have slowed in recent months. U.S. Census Bureau data shows Colorado's rental vacancy rate during the first quarter was just 3.4 percent, tied for fifth lowest in the U.S. and well below the national average of 6.1 percent. According to Zillow, between January 2014 and April 2022 rents have increased by 63 percent in Denver, 76 percent in Colorado Springs, 47 percent in Fort Collins, and 51 percent in Boulder, compared to a 52 percent average across 108 U.S. cities measured. Recent legislation enacted in Colorado may eventually dent these rapid rent increases, particularly Senate Bill 22-159 and House Bill 22-1304, which provide $328 million in grants and revolving loans for affordable housing development, and House Bill 22-1051, which invests at least $420 million over 14 years in the development of affordable rental units.

Overall, we expect this drop in housing demand to lead to more stable home price appreciation and potentially even price decreases by late 2022, although the effect should be more muted in Colorado due to higher household incomes driving stronger underlying demand for homes relative to the U.S. This may have spillover effects on the rental market, although it's too early to tell if recent legislation will boost rental affordability.

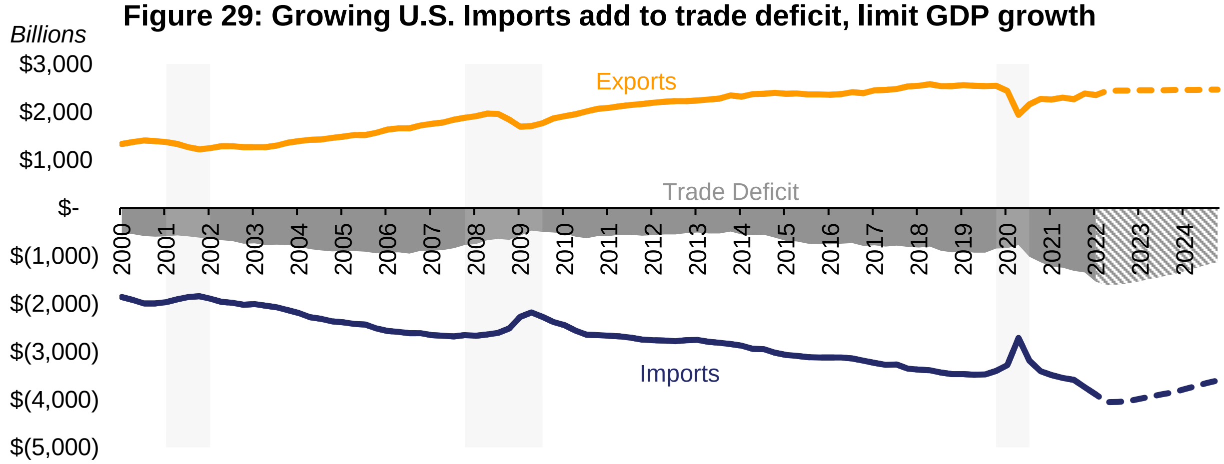
[3] University of Denver and Apartment Association of Metro Denver

International Trade

International supply constraints are expected to continue upward pressure on inflation while simultaneously dragging down economic growth. In the U.S., the drag of international trade on GDP is thought to be at its peak currently, due to elevated goods consumption, firms' investment in equipment, front-loaded business orders, and a strong dollar. While interest rate hikes by the Federal Reserve will likely slow goods consumption and firm investment, the trade balance reversion is expected to be slow due to the strength of the dollar. The strength of the dollar limits U.S. export growth overall, but exports of major Colorado products are less sensitive to dollar appreciation or global economic slowdowns given that these goods tend to be more differentiated, and therefore Colorado exports are expected to grow at a faster pace than the nation.

In the first quarter of 2022, U.S. GDP contracted by 1.5 percent on an annualized basis, largely due to a record trade deficit, which contributed approximately a 3.2 percent drag on economic growth. This record trade deficit last quarter is the result of surging imports due to elevated goods consumption, firms' investment in equipment, front-loaded orders, and U.S. dollar appreciation.

Figure 29: Growing U.S. Imports add to trade deficit, limit GDP growth



Note: Shaded region denotes recession; dotted line indicates forecast.
Source: U.S. Census Bureau

OSPB expects the trade deficit to increase at a less pronounced pace in the current quarter for the same reasons, before slowly reverting to 2021 levels by 2024 as exports continue to grow slowly while imports contract. The prolonged nature of the elevated net export deficit is due in part to a relatively strong dollar, which makes imports from other countries cheaper and increases the price of exports, and offsets slowing real U.S. consumer demand.

Dollar appreciation tends to have disparate effects on different types of goods, with international trade of raw commodities, like corn and soybeans, being particularly sensitive to currency fluctuations. On the other hand, consumer oriented or highly manufactured products tend to experience minimal drag from exchange rate dynamics. As such, the strong dollar will likely have less effect on Colorado exports than overall U.S. exports because the top exports tend to be value added or consumer-oriented products, like aircraft parts, beef, and computers and electronic products.

Figure 30: Colorado's top 10 exports in 2021

Commodity	Value (in millions)
Fresh or Chilled Beef, Boneless	$661.2
Integrated Electronic Circuits	$611.0
Frozen Beef, Boneless	$481.2
Civilian Aircraft, Engine, and Parts	$305.7
Medical, Surgical, Dental Instruments	$295.3
Frozen Beef, Bone-in	$141.5
Fresh or Chilled Pork, Bone-in	$140.7
Fresh or Chilled Pork Boneless	$138.0
Orthopedic Appliances	$137.6
Optical Instruments	$115.2

Source: U.S. Census Bureau

International GDP growth is also an important factor determining overseas demand of U.S. and Colorado products. Similar to the exchange rate response, raw commodity exports are more reactive to changes in overseas economic growth. Very few countries experienced a recession in 2021, with most countries experiencing above trend growth as the world quickly recovered from the pandemic recession. Mexico and Canada grew at a slightly slower clip than the U.S. in 2021, but Canada is likely to outpace the U.S.' economic growth in 2022 due in part to a larger share of its economy tied to the energy sector. Most European nations also saw slower growth than the U.S. in 2021, with the exception of France, the U.K., and Ireland. While the U.K. is expected to outpace U.S. growth in 2022 as well, the EU area will likely grow slightly slower than the U.S., and further downside risk exists if the war in Ukraine is prolonged. Japan's economic growth remains slow relative to other G10 nations, which is expected to continue in future years.

Figure 31: International GDP growth estimates and expectations

Country/Region	2021 actual	2022 forecast
World	6.1%	3.0%
United States	**5.7%**	**2.5%**
Canada	4.6%	4.3%
European Union	5.4%	2.3%
United Kingdom	7.4%	3.8%
Japan	1.6%	1.8%
China	8.1%	4.5%
India	8.9%	7.5%
Brazil	4.6%	0.5%
Russia	4.7%	-11.0%

Source: International Monetary Fund; Author's calculations

Turning to the growth outlooks of major developing nations, China rebounded in 2021 after experiencing below trend growth of 2.3 percent in 2020. However, China's growth is expected to slow again as it struggles to maintain rapid economic expansion alongside its strict COVID policies. India's economy grew rapidly in 2021, due to strong exports to the world and rising consumer demand domestically, which are expected to contribute to continued high growth in the coming years. In 2021, weak consumer demand and a slow-to-recover labor market limited economic recovery in Brazil. These same drivers are expected to apply further downward pressure on Brazil's growth this year. Finally, while Russia's economy grew in 2021, the recent conflict in

Ukraine has led to expectations of a sharp contraction in Russia in 2022. The conflict will also have spillover energy and food impacts to the rest of the world that will slow global growth in 2022, but most nations are likely to avoid a further contraction in the current year.

The energy and food supply disruptions stemming from the Ukraine conflict are expected to exacerbate global inflation. This has a particularly negative impact on emerging market countries where food and energy consumption make up a larger share of total consumer spending. Food inflation is higher than it was in 2008, when rapidly accelerating grains prices spurred high prices. Further upward pressure would likely force developing countries' central banks to take action. Global inflation ticked up to 3.4 percent in 2021, the highest rate in a decade. However, U.S. inflation grew at a faster rate, 4.7 percent, due to a higher share of goods consumption that were impacted by disruptions in global supply chains.

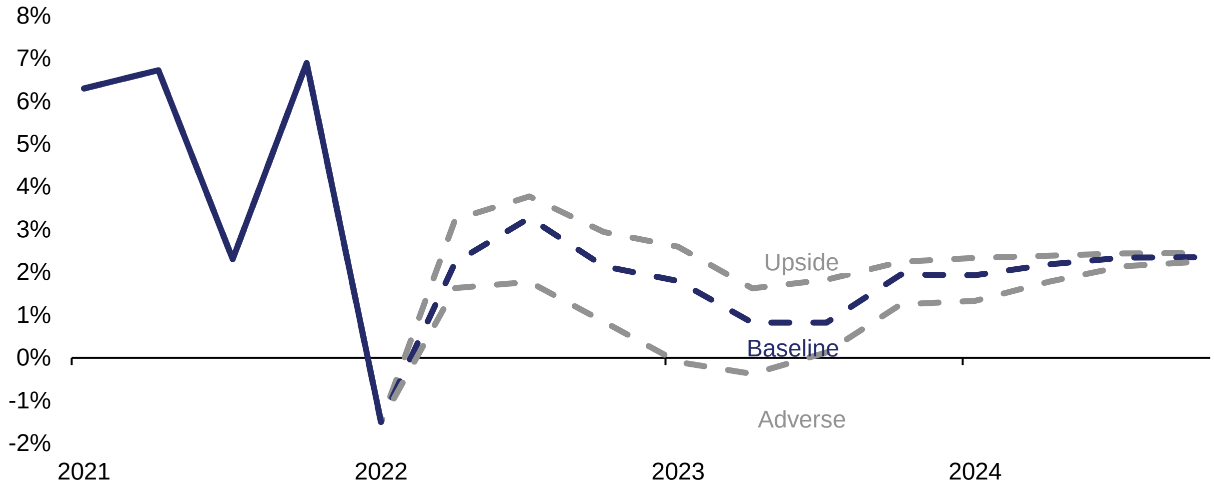
While 2022 began with lowered wait times on delivery orders in the U.S., recent developments indicate that a full resolution to supply chain disruptions may be over a year away. Reasons for a delayed return to normalcy include continued production setbacks abroad due to zero-COVID policies, a labor shortage in the U.S. trucking industry, and lags to get new supply chain structures up and running despite extensive investments made to date. A likely outcome by the end of the forecast window is that newly implemented supply chains require less reliance on any one nation while monetary policy reduces the current tightness in the labor market, resulting in a limited long-term inflation targets only nominally above 2 percent. Risks of de-globalization, reduced migration, and shrinking cross-border capital flows could increase equilibrium inflation more significantly above current 2 percent targets.

Forecast Risks

OSPB creates a point estimate forecast, the baseline scenario, for all economic and revenue variables. However, it does explore alternative economic growth scenarios to capture the risks in the economic environment. The baseline scenario includes sustained high inflation in 2022, which moderates in 2023 as monetary policy hikes begin to impact consumer demand, labor demand and housing prices, while global growth continues to slow.

The **upside scenario** includes more solid consumer spending in the face of high inflation and rising interest rates, buoyed by approximately $2 trillion in excess savings that run off more quickly to meet the pent up services demand. Additionally, labor market demand remains elevated while the labor force participation nationwide returns to pre-pandemic levels, resulting in continued low unemployment as the Fed successfully manages inflation more quickly than the baseline. The resulting annual GDP forecasts for 2022 through 2024 under such conditions are expected to be 2.9 percent, 2.5 percent, and 2.2 percent respectively.

Figure 32. GDP Growth Forecast Scenarios



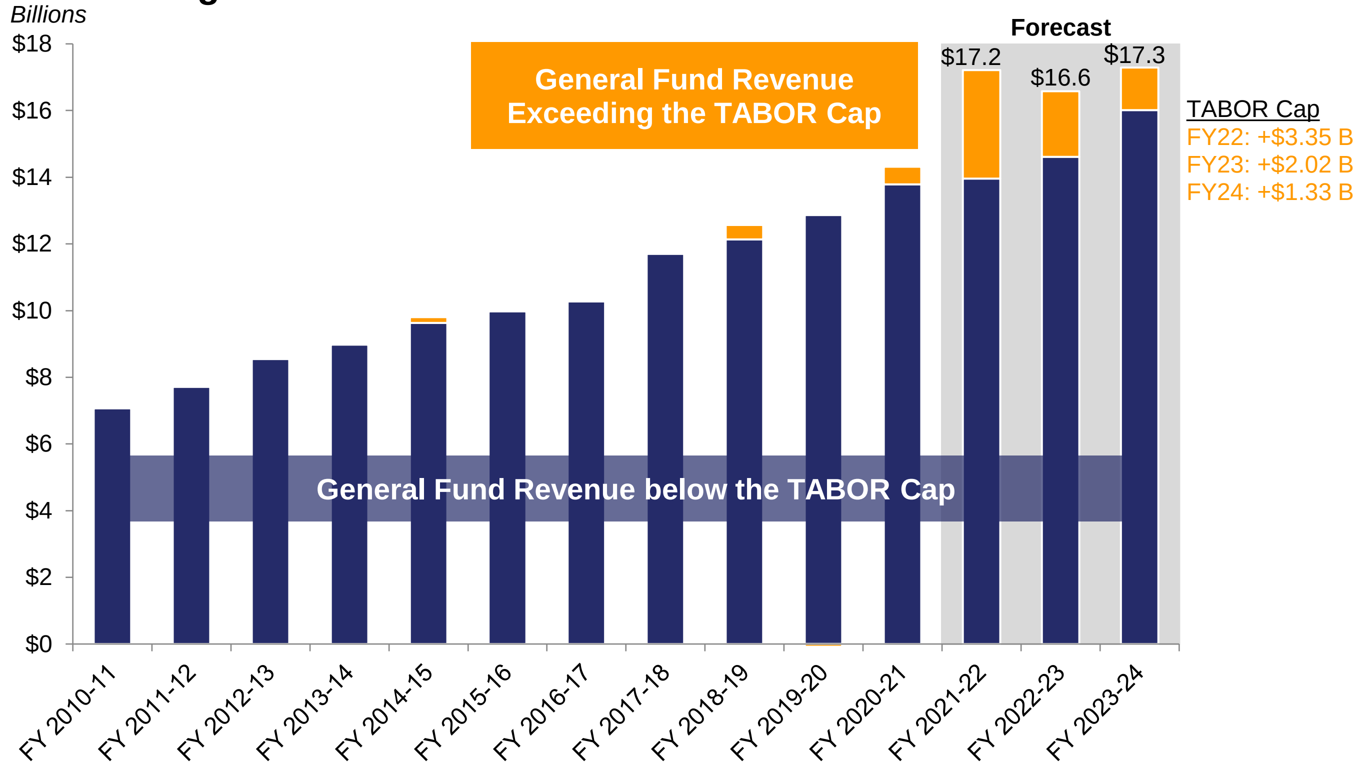
Source: OSPB forecast

The **downside scenario** includes prolonged inflation as the main downside risk, as continued high inflation may increase the nominal value of sales but would also eat into aggregate demand, thereby slowing economic growth. Additionally, further market selloffs alongside increased borrowing costs due to Federal Reserve actions could disrupt business investment as well as the completion of supply chain diversion efforts that are in progress. Finally, a prolonged war in the Ukraine would exacerbate existing food and energy supply shocks. Under this scenario, an aggressive monetary tightening response will slow demand enough to push the economy into a small recession, with two quarters of slightly negative growth to begin 2023. However, in such a scenario, the annual growth rate would still remain positive for the entire calendar year of 2023, at 0.5 percent. Economic conditions currently underlying this forecast are weighted towards downside risk.

General Fund Outlook

General fund revenue is projected to increase to $17.2 billion in FY 2021-22, a 20.3 percent change from the prior fiscal year. The projection for FY 2021-22 is $1.0 billion higher than the March forecast, in response to record high income tax revenue in April. OSPB expects revenues to then fall by 3.8 percent in FY 2022-23 before growing again by 4.3 percent in FY 2023-24. In FY 2022-23, the forecast is revised down $76.8 million, as reduced expectations in future individual and corporate revenues of estimated payments and cash with returns more than offset higher sales tax revenue. In FY 2023-24, however, revenues are revised up $91.1 million overall, as higher sales tax revenues more than offset downward revisions in income revenue in the form of withholdings and, to a lesser extent, estimated payments. The high pace of inflation is expected to drive up sales tax revenue, even as consumer demand is projected to decline. Compared to the March forecast, OSPB expects less income revenue from business profits in the out-years, particularly in FY 2022-23, and lower individual income withholdings in FY 2023-24.

Figure 33. General Fund Revenue and TABOR Refunds



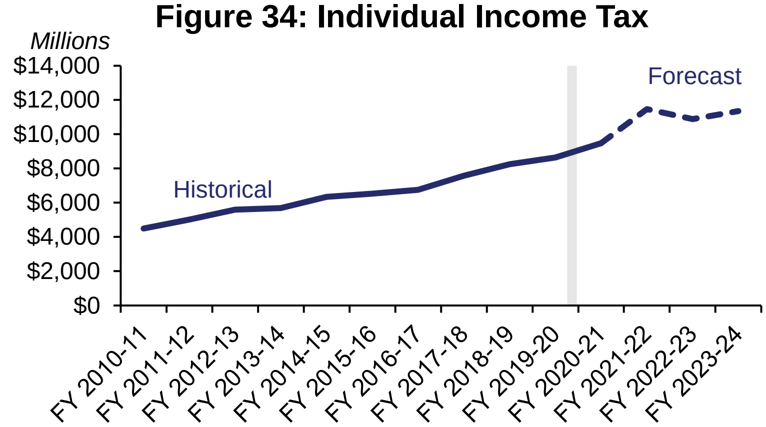
Source: Office of State Planning and Budgeting

General Fund revenue is projected to exceed the TABOR cap in the current fiscal year and throughout the forecast period. Revenue is expected to exceed the cap by $3.4 billion, which is $1.1 billion more than was forecast in March. General Fund revenue above the cap is projected to be $2.0 billion in FY 2022-23, and $1.3 billion in FY 2023-24.

Individual Income Tax

Individual income tax receipts in FY 2021-22 are projected to increase by 21.0 percent compared to the prior fiscal year, to $11.5 billion. This reflects an upward revision of $749.9 million from the March forecast. The April General Fund report totals set records and were driven by estimated payments and cash with returns collections that far exceeded the OSPB March forecast for the month, by 95 and 62 percent respectively. Estimated payments hit historically high levels due to pass-through businesses paying more than the required levels of the previous year to account for continued record high profits so far in 2022. This business decision is also motivated by firms owing a significant amount in cash with returns in April as a result of underreporting previous estimated payments. In addition to that, cash with returns increased from capital gains owed on equity sales during the stock market boom in 2021. In FY 2022-23, overall individual income revenue is expected to decrease by 5.1 percent, as strong withholdings growth is more than offset by reduced estimated payments and cash with returns in response to the economic slowdown. In FY 2023-24, revenue is forecast to again grow by 4.3 percent due to a rebounding business environment even as wage growth slows.

Figure 34: Individual Income Tax



Note: Shaded region denotes recession.
Source: Colorado Department of Revenue; OSPB

Individual income tax withholdings account for more than 80 percent of net individual income tax receipts and are closely linked to aggregate wages and salaries. Colorado aggregate wages and salaries remain strong in response to a tight labor market, but the relative pace of growth has been revised down because of more aggressive monetary policy that is anticipated to further limit labor demand. In calendar year 2022, wage growth is now expected to be slightly above the March forecast, but this fades over the course of 2023, ending the year down 0.7 percent on average. This relative decline in expected growth to total wages and salaries is weighted towards the second half of the year and continues into 2024. Therefore, withholdings are revised up by $71.4 million from the March forecast in FY 2021-22 resulting in a growth rate of 14.4 percent. One reason for the upward revision is that high wage sectors are adding jobs at a faster rate than lower wage jobs, while the lowest wage jobs are experiencing the largest growth in average weekly salary. In FY 2022-23, withholdings are revised down by only $1.3 million and grow 6.7 percent, in line with FY 2015-19 averages. In FY 2023-24, withholdings revenue growth slows to 2.3 percent as the labor market loosens, constituting a $121.5 million downward revision from March.

Estimated payments are revised up by $622.1 million in FY 2021-22 compared to the March forecast, largely due to the record revenue total in April as pass-through businesses expected earnings continue to outpace recent history. However, as the economy is projected to slow in 2023, pass-through business are expected to respond by reversing course and reducing estimates to account for the new environment. The slowing economy is a result of depressed aggregate demand in the face of higher interest rates, which impacts small businesses and C-corps alike. Even though the first half of 2024 is expected to rebound to potential growth, proprietors' profits are expected to be reduced relative to the March forecast. Therefore, estimated payments are revised down by $78.8 million in FY 2022-23 and $62.5 million in FY 2023-24. The resulting decline in FY 2022-23 is now more pronounced, falling 32.9 percent, after 42.5 percent growth in FY 2021-22.

Cash with returns are expected to drop by 27.8 percent in FY 2022-23, a downward revision of $167.3 million, due to high previous estimated payments, which reduce the amount of additional taxes owed. Additionally, a drop in cash with returns next fiscal year is anticipated as the amount of non-wage income is expected to compress as the economic slowdown sets in. In FY 2023-24, cash with returns increase by 15.9 percent to account for the large pullback in estimated payments in FY 2022-23 and the rebound in equity markets expected to begin 2024.

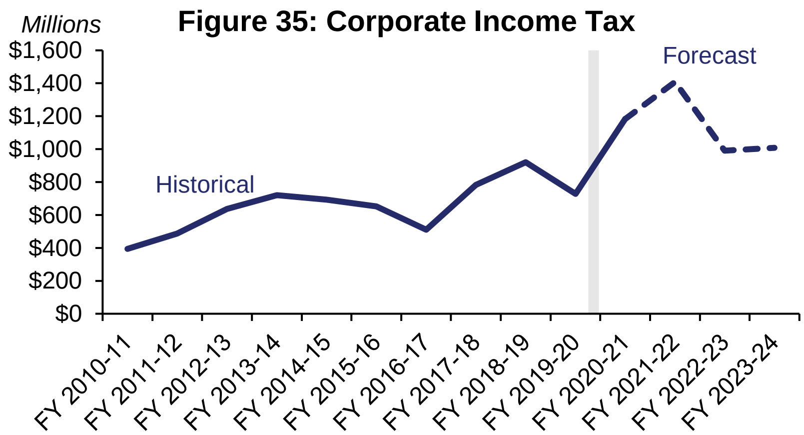
Finally, **refunds** are revised down by $142.9 million in FY 2022-23 and $168.0 million in FY 2023-24. Refunds were exceptionally high during the pandemic economy given strong growth in estimated payments and withholdings. But, as the economy slows towards normalcy, these refunds are expected to be return to pre-pandemic trends. Therefore, refunds are expected to fall 6.2 percent in FY 2022-23 before rising 0.3 percent in FY 2023-24.

In addition to the above economic drivers, there are policy impacts from the last two state legislative sessions. From the 16 bills with a revenue impact in the most recent session, H.B. 22-1205, Senior Housing Income Tax Credit, has the largest revenue impact on individual income tax revenue. This bill creates a new one-time refundable income tax credit for seniors who own a home but do not qualify for the Homestead Exemption, and is expected to increase refunds by $95.0 million, over FY 2021-22 and FY 2022-23, with additional reductions to cash with returns of $5.0 million. From the 2021 legislative session, portions of H.B. 21-1311 and H.B. 21-1312 have increasing impacts in FY 2022-23 and beyond. One such example is the cap on itemized deductions in H.B. 21-1311, which ramps up significantly in FY 2022-23 and is expected to increase cash with returns by $123.7 million on an accrued basis, over double the impact relative to the current fiscal year. Finally, the only federal bill driving policy adjustments on individual income tax is the Infrastructure Investment and Jobs Act, which is expected to have a minimal impact through the forecast period.

Corporate Income Tax

As corporate profits growth has continued to outpace expectations, corporate income tax receipts are projected to grow by 19.0 percent FY 2021-22, off of the historic highs of FY 2020-21. This is a $232.0 million upward revision from the March forecast, due to April estimated payments and cash with returns coming in above expectations in a similar fashion to individual income revenue. Corporate profits are expected to decline in 2023 as rising inflation and interest rates slows aggregate demand. Therefore, in FY 2022-23, the expected drop in corporate tax

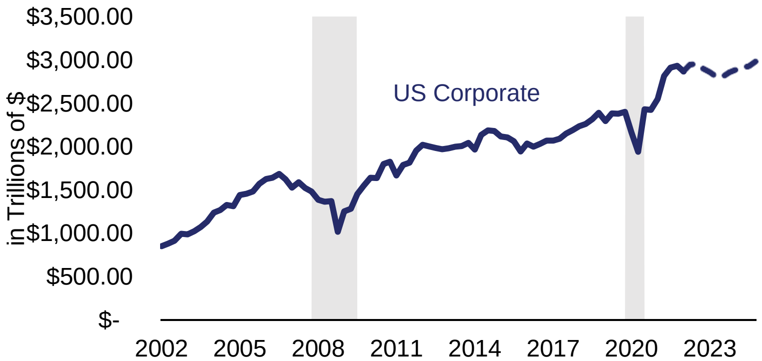
Figure 35: Corporate Income Tax



Note: Shaded region denotes recession; dotted line indicates forecast
Source: Colorado Department of Revenue; OSPB forecast

revenue is now 29.7 percent. Finally, in FY 2023-24, corporate tax revenues are expected to grow by 1.7 percent, resulting in the third highest total on record after FY 2020-21 and the projected FY 2021-22.

Figure 36: Corporate Profits expected to falter, but remain elevated



Note: Shaded region denotes recession; dotted line indicates forecast
Source: U.S. Bureau of Economic Analysis

Corporate profits before taxes, which account for inventory and capital adjustments, are an important indicator for corporate income revenue. In the fourth quarter of 2021, these profits nationwide hit a record high of $2.94 trillion before falling slightly to $2.87 trillion in the first quarter of 2022. Prior to the pandemic, the record was $2.41 trillion, but that mark has been broken in every one of the last seven quarters. As the consumer basket shifts from durable goods towards services, growth in profits from these historic highs is expected to slow in 2022 to 4.1% growth. With reduced consumer demand driving a slowdown in 2023, corporate profits before inventory and capital adjustments are expected to fall by nearly 3 percent before rebounding with the economy in 2024. However, an additional consideration in the current environment is to focus on inventories rising at the same time as consumers shift away from purchasing those goods. The additional downward pressure on corporate profits for goods-driven firms is expected to further drive down estimated payments in FY 2022-23.

The resulting impact on corporate estimated payments and cash with returns is similar to the impact on individual income revenue streams. In FY 2022-23, estimated payments are expected to fall 17.6 percent as economic growth slows. At the same time, cash with returns are expected to fall by 45.6 percent next fiscal year and return to levels that are in line with FY 2018-19, as C-corps more accurately estimate payments during the transition out of the pandemic economy. In FY 2023-24, both estimated payments and cash with returns increase moderately, as the economy begins to rebound.

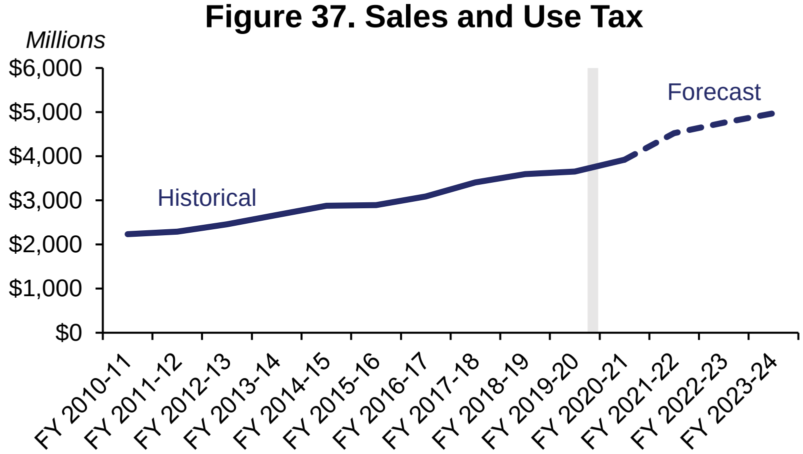
In addition to the above economic drivers, there are additional policy impacts from the last two state legislative sessions. From the bills with a revenue impact in the most recent session, H.B. 22-1026, Alternative Transportation Options Tax Credit, has the largest effect. This bill replaces an existing income tax deduction for employers who provider ridesharing, transit, or other transportation options with an expanded credit. The bill reduces cash with returns revenue by an accrued $6.6 million in FY 2022-23 and $14.1 million in FY 2023-24. While last session's bills largely reduced anticipated cash with returns revenue, the 2021 session largely increased corporate cash with returns revenue through HB21-1311 and HB21-1312. The effect of those two bills, including moving to the 'Finnigan' corporate tax apportionment, have increasing impacts in the outyears, with corporate tax apportionment more than doubling to $20.2 million on an accrued basis in FY 2022-23. Previously, corporations were to be determined taxable in Colorado only if the corporation itself possessed taxable nexus, whereas now, under Finnigan, a corporation is taxable if any member of its unitary group is taxable. Finally, the only federal bill driving policy adjustments on corporate income tax is in the Infrastructure Investment and Jobs Act, which has a minimal impact through the forecast period.

Sales and Use Taxes

Sales Tax

Following sales tax revenue collections of $3.4 billion and 6.9 percent growth in FY 2020-21, revenue is forecast to grow by 17.7 percent to $4.0 billion in FY 2021-22, spurred by strong retail sales spending. Compared to the March forecast, this is an upward revision of $111.4 million following above-expectation collections. FY 2022-23 and FY 2023-24 are also revised upward by $103.7 million and $144.2 million to $4.2 billion and $4.4 billion, respectively. The out-year upward revisions are largely due to the increased collections in FY 2021-22 elevating the base and inflation driving nominal growth over the forecast period, with real growth expected to be negative in FY 2022-23. Sales tax growth is largely predicated upon nominal state retail sales growth which grew by 16.5 percent in calendar year 2021 and is forecast to grow by 9.7 percent in 2022, 4.1 percent in 2023, and 3.8 percent in 2024.

Figure 37. Sales and Use Tax



Note: Shaded region denotes recession; dotted line indicates forecast
Source: Colorado Department of Revenue; OSPB forecast

This forecast also takes into account policy adjustments due to recent legislative action that are not fully incorporated into the broader sales tax base trend. These adjustments are forecast to result in a sales tax revenue reduction of $27.6 million in FY 2021-22, a reduction of $22.4 million in FY 2022-23, and an increase of $21.3 million in FY 2023-24. The most significant change since the last forecast came with the passage of H.B. 22-1406, Qualified Retailer Retain Sales Tax, which allows certain businesses in the food services sector to deduct up to $70,000 from net taxable sales for up to five locations each month. This deduction is allowed over the first quarter of FY 2022-23 and will result in an estimated sales tax revenue reduction of $39.3 million.

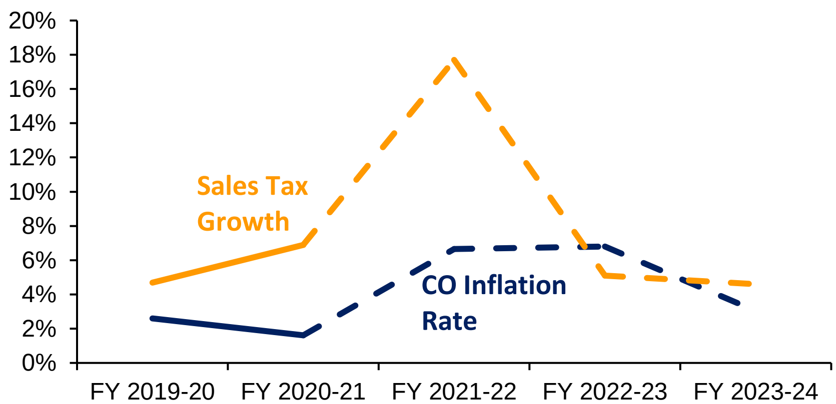
Figure 38. Sales and Use Tax Revenue Forecast

Fiscal Year	Sales Revenue (millions)	Growth	Use Revenue (millions)	Growth	Total Revenue (millions)	Growth
FY 2020-21 (actual)	$3,418.1	6.9%	$214.2	1.8%	$3,632.3	6.6%
FY 2021-22	$4,023.9	17.7%	$235.3	9.9%	$4,259.2	17.3%
FY 2022-23	$4,230.4	5.1%	$254.4	8.1%	$4,484.8	5.3%
FY 2023-24	$4,422.9	4.6%	$263.2	3.5%	$4,686.1	4.5%

Source: OSPB forecast

While sales tax growth in FY 2021-22 of 17.7 percent is expected to come in well above forecast inflation levels, the forecast growth in FY 2022-23 is 5.1 percent, which is below inflation expectations (6.8 percent on a fiscal year basis). This means that while nominal sales tax growth in FY 2022-23 is forecast to be robust, it is a product of inflation, and *real* sales tax growth is forecast to be negative for the fiscal year. This is illustrated in Figure 39, depicting forecast sales tax growth falling below forecast inflation in FY 2022-23. Real sales tax revenue has been growing throughout FY 2019-20 and FY 2020-21, and growth is expected remain higher than the inflation rate in FY 2021-22. In FY 2023-24, sales tax revenue is forecast to rebound to slightly positive real growth above inflation expectations.

Figure 39. Sales Tax Growth vs. Inflation



Note: Inflation levels are shown on a fiscal year basis.
Source: Colorado Department of Revenue, Bureau of Labor Statistics, and OSPB forecast

After historic sales tax revenue over the course of FY 2021-22, revenue growth is expected to weaken in the forecast out-years, slightly below the five-year average of 5.2 percent. With nominal consumer spending and retail sales expected to come down from current levels, nominal sales tax growth in the out-years will largely be a product of inflation with negative to flat real growth.

Use Tax

Use tax revenue increased 1.8 percent to $214.2 million in FY 2020-21 and is forecast to increase by an additional 9.9 percent in FY 2021-22 to $235.3 million. This is a slight downward revision of $3.8 million from the March forecast following below-expectation collections. It is expected that use taxes will increase to $254.4 million in FY 2022-23 and grow to $263.2 million in FY 2023-24. These projections are revised upward from the March forecast by $8.4 million and $11.1 million respectively, primarily because of an elevated oil price forecast creating an expectation for higher levels of capital investment in the oil and gas industry. An increase in capital investment within this industry has historically led to growth in use tax collections. Near-term, positive expectations for residential construction also marginally drove the upward revision. These projections continue to assume that sales and use tax revenue have largely leveled off to their new equilibrium relationship after the change created by H.B. 19-1240, which codified the state's sales tax rules in response to the *South Dakota v. Wayfair* ruling.

Marijuana Sales

After a 27.4 percent increase to $245.5 million in FY 2019-20, the 15 percent special sales tax on marijuana retail sales increased by another 17.4 percent to $288.2 million in FY 2020-21. Revenue is expected to decline by 10.9 percent in FY 2021-22 and resume slower growth in FY 2022-23 and FY 2023-24. Further analysis of marijuana tax collections can be found in the Revenue Outlook – Cash Funds section of this report.

Proposition EE and Other Excise Taxes

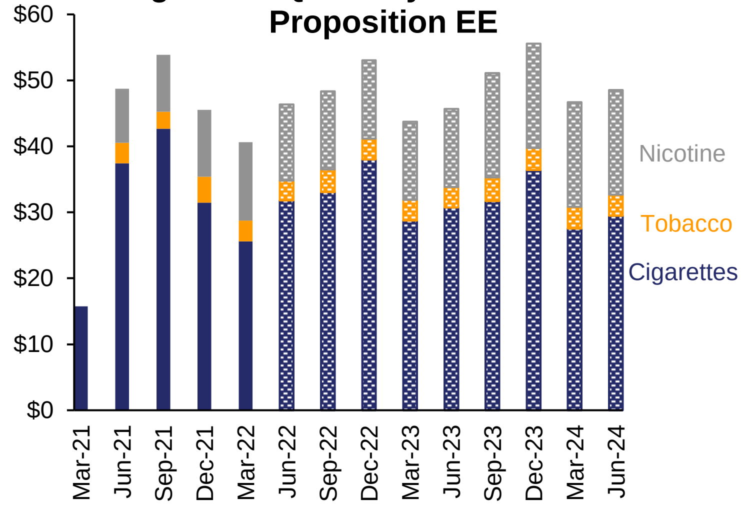
Proposition EE, a ballot measure approved in November 2020, imposes additional taxes on cigarettes and tobacco products and creates a new tax on other nicotine products such as e-cigarettes. Figure 40 summarizes the new taxes levied on cigarettes and tobacco through FY 2023-24. Taxes on cigarettes and tobacco will increase marginally in FY 2024-25 and again in FY 2027-28. Additionally, the new tax on other nicotine products began at 30 percent and will increase incrementally up to 62 percent by July 2027. Through FY 2022-23, revenue from the Proposition EE-imposed taxes is largely transferred to the State Education Fund with smaller amounts going to various other funds. Starting in FY 2023-24, revenue will be transferred almost entirely into the Preschool Programs Cash Fund aside from a small transfer to the Tobacco Education Programs Fund.

Figure 40: Proposition EE Tax Rates

Cigarettes	FY 2020-21	FY 2021-22	FY 2022-23
General Fund	$0.20	$0.20	$0.20
Amendment 35	$0.64	$0.64	$0.64
Proposition EE	$1.10	$1.10	$1.10
Total Cigarette Taxes	**$1.94**	**$1.94**	**$1.94**
Tobacco	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**
General Fund	20%	20%	20%
Amendment 35	20%	20%	20%
Proposition EE	10%	10%	10%
Total Tobacco Taxes	**50%**	**50%**	**50%**
Nicotine	**2021**	**2022**	**2024**
Proposition EE	30%	35%	50%
Total Nicotine Taxes	**30%**	**35%**	**50%**

Proposition EE went into effect in January 2021, bringing in $49.0 million total for the second half of FY 2020-21. Most of this revenue came from cigarettes at $37.7 million, with tobacco and nicotine making up the other $11.3 million. OSPB expects total Proposition EE revenue to increase to $205.3 million in FY 2021-22, as the taxes will be in effect for the full year and as the nicotine tax rate increases. Nicotine revenue came in at $8.2 million in FY 2020-21 with one quarter of data, and quarterly revenue has continued to increase since early 2021. Nicotine revenue is expected to reach $42.2 million for FY 2022, an upward revision of $2.5 million compared to the March forecast. Tobacco taxes are the smallest portion of Proposition EE revenue and have come in roughly as expected since their implementation. Tobacco tax revenue is expected to reach $15.6 million this fiscal year.

Figure 41. Quarterly Revenue from Proposition EE

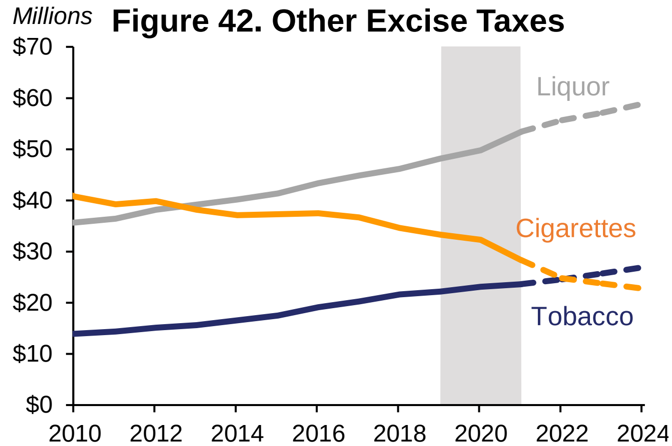


Note: Dotted region indicates forecast period.
Source: Colorado Department of Revenue; OSPB forecast

Proposition EE cigarette revenue was revised down by over 20 percent in both FY 2022-23 and FY 2023-24 compared to the March forecast. The Colorado Department of Revenue identified an issue with cigarette revenue that resulted in overfunding in the original statutory tax and Amendment 35 tax revenue and underfunding in Prop EE revenue. The March General Fund report adjusted for the identified error by decreasing the amount of revenue credited to the original statutory tax and Amendment 35 tax and increasing revenue credited to Prop EE. Despite a positive credit to the Prop EE cigarette revenue, the forecast was revised down in the two out years because it is tied proportionally to the original statutory tax revenue, which was revised down due to the negative adjustment. Cigarette revenue is trending down as smoking cigarettes becomes less popular over time, and the new taxes appear to have a bigger impact on consumption than was previously thought.

Other excise taxes include the initial statutory taxes on cigarettes and tobacco, excluding Proposition EE and Amendment 35, as well as revenue from liquor taxes. Liquor and tobacco each have a fairly consistent pattern, both trending upward over time. Liquor sales increased significantly at the beginning of the pandemic, and revenue has continued to increase at its pre-pandemic rate over the past year. The tobacco tax rate is 20 percent of the wholesale price for tobacco, meaning that the upward trend is likely tied to prices increasing over time in addition to population growth.

Figure 42. Other Excise Taxes



Note: Dotted line indicates forecast; shading indicates recession
Sources: Department of Revenue; OSPB forecast

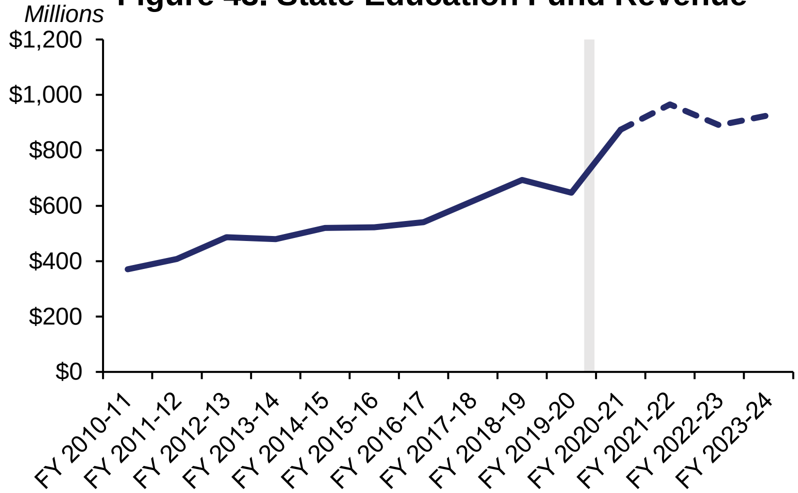
Other General Fund Revenue

Other General Fund revenue includes insurance premium tax revenue, interest/investment income, pari-mutuel, court receipts, and other income. Other General Fund revenue is expected to increase by 6.5 percent to $469.5 million in FY 2021-22 due to increases to insurance premium tax and interest income. Revenue is expected to further increase by 14.4 percent in FY 2022-23 and 7.2 percent in FY 2023-24. This estimate was revised up from the March forecast mainly due to record growth in insurance premium tax receipts. 2021 legislation reduced the size of the annuities exemption and regional home office rate reduction, which should continue to boost insurance premium tax revenues moving forward. The estimate for interest income is expected to grow 8.3 percent in FY 2021-22 due to higher-than-anticipated receipts and expectations of Federal Reserve interest rate hikes. In FY 2022-23, there is a 25.4 percent drop expected in interest income revenue as foregone interest as a result of S.B. 22-233, *Tabor Refund Mechanism for FY 2021-22 only*, more than offsets rising interest rates.

State Education Fund

Revenue to the State Education Fund (SEF) from income taxes is expected to be 10.4 percent higher in FY 2021-22 than the previous fiscal year, reaching $965.7 million. This is due to a strong recovery of the economy in FY 2021-22, which is driving up revenue from individual estimated payments, but also to the truing up of a technical error, which delayed a transfer of $75.6 million into the SEF from FY 2020-21 to FY 2021-22. In FY 2022-23, a 7.8 percent decrease in revenue is expected, with revenues at $890.2 million, which is due in part to a return to the mean after the delayed transfer, and in part to a slowing of economic activity as inflation remains high and interest rates rise. In FY 2023-24, a 4.1 percent increase is SEF revenue is expected, which would bring revenue to the fund to $926.4 million.

Figure 43. State Education Fund Revenue



Note: Dotted line indicates forecast; shading indicates recession
Sources: Department of Revenue; OSPB forecast

The Colorado Constitution requires that a third of a percent of Colorado taxable income be credited to the State Education Fund. As the State Education Fund revenue is derived from taxable income, it generally follows the trends in individual income and corporate income tax revenue collections.

Revenue Outlook – Cash Funds

Cash funds are taxes, fees, fines, and interest collected by various state programs to fund services and operations. These revenue sources are designated by statute for a particular program and as such are distinct from General Fund revenue, which is available for general purpose expenditures. The following discussion highlights those cash fund revenues that are subject to TABOR or that have significant fiscal implications.

Cash Fund Revenue Subject to TABOR

Total cash fund revenue subject to TABOR was $2.24 billion in FY 2020-21, a reduction of 0.1 percent from the prior fiscal year. In FY 2021-22, revenue is projected to increase by 16.9 percent to $2.62 billion, followed by a 1.8 percent reduction in FY 2022-23 and 4.4 percent growth in FY 2023-24. These revenue amounts for FY 2021-22, FY 2022-23, and FY 2023-24 are up by $110.5 million, $18.9 million, and $19.4 million from the March forecast, respectively. The changes upward are driven by significant upward revisions to severance tax collections as a result of increased oil and gas prices and increased production. Upward revisions are partially offset by reductions to gaming revenue as a result of Senate Bill 22-216 and transportation revenue as a result of weaker than expected Highway Users Tax Fund revenue.

Transportation

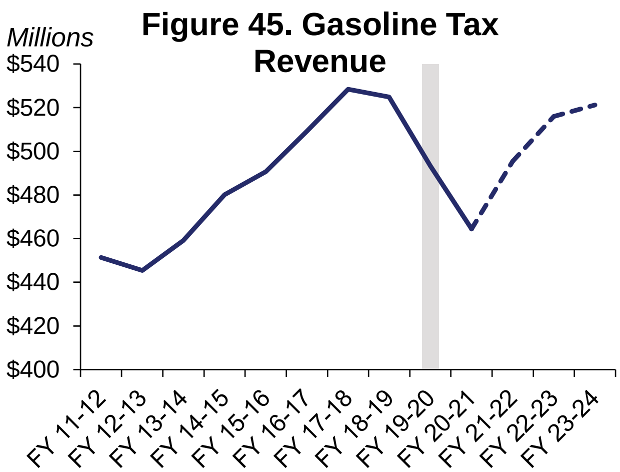
Transportation-related cash funds include the Highway Users Tax Fund (HUTF), the State Highway Fund (SHF), and a handful of smaller cash funds. Transportation-related cash fund revenue was affected by the pandemic, falling by 5.9 percent in FY 2019-20 and another 3.7 percent in FY 2020-21. This decline was driven primarily by lower revenue from gas, transportation permits, and aviation. Most of these revenue streams are beginning to return to pre-pandemic levels as transportation patterns rebound. In addition to a rebound in these revenue streams, S.B. 21-260 *Sustainability of the Transportation System* is expected to bring in substantially more transportation-related cash fund revenue in the long run as new fees go into effect.

Figure 44: Transportation Revenue

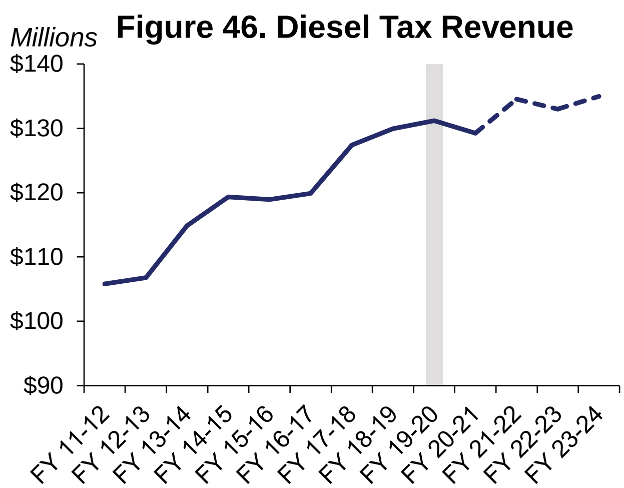
	Actual FY 20-21	Forecast FY 21-22	Forecast FY 22-23	Forecast FY 23-24
Highway Users Tax Fund (HUTF)				
Motor and Special Fuel Taxes	$593.6	$629.9	$649.0	$656.2
Percent Change	*-4.9%*	*6.1%*	*3.0%*	*1.1%*
Road Usage Fees	$0.0	$0.0	$14.8	$89.7
Percent Change	*N/A*	*N/A*	*N/A*	*507.4%*
Total Registrations	**$400.2**	**$381.7**	**$337.4**	**$379.5**
Percent Change	***4.8%***	***-4.6%***	***-11.6%***	***12.5%***
Registrations	$234.1	$239.7	$238.0	$244.8
Road Safety Surcharge	$137.8	$110.9	$72.1	$106.2
Late Registration Fees	$28.3	$31.1	$27.4	$28.5
Other HUTF	$48.1	$59.8	$74.6	$76.6
Percent Change	*-23.5%*	*24.4%*	*24.7%*	*2.7%*
Total HUTF	**$1,041.9**	**$1,071.4**	**$1,075.8**	**$1,202.0**
Percent Change	***-2.6%***	***2.8%***	***0.4%***	***11.7%***
Non-HUTF				
State Highway Fund	$18.4	$25.9	$25.8	$26.6
Percent Change	*-38.6%*	*41.0%*	*-0.4%*	*3.0%*
Other Transportation Funds	$95.5	$121.7	$121.0	$126.2
Percent Change	*-5.8%*	*27.4%*	*-0.5%*	*4.3%*
Total Transportation Revenue				
Total Transportation	**$1,155.8**	**$1,219.0**	**$1,222.6**	**$1,354.8**
Percent Change	***-3.7%***	***5.5%***	***0.3%***	***10.8%***

Source: OSPB forecast

The Highway Users Tax Fund is the largest transportation-related cash fund, with revenues primarily coming from motor fuel taxes and motor vehicle registrations. Motor fuel taxes make up over half of the HUTF and include both gas and diesel tax revenue. Revenue from the gas tax declined sharply at the onset of the pandemic as commuter travel waned, but picked up speed in FY 2021-22 from increased tourism into the state and a partial return to offices. Gas tax revenue is expected to increase more slowly in future years, by just over 1 percent compared to 2.7 percent in the five years prior to the pandemic. The slower expected growth rate is due to slower population growth, reduced commuter travel from increased remote work, and more fuel efficient vehicles. Revenue from diesel taxes was relatively unaffected by the pandemic, and has so far come in 3 percent higher in the current fiscal year compared to the previous year, as high demand for goods has resulted in increased shipping. Looking forward, road usage fees from S.B. 21-260 will add another $89.7 million to HUTF revenue in FY 2024, with that amount increasing in future years. The road usage fees were set to go into effect on July 1, 2022, but H.B. 22-1351 delayed implementation such that the two cents per gallon fee will take effect on April 1, 2023, and follow the original increase schedule thereafter.



Note: Dotted line indicates forecast; shading denotes recession.
Source: Colorado Department of Revenue; OSPB forecast



Note: Dotted line indicates forecast; shading denotes recession.
Source: Colorado Department of Revenue; OSPB forecast

Vehicle purchases started to rebound in 2021, which has bolstered registration-related collections so far in FY 2021-22. However, OSPB revised the forecast down by 0.6 percent from March as higher interest rates from monetary policy tightening will likely reduce the number of cars sold. OSPB forecasts a decline in registration revenue through FY 2023-24 due to changes in S.B. 21-260 that will temporarily reduce the road safety surcharge beginning in January 2022, which is expected to reduce revenue from the road safety surcharge by $32.8 million in FY 2021-22 and $49.5 million in FY 2022-23. Further, H.B. 22-1351 reduced the road safety surcharge by an additional $5.50 per vehicle for 2023, decreasing revenue by an expected $16.7 million in FY 2022-23 and $17.0 million in FY 2023-24.

Figure 47 illustrates HUTF distributions based on the first and second stream allocation formulas under the current forecast for HUTF revenue. Off-the-top deductions for Colorado State Patrol and Division of Revenue include the FY 2022-23 appropriation and are assumed to be held flat in future years.

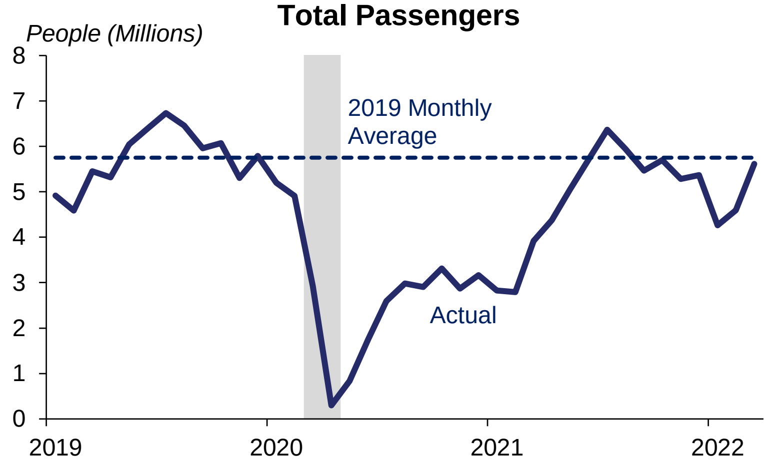
Figure 47: HUTF Distributions

	Actual FY 20-21	Forecast FY 21-22	Forecast FY 22-23	Forecast FY 23-24
Off-the-Top Deductions	$165.8	$181.2	$191.3	$191.3
State Highway Fund (CDOT)	$540.0	$556.6	$544.7	$621.0
Counties	$204.2	$210.5	$205.8	$234.0
Cities	$132.0	$136.1	$134.0	$155.8
Total HUTF	**$1,041.9**	**$1,084.4**	**$1,075.8**	**$1,202.0**

Source: OSPB forecast

Other transportation-related funds include the State Highway Fund (SHF) and other miscellaneous revenue, which make up a smaller portion of total revenue than the HUTF. Revenue to the SHF is made up of various smaller revenue streams including sales of state property and earned interest. The State Highway Fund has declined over the past two years, but OSPB expects the fund to rebound over the next few years as permits and other services return to normal. Changes in the "Other Transportation Funds" category are often driven by fluctuation in aviation revenue. Aviation revenue was very low in FY 2019-20 and FY 2020-21, but so far has come in substantially higher than last year with higher passenger volume, resulting in an upward revision to the March forecast.

Figure 48. Denver International Airport Total Passengers



Note: Shaded region denotes recession
Source: Denver International Airport

Limited Gaming

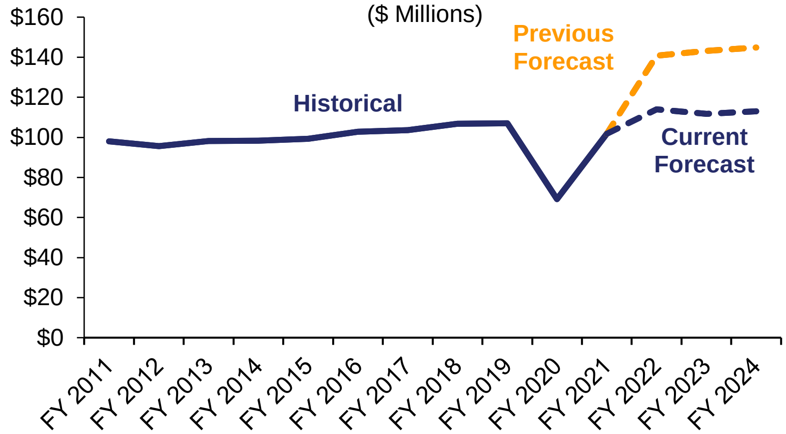
Total gaming revenue rebounded from pandemic lows and grew by 48.2 percent to $121.7 million in FY 2020-21, nearly returning to its pre-pandemic level of $127.2M in FY 2018-19. As a result of continued strength in gaming demand and the impacts of Amendment 77, total gaming revenue is expected to continue its upward trajectory to $163.9 million in FY 21-22. This forecast for FY 2021-22 is consistent with OSPB's March forecast, up just $1.0 million due to higher collections in recent months. Forecasts for the out years are also similar to March, but have been revised down to account for higher inflationary pressure on household finances and analysis showing that gaming proceeds dipped slightly in the second year of Amendment 50, which is the only historical precedent for the potential impacts of Amendment 77. The result is a 2.0 percent reduction in gaming revenue expected in FY 2022-23 followed by trend growth of 1.2 percent in FY 2023-24.

While total gaming revenue is consistent with previous forecasts, the allocation of total revenue between limited and extended limited recipients was shifted through S.B. 22-216, discussed in more detail below. The revised limited gaming collections, which are the portion of the revenue subject to the Referendum C Cap, are shown as compared to the previous forecast in Figure 49.

S.B. 22-216 shifted the allocation of gaming revenue between limited and extended recipients in attempt to align collections with the original intent of Amendment 77 but for the simultaneous impacts of H.B. 20-1400 to mitigate the impacts of the pandemic on limited gaming. In addition to setting the new limited gaming base at a lower level, S.B. 22-216 also:

Figure 49. SB22-216 Impact on Limited Gaming Revenue

($ Millions)



Source: Colorado Department of Revenue; Division of Gaming.

1. Enacted a "fair recovery" provision which mitigates the ratcheting effects of the original gaming distribution by holding the limited base constant in the case of a large decline in revenue. A large decline is defined as a reduction in revenue of 5 percent or greater in one year or 6 percent or greater over the course of two fiscal years and is not expected during the forecast period.
2. Reset the base for the distribution to the Local Government Impact Fund.
3. Provided up to $1.25 million to local gaming cities and counties to account for any reductions to their revenue as a result of the reallocation.
4. Provided $3 million to History Colorado for strategic initiatives to enact programs that generate a sustainable additional revenue source going forward.

The updated forecast distributions, including the changes as a result of S.B. 22-216, are shown in the table below. Note that the $1.25 million appropriation and the $3 million transfer are not shown in this table, but rather in the transfers and appropriations tables in the appendix.

Figure 50. Distribution of Limited Gaming Revenues	Forecast FY 21-22	Forecast FY 22-23	Forecast FY 23-24
A. Total Limited Gaming Revenues (Includes Fees and Interest)	**$163.9**	**$160.6**	**$162.5**
Annual Percent Change	34.7%	-2.0%	1.2%
B. Gaming Revenue Exempt from TABOR (Extended Limited)	**$49.9**	**$48.9**	**$49.5**
Annual Percent Change	151.5%	-2.0%	1.2%
C. Gaming Revenue Subject to TABOR (Limited)	**$114.0**	**$111.7**	**$113.0**
Annual Percent Change	11.9%	-2.0%	1.2%
D. Total Amount to Base Revenue Recipients	**$104.6**	**$102.3**	**$103.6**
Amount to State Historical Society (28%)	$29.3	$28.6	$29.0
History Colorado (80% of 28%)	$23.4	$22.9	$23.2
Grants to Cities for Historical Preservation (20% of 28%)	$5.9	$5.7	$5.8
Amount to Counties (12%)	$12.6	$12.3	$12.4
Amount to Cities (10%)	$10.5	$10.2	$10.4
Amount to Distribute to Remaining Programs (State Share) (50%)	$52.3	$51.2	$51.8
Local Government Impact Fund	$5.7	$5.7	$5.8
Colorado Tourism Promotion Fund	$15.0	$15.0	$15.0
Creative Industries Cash Fund	$2.0	$2.0	$2.0
Film, Television, and Media Operational Account	$0.5	$0.5	$0.5
Bioscience Discovery Evaluation Fund	N/A	N/A	N/A
Advanced Industries Acceleration Fund	$5.5	$5.5	$5.5
Innovative Higher Education Research Fund	$2.1	$2.1	$2.1
Transfer to the General Fund	$21.5	$20.4	$21.0
E. Total Amount to Amendment 50 Revenue Recipients	**$45.8**	**$44.8**	**$45.4**
Community Colleges, Mesa and Adams State (78%)	$35.7	$35.0	$35.4
Counties (12%)	$5.5	$5.4	$5.4
Cities (10%)	$4.6	$4.5	$4.5

Source: OSPB forecast

Severance

Following the lowest severance tax revenue collections since 1990 in FY 2020-21 of $14.7 million, collections have rebounded in FY 2021-22 and are expected to reach $310.4 million. The upward shift in revenue is primarily due to increased oil and gas prices over the past 12 months, coupled with increased production. This substantial revision to the March forecast comes after $184.3 million was collected in April – the highest monthly payment in recent history and likely the result of underestimated tax liability earlier in the fiscal year given lower oil and gas price expectations. This shift comes after demand fell sharply during the height of the pandemic in FY 2020-21, which led to lower prices and depressed production. Severance tax revenue for FY 2022-23 and FY 2023-24 is also revised upward on higher oil and gas prices to $229.4 million and $169.1 million, respectively, despite the slight drag from increased ad valorem credits discussed in more detail below.

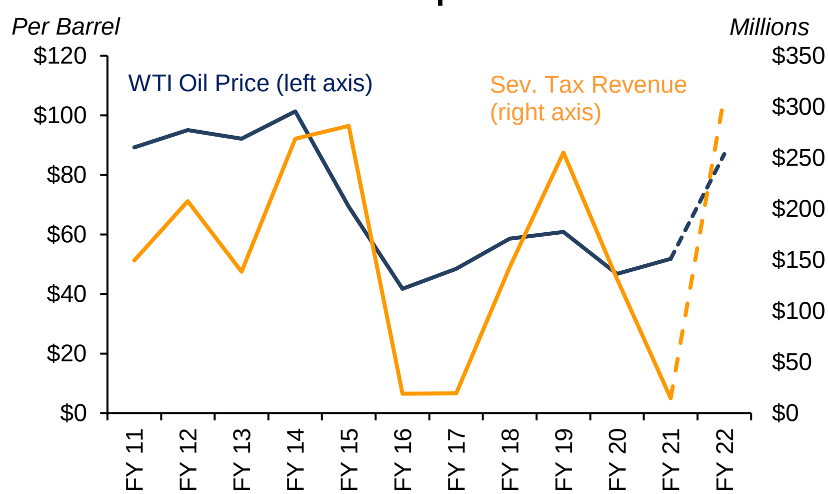
Figure 51. Severance Tax Revenue

	Actual FY 2020-21	Forecast FY 2021-22	Forecast FY 2022-23	Forecast FY 2023-24
Oil & Gas	$0.6	$295.5	$214.9	$155.0
Coal	$1.9	$2.9	$2.6	$2.3
Moly & Metals	$2.2	$2.5	$2.3	$2.1
Interest	$10.0	$9.4	$9.7	$9.7
Total	**$14.7**	**$310.4**	**$229.4**	**$169.1**
Change	***-88.8%***	***2011.2%***	***-26.1%***	***-26.3%***

Source: OSPB forecast

Oil and gas severance tax revenue, which accounts for 97 to 98 percent of overall collections throughout the forecast period, is primarily dependent on production levels multiplied by price. West Texas Intermediate (WTI) oil prices are expected to remain above or near $100 per barrel for the remainder of 2022 and stay above $90 per barrel in 2023. These sustained high oil and gas prices through much of the forecast period will also spur increases in production, though these effects have been slow to materialize thus far. These joint effects are expected to drive severance tax revenue above average levels. More details on price and production can be found in the energy section of the economic outlook.

Figure 52. Severance Tax Collections & WTI Oil Price per Barrel



Source: Colorado Department of Revenue; Energy Information Administration.

To demonstrate the close relationship between WTI oil prices and severance tax collections, Figure 52 depicts WTI price by fiscal year and corresponding severance tax revenue. In general, there is typically a six-to-nine-month lag in severance tax collections responding to the change in WTI prices. This dynamic often results in the WTI shift driving severance tax revenue outcomes in the following fiscal year, especially when there is a dramatic swing in price, although it is sometimes reflected in the same fiscal year, depending on timing. With WTI prices expected to remain elevated throughout the forecast period similar to FY 2012 through FY 2015, the current forecast for severance tax revenue resembles that time period when revenue collections averaged $224.1 million annually.

Looking forward, industry sentiment is relatively optimistic as reported in the most recent energy survey administered by the 10th District of the Federal Reserve (which includes Colorado). Operators in the region reported that $62 per barrel is the current breakeven price and $86 per barrel would lead to a substantial increase in drilling. With prices expected to remain well above those numbers throughout 2022 and 2023, an uptick in production is also expected. However, this expected uptick will likely be slower than prior periods with elevated WTI prices as the industry, especially publicly listed firms, has maintained a sharper focus on capital discipline thus far. Firms have also encountered higher input and labor costs which could create some hesitancies to rapidly increase production. Taking all these considerations into account, severance tax revenue collections should remain strong throughout the forecast period.

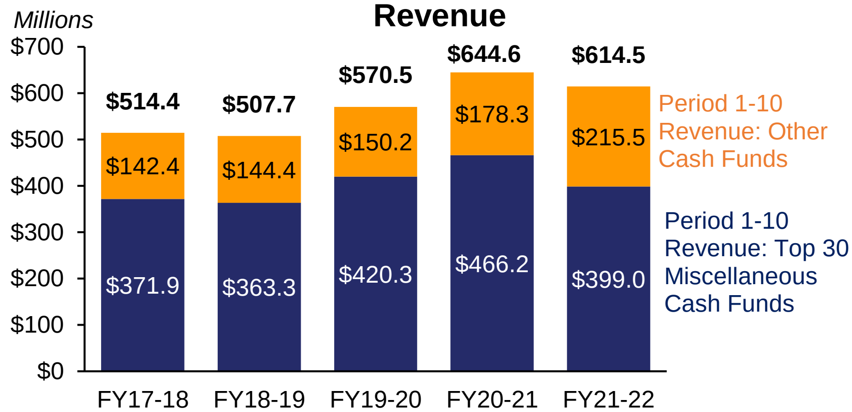
Finally, the increased price levels will lead to increased ad valorem credit claims by taxpayers, which are based on local property tax assessments on the value of oil and gas production. Oil and gas taxpayers can use the credit to reduce their severance tax liability by up to 87.5 percent of the real property taxes they most recently paid to their local governments, school districts, and special districts. That said, there is a one-to-two-year lag between when the production is valued by county assessors and when the credit is applied against state severance taxes. Thus, increased ad valorem credit claims are expected throughout the forecast out-years, but net revenue is still expected to remain above average in FY 2022-23 due to an elevated price forecast. In FY 2023-24, revenue returns closer to average levels as prices are expected to drop from current highs and ad valorem credit claims will have a greater, overall net negative effect on revenue.

Other Cash Funds Subject to TABOR

The state receives cash fund revenue subject to TABOR from a variety of other smaller cash funds. This includes non-exempt cash fund revenue to the Department of Regulatory Agencies (DORA), which is made up of revenue from professional and occupational licensing, the Public Utilities Commission, and other sources. DORA's revenue is forecast to be $91.7 million in FY 2021-22. This estimate was revised upward from the March forecast because collections in FY 2020-21 have come in higher than expected to date this fiscal year. OSPB expects a decline in revenue for FY 2022-23 as a result of fee reductions for nurses and mental health professionals for two years passed in H.B. 22-1298 *Fee Relief Nurses Nurse Aides and Technicians* and H.B. 22-1299 *License Registration Fee Relief for Mental Health Professionals*. These two bills are expected to reduce revenue by $6.8 million in FY 2022-23 and $8.6 million in FY 2023-24.

The category of "Other Miscellaneous Cash Funds" includes revenue from over 300 cash fund programs that collect revenue from fines, fees, and interest earnings. This broad category is less sensitive to general economic conditions than revenue sources like income and severance taxes. OSPB breaks out this forecast into the 30 funds that tend to have the largest revenue from the rest of the smaller cash funds. The top 30 funds make up about 75 percent of total miscellaneous cash fund revenue on average.

Figure 53. Miscellaneous Cash Funds Revenue



Source: Colorado Department of Revenue

Total miscellaneous cash fund revenue is forecast to be $859.0 million in FY 2021-22, which is fairly flat (+0.2 percent) from the revenue in FY 2020-21. So far this fiscal year, revenue from the smaller cash funds is up $37.1 million from the previous year, and down $67.2 million in the top 30 cash funds. Revenue in FY 2020-21 for the top 30 funds was particularly high, predominantly due to a one-time $43.0 million transfer from the Unclaimed Property Trust Fund (a top 30 fund) to the General Fund stemming from H.B. 20-1381 *Cash Fund Transfers General Fund*. Revenue in this fund is typically exempt from TABOR, but when it is transferred out of the fund for general use it is toward TABOR, which is why must be accounted for in this case. The drop-off from this transfer is mostly offset by the increase in other cash funds. Miscellaneous cash funds are forecast to increase by 4.9 percent in FY 2022-23 and by 2.3 percent in FY 2023-24.

TABOR Exempt Funds with Significant Fiscal Implications

Outside of the cash funds subject to TABOR discussed above, OSPB also forecasts marijuana and federal mineral lease (FML) revenues because of the significant budgetary implications of these revenues. In particular, these revenues impact the General Fund, Marijuana Tax Cash Fund, distributions to local governments, BEST funding for school capital construction, and the Public School Fund, each of which is shown in more detail below.

Marijuana

Total marijuana tax revenue grew 22.2 percent in FY 2020-21 as a result of a spike in sales during the height of the pandemic. Revenue has continued at historically high levels, but has fallen from the levels seen over the course of FY 2020-21 due to significantly lower prices and slowing growth in the quantity of marijuana sold. As a result, total marijuana revenue is expected to fall by 13.3 percent in FY 21-22, followed by an additional 2.6 percent reduction in FY 2022-23, and slow growth at 2.3 percent in FY 2023-24. These drags on marijuana revenue in FY 2021-22 and FY 2022-23 are driven both by the retail marijuana special sales tax and the wholesale (excise) marijuana tax by means of lower prices throughout the rest of the calendar year. Figures 54 and 55 below summarize these projections and their impacts on each of the distributions as compared to the March forecast.

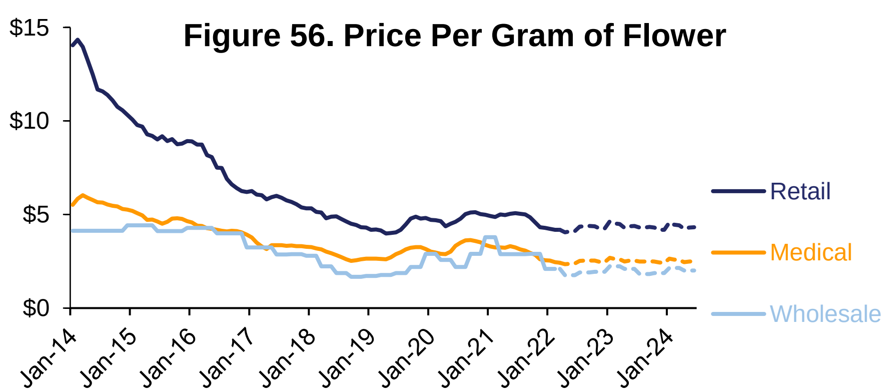
Figure 54: Tax Revenue from the Marijuana Industry	Total Marijuana Revenue	Local Share	General Fund	BEST School Capital Construction	Public School Fund	Marijuana Tax Cash Fund
FY 2020-21 Actual	$424.6	$28.8	$40.4	$40.0	$113.4	$201.9
FY 2021-22 Projected	$368.0	$25.7	$35.9	$98.8	$29.1	$178.5
FY 2022-23 Projected	$358.4	$26.1	$36.5	$86.3	$29.6	$179.9
FY 2023-24 Projected	$366.6	$26.8	$37.6	$87.6	$30.4	$184.2

Source: OSPB forecast

Figure 55: Change from March	Total Marijuana Revenue	Local Share	General Fund	BEST School Capital Construction	Public School Fund	Marijuana Tax Cash Fund
FY 2020-21 Actual	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
FY 2021-22 Projected	-$19.0	-$0.9	-$1.3	-$8.7	-$1.1	-$7.0
FY 2022-23 Projected	-$37.5	-$1.7	-$2.4	-$18.4	-$1.9	-$13.1
FY 2023-24 Projected	-$40.1	-$2.0	-$2.8	-$18.4	-$2.2	-$14.8

Source: OSPB forecast

As noted above, these additional drags on revenue are largely the result of price assumptions that have been revised downward given trends observed through the Colorado MED dashboard, created by the Department of Revenue and Leeds Business School at CU Boulder. March prices for medical, retail, and wholesale flower were down 25 percent, 17 percent, and 45 percent, respectively, as compared to 2021. As shown in Figure 56, these prices have returned to pre-pandemic lows due to a rebalancing of supply and demand in the Colorado marijuana market and are likely to remain depressed

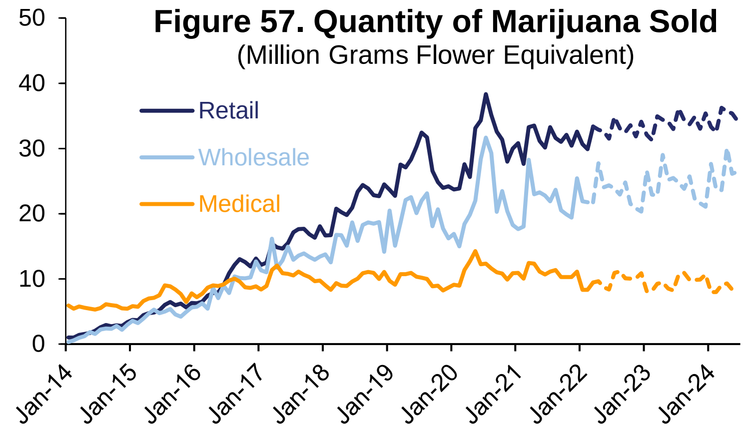


Colorado Division of Revenue; Colorado MED Dashboard; Author's Calculations.

for the next few months. Prices are then expected to head back upward slightly, up 6 percent for retail and 19 percent for wholesale as compared to current levels. Prices will stabilize above current levels (but below pandemic highs) as a result of costs for labor and agricultural inputs.

In contrast to assumptions regarding marijuana prices, assumptions on the quantity of marijuana consumed have not changed significantly since March, as marijuana consumption has held close to trend levels in recent months. These trends, shown in Figure 57, denote slowing, but still positive growth rates for both retail and wholesale marijuana volume. These growth rates are characteristic of a market that is close to maturity, but that will continue to see volume increases driven by population growth in the state as well as continued market growth from the existing consumer base.

Figure 57. Quantity of Marijuana Sold
(Million Grams Flower Equivalent)



Colorado Division of Revenue; Colorado MED Dashboard; Author's Calculations.

Federal Mineral Lease

Federal Mineral Lease (FML) revenue increased by 30.9 percent to $82.0 million in FY 2020-21 and is expected to increase by an additional 59.9 percent in FY 2021-22 to $131.2 million due to continued oil and gas price growth throughout the fiscal year. This is an upward revision of $14.8 million from the March forecast following above-expectation payments during the interim as oil and gas prices have remained at elevated levels. While FML revenue is expected to tick downward over the forecast period, FY 2022-23 and FY 2023-24 are revised upward from March primarily as a product of above-average oil and gas price expectations over the course of 2022 and 2023. Detailed FML revenue forecast expectations can be found in Figure 58.

Figure 58. FML Forecast Distribution Table	Actual FY 2020-21	Forecast FY 2021-22	Forecast FY 2022-23	Forecast FY 2023-24
Total FML Revenue	**$82.0**	**$131.2**	**$118.2**	**$90.3**
Change	30.9%	59.9%	-9.9%	-23.6%
Bonus Payments (portion of total FML revenue)	$1.6	$2.6	$2.3	$1.8
Local Government Perm Fund	$0.8	$1.3	$1.2	$0.9
Higher Ed FML Revenues Fund	$0.8	$1.3	$1.2	$0.9
Other (non-bonus) FML Revenue	$80.4	$128.6	$115.9	$88.5
State Public School Fund	$38.8	$62.1	$56.0	$42.8
Colorado Water Conservation Board	$8.0	$12.9	$11.6	$8.9
DOLA Grants	$16.1	$25.7	$23.2	$17.7
DOLA Direct Distribution	$16.1	$25.7	$23.2	$17.7
School Districts	$1.4	$2.2	$2.0	$1.5
Total Higher Ed Maintenance Reserve Fund	$0.8	$1.3	$1.2	$0.9

Source: OSPB forecast

Revenue derived from natural gas production on federal leases accounts for roughly 50 percent of total revenue, so FML revenue is not as susceptible to the fluctuation in oil prices as state severance taxes. Still, natural gas prices have risen significantly during FY 2021-22, combining with high oil prices to drive strong revenue growth. Going forward, oil prices are expected to drop slowly from 2022 levels of greater than $100 per barrel in 2023 before normalizing closer to average in 2024 while natural gas prices are expected to drop more quickly in 2023, from more than $7 per million BTU to below $5. These assumptions are discussed in more detail above in the energy section of the economic outlook. This price dynamic results in the downward revenue trend. There has also been a long-term, downward to flattening lease trend, in which leases have dropped from above 5,000 annually during federal fiscal years 2006 to 2012 to below 3,900 annually since federal FY 2016-17. During the forecast period, the number of leases is expected to remain relatively flat to slightly negative.

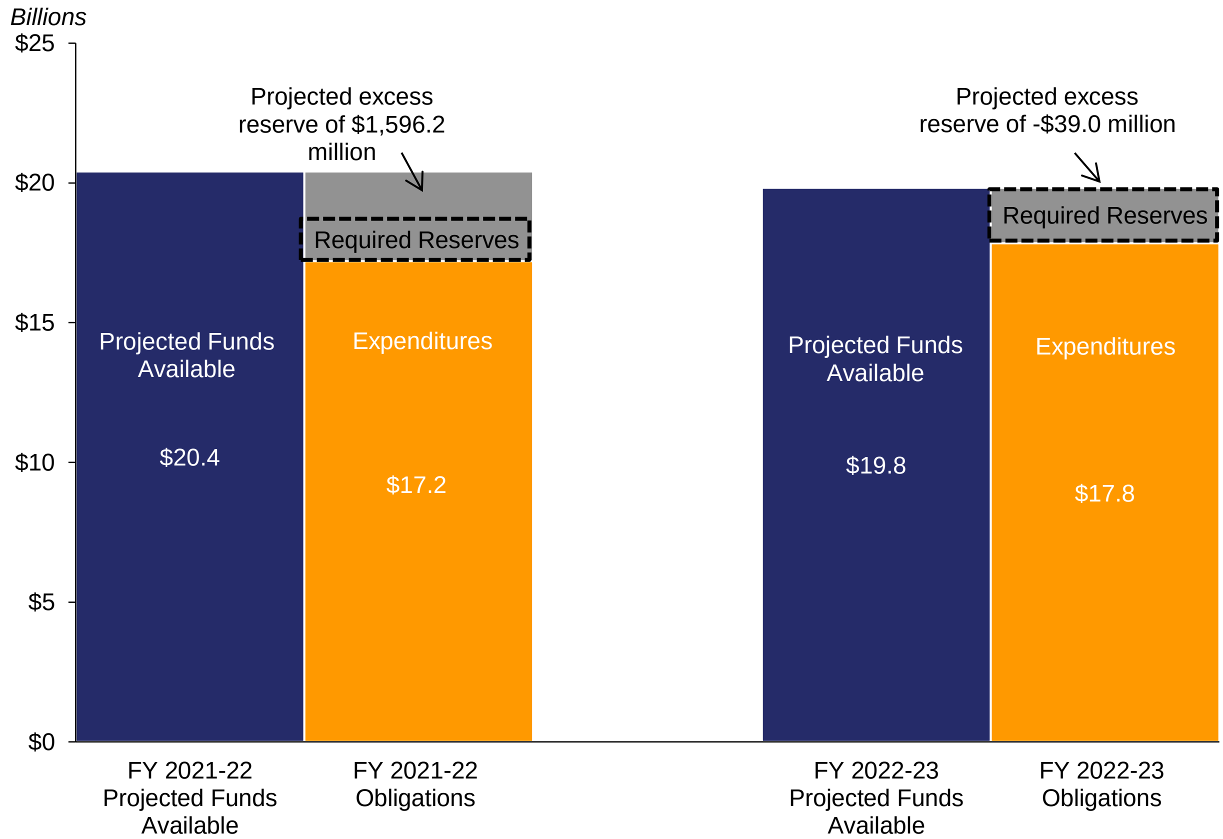
In April, following an injunction from the Western District of Louisiana that ruled against the federal moratorium on new onshore oil and gas leases, the Bureau of Land Management announced that new leases would resume with an increased royalty rate. The royalty rate is set to increase from 12.50 percent to 18.75 percent on new leases, representing the first increase in the royalty rate since it was introduced in the 1920s. Although the first lease sales in Colorado with the new rate are taking place in June, only 5,275 acres are offered out of 2.4 million in total leased acreage across the state as of October 2021. With the relative insignificance of acreage in this first sale, the increased royalty rate only applying to new leases, and the lag time from lease sale to production, there is no significant FML revenue impact expected from this policy change during the forecast period.

Budget Outlook

General Fund

General Fund revenue increased 11.2 percent in FY 2020-21 and is projected to increase 20.3 percent further in FY 2021-22. In FY 2022-23, however, revenue is expected to decline by 3.8 percent before rebounding by 4.3 percent in FY 2023-24. General Fund revenue for FY 2021-22 is $1,021.4 million, or 7.1 percent higher, than was estimated in March, driven by particularly strong individual income revenue collections. The forecast for FY 2022-23 is $76.8 million lower than estimated in March, as slowing estimated payments and cash with returns revenues from both individual and corporate filings more than offset rising sales tax revenue collections as a result of increased inflation growth.

Figure 59. General Fund Above/Below Statutory Reserve.



Source: OSPB forecast

The General Fund reserve was above the required statutory reserve amount of 2.86 percent of appropriations in FY 2020-21. Under this forecast, the General Fund ending balance is projected to be $1,596.2 million above the statutory reserve level of 13.4 percent of appropriations in FY 2021-22 and $39.0 million below the statutory reserve level of 15.0 percent of appropriations in FY 2022-23. Figure 59 summarizes total projected General Fund revenue available, total obligations, and reserve levels for FY 2021-22 and FY 2022-23 under current law.

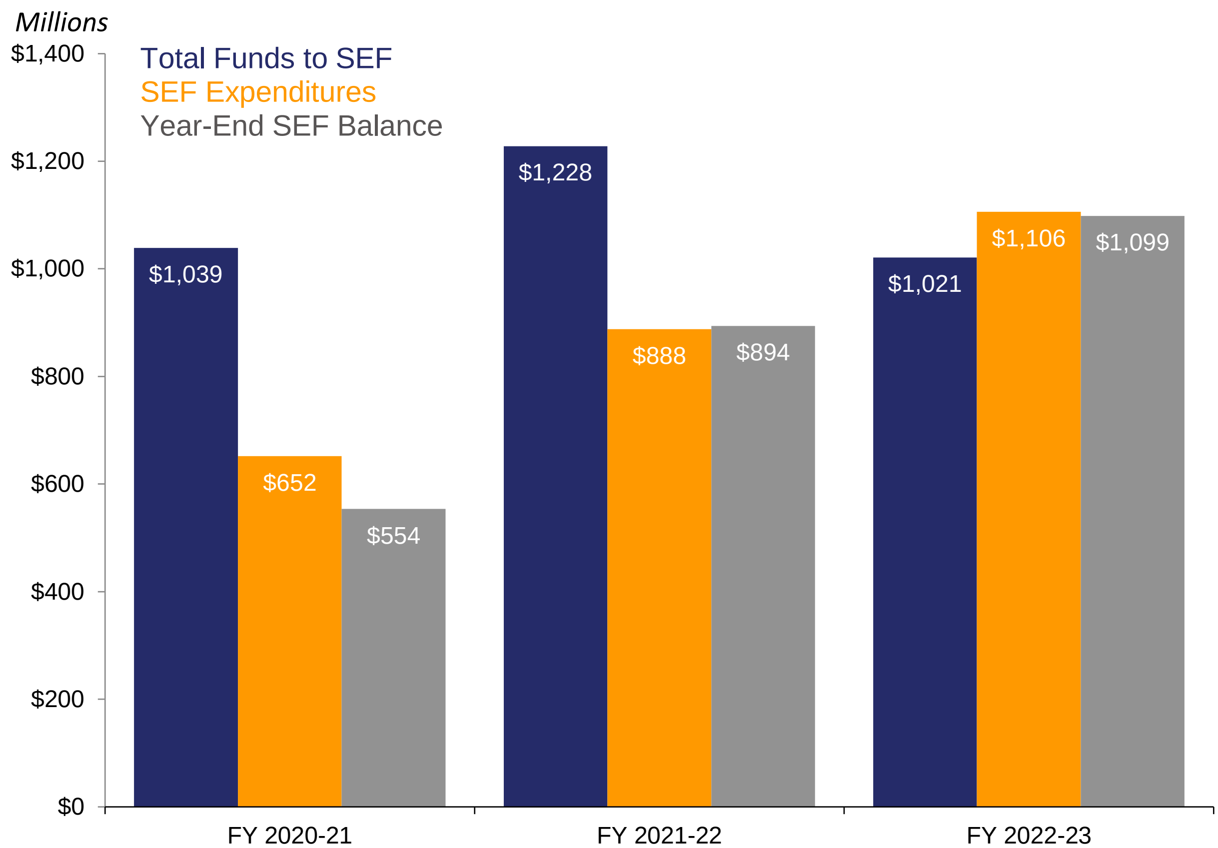
State Education Fund

The State Education Fund's year-end balance was $553.7 million in FY 2020-21 and is projected to increase to $893.8 million in FY 2021-22, including transfers. This is a $73.7 million upward revision compared to the March 2022 forecast, due to higher-than-expected income tax revenues.

In FY 2022-23, the year-end balance is projected to be $1,098.7 million, $49.6 million above the March forecast due to excess balance from FY 2020-21 carrying through and more than offsetting a $13.0 million reduction in forecast individual income revenue. Note that these ending balances include the $290 million transfer to the SEF in FY 2022-23 as legislated in HB22-1390 (and amended by S.B. 22-202).

Other major changes to SEF expenditures enacted during the 2022 legislative session include $182M investment to buy down the Budget Stabilization Factor to 3.7 percent in FY 2022-23 enacted in H.B. 22-1390, and the ongoing $80.0M increase in special education funding created by S.B. 22-127. Finally, S.B. 22-202 created the Mill Levy Override (MLO) Match Fund, which provides a new mechanism to improve equity of funding between school districts. For FY 2022-23, $10.0M was appropriated to the MLO match fund as a pilot for the matching program. While this new fund does not create a direct increase in expenditures out of the SEF, it is worth noting that if all districts enacted MLOs to the maximum allowable level, the matching formula included in the bill indicates that 72 districts would receive $165.4 million in state matching funds, which represents a potential challenge for budgeting in FY 2023-24.

Figure 60. SEF Revenues, Expenditures and Year-End Balances



Source: OSPB forecast

Forecast Risks

This budget outlook is based on OSPB's economic forecast as detailed in Tables 1 and 2 of the Reference Tables at the end of this document. This economic forecast is subject to both upside and downside risks.

On the upside, current excess savings may provide further resistance in the face of tightening monetary policy that spurs consumer spending on services above trend for longer than expected in the baseline (where it fades within a year). Additionally, labor demand may remain resolute in the face of slowing economic growth, avoiding an uptick in unemployment in the outyears. Prolonged inflation is the primary downside risk, as continued high inflation may increase the nominal value of sales but also eat into aggregate demand, thereby slowing economic growth. A more aggressive monetary tightening response than expected in the baseline will likely further slow demand, putting the economy at risk of falling into a small recession. Conversely, if monetary policy is not tight enough, growth may still slow but inflation may not, causing stagflation. Additionally, further market selloffs alongside increased borrowing costs due to the Federal Reserve's actions could disrupt business investment and completion of supply chain diversion efforts in progress. Finally, a prolonged war in the Ukraine would exacerbate existing food and energy supply shocks. Economic conditions currently underlying this forecast are weighted towards downside risk.

Supplemental Materials

An overview of General Fund and State Education Fund revenue, expenditures, and end-of-year reserves is provided in the Reference Tables at the end of this document. A more detailed discussion of the information presented in the Reference Tables can be found at the Office of State Planning and Budgeting's website: www.colorado.gov/governor/economics.

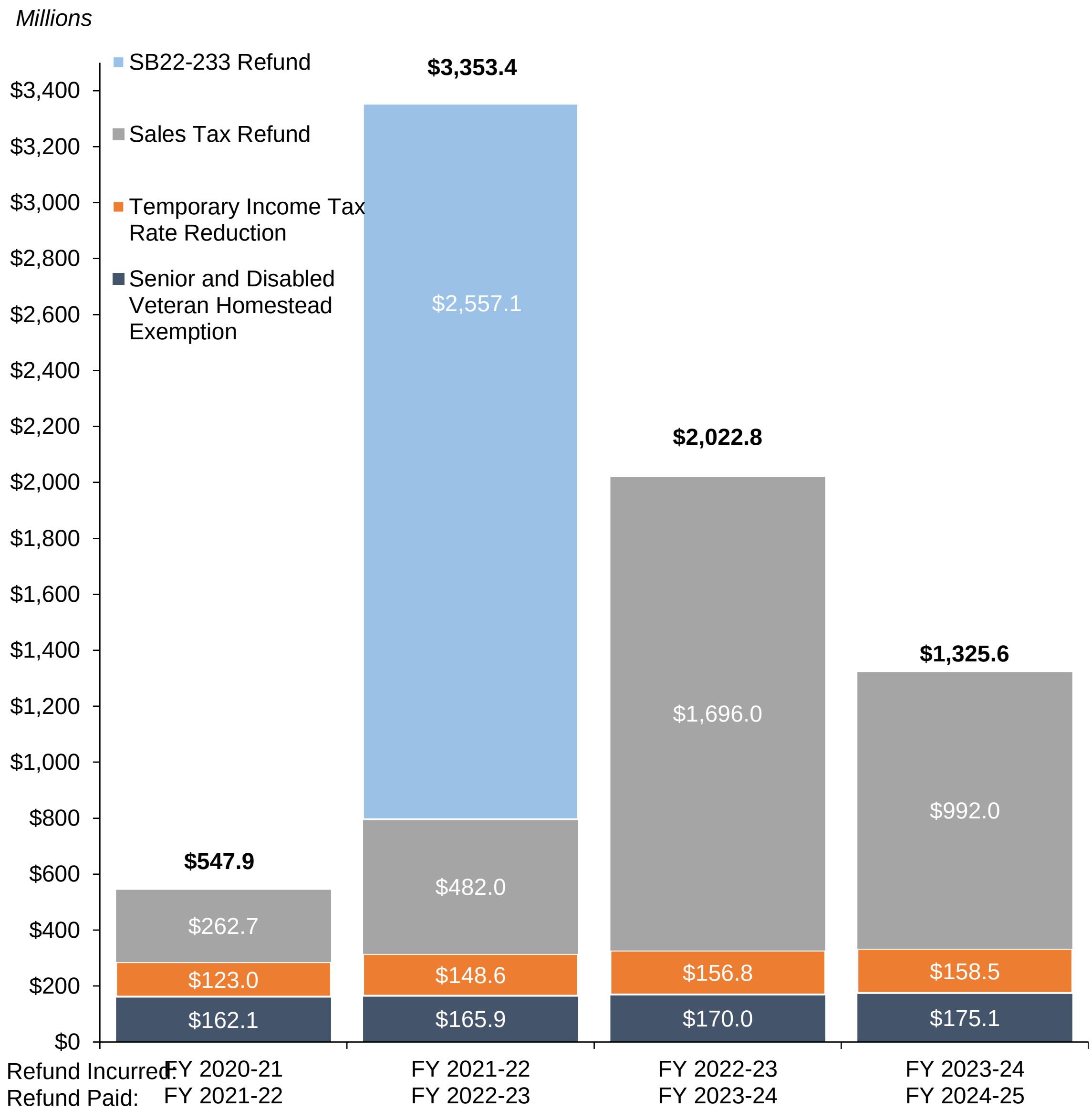
TABOR Outlook

Under Article X, Section 20 of the State Constitution, the Taxpayer's Bill of Rights (TABOR), revenue received from certain sources is subject to an annual limit determined by the prior year's limit after adjustments for inflation and population growth. Any TABOR revenue received above the cap is to be refunded to taxpayers in the subsequent fiscal year.

Revenue subject to TABOR did not exceed the revenue cap in FY 2019-20 but exceeds it in FY 2020-21 by $547.9 million. In each year of the projection period, TABOR revenue is expected to exceed the cap, with the highest refund occurring in the current fiscal year. In FY 2021-22, revenue will be $3,353.4 million due primarily to upward revisions in individual income tax revenue. In FY 2022-23, revenue is projected to be $2,022.8 million above the cap as reduced income revenue more than offsets increases in sales tax revenue when compared with previous expectations. In FY 2023-24, the amount above the cap lowers to $1,325.6 million as current high inflation allows for further growth in the Referendum C limit.

Note that two enterprise status changes result in a $22.4 million increase to the Referendum C TABOR cap in FY 2021-22, and a $2.9 million decrease in FY 2022-23. These changes are that Auraria Higher Education Center requalifies as an enterprise in FY 2021-22, while Adams State loses enterprise status in FY 2021-22, but requalifies the following fiscal year.

Figure 61. TABOR Refunds



Source: OSPB forecast

Current law specifies three mechanisms by which revenue in excess of the cap is to be refunded to taxpayers: the senior homestead and disabled veterans property tax exemptions, a temporary income tax rate reduction (from 4.55 percent to 4.50 percent), and a sales tax refund. The size of the refund determines which refund mechanisms are utilized.

An estimated $123.0 million of the $547.9 million refund obligation will be paid out as an income tax rate reduction, while $162.1 million will be refunded via the senior homestead and disabled veterans property tax exemption expenditures and $262.7 million via a sales tax refund in

FY 2021-22. Any difference between estimated refunds and actual refunds will be corrected in the next fiscal year in which a refund is owed, which is FY 2021-22 in this forecast.

For Fiscal Year 2021-22, Senate Bill 22-233 provides for an advance TABOR refund equivalent to 85 percent of TABOR revenues less the estimated values of the senior homestead property tax exemptions and temporary income tax rate reduction, which is estimated at $2,557.1 million. The refunds will be sent as flat-amount checks to taxpayers who file their Tax Year 2021 income tax returns, mostly by September 30, 2022. The remainder of TABOR revenues, estimated at $482.0 million, will be issued via the normal sales tax refund (claimed on next year's income tax returns) in FY 2022-23.

Reference Tables

Table 1: Colorado Economic Variables – History and Forecast

		Actual 2016	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Forecast 2022	Forecast 2023	Forecast 2024
	Income									
1	Personal Income (Billions) /A	$289.7	$309.7	$332.0	$350.4	$370.4	$401.1	$413.2	$430.5	$446.0
2	Change	1.7%	6.9%	7.2%	5.6%	5.7%	8.3%	3.0%	4.2%	3.6%
3	Wage and Salary Income (Billions)	$151.2	$161.0	$170.9	$182.9	$187.1	$205.2	$224.3	$234.9	$243.3
4	Change	3.1%	6.5%	6.2%	7.0%	2.3%	9.7%	9.3%	4.7%	3.6%
5	Per-Capita Income ($/person) /A	$52,386.0	$55,300.0	$58,475.0	$61,098.0	$64,036.0	$68,984.0	$70,522.0	$72,757.0	$74,601.0
6	Change	0.2%	5.6%	5.7%	4.5%	4.8%	7.7%	2.2%	3.2%	2.5%
	Population & Employment									
7	Population (Thousands)	5,529.6	5,599.6	5,676.9	5,734.9	5,784.2	5,824.6	5,868.6	5,927.2	5,988.8
8	Change	1.5%	1.3%	1.4%	1.0%	0.9%	0.7%	0.8%	1.0%	1.0%
9	Net Migration (Thousands)	53.3	42.4	51.8	34.2	28.6	15.1	30.0	37.0	40.0
10	Unemployment Rate	3.1%	2.6%	3.0%	2.7%	6.9%	5.4%	3.6%	3.3%	3.3%
11	Total Nonagricultural Employment (Thousands)	2,601.7	2,660.3	2,727.3	2,790.1	2,651.1	2,745.7	2,856.6	2,908.0	2,963.3
12	Change	2.4%	2.3%	2.5%	2.3%	-5.0%	3.6%	4.0%	1.8%	1.9%
	Construction Variables									
13	Total Housing Permits Issued (Thousands)	39.0	40.7	42.6	38.6	40.5	56.5	54.4	53.8	53.9
14	Change	22.3%	4.4%	4.8%	-9.4%	4.8%	39.7%	-3.8%	-1.0%	0.1%
15	Nonresidential Construction Value (Millions) /B	$5,987.8	$6,151.9	$8,151.0	$5,167.0	$5,487.7	$5,545.4	$5,725.6	$5,782.9	$5,905.8
16	Change	20.0%	2.7%	32.5%	-36.6%	6.2%	1.1%	3.3%	1.0%	2.1%
	Price Variables									
17	Retail Trade (Billions) /C	$184.7	$194.6	$206.1	$224.6	$228.8	$268.3	$294.4	$306.5	$318.1
18	Change	1.0%	5.4%	5.9%	9.0%	1.9%	17.3%	9.7%	4.1%	3.8%
19	Denver-Aurora-Lakewood Consumer Price Index (1982-84=100)	246.6	255.0	262.0	267.0	272.2	281.8	305.0	318.4	327.3
20	Change	2.8%	3.4%	2.7%	1.9%	2.0%	3.5%	8.2%	4.4%	2.8%

/A Personal Income as reported by the U.S. Bureau of Economic Analysis includes: wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory and capital consumption adjustments, rental income of persons with capital consumption adjustments, personal dividend income, personal interest income, and personal current transfer receipts, less contributions from government social insurance.
/B Nonresidential Construction Value is reported by Dodge Analytics (McGraw-Hill Construction) and includes new construction, additions, and major remodeling projects predominately at commercial and manufacturing facilities, educational institutions, and medical and government buildings. Nonresidential does not include non-building projects (such as streets, highways, bridges, and utilities).
/C In 2018, the geography and data frequency of this series were revised. 2017 and prior years represent Denver-Boulder-Greeley regional prices.

Table 2: National Economic Variables – History and Forecast

		Actual 2016	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Forecast 2022	Forecast 2023	Forecast 2024
Inflation-Adjusted & Current Dollar Income Accounts										
1	Inflation-Adjusted Gross Domestic Product (Billions) /A	$17,680.3	$18,079.1	$18,606.8	$19,032.7	$18,384.7	$19,427.3	$19,913.0	$20,271.4	$20,656.6
2	Change	1.7%	2.3%	2.9%	2.3%	-3.4%	5.7%	2.5%	1.8%	1.9%
3	Personal Income (Billions) /B	$16,096.9	$16,850.2	$17,706.0	$18,424.4	$19,627.6	$21,077.2	$21,646.3	$22,490.5	$23,232.6
4	Change	2.6%	4.7%	5.1%	4.1%	6.5%	7.4%	2.7%	3.9%	3.3%
5	Per-Capita Income ($/person) /B	$49,880	$51,861	$54,129	$55,950	$59,208	$63,506	$64,908	$67,360	$69,319
6	Change	1.9%	4.0%	4.4%	3.4%	5.8%	7.3%	2.2%	3.8%	2.9%
7	Wage and Salary Income (Billions)	$8,091.2	$8,474.7	$8,900.5	$9,323.5	$9,444.1	$10,327.1	$11,277.2	$11,762.1	$12,162.0
8	Change	2.9%	4.7%	5.0%	4.8%	1.3%	9.3%	9.2%	4.3%	3.4%
	Population & Employment									
9	Population (Millions)	322.7	324.9	327.1	329.3	331.5	331.9	333.5	333.9	335.2
10	Change	0.7%	0.7%	0.7%	0.7%	0.7%	0.1%	0.6%	0.6%	0.5%
11	Unemployment Rate	4.9%	4.4%	3.9%	3.7%	8.1%	5.4%	3.5%	3.6%	3.7%
12	Total Nonagricultural Employment (Millions)	144.3	146.6	148.9	150.9	142.2	146.1	151.8	152.9	154.4
13	Change	1.8%	1.6%	1.6%	1.3%	-5.8%	2.8%	3.9%	0.7%	1.0%
	Other Key Indicators									
14	Consumer Price Index (1982-84=100)	240.0	245.1	251.1	255.7	258.8	271.0	292.9	304.9	312.5
15	Change	1.3%	2.1%	2.4%	1.8%	1.2%	4.7%	8.1%	4.1%	2.5%
16	Corporate Profits (Billions)	$2,037.7	$2,128.9	$2,305.0	$2,367.8	$2,243.8	$2,805.8	$2,920.8	$2,836.1	$2,929.7
17	Change	-1.1%	4.5%	8.3%	2.7%	-5.2%	25.0%	4.1%	-2.9%	3.3%
18	Housing Permits (Millions)	1.210	1.280	1.330	1.390	1.470	1.710	1.820	1.780	1.760
19	Change	2.0%	6.3%	3.6%	4.3%	6.1%	16.3%	6.4%	-2.1%	-1.5%
20	Retail Trade (Billions)	$5,506.1	$5,732.9	$5,985.1	$6,184.6	$6,215.1	$7,441.4	$8,118.6	$8,410.8	$8,663.1
21	Change	2.9%	4.1%	4.4%	3.3%	0.5%	19.7%	9.1%	3.6%	3.0%

/A U.S. Bureau of Economic Analysis, National Income and Product Accounts. Inflation-adjusted, in 2009 dollars.
/B Personal Income as reported by the U.S. Bureau of Economic Analysis includes: wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory and capital consumption adjustments, rental income of persons with capital consumption adjustments, personal dividend income, personal interest income, and personal current transfer receipts, less contributions from government social insurance.

Table 3: General Fund Revenue Estimates by Tax Category /A

	Category	Actual FY 2020-21	Percent Change	Estimate FY 2021-22	Percent Change	Estimate FY 2022-23	Percent Change	Estimate FY 2023-24	Percent Change
	Excise Taxes								
1	Sales	$3,418.1	6.9%	$4,023.9	17.7%	$4,230.4	5.1%	$4,422.9	4.6%
2	Use	$214.2	1.8%	$235.3	9.9%	$254.4	8.1%	$263.2	3.5%
3	Retail Marijuana Sales - Special Sales Tax	$288.2	17.4%	$256.7	-10.9%	$261.0	1.7%	$268.2	2.8%
4	Cigarette	$30.1	-7.3%	$25.6	-15.0%	$23.7	-7.3%	$22.7	-4.2%
5	Tobacco Products	$29.0	19.1%	$25.4	-12.4%	$26.4	3.7%	$27.6	4.7%
6	Liquor	$53.4	6.6%	$56.2	5.4%	$57.3	1.9%	$59.1	3.1%
7	Total Proposition EE	$49.0	N/A	$205.3	318.8%	$193.8	-5.6%	$205.0	5.8%
	Cigarette	$37.7	N/A	$147.5	291.0%	$130.6	-11.4%	$125.1	-4.2%
	Tobacco Products	$3.1	N/A	$15.6	405.1%	$15.9	1.4%	$16.6	4.7%
	Nicotine	$8.2	N/A	$42.2	413.6%	$47.4	12.2%	$63.3	33.7%
8	**Total Excise**	**$4,082.1**	**8.6%**	**$4,828.6**	**18.3%**	**$5,047.0**	**4.5%**	**$5,268.8**	**4.4%**
	Income Taxes								
9	Net Individual Income	$9,478.1	9.6%	$11,468.0	21.0%	$10,878.7	-5.1%	$11,345.1	4.3%
10	Net Corporate Income	$1,183.7	62.5%	$1,408.1	19.0%	$990.6	-29.7%	$1,007.0	1.7%
11	**Total Income**	**$10,661.8**	**13.7%**	**$12,876.2**	**20.8%**	**$11,869.3**	**-7.8%**	**$12,352.2**	**4.1%**
12	*Less: State Education Fund Diversion*	*$874.6*	*35.2%*	*$965.7*	*10.4%*	*$890.2*	*-7.8%*	*$926.4*	*4.1%*
13	**Total Income to General Fund**	**$9,787.2**	**12.2%**	**$11,910.5**	**21.7%**	**$10,979.1**	**-7.8%**	**$11,425.8**	**4.1%**
	Other Revenue								
14	Insurance	$336.3	-0.3%	$392.1	16.6%	$465.7	18.8%	$498.9	7.1%
15	Interest Income	$50.0	60.9%	$54.2	8.3%	$40.4	-25.4%	$43.9	8.7%
16	Pari-Mutuel	$0.3	-21.2%	$0.4	20.7%	$0.4	6.4%	$0.4	10.5%
17	Court Receipts	$3.5	-9.8%	$2.3	-34.7%	$3.4	51.1%	$3.5	2.1%
18	Other Income	$50.7	423.4%	$20.6	-59.5%	$26.9	30.9%	$28.8	7.1%
19	**Total Other**	**$440.9**	**15.3%**	**$469.5**	**6.5%**	**$536.9**	**14.4%**	**$575.6**	**7.2%**
20	**GROSS GENERAL FUND**	**$14,310.1**	**11.2%**	**$17,208.5**	**20.3%**	**$16,563.0**	**-3.8%**	**$17,270.2**	**4.3%**

/A Dollars in millions.

Table 4: General Fund Overview /A

		Actual FY 2020-21	Estimate FY 2021-22	Estimate FY 2022-23	Estimate FY 2023-24
Revenue					
1	**Beginning Reserve**	**$1,825.7**	**$3,178.0**	**$3,208.4**	**$2,014.8**
2	**Gross General Fund Revenue**	**$14,310.1**	**$17,208.5**	**$16,563.0**	**$17,270.2**
3	*Transfers to the General Fund*	$336.8	$28.7	$57.6	$27.3
4	**TOTAL GENERAL FUND AVAILABLE**	**$16,472.6**	**$20,415.3**	**$19,829.0**	**$19,312.3**
Expenditures					
5	**Appropriation Subject to Limit**	**$10,979.1**	**$12,031.2**	**$13,692.0**	**$14,940.3**
6	*Dollar Change (from prior year)*	-$826.1	$1,052.1	$1,660.7	$1,248.4
7	*Percent Change (from prior year)*	-7.0%	9.6%	13.8%	9.1%
8	**Spending Outside Limit**	**$2,347.9**	**$5,175.7**	**$4,122.2**	**$2,130.9**
9	*TABOR Refund under Art. X, Section 20, (7) (d)*	$547.9	$3,353.4	$2,022.8	$1,325.6
10	*Homestead Exemption (Net of TABOR Refund)*	$157.9	$0.0	$0.0	$0.0
11	*Other Rebates and Expenditures*	$137.9	$137.1	$137.9	$138.9
12	*Transfers for Capital Construction*	$43.0	$354.0	$482.2	$50.0
13	*Transfers for Transportation*	$30.0	$400.4	$200.5	$0.0
14	*Transfers to State Education Fund*	$113.0	$123.0	$290.0	$0.0
15	*Transfers to Other Funds*	$1,318.3	$807.7	$988.8	$616.4
16	**TOTAL GENERAL FUND OBLIGATIONS**	**$13,327.0**	**$17,206.9**	**$17,814.2**	**$17,071.2**
17	*Percent Change (from prior year)*	4.8%	29.1%	3.5%	-4.2%
18	Reversions and Accounting Adjustments	-$32.4	$0.0	$0.0	$0.0
Reserves					
19	**Year-End General Fund Balance**	**$3,178.0**	**$3,208.4**	**$2,014.8**	**$2,241.1**
20	*Year-End General Fund as a % of Appropriations*	28.9%	26.7%	14.7%	15.0%
21	*General Fund Statutory Reserve*	$314.0	$1,612.2	$2,053.8	$2,241.1
22	*Statutory Reserve %*	2.86%	13.4%	15.0%	15.0%
23	*Above/Below Statutory Reserve*	$2,864.0	$1,596.2	-$39.0	$0.0

/A. FY 2021-22 and FY 2022-23 expenditures reflect all legislation that has passed through both the Colorado House and Senate as of June 21, 2022. FY 2023-24 appropriations will be adopted in future budget legislation. Therefore, FY 2023-24 expenditures and fund balance projections shown are illustrative only. Dollars in millions.

Table 5: General Fund and State Education Fund Overview /A

		Actual FY 2020-21	Estimate FY 2021-22	Estimate FY 2022-23	Estimate FY 2023-24
	Revenue				
1	**Beginning Reserves**	**$1,992.4**	**$3,731.7**	**$4,102.1**	**$3,113.4**
2	*State Education Fund*	$166.7	$553.7	$893.8	$1,098.7
3	*General Fund*	$1,825.7	$3,178.0	$3,208.4	$2,014.8
4	**Gross State Education Fund Revenue**	**$1,038.9**	**$1,228.1**	**$1,021.1**	**$926.4**
5	Transfer to State Education Fund	$0.0	$0.0	$290.0	$0.0
6	**Gross General Fund Revenue /B**	**$14,646.9**	**$17,237.3**	**$16,620.6**	**$17,297.5**
7	**TOTAL FUNDS AVAILABLE FOR EXPENDITURE**	**$17,678.2**	**$22,197.0**	**$21,743.8**	**$21,337.3**
	Expenditures				
8	General Fund Expenditures /C	$13,327.0	$17,206.9	$17,814.2	$17,071.2
9	State Education Fund Expenditures	$651.9	$888.0	$1,106.2	$1,640.1
10	**TOTAL OBLIGATIONS**	**$13,978.9**	**$18,094.9**	**$18,920.4**	**$18,711.3**
11	*Percent Change (from prior year)*	4.2%	29.4%	4.6%	-1.1%
12	*Reversions and Accounting Adjustments*	-$32.4	$0.0	$0.0	$0.0
	Reserves				
13	**Year-End Balance**	**$3,731.7**	**$4,102.1**	**$3,113.4**	**$2,626.0**
14	State Education Fund	$553.7	$893.8	$1,098.7	$385.0
15	General Fund	$3,178.0	$3,208.4	$2,014.8	$2,241.1
16	*General Fund Above/Below Statutory Reserve*	$2,864.0	$3,192.4	-$78.0	$0.0

/A FY 2021-22 and FY 2022-23 expenditures reflect all legislation that has passed through both the Colorado House and Senate as of June 21, 2022. FY 2023-24 appropriations will be adopted in future budget legislation. Therefore, FY 2023-24 expenditures and fund balance projections shown are illustrative only. Dollars in millions.
/B These amounts include the following transfers into the General Fund: $336.8 million in FY 2020-21, $28.7 million in FY 2021-22, $57.6 million in FY 2022-23, and $27.3 million in FY 2023-24.
/C This amount includes transfers to the General Fund.
/D General Fund expenditures include appropriations subject to the limit of 5.0 percent of Colorado personal income as well as all spending outside the limit.

Table 6: Cash Fund Revenue Subject to TABOR /A

	Category	Actual FY 2020-21	Estimate FY 2021-22	Estimate FY 2022-23	Estimate FY 2023-24
1	**Transportation-Related /A**	**$1,155.8**	**$1,219.0**	**$1,222.6**	**$1,354.8**
2	Change	-3.5%	5.5%	0.3%	10.8%
3	**Limited Gaming Fund /B**	**$101.8**	**$114.0**	**$111.7**	**$113.0**
4	Change	47.2%	11.9%	-2.0%	1.2%
7	**Regulatory Agencies**	**$89.1**	**$91.7**	**$84.9**	**$86.6**
8	Change	9.9%	2.9%	-7.4%	2.0%
9	**Insurance-Related**	**$21.0**	**$24.3**	**$21.9**	**$21.7**
10	Change	-15.7%	15.5%	-9.9%	-0.9%
11	**Severance Tax**	**$14.7**	**$310.4**	**$229.4**	**$169.1**
12	Change	-88.8%	2013.6%	-26.1%	-26.3%
13	**Other Miscellaneous Cash Funds**	**$857.5**	**$859.0**	**$901.2**	**$939.7**
14	Change	17.2%	0.2%	4.9%	4.3%
15	**TOTAL CASH FUND REVENUE**	**$2,240.0**	**$2,618.4**	**$2,571.7**	**$2,684.9**
16	Change	-0.1%	16.9%	-1.8%	4.4%

/A Includes revenue from Senate Bill 09-108 (FASTER) which began in FY 2009-10. Roughly 40 percent of FASTER-related revenue is directed to State Enterprises. Revenue to State Enterprises is exempt from TABOR and is thus not included in the figures reflected by this table. Dollars in millions. Additionally, includes the impact of SB 21-260 which dedicates funding and creates new state enterprises to enable the planning, funding, development, construction, maintenance, and supervision of a sustainable transportation system.
/B Excludes tax revenue from extended gaming as allowed by Amendment 50 to the Colorado Constitution as this revenue is exempt from TABOR. The portion of limited gaming revenue that is exempt is projected based on the formula outlined in House Bill 09-1272.

Table 7: TABOR and the Referendum C Revenue Limit/A

		Actual FY 2020-21	Estimate FY 2021-22	Estimate FY 2022-23	Estimate FY 2023-24
	TABOR Revenues				
1	General Fund /A	$13,929.8	$16,747.0	$16,108.2	$16,796.9
2	Cash Funds /A	$2,240.0	$2,618.4	$2,571.7	$2,684.9
3	**Total TABOR Revenues**	**$16,169.8**	**$19,365.3**	**$18,679.9**	**$19,481.8**
	Revenue Limit Calculation				
4	Previous calendar year population growth	1.2%	0.3%	0.7%	0.8%
5	Previous calendar year inflation	1.9%	2.0%	3.5%	8.2%
6	**Allowable TABOR Growth Rate**	**3.1%**	**2.2%**	**4.2%**	**9.0%**
7	TABOR Limit /B	$12,628.1	$12,929.3	$13,445.0	$14,655.0
8	General Fund Exempt Revenue Under Ref. C /C	$3,016.3	$3,082.6	$3,212.1	$3,501.2
9	**Revenue Cap Under Ref. C /B /D**	**$15,644.3**	**$16,011.9**	**$16,657.1**	**$18,156.2**
10	***Amount Above/Below Cap***	**$525.5**	**$3,353.4**	**$2,022.8**	**$1,325.6**
11	***Revenue to be Refunded including Adjustments from Prior Years /E***	**$547.9**	**$3,353.4**	**$2,022.8**	**$1,325.6**
12	TABOR State Emergency Reserve Requirement	$469.3	$480.4	$499.7	$544.7

/A Amounts differ from the revenue totals reported in Table 3, 6 due to accounting adjustments, and some General Fund revenue is exempt from TABOR. Dollars in millions.
/B The TABOR limit and Referendum C cap are adjusted to account for changes in the enterprise status of various state entities.
/C Under Referendum C, a "General Fund Exempt Account" is created in the General Fund. The account consists of money collected in excess of the TABOR limit in accordance with Referendum C.
/D The revenue limit is calculated by applying the "Allowable TABOR Growth Rate" to either "Total TABOR Revenue" or the "Revenue Cap under Ref. C," whichever is smaller. Beginning in FY 2010-11, the revenue limit is based on the highest revenue total from FY 2005-06 to 2009-10 plus the "Allowable TABOR Growth Rate." FY 2007-08 was the highest revenue year during the Referendum C timeout period. SB 17-267 reduced the Referendum C cap by $200 million in FY 2017-18. SB 21-260 raises the Referendum C cap back to its pre-SB 17-267 levels, adjusted for inflation and population growth since the passage of SB 17-267. The new cap, in line with the original Referendum C cap, then grows by inflation and population growth in subsequent years.
/E These adjustments are the result of: (a) changes that were made to State accounting records for years in which TABOR refunds occurred that resulted in changes in required refunds to taxpayers, and (b) the refund to taxpayers in previous years was different than the actual amount required. Such adjustments are held by the State until a future year in which a TABOR refund occurs when they adjust the total refund amount distributed to taxpayers.

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APPENDIX C

STATE OF COLORADO ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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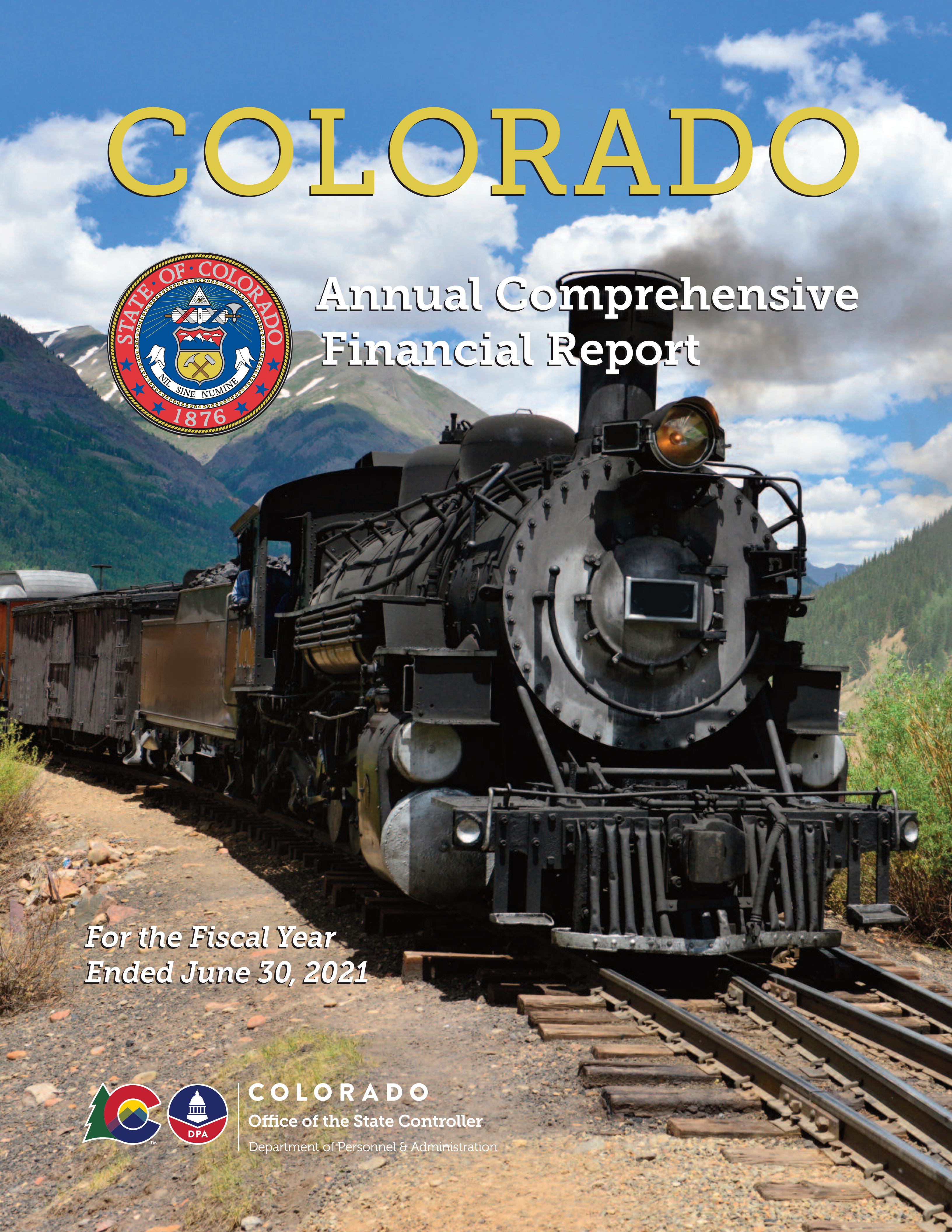


COLORADO

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

COLORADO
Office of the State Controller
Department of Personnel & Administration

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

Jared S. Polis
Governor

Department of Personnel & Administration

Kara Veitch
Executive Director

Robert Jaros
State Controller

COLORADO
Office of the State Controller
Department of Personnel & Administration

REPORT LAYOUT

The Annual Comprehensive Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes the controller's transmittal letter and the state's organization chart. The Financial Section includes the auditor's opinion, management's discussion and analysis, the basic financial statements, and the combining statements and schedules. The Statistical Section includes fiscal, economic, and demographic information about the state.

INTERNET ACCESS

The Annual Comprehensive Financial Report and other financial reports are available on the State Controller's home page at:

https://www.colorado.gov/osc/acfr

STATE OF COLORADO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CONTENTS

INTRODUCTORY SECTION

FINANCIAL SECTION

STATISTICAL SECTION

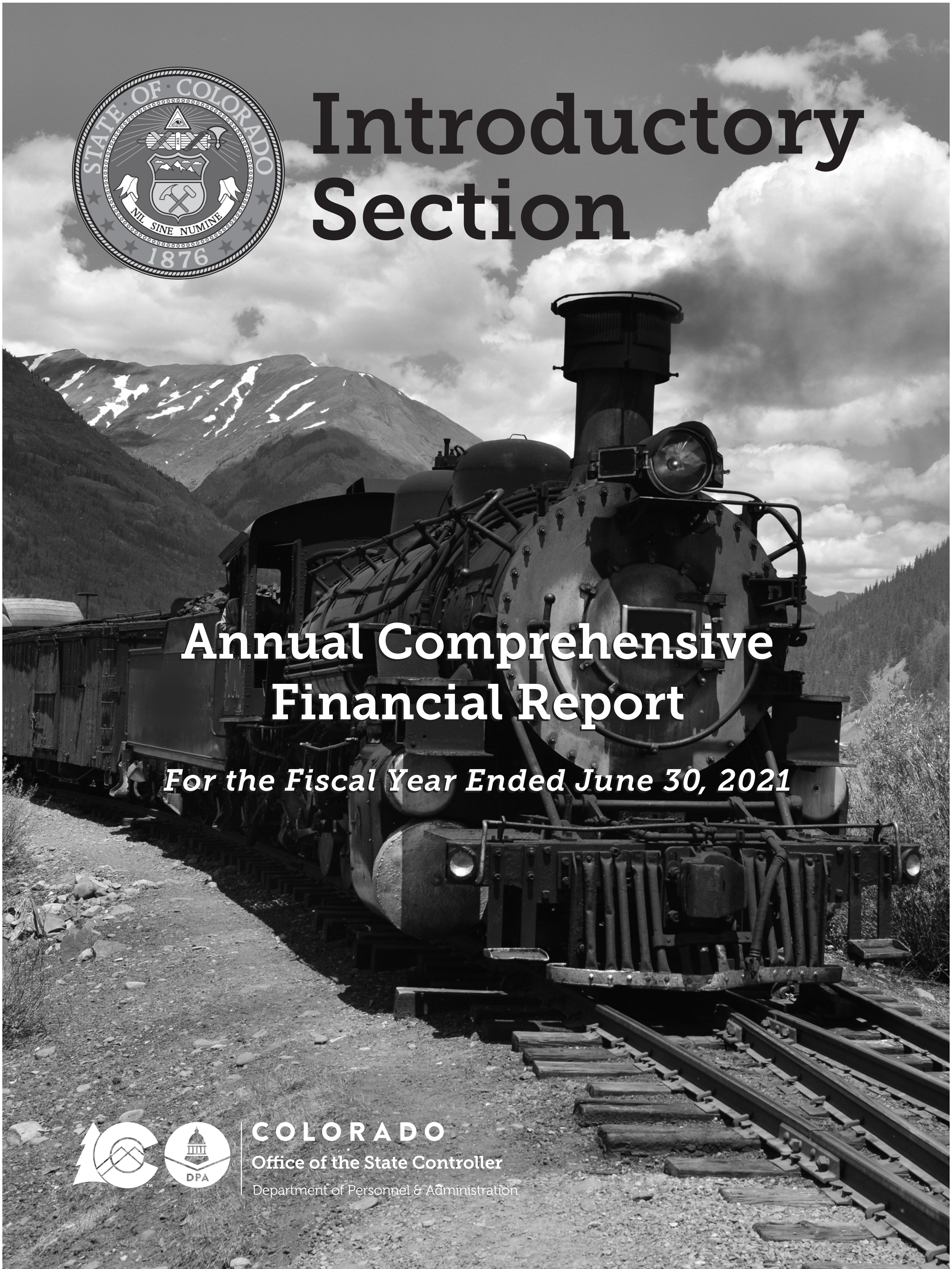
REVENUE CAPACITY

DEBT CAPACITY

DEMOGRAPHIC AND ECONOMIC INFORMATION

OPERATING INFORMATION

OTHER INFORMATION



Introductory Section

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

COLORADO
Office of the State Controller
Department of Personnel & Administration

COLORADO
Office of the State Controller
Department of Personnel & Administration
1525 Sherman St., 5th Floor
Denver, CO 80203

January 31, 2022

To the Citizens, Governor, and Legislators of the State of Colorado:

I am pleased to submit the State of Colorado's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. The State Controller is responsible for the contents of the ACFR and is committed to sound financial management and governmental accountability.

We believe the Basic Financial Statements contained in the ACFR 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 net position or fund balances of the major funds and nonmajor funds in the aggregate. All required disclosures have been presented to assist readers in understanding the State's financial affairs.

Management has established a comprehensive framework of internal controls, which are designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control.

Except as noted below, the ACFR is prepared in conformity with generally accepted accounting principles (GAAP) applicable to governments as prescribed by the Governmental Accounting Standards Board (GASB). The schedules comparing budgeted to actual activity, included in the sections titled Required Supplementary Information and Supplementary Information, are not presented in accordance with GAAP. Rather, they reflect the budgetary basis of accounting which defers certain payroll, Medicaid, and other statutorily defined expenditures to the following fiscal year; for additional information, see the Cash Basis Accounting description in the Management's Discussion and Analysis (MD&A).

The MD&A contains financial analysis and additional information that is required by GASB and should be read in conjunction with this transmittal letter. In addition to the Basic Financial Statements, the ACFR includes: combining financial statements that present information by fund, certain narrative information that describes the individual fund, supporting schedules, Taxpayer Bill of Rights (TABOR) Schedules and notes, and statistical tables that present financial, economic, and demographic data about the State.

The State Auditor performed an independent audit of the Basic Financial Statements contained in the ACFR and has issued an unmodified opinion. The State Auditor also applied limited audit procedures to the Required Supplementary Information (including the MD&A), but does not issue an opinion on such information. For more information regarding the audit and its results, see the Independent Auditor's Report.

PROFILE OF THE STATE GOVERNMENT

The government of the State of Colorado serves an estimated 5,831,200 Coloradans. The services provided are categorized by function of government on the government-wide *Statement of Activities*. The largest of these are social assistance, unemployment insurance, higher education, and education.

Structure of the State Government

The State maintains a separation of powers by utilizing three branches of government: executive, legislative, and judicial. The executive branch comprises four major elected officials – Governor, State Treasurer, Attorney General, and Secretary of State. Most departments of the State report directly to the Governor; however, the Departments of Treasury, Law, and State report to their respective elected officials and the Department of Education reports to the elected State Board of Education.

The Legislature is bicameral and comprises thirty-five senators and sixty-five representatives. The Legislature's otherwise plenary power is checked by the requirement for the Governor to sign its legislation and by specific limitations placed in the State Constitution by voters. The most significant fiscal limitation is the restriction related to issuing debt, raising taxes, and changing existing spending limits. From a fiscal perspective, the Joint Budget Committee of the Legislature, because of its preparation of the annual budget and supplemental appropriations bills, heavily influences the financial decision making of the Legislature. The Committee is bipartisan with members drawn from each of the houses of the Legislature.

The Judicial Branch is responsible for resolving disputes within the State, including those between the executive and legislative branches of government, and for supervising offenders on probation. The Branch includes the Supreme Court, Court of Appeals, district courts, and county courts, served by more than 300 justices and judges in 22 judicial districts across the State. There are also seven water courts, one in each of the State's major river basins.

Component Units

The Basic Financial Statements include financial information for component units, which are entities that are legally separate from the State but included in the ACFR as prescribed by GAAP. The financial information for these component units is discretely presented, blended within the Higher Education Fund, or presented in the fiduciary fund statements. Below is a list of the entities reported in the Basic Financial Statements as component units:

- Discretely Presented Component Units:
  - Colorado Water Resources and Power Development Authority
  - University of Colorado Foundation
  - Other Component Units (nonmajor):
  - Denver Metropolitan Major League Baseball Stadium District
  - Statewide Internet Portal Authority
- Blended Component Units:
  - University Physicians Inc., d/b/a CU Medicine
  - University of Colorado Property Construction, Inc.
- Fiduciary Component Units:
  - University of Colorado Health and Welfare Trust
  - State Board for Community Colleges and Occupational Education Employee Benefit Trust Fund

There were other entities evaluated for inclusion as component units, but did not meet the criteria established by GASB. Many of these are discussed under Related Organizations in Note 18.

Budgetary Process and Budgetary Control

The State's budget consists of appropriated and non-appropriated General-funded, Federally-funded, and Cash-funded amounts. The appropriated portion of the budget is determined annually by the General Assembly, which creates the annual Long Appropriation Act as well as other special and supplemental bills. In its appropriation bills, the General Assembly sets the legal level of budgetary control for appropriated amounts by department, line item, and funding source. The non-appropriated portion includes certain cash funds, for which existing state statutes prescribe the amounts authorized for spending, and most federal funds, for which a federal award document or other agreement establishes the amount authorized for spending. The budget is entered into the State's accounting system, which tracks amounts spent and obligated, to ensure the budget is executed as authorized.

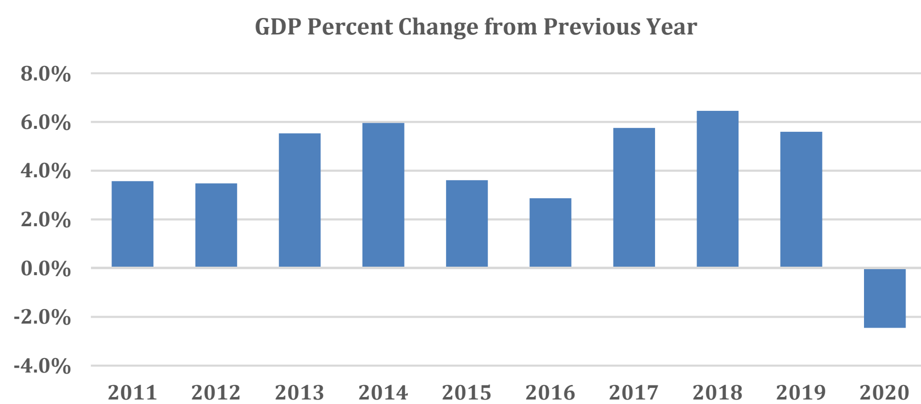
For the most part, operating appropriations lapse at the end of the fiscal year unless the State Controller approves, at a line item level, an appropriation roll-forward based on express legislative direction or extenuating circumstances. The State Controller may also, at a line item level and with the approval of the Governor, allow expenditures in excess of the appropriated budget. Capital construction appropriations are normally effective for three years and do not require State Controller roll-forward approval.

ECONOMIC CONDITION AND OUTLOOK

The State's Economy

The State's General Fund general-purpose revenues reflect the overall condition of the State economy, which showed continued growth in Fiscal Year 2021; General Fund revenues increased by $995 million (7.7 percent) from the prior year. Historically, Colorado economic activity and in-migration have been interdependent. Net migration has averaged approximately 41,800 from 2016 to 2020. Net migration has decreased over this period from approximately 53,300 (2016) to 27,300 (2020) and is projected to be 32,800 and 39,500 for 2021 and 2022, respectively.

The chart below shows the percent change from the previous year of Colorado's gross domestic product (GDP) for the years 2011 to 2020. According to the Bureau of Economic Analysis (BEA), the GDP consistently increased from 2011 to 2019 and decreased in 2020. Colorado's 2020 GDP of $382,584 million is a 2.5 percent decrease from 2019 and a 48.1 percent increase from 2010.



Colorado has a diverse economy, comprising many industries. The table below shows GDP in current dollars and percent of total GDP by industry for the years 2010 and 2020. Over this ten-year period, the industry profile of the State's GDP has been stable, with growth across most industries.

Industry	2010 GDP (millions)	2010 Percent of Total	2020 GDP (millions)	2020 Percent of Total
Finance, Insurance, Real Estate, Rental, and Leasing	$ 51,752.8	20.1 %	$ 82,606.4	21.5 %
Professional and Business Services	36,405.5	14.1	58,775.7	15.4
Government and Government Enterprises	33,935.4	13.1	48,716.5	12.7
Educational Services, Health Care, and Social Assistance	18,463.2	7.1	27,194.1	7.1
Manufacturing	20,206.5	7.8	24,861.8	6.5
Information	18,827.9	7.3	24,335.8	6.4
Wholesale Trade	14,108.9	5.5	22,317.6	5.8
Construction	9,343.7	3.6	23,544.8	6.2
Retail Trade	13,986.1	5.4	21,584.4	5.6
Arts, Entertainment, Recreation, Accommodation, and Food Services	10,751.8	4.2	15,495.9	4.1
Transportation and Warehousing	6,889.0	2.7	9,894.4	2.6
Mining, Quarrying, and Oil and Gas Extraction	11,681.6	4.5	7,345.4	1.9
Other Services (Except Government and Government Enterprises)	5,806.1	2.2	8,402.3	2.2
Utilities	3,881.5	1.5	4,784.1	1.3
Agriculture, Forestry, Fishing and Hunting	2,260.2	0.9	2,725.5	0.7
All Industry Total	$ 258,300.2		$ 382,584.7	

The Governor's Office of State Planning and Budgeting (OSPB) described Colorado's economic outlook in the December 2021 *Colorado Economic and Fiscal Outlook*:

"Colorado's economic recovery from the pandemic-induced recession continues at a rapid pace, although greater headwinds exist. The GDP forecast has been revised down due to supply chain disruptions having a larger than previously anticipated drag on the economy. As consumer spending has remained firm in light of strong household finances, the demand for goods has continued to outpace supply. Such an imbalance has caused continued higher than previously expected inflation, with impacts from supply chains likely to resolve themselves in 2022 and more than offset growing shelter inflation. Finally, the labor market continues to remain tight as the labor force participation rate is likely to remain slightly below the pre-pandemic level as some workers have left the labor force indefinitely due to structural changes caused by the pandemic."

The OSPB has made the following calendar year forecasts for Colorado's major economic variables:

- Unemployment will average 6.0 percent for 2021 compared with 7.3 and 2.7 percent in 2020 and 2019, respectively, and is expected to decrease to 4.5 percent in 2022.

- Wages and salary income will increase by 8.9 percent in 2021, followed by increases of 5.2 percent and 4.8 percent in 2022 and 2023, respectively.

- Total personal income will increase by 7.3 percent in 2021 and will increase by 3.1 percent and 5.0 percent in 2022 and 2023, respectively.

- Inflation, measured by the Denver-Aurora-Lakewood Consumer Price Index, will be 3.5 percent in 2021 and 3.3 percent in 2022.

Long-Term Financial Planning, Relevant Financial Policies, and Major Initiatives

Senate Bill 21-226, enacted in 2021, modified the State's General Fund reserve requirement. In response to the COVID-19 emergency, 2020 legislation reduced the reserve from 7.25 percent of the amount appropriated from the General Fund to 2.86 percent in Fiscal Years 2021 and 2022, with the reserve restored to 7.25 percent for subsequent years. The 2021 bill increased the reserve to 13.4 percent for Fiscal Year 2022 and 15.0 percent for years thereafter.

Senate Bill 18-200, enacted in 2018, addressed underfunded obligations of the Public Employees' Retirement Association (PERA), which provides benefits to state and local government retirees. The bill makes several provisions, including a recurring direct distribution to PERA of $225 million per year and changes to contribution rates, formulas for calculating benefits, and cost of living allowances. With the enactment of this bill, a reduction to the State's unfunded pension liabilities is expected in future years until the liability is fully funded by 2048.

Section 24-30-1310, C.R.S., provides an on-going funding mechanism for capital construction, controlled maintenance, and capital renewal. Over the depreciable life of capital assets that are acquired, constructed, or maintained, an amount equivalent to depreciation is annually transferred to a capital reserve account, the capital construction fund, or the controlled maintenance fund to be utilized for future capital expenditures.

The State anticipates receiving about $4.6 billion for programs in the American Rescue Plan. These include the State and Local Fiscal Recovery Fund ($3.8 billion), Emergency Rental Assistance 1 and 2 ($457 million), Homeowners Assistance Fund ($175 million), and the Capital Projects Fund ($179 million). State departments also received funds directly from federal agencies for existing and new programs as part of the Consolidated Appropriations Act of 2021. These funds are in addition to the $2.9 billion received by the State last year from four separate bills, the largest was CARES Act ($1.7 billion).

AWARDS AND ACKNOWLEDGEMENTS

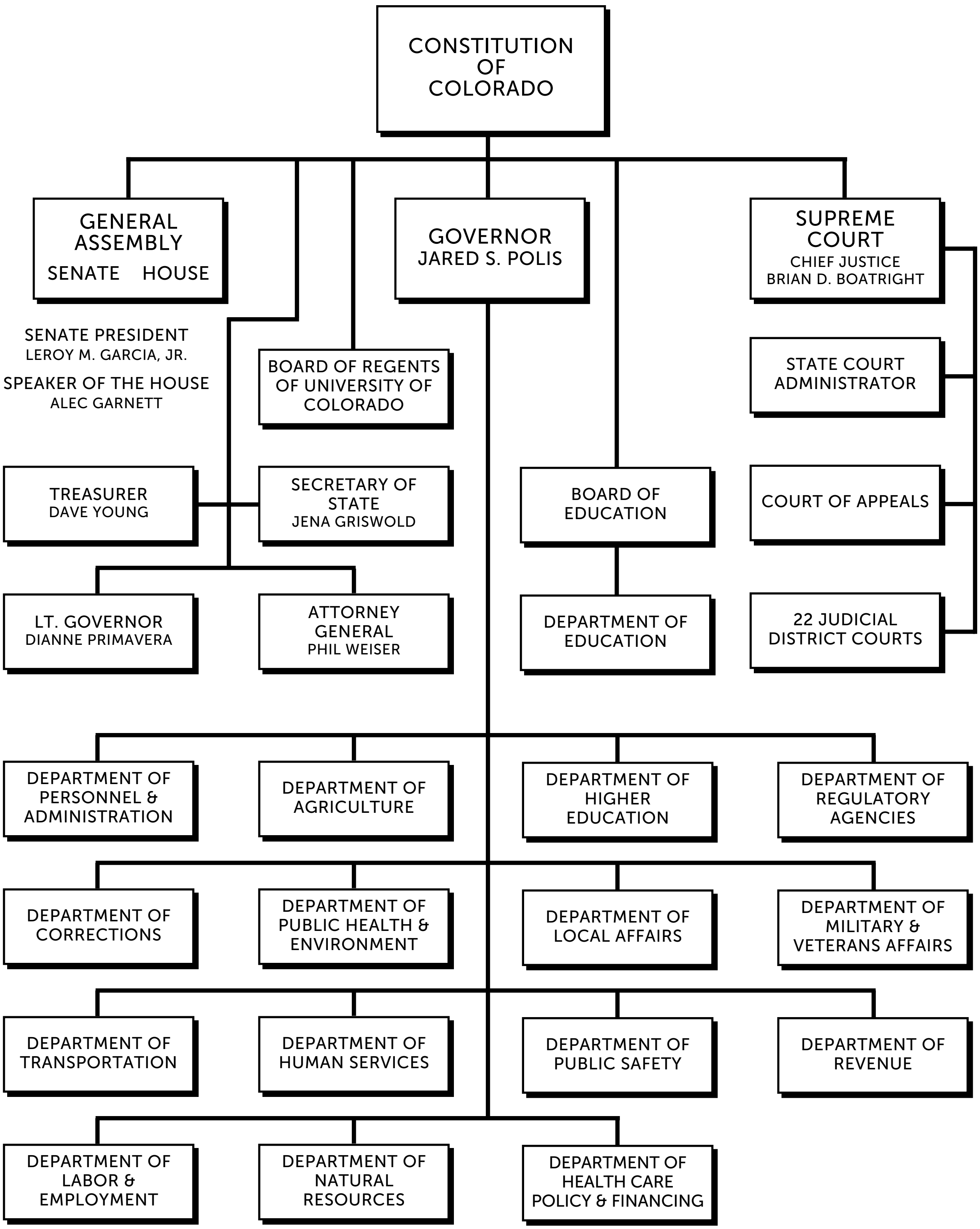
The 2020 report was ineligible to receive the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting, because the Auditor's report included a disclaimer of opinion. Until the 2020 report, the State had received this award for 23 consecutive years. We are evaluating whether the Fiscal Year 2021 ACFR meets the Certificate of Achievement Program's requirements, and intend to submit it to the GFOA to determine its eligibility for another certificate.

In conclusion, I thank my staff and the controllers, accountants, auditors, and program managers in the State departments and branches whose time and dedication have made this report possible. I reaffirm our commitment to maintaining the highest standards of accountability in financial reporting.

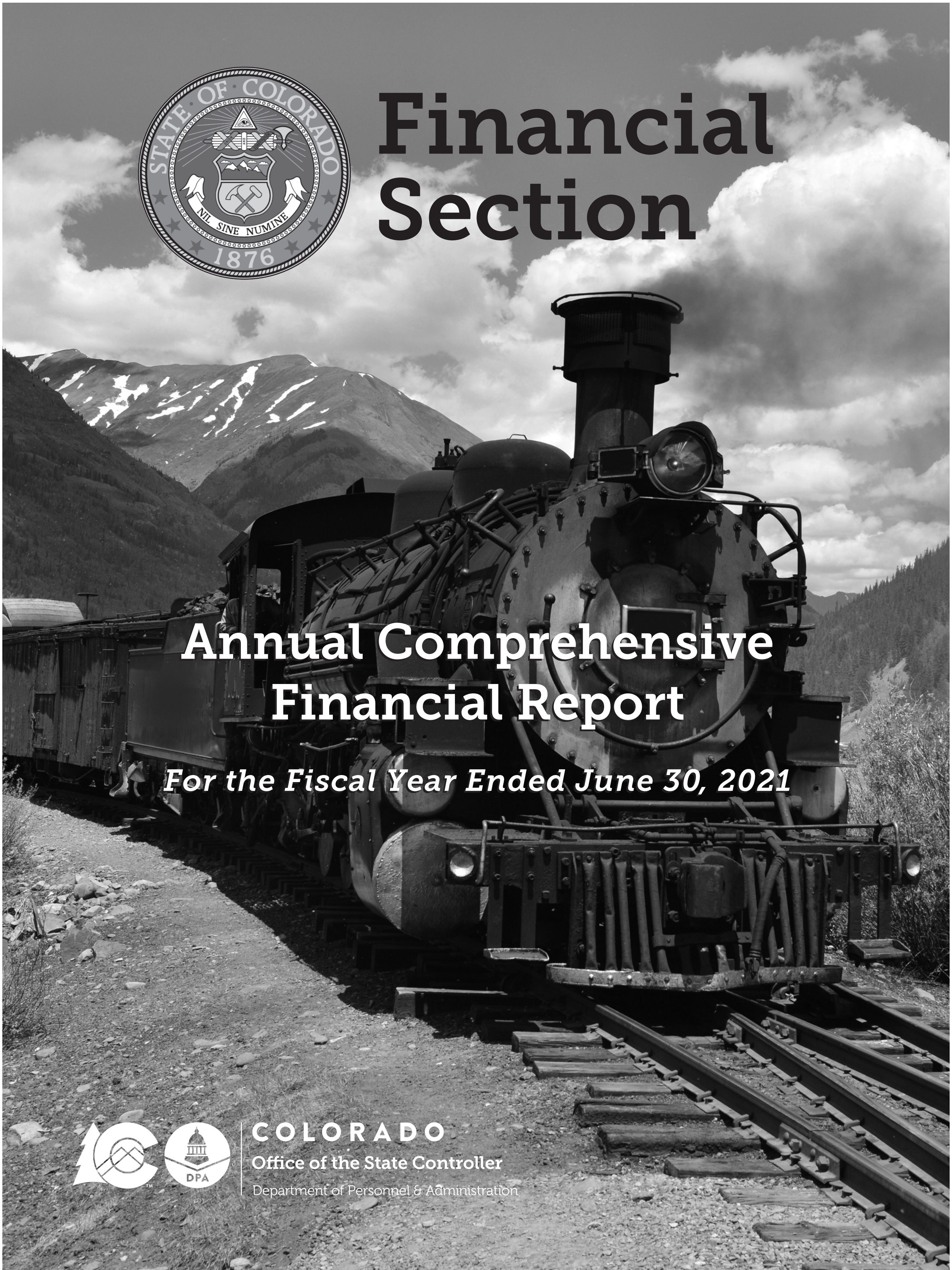
Sincerely,

Robert Jaros, CPA, MBA, JD
Colorado State Controller

PRINCIPAL ORGANIZATIONS AND KEY OFFICIALS



Financial Section



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

COLORADO
Office of the State Controller
Department of Personnel & Administration

OFFICE OF THE STATE AUDITOR
KERRI L. HUNTER, CPA • STATE AUDITOR

Independent Auditor's Report

Members of the Legislative Audit Committee:

Report on the Financial Statements
We were engaged to audit the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Colorado (State), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents. We have also audited the State's budgetary comparison schedule—general fund component (schedule) and the related note for the Fiscal Year Ended June 30, 2021, as displayed in the State's required supplementary information section.

Management's Responsibility for the Financial Statements
The State's management is responsible for the preparation and fair presentation of these financial statements and schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements and schedule that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. 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 *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 financial statements are free from material misstatement.

We did not audit the financial statements of the discretely presented component units identified in Note 1; or the University Physicians Inc., DBA CU Medicine (CU Medicine); a blended component unit, which represent the following:

Percentage of Financial Statements Audited by Other Auditors			
Opinion Unit/Department	Assets and Deferred Outflows of Resources	Net Position	Revenues, Additions, and Other Financing Sources
Aggregate Discretely Presented Component Units	**100%**	**100%**	**100%**
Fund Statements–Proprietary Funds			
Higher Education Institutions–Major Fund			
CU Medicine	**6%**	**18%**	**16%**
Government-wide statements			
Business-type activities			
CU Medicine	**4%**	**16%**	**6%**

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts and disclosures included for those discretely presented component units and for CU Medicine, is based solely on the reports of the other auditors.

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 *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 financial statements are free from material misstatement. The financial statements of the University of Colorado Foundation, the Statewide Internet Portal Authority, and the Denver Metropolitan Major League Baseball Stadium District, which are discretely presented component units, were audited in accordance with auditing standards generally accepted in the United States, but were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, as well as the budgetary comparison schedule—general fund component of the State of Colorado, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Reporting Entity

As discussed in Note 15 to the financial statements, the State has determined that HLC@Metro no longer meets the basis for inclusion as a discretely presented component unit and has removed it from its reporting entity in the Fiscal Year 2021 Annual Comprehensive Financial Report. This change was based on a reevaluation of financial significance, and is in accordance with other guidance. Our opinion is not modified with respect to this matter.

New Accounting Standards

As discussed in Note 1 to the financial statements, the State has adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

Subsequently Discovered Facts

As discussed in Note 1 to the financial statements, subsequent to our audit report dated January 31, 2022, on which we expressed an unmodified opinion, the State revised the Statement of Net Position Government-Wide Financial Statements and the Statement of Net Position Proprietary Statements. We performed procedures over these revisions, and our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements:

Location of Required Supplementary Information	
Required Supplementary Information	**Pages**
Management's Discussion and Analysis	27-43
Budgetary Comparison Schedules	178-183
Notes to Required Supplementary Information	184-196
Budgetary Comparison Schedule-General Fund Component	197-199

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, budgetary comparison schedules, and notes to required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on this information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The introductory section, combining nonmajor fund financial statements, budget and actual schedules—budgetary basis non-appropriated, schedule of TABOR revenue and computations, and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The introductory section, budget and actual schedules— budgetary basis non-appropriated, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

The combining nonmajor fund financial statements and schedule of TABOR revenue and computations are the responsibility of management, and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on the procedures performed as described above, the combining nonmajor fund financial statements and schedule of TABOR revenue and computations are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue a separate report dated January 31, 2022, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance and should be read in conjunction with this report in considering the results of the audit.

Kerri L. Hunter

Denver, Colorado
January 31, 2022, except for Note 1, Statement of Net Position Government-Wide Financial Statements, and Statement of Net Position Proprietary Statements, as to which the date is March 8, 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The following discussion and analysis is supplementary information required by the Governmental Accounting Standards Board (GASB), and is intended to provide an easily readable explanation of the information provided in the attached basic financial statements. It is by necessity highly summarized, and in order to gain a thorough understanding of the State's financial condition, the attached financial statements and notes should be reviewed in their entirety.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

There are three major parts to the basic financial statements – government-wide statements, fund-level statements, and notes to the financial statements. Certain required supplementary information (in addition to this MD&A), including budget-to-actual comparisons and funding progress for other post-employment benefits, is presented following the basic financial statements. Supplementary information, including combining fund statements and schedules, follows the required supplementary information.

Government-wide Financial Statements

The government-wide statements focus on the government as a whole. These statements are similar to those reported by businesses in the private sector, but they are not consolidated financial statements because certain intra-entity transactions have not been eliminated. Using the economic resources perspective and the accrual basis of accounting, these statements include all assets, liabilities, deferred inflows, and deferred outflows on the *Statement of Net Position* and all expenses and revenues on the *Statement of Activities*. These statements can be viewed as an aggregation of the governmental and proprietary fund-level statements along with certain perspective and accounting-basis adjustments discussed below. Fiduciary activities are excluded from the government-wide statements because those resources are not available to support the State's programs.

The *Statement of Net Position* shows the financial position of the State at the end of the Fiscal Year. Net position measures the difference between assets and deferred outflows and liabilities and deferred inflows. Restrictions reported in net position indicate that certain assets, net of the related liabilities, can only be used for specified purposes. Increases in total net position from year to year indicate the State is better off financially, while decreases in total net position may or may not indicate the opposite.

The *Statement of Activities* shows how the financial position has changed since the beginning of the Fiscal Year. The most significant financial measure of the government's current activities is presented in the line item titled "Change in Net Position" at the bottom of the *Statement of Activities.* The statement is presented in a net program cost format, which shows the cost of programs to the government by offsetting revenues earned by the programs against expenses of the programs. Due to the large number of programs operated by the State, individual programs are aggregated into functional areas of government.

On the *Statement of Net Position,* columns are used to segregate the primary government, including governmental activities and business-type activities, from the discretely presented component units. On the *Statement of Activities*, both columns and rows are used for this segregation. The following bullets describe the segregation.

- Governmental activities are the normal operations of the primary government that are not presented as business-type activities. Governmental activities include Internal Service Funds and are primarily funded through taxes, intergovernmental revenues, and other nonexchange revenues.

- Business-type activities are primarily funded by charges to external parties for goods and services. These activities are generally reported in Enterprise Funds in the fund-level statements because the activity has revenue-backed debt or because legal requirements or management decisions mandate full cost recovery.

- Discretely presented component units are legally separate entities for which the State is financially accountable. More information on the discretely presented component units can be found in Note 1.

Fund-Level Financial Statements

The fund-level statements present additional detail about the State's financial position and activities. However, some fund-level statements present information that is different from the government-wide statements due to the differing basis of accounting used in fund statements compared to the government-wide statements. Funds are balanced sets of accounts tracking activities that are legally defined or are prescribed by generally accepted accounting principles. Funds are reported on the fund-level statements as major or nonmajor based on criteria set by the Governmental Accounting Standards Board (GASB). There are three types of funds operated by the State: governmental, proprietary, and fiduciary. In the fund statements, each fund type has a pair of statements that show financial position and activities of the fund; a statement showing cash flows is also presented for the proprietary fund type.

- Governmental Funds – A large number of the State's individual funds and activities fall in this fund type; however, only some are reported as major – the remaining funds are aggregated into the nonmajor column with additional fund detail presented in the Supplementary section of this report. Governmental Funds are presented using the current financial resources perspective, which is essentially a short-term view that excludes capital assets, debt, and other long-term liabilities. The modified accrual basis of accounting is used. Under modified accrual, certain revenues are deferred because they will not be collected within the next year, and certain expenditures are not recognized, even though they apply to the current period, because they will not be paid until later fiscal periods. This presentation focuses on when cash will be received or disbursed, and it is best suited to showing amounts available for appropriation. The governmental fund type includes the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, and Permanent Funds.

- Proprietary Funds – Proprietary fund type accounting is similar to that used by businesses in the private sector. It is used for the State's Enterprise Funds and Internal Service Funds. Enterprise Funds generally sell to external customers while Internal Service Funds generally charge other State agencies for goods or services. These funds are presented under the economic resources measurement focus, which reports all assets and liabilities. Accrual accounting is used, which results in revenues recognized when they are earned and expenses reported when the related liability is incurred. Because this is the same perspective and basis of accounting used on the government-wide statements, Enterprise Fund information flows directly to the business-type activities column on the government-wide statements without adjustment. Internal Service Fund assets and liabilities are reported in the governmental activities on the government-wide *Statement of Net Position* because Internal Service Funds primarily serve governmental funds. The net revenue or net expense of Internal Service Funds is reported as an increase or reduction to program expenses on the government-wide *Statement of Activities.* On the fund-level statements, nonmajor Enterprise Funds are aggregated in a single column, as are all Internal Service Funds.

- Fiduciary Funds – These funds report resources held under trust agreements for other individuals, organizations, or governments. The assets reported are not available to finance the State's programs, and therefore, these funds are not included in the government-wide statements. The State's fiduciary funds include Pension and Other Employee Benefits Trust Funds, several Private-Purpose Trust Funds, and several Custodial Funds. Custodial Funds track only assets and liabilities and do not report revenues and expenses on a statement of operations. All Fiduciary Funds are reported using the accrual basis of accounting.

The State has elected to present combining financial statements for its component units. In the report, the component unit financial statements follow the fund-level financial statements discussed above.

Notes to Basic Financial Statements

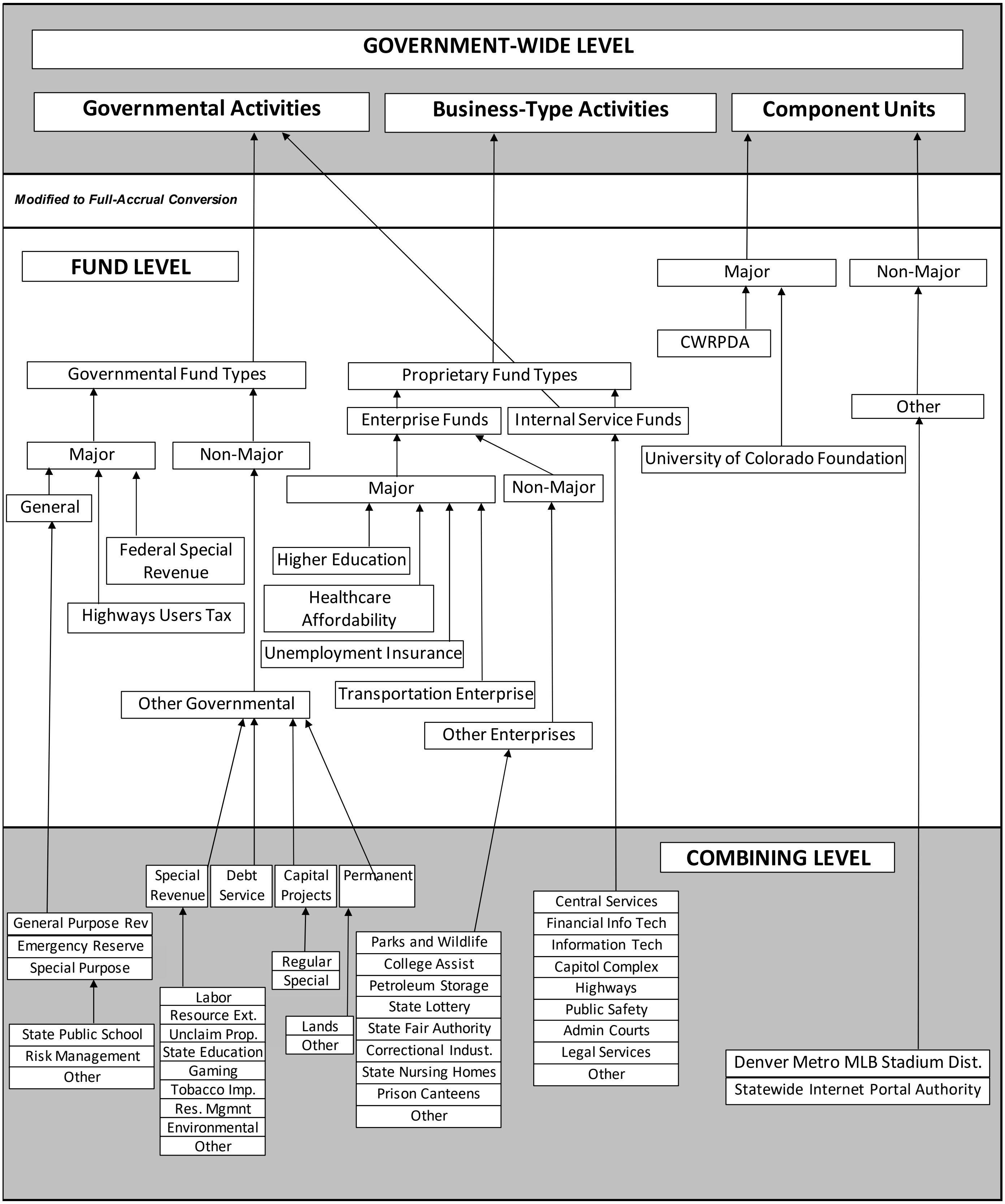
The notes to the financial statements are an integral part of the basic financial statements. They explain amounts shown in the financial statements and provide additional information that is essential to fair presentation.

Required Supplementary Information (RSI)

Generally accepted accounting principles require certain supplementary information to be presented in this Management's Discussion and Analysis and following the notes to the financial statements. Required supplementary information differs from the basic financial statements in that the auditor applies certain limited procedures in reviewing the information. In this report, RSI includes budgetary comparison schedules, defined benefit pension plan schedules, and a schedule of funding progress for other post-employment benefits.

The chart on the following page is a graphic representation of how the State's funds are organized in this report.

Fiduciary Funds are not shown in the chart because those resources are not available to support the State's programs.


GOVERNMENT-WIDE LEVEL
Governmental Activities
Business-Type Activities
Component Units
Modified to Full-Accrual Conversion
FUND LEVEL
Major
Non-Major
CWRPDA
Governmental Fund Types
Proprietary Fund Types
Enterprise Funds
Internal Service Funds
Other
Major
Non-Major
University of Colorado Foundation
Major
Non-Major
General
Federal Special Revenue
Higher Education
Healthcare Affordability
Highways Users Tax
Unemployment Insurance
Transportation Enterprise
Other Governmental
Other Enterprises
COMBINING LEVEL
Special Revenue
Debt Service
Capital Projects
Permanent
General Purpose Rev
Emergency Reserve
Special Purpose
Regular
Special
Parks and Wildlife
College Assist
Petroleum Storage
State Lottery
State Fair Authority
Correctional Indust.
State Nursing Homes
Prison Canteens
Other
Central Services
Financial Info Tech
Information Tech
Capitol Complex
Highways
Public Safety
Admin Courts
Legal Services
Other
Labor
Resource Ext.
Unclaim Prop.
State Education
Gaming
Tobacco Imp.
Res. Mgmnt
Environmental
Other
Lands
Other
State Public School
Risk Management
Other
Denver Metro MLB Stadium Dist.
Statewide Internet Portal Authority

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Government-wide Statement of Net Position

The amount of total net position is one measure of the health of the State's finances, and serves as a useful indicator of a government's financial position over time. However, this measure must be used with care because large portions of the balances related to capital assets or restricted assets may be unavailable to meet the day-to-day payments of the State. The State's combined total net position of both governmental and business-type activities increased 33.3 percent from the prior fiscal year by $4,798.3 million from $14,404.7 million in Fiscal Year 2020, to $19,203.0 million in Fiscal Year 2021.

The following table was derived from the current and prior year government-wide *Statement of Net Position*.

(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Noncapital Assets	$ 21,370,185	$ 13,972,724	$ 11,221,670	$ 8,520,942	$ 32,591,855	$ 22,493,666
Capital Assets	13,069,596	12,596,264	11,237,496	10,821,616	24,307,092	23,417,880
Total Assets	34,439,781	26,568,988	22,459,166	19,342,558	56,898,947	45,911,546
Deferred Outflow of Resources	1,654,895	2,348,666	909,377	534,121	2,564,272	2,882,787
Current Liabilities	8,577,270	4,375,162	6,042,231	2,896,932	14,619,501	7,272,094
Noncurrent Liabilities	10,634,717	11,547,135	10,214,212	9,947,640	20,848,929	21,494,775
Total Liabilities	19,211,987	15,922,297	16,256,443	12,844,572	35,468,430	28,766,869
Deferred Inflow of Resources	3,531,733	3,704,384	1,260,085	1,918,407	4,791,818	5,622,791
Net Investment in Capital Assets	9,172,398	9,648,006	5,973,861	5,923,907	15,146,259	15,571,913
Restricted	4,095,294	3,900,541	1,025,132	1,301,620	5,120,426	5,202,161
Unrestricted	83,264	(4,257,574)	(1,146,978)	(2,111,827)	(1,063,714)	(6,369,401)
Total Net Position	$ 13,350,956	$ 9,290,973	$ 5,852,015	$ 5,113,700	$ 19,202,971	$ 14,404,673

The State's net investment in capital assets of $15,146.3 million for the total primary government (governmental and business-type activities combined), represents a decrease of $425.7 thousand (2.7 percent) compared to the prior fiscal year. Net investment in capital assets is a noncurrent asset, and therefore not available to meet related debt service requirements that must be paid from current revenues or available liquid assets.

Assets restricted by the State Constitution or external parties reduced by their related liabilities account for another $5,120.4 million of total primary government net position. Restricted assets decreased by $81.7 million relative to the prior fiscal year. In general, these restrictions dictate how the related assets must be used by the State, and therefore, may not be available for use by any of the State's programs. Examples of restrictions on the use of net position include the constitutionally-mandated TABOR reserve, State Education Fund, Highway Users Tax Fund, and resources pledged to debt service.

The unrestricted component of net position for the total primary government is a deficit $1,063.7 million for the fiscal year ended June 30, 2021, which represents a $5,305.7 million decline in the deficit from the prior fiscal year. The change is primarily due to increases in unrestricted cash and pooled cash of $9,342.8 million, and a decrease of the net pension liability during the fiscal year of $2,130.7 million related to the State Division Trust Fund, administered by the Public Employees Retirement Association (PERA). These increases were offset by an increase in unearned revenue liability of $2,873.7 million from the prior fiscal year. The State's current liabilities reported on the Statement of Net Position increased by $7,347.4 million over the prior fiscal year, primarily due to advances received from the federal government related to COVID-19 congressional response packages. Noncurrent liabilities only decreased by $645.8 million from the prior fiscal year. Certain noncurrent liabilities, such as bonds and certificates of participation payable, have related capital assets while the net pension liability does not.

Governmental Activities:

Overall, total assets and deferred outflows of resources of the State's governmental activities exceeded total liabilities and deferred inflows of resources by $13,351.0 million, an increase in net position of $4,060.0 million as compared to the prior fiscal year amount of $9,291.0 million. Total cash (restricted and unrestricted) balances increased by $9,374.4 million, due to the increase in federal funding related to COVID-19. Taxes Receivable, net of refunds payable and Other Receivables, net, decreased by $1,156.7 million due to the increase in tax collections during the fiscal year; this resulted from the Calendar Year 2020 income tax filing deadline extension. Total investments (restricted and unrestricted) decreased by $1,294.1 million due to market value decreases. Capital assets, net of accumulated depreciation, increased by $473.3 million due to various capital projects throughout the State.

Governmental activities' liabilities for notes, bonds, and Certificates of Participation at June 30, 2021 were $3,992.2 million as compared to the prior fiscal year amount of $2,908.2 million – an increase of $1,084.1 million. These liabilities represent 29.1 percent of unrestricted financial assets (cash, receivables, and investments), and 11.6 percent of total assets of governmental activities. The governmental activities debt is primarily related to infrastructure, state buildings, and public school buildings. The infrastructure debt is secured by future federal revenues and state highway revenues, state building debt by gaming distributions and judicial fees, and public school buildings debt by School Trust Land revenues.

Governmental activities had a decrease of $475.6 million in net investment in capital assets attributable primarily to the $500.0 million issuance of State of Colorado Rural Colorado Certificates of Participation, Series 2021A, $98.0 million in Building Excellent Schools Today Series 2020R refunding Certificates of Participation, and $64.3 million in Higher Education Lease Purchase Financing Program Certificates of Participation. Restricted net position for governmental activities increased by $194.8 million, and unrestricted net position increased $4,340.9 million from the prior year primarily due to the decrease in net pension liability and the increase in federal funding due to the COVID-19 pandemic. The change from deficit unrestricted net position in Fiscal Year 2020 to a positive net position in Fiscal Year 2021 is primarily a result of a large influx of federal grants related to the COVID-19 pandemic. The unrestricted net position for governmental activities is expected to return to a deficit in the near term absent additional federal COVID-19 or economic recovery funding. The reason for deficit unrestricted net position in prior years was the initial recognition of the net pension liability in Fiscal Year 2015, and the recognition of the net OPEB liability in Fiscal Year 2018. The pension liability is expected to decrease over time due to additional funding measures put in place by Senate Bill 18-200.

Business-Type Activities:

Overall, total assets and deferred outflows of resources of the State's business-type activities exceeded total liabilities and deferred inflows of resources by $5,852.0 million – an increase in net position of $738.3 million as compared to the prior year amount of $5,113.7 million. The increase is primarily attributed to decreases in deferred inflows of resources of approximately $658.3 million, resulting from Changes of Assumptions or Other Inputs of the PERA State Division Trust Fund. A summary of these changes can be found in Note RSI-2 – the State's Defined Benefit Pension Plan. The decrease was also due to the effect of the portion of the annual $225.0 million distribution attributable to the State Division Trust Fund on July 1, 2020, directly made to PERA as required by Senate Bill 18-200.

The State's Enterprise Funds have notes, bonds, and Certificates of Participation outstanding that total $5,187.0 million, as compared to the prior fiscal year amount of $5,096.8 million – an increase of $90.2 million. The majority of the outstanding revenue bonds is related to Higher Education Institutions and is invested in capital assets that generate a future revenue stream to service the related debt. The Division of Unemployment Insurance also has bonds outstanding secured by future employer insurance premiums.

Of the total net position for business-type activities, $5,973.9 million was for investment in capital assets, $1,025.1 million is restricted for the purposes of various funds, and an unrestricted deficit of approximately $1,147.0 million.

The change from deficit unrestricted net position in Fiscal Year 2020 to a positive net position in Fiscal Year 2021 is primarily a result of a large influx of federal grants related to the COVID-19 pandemic. The unrestricted net position for business-type activities is expected to return to a deficit in the near term absent additional federal COVID-19 or economic recovery funding. The reason for deficit unrestricted net position in prior years was the initial recognition of the net pension liability in Fiscal Year 2015, and the recognition of the net OPEB liability in Fiscal Year 2018. The pension liability is expected to decrease over time due to additional funding measures put in place by Senate Bill 18-200. Business-type activities reported a $2,024.4 million decrease in net investment in capital assets, primarily due to debt issuances related to the construction of capital asset projects by institutions of higher education and the Other Enterprise Funds. Restricted net position for business-type activities reported a decrease of $276.5 million from the prior fiscal year.

Government-wide Statement of Activities

The following table was derived from the current and prior year government-wide *Statement of Activities*.

(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
Programs/Functions	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Program Revenues:						
Charges for Services	$ 1,734,952	$ 1,555,332	$ 7,931,639	$ 8,039,922	$ 9,666,591	$ 9,595,254
Operating Grants and Contributions	10,495,268	7,788,096	14,095,372	8,374,699	24,590,640	16,162,795
Capital Grants and Contributions	544,553	617,224	183,207	123,273	727,760	740,497
General Revenues:					-	-
Taxes	14,288,822	13,271,516	9,238	-	14,298,060	13,271,516
Restricted Taxes	1,468,337	1,271,553	-	-	1,468,337	1,271,553
Unrestricted Investment Earnings	50,931	37,599	-	-	50,931	37,599
Other General Revenues	104,683	95,460	-	-	104,683	95,460
Total Revenues	28,687,546	24,636,780	22,219,456	16,537,894	50,907,002	41,174,674
Expenses:						
General Government	822,391	1,214,677	-	-	822,391	1,214,677
Business, Community, and Consumer Affairs	1,368,553	713,827	-	-	1,368,553	713,827
Education	6,656,947	6,875,955	-	-	6,656,947	6,875,955
Health and Rehabilitation	1,660,656	836,872	-	-	1,660,656	836,872
Justice	1,691,958	1,734,902	-	-	1,691,958	1,734,902
Natural Resources	99,053	90,248	-	-	99,053	90,248
Social Assistance	10,157,280	9,430,179	-	-	10,157,280	9,430,179
Transportation	1,632,855	1,884,872	-	-	1,632,855	1,884,872
Payments to School Districts	-		-	-	-	-
Payments to Other Governments	-		-	-	-	-
Interest on Debt	135,332	103,339	-	-	135,332	103,339
Higher Education Institutions	-		6,900,408	6,993,311	6,900,408	6,993,311
Healthcare Affordability			4,198,822	3,515,207	4,198,822	3,515,207
Unemployment Insurance	-		9,465,001	4,765,139	9,465,001	4,765,139
Lottery	-		691,944	582,721	691,944	582,721
Parks and Wildlife	-		170,705	166,782	170,705	166,782
College Assist	-		79,637	201,200	79,637	201,200
Other Business-Type Activities	-		523,885	128,606	523,885	128,606
Total Expenses	24,225,025	22,884,871	22,030,402	16,352,966	46,255,427	39,237,837
Excess (Deficiency) Before Contributions, Transfers, and Other Items	4,462,521	1,751,909	189,054	184,928	4,651,575	1,936,837
Contributions, Transfers, and Other Items:						
Transfers (Out) In	(366,962)	(395,097)	366,962	395,097	-	-
Permanent Fund Additions	141,128	580	5	-	141,133	580
Internal Capital Contributions	-	-	-	-	-	-
Special Item	-	-	-	-	-	-
Total Contributions, Transfers, and Other Items	(225,834)	(394,517)	366,967	395,097	141,133	580
Total Changes in Net Position	4,236,687	1,357,392	556,021	580,025	4,792,708	1,937,417
Net Position - Beginning	9,290,973	7,913,886	5,113,700	4,520,020	14,404,673	12,433,906
Prior Period Adjustment (See Note 15A)	(196,566)	19,695	181,689	11,209	(14,877)	30,904
Accounting Changes	19,862	-	605	2,446	20,467	2,446
Net Position - Ending	$ 13,350,956	$ 9,290,973	$ 5,852,015	$ 5,113,700	$ 19,202,971	$ 14,404,673

For governmental activities, total revenues and permanent fund additions exceeded total expenses and transfers-out, which resulted in an increase to net position of $4,236.7 million. Program revenues for governmental activities increased by $2,814.1 million (28.3 percent), and General revenues for governmental activities increased by $1,236.6 million (8.4 percent). Overall, total revenues for governmental activities increased 16.4 percent. Total expenses for governmental activities increased by $1,340.2 million (5.9 percent) from the prior fiscal year, due to increases in business, community, and consumer affairs; health and rehabilitation; and social assistance activities. These increases were offset by spending decreases primarily in general government, education, justice, and transportation activities.

Business-type activities' total revenues, transfers-in, and permanent fund additions exceeded total expenses by $556.0 million, resulting in an increase in net position. From the prior year to the current year, program revenue from business-type activities increased by $5,632.3 million (34.3 percent), while expenses also increased by $5,677.4 million (34.7 percent) due to significant increases in unemployment insurance.

FUND-LEVEL FINANCIAL ANALYSIS

Governmental Funds:

Governmental fund assets exceeded liabilities resulting in total fund balance of $12,745.5 million as compared to the prior fiscal year amount of $9,491.7 million. The fund balance for all governmental funds increased from the prior fiscal year by $3,253.8 million, which is comprised mainly of increases in the General Fund and Other Governmental Funds of $2,144.1 million and $1,345.6 million, respectively. The State reported a new fund in Fiscal Year 2020 that remained a major fund in Fiscal Year 2021 – the Federal Special Revenue Fund – resulting from federal economic relief received due to the COVID-19 pandemic. Overall, the increase in fund balance for all governmental funds in total was primarily attributable to increases in individual income tax revenue, and federal grants and contracts during Fiscal Year 2021.

General Fund

The ending total fund balance of the General Fund was $4,545.7 million. General Fund revenues increased overall by approximately $2,973.6 million (14.9 percent) over the prior year, and expenditures increased overall by $1,004.0 million (5.2 percent) relative to the prior fiscal year, resulting in $2,709.2 million excess of revenues over expenditures for Fiscal Year 2021. Transfers-in totaled $900.6 million while transfers-out totaled $1,589.3 million, resulting in a net outflow to other funds of $688.7 million. Individual and fiduciary income taxes of $8,305.5 million, sales and use taxes of $3,920.5 million, and federal grants and contracts of $8,703.0 million are the largest sources of revenue comprising 91.5 percent of total revenue of $22,873.1 million. Overall expenditures increased from the prior year due to moderate spending increases across all government functions.

General Fund Components & Legal Reserve Requirement

The General Fund is the focal point in determining the State's ability to maintain or improve its financial position. The General Fund includes all funds that do not have sufficient original source revenue streams to qualify as special revenue funds. As a result, the Public School Fund, Risk Management, and Other Special Purpose Funds reside in the General Fund. These funds are referred to as Special Purpose General Funds, while the General Purpose Revenue Fund comprises general activities of the State. In addition, the State established an Emergency Reserve Fund as a General Fund component in Fiscal Year 2021, with the State transferring $201.1 million into the fund. Revenues of the General Purpose Revenue Fund consist of two broad categories – general-purpose revenues and augmenting revenues. General-purpose revenues are taxes, fines, and other similar sources that are collected without regard to how they will be spent. Other augmenting revenues include federal grants and contracts, user fees and charges, and other specific user taxes. Other augmenting revenues are usually limited as to how they can be spent. Even though significant federal grant revenues are accounted for in the General Purpose Revenue Fund, they have little impact on fund balance because most federal revenues are earned on a reimbursement basis and are closely matched with federal expenditures.

Of the overall fund balance of the General Fund, $2,962.2 million (65.2 percent) was attributable to the General Purpose Revenue Fund, including non-spendable, committed, and assigned amounts. The General Purpose Revenue Fund increased by $1,639.6 million from the prior fiscal year, which was attributable to increases in taxes and federal revenues during Fiscal Year 2021. The General Purpose Revenue Fund experienced a significant increase in unrestricted cash and pooled cash at the end of Fiscal Year 2021 as compared to Fiscal Year 2020 due to the statewide income tax filing deadline extension to July 2020 (FY 2021). This delay resulted in more overall cash collections than in normal fiscal years.

State law requires that the General Purpose Revenue Fund portion of the General Fund maintain a reserve of a percentage of General Purpose Revenue Fund appropriations. Section 24-75-201.1 C.R.S. stipulates the reserve requirement as 2.86 percent of the amount appropriated for expenditure from the general fund for Fiscal Year 2021, and the reserve for Fiscal Year 2021 is $314.0 million. The reserve amount is included in the Budgetary Comparison Schedule for the General Fund – General Purpose Revenue Component, presented as Required Supplementary Information in the ACFR. Beginning and ending budgetary fund balance as show on the Schedule are net of the required reserve.

Federal Special Revenue Fund

The Federal Special Revenue Fund was a new major fund for Fiscal Year 2020, and continues to be a major fund in Fiscal Year 2021. The Federal Special Revenue Fund primarily consists of the Coronavirus Aid, Relief, and Economic Security (CARES) Act Fund, and the Coronavirus Emergency Supplemental Fund. The ending total fund balance of the Federal Special Revenue Fund was $11.4 million. The fund had an ending balance of $3,771.2 million in cash and restricted cash from federal aid related to COVID-19 and economic recovery relief received late in the fiscal year. Thus, the State expended only a small portion of these funds as of June 30, 2021 – resulting in the State recording $3,754.3 million in unearned revenue at June 30, 2021. Fund revenues totaled $909.8 million, and fund expenditures totaled $919.6 million, resulting in a deficit of expenditures over revenues of $9.8 million for Fiscal Year 2021. The main sources of revenue for the fund were federal grants and contracts of $919.9 million (offset by investment losses of $10.1 million); the main expenditures of the fund consist of outflows related to school districts, cities, and counties of $410.1 million, $188.0 million, and $137.3 million, respectively.

Highway Users Tax

The Highway Users Tax Fund qualified as a new major fund for Fiscal Year 2020, and remained a major fund in Fiscal Year 2021. The ending total fund balance of the Highway Users Tax Fund was $752.4 million, which represents a 23.1 percent decrease over the prior year fund balance of $978.4 million. Total cash (restricted and unrestricted) increased by 13.5 percent from $825.1 million in the prior fiscal year to $936.7 million in Fiscal Year 2021. Fund revenues totaled $1,857.6 million, and expenditures totaled $2,343.2 million, resulting in a deficit of expenditures over revenues of $485.6 million for Fiscal Year 2021. Fund revenues decreased 6.5 percent, while fund expenditures also decreased 4.2 percent from the prior fiscal year. The main sources of revenue for the fund were federal grants and contracts of $620.4 million, excise taxes of $593.6 million, and licenses, permits, and fines of $417.9 million. The main expenditures of the fund consisted of transportation-related projects and highway maintenance of $1,479.8 million, and intergovernmental expenditures for cities, counties, and special districts totaling approximately $569.4 million in Fiscal Year 2021.

Proprietary Funds:

Higher Education Institutions

The net position of the Higher Education Institutions fund increased from the prior fiscal year by $2,270.6 million, or 73.1 percent, which generally resulted from increases in cash, investments, and capital asset additions; reductions in overall spending; and increases in nonoperating revenues including investment income, federal grants and contracts, gifts and donations, and transfers-in from other funds. The higher education fund has a variety of revenue and funding sources, which, overall, were relatively consistent with the prior fiscal year. Overall operating revenues decreased by $481.9 million mainly due to decreases in tuition and fees and sales of goods and services. Overall, total operating revenues decreased by 7.0 percent, while total operating expenses decreased by 0.9 percent. Higher Education Institutions received capital contributions of $97.8 million and $114.2 million in Fiscal Years 2021 and 2020, respectively. Transfers-in to the Higher Education Institutions fund totaled $486.1 million for Fiscal Year 2021, an increase of $5.1 million compared to the prior fiscal year amount of $481.0 million. Transfers-in are primarily from the General Fund for student financial aid and vocational training and from the Capital Projects Fund for capital construction.

Healthcare Affordability

During the Fiscal Year 2017 legislative session, the general assembly passed Senate Bill 17-267 – Sustainability of Rural Colorado – which repealed the existing hospital provider fee program effective for Fiscal Year 2018. Section 17 of the bill created the new Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) within the Department of Healthcare Policy and Financing. The fund qualifies as a major enterprise fund based on the amount of revenues in the fund related to total revenues of all enterprise funds. As of June 30, 2021, net position was $67.9 million, a decrease of $7.0 million from the prior fiscal year amount of $74.9 million. Operating revenues of the fund totaled $4,191.9 million, which mainly consists of federal grants and contracts of $3,065.1 million, and fees charged to healthcare providers of $1,126.8 million. Operating revenues increased 16.9 percent by approximately $604.6 million from the prior year amount of $3,587.3 million. Total operating expenses of the fund totaled $4,198.8 million, which mainly consisted of payments to hospital providers for Medicaid services. Because CHASE is an enterprise for purposes of the Taxpayer's Bill of Rights (TABOR), its revenue does not count against the state fiscal year spending limit (Referendum C cap).

Transportation Enterprise

The Transportation Enterprise met the classification as a major fund for Fiscal Year 2021. The Transportation Enterprise consists of the High Performance Transportation Enterprise and the Statewide Bridge Enterprise at the Colorado Department of Transportation. The ending total fund balance of the Transportation Enterprise was $1,363.5 million, which was an increase of 0.2 percent from the prior year net position of $1,360.6 million. Enterprise revenues totaled $150.1 million; nonoperating expenses totaled $102.1 million; and operating expenses totaled $45.2 million; resulting in an excess of revenues over expenses of roughly $2.8 million for Fiscal Year 2021. The main sources of revenue for the Enterprise were sales of goods and services, and federal grants and contracts; the main expenses of the Enterprise consist of depreciation and amortization of capital assets, and outflows related to salaries and fringe benefits, and operating and travel.

Unemployment Insurance

The Unemployment Enterprise met the classification as a major fund for Fiscal Year 2021, which consists of the Employee Leasing Company Certification, Employee Misclassification Advisory Opinion, Employment and Training Technology, Unemployment Bond Repayment, Unemployment Insurance, and the Unemployment Revenue Funds. The ending total fund balance was for Fiscal Year 2021 was a deficit of $1,866.7 million, which was a decrease of $1,865.2 million from the prior year deficit net position of $1.5 million. Fund revenues totaled $7,597.0 million, and expenditures totaled $9,425.3 million, resulting in an excess of expenses over revenues for Fiscal Year 2021. The deficit fund balance primarily resulted from the Department of Labor & Employment borrowing $1,000.0 million from the federal government for the Unemployment Insurance Trust Fund. Other causes for deficit increases include higher accrued expenses and bad debt expense due to overpayments and suspected fraud related to unemployment benefit claims paid throughout Calendar Year 2020 (crosses FY 2020 and FY 2021). The main sources of revenue for the fund were federal grants and contracts, and insurance premiums; the main expenses of the fund consist of unemployment benefit payments and bad debt expense.

TABOR Revenue, Debt, and Tax-Increase Limits

Fiscal Year 2021 is the twenty-eighth year of State operations under Article X, Section 20 of the State Constitution revenue limitations, also known as the Taxpayer Bill of Rights (TABOR). With certain exceptions, the rate of growth of State revenues is limited to the combination of the percentage change in the State's population and inflation based on the Denver-Boulder-Greeley CPI-Urban index. The exceptions include revenues from federal funds, gifts, property sales, refunds, damage recoveries, transfers, voter-approved revenue changes, and qualified enterprise fund 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, to borrow money, and to increase spending limits. With the exception of a declared emergency, taxes can only be raised by a vote of the people at the annual election. Multiple year borrowings can only be undertaken after approval by a similar vote.

The TABOR limits are calculated and applied at the statewide level. However, refunds to taxpayers related to TABOR have historically been paid from the General Fund. Therefore, the TABOR revenue, expenditure, debt, and tax-increase limitations have historically been significant factors in the changing fiscal status of the State's General Fund. The decision to pay TABOR refunds out of the General Fund is notable because revenues in excess of the TABOR limit that are recorded by cash funds remain in those funds (barring Legislative action) but are required to be budgeted and expended from the General Fund Exempt Account created in the General Fund.

After the Referendum C five-year excess revenue retention period that encompassed Fiscal Years 2006 through Fiscal Year 2010, the State is subject to an Excess State Revenue Cap (ESRC) starting in Fiscal Year 2011. Calculation of the TABOR retention limit continues to apply, but the ESRC replaces it as the limit that triggers taxpayer refunds.

During the 2017 legislative session, the general assembly passed Senate Bill 17-267, which revised the TABOR refunding mechanism. Section 24 of the bill specifies that for any state fiscal year commencing on or after July 1, 2017, for which revenue in excess of the reduced Referendum C cap is required to be refunded in accordance with TABOR, reimbursement for the property tax exemptions for qualifying seniors and disabled veterans that is paid by the state to local governments for the property tax year that commenced during the state fiscal year is a refund of such excess state revenue. The exemptions continue to be allowed at current levels and the state continues to reimburse local governments for local property tax revenue lost as a result of the exemptions regardless of whether or not there are excess state revenues. Section 27 prioritizes the new TABOR refund mechanism ahead of the existing temporary state income tax rate reduction refund and sales tax refund mechanisms as the first mechanism used to refund excess state revenue.

For Fiscal Year 2021, State revenues subject to TABOR were $16,169.8 million, which was $525.5 million over the ESRC, and $3,541.7 million over the fiscal year spending limit. Revenue in excess of the ESRC must be refunded to the taxpayers in the next fiscal year including any remaining un-refunded revenues. Therefore, the total amount to be refunded in future fiscal years is $547.9 million. Absent Referendum C, the State would have been required to refund the amount exceeding the fiscal year spending limit.

Additional information on TABOR – including Tax, Spending, and Debt Limitations – is found in Notes to the Financial Statements (Note 2B), and also in the Notes to the TABOR Schedule of Required Computations presented in the Supplementary Information section of the ACFR.

ANALYSIS OF BUDGET VARIANCES

The following analysis is based on the Budgetary Comparison Schedule for the General Fund – General Purpose Revenue Component included in Required Supplementary Information section of the ACFR. That schedule isolates general-purpose revenues and expenditures funded from those revenues, and it is therefore the best source for identifying general-funded budget variances.

Differences Between Original and Final Budgets

The following list shows departments that had net changes in general-funded budgets greater than $10.0 million and the reasons for the change.

- Department of Education – the Department had a net increase of $80.3 million in appropriations resulting from the Connecting Colorado Students Grant under House Bill 20B-1001, as well as adjustments to school funding for the 2021 budget year under Senate Bill 21-053.

- Office of the Governor – the Office had a net increase of $49.7 million in appropriations resulting from various supplemental and special bills related to economic recovery programs including small business accelerated growth and COVID grants, general fund transfers to creative industries, and the Colorado Economic Development Fund.

- Department of Health Care Policy and Financing – the Department had a net decrease of $241.8 million in appropriations mainly due to decreases in medical services premiums related to supplemental Senate Bills 21-043 and 21-205.

- Department of Human Services – the Department had a net increase of $49.5 million in appropriations from the passage of House Bills 20B-1002 and 1003, related to COVID-19 emergency relief grant programs for the child-care sector, and the food pantry assistance grant program.

- Department of Local Affairs – the Department had a net increase of $28.3 million in appropriations for COVID-19 relief for certain small businesses such as restaurants, bars, movie theatres, and fitness and recreational sports centers.

- Department of Personnel and Administration – the Department had a net increase of $14.2 million in appropriations for a general fund transfer to the Workers, Employers, and Workforce Centers Cash Fund related to Senate Bill 21-232.

- Department of Revenue – the Department had a net increase of $244.8 million in appropriations primarily comprised of statutory retail marijuana retail sales tax transfers to the Older Coloradans program, the State Public School Fund, and the Marijuana Tax Cash Fund under Sections 39 and 28.8 C.R.S., as well as Senate Bill 17-267, and House Bills 20-1367, 21-1002, and 20-1360.

- Department of Treasury – the Department had a net increase of $369.7 million in appropriations for the transfer to the PERA payment cash fund under Senate Bill 21-228.

Differences Between Final Budget and Actual Expenditures

In total, state departments reported general-funded appropriations reversions of $5.0 million for Merit Pay and $3.5 million for Legislative reversions. In addition, departments reverted $206.0 million to the General Fund for expenditures under the legally adopted final budget. The final budget is presented without reduction for restrictions in order to show the total reversion of appropriated budget. The following list shows those departments that had reversions of at least $10.0 million of General Fund reversions, and the related budget line item:

- Department of Corrections – the Department reverted $17.1 million, primarily comprised of payments to in-state private prisons, Hepatitis C treatment costs, purchases of pharmaceuticals, and the transitional work program.

- Judicial Department – the Department reverted $19.4 million, primarily consisting of conflict of interest contracts, mandated costs, and court-appointed counsel.

- Department of Local Affairs – the Department reverted $16.6 million primarily related to COVID-19 small business relief grants.

- Department of Public Safety – the Department reverted nearly $10.0 million primarily related to community corrections placements.

- Department of Health Care Policy and Financing – the Department reverted $110.6 million across multiple programs and budget lines, with the largest consisting of general professional services and special projects, indirect cost assessments, third-party liability cost avoidance contracts, medical and long-term care services for Medicaid eligible individuals, behavioral health capitation payments, and regional centers.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The State's net investment in capital assets at June 30, 2021 was $13,071.9 million, as compared to $15,571.9 million in Fiscal Year 2020. Included in this amount were $19,105.8 million of net depreciable capital assets after reduction of $15,161.0 million for accumulated depreciation. Non-depreciable capital assets totaled $5,201.3 million – including land, construction in progress, non-depreciable infrastructure and other capital assets. The State added a net $889.2 million and $900.4 million of capital assets in Fiscal Years 2021 and 2020, respectively. Of the Fiscal Year 2021 additions, $473.3 million was recorded in governmental activities, and $415.9 million was recorded in business-type activities. General-purpose revenues funded $24.0 million of capital and controlled maintenance expenditures during Fiscal Year 2021, and the balance of capital asset additions was funded by federal funds, cash funds, or borrowing.

The table below provides information on the State's capital assets by asset type for both governmental and business-type activities.

The State's capital assets at June 30, 2021 and 2020, were as follows (see Note 5 for additional detail):

(Amounts in Thousands)	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Capital Assets Not Being Depreciated						
Land and Land Improvements	$ 147,728	$ 126,974	$ 740,663	$ 673,831	$ 888,391	$ 800,805
Collections	11,213	11,213	34,150	33,148	45,363	44,361
Other Capital Assets	6,659	12,347	23,938	15,461	30,597	27,808
Construction in Progress	1,779,298	1,548,817	1,298,034	1,529,265	3,077,332	3,078,082
Infrastructure	1,061,015	1,040,339	98,564	98,042	1,159,579	1,138,381
Total Capital Assets Not Being Depreciated	3,005,913	2,739,690	2,195,349	2,349,747	5,201,262	5,089,437
Capital Assets Being Depreciated						
Buildings and Related Improvements	3,696,321	3,481,275	12,178,850	11,419,985	15,875,171	14,901,260
Software	599,234	578,925	252,314	240,501	851,548	819,426
Vehicles and Equipment	1,079,607	1,029,805	1,391,735	1,331,747	2,471,342	2,361,552
Library Books, Collections, and Other Capital Assets	42,815	42,638	652,121	632,974	694,936	675,612
Infrastructure	12,886,486	12,502,697	1,487,372	1,308,495	14,373,858	13,811,192
Total Capital Assets Being Depreciated	18,304,463	17,635,340	15,962,392	14,933,702	34,266,855	32,569,042
Accumulated Depreciation	(8,240,780)	(7,778,766)	(6,920,245)	(6,461,833)	(15,161,025)	(14,240,599)
Total	$ 13,069,596	$ 12,596,264	$ 11,237,496	$ 10,821,616	$ 24,307,092	$ 23,417,880

The State is constitutionally prohibited from issuing general obligation debt except to fund buildings for State use, to defend the State or the U.S. in time of war, or to provide for unforeseen revenue shortfalls. Except for exempt enterprises, TABOR requires a vote of the people for the creation of any debt unless existing cash reserves are irrevocably pledged to service the debt. TABOR does allow debt issuance to refinance a borrowing at a lower interest rate. These requirements limit management's ability to address revenue shortfalls by borrowing for capital expenditures. However, the State has issued Certificates of Participation (COPs) secured by buildings and vehicles and has issued revenue bonds that are secured by pledges of future revenues. The State has other forms of borrowing that are small in relation to the revenue bonds and COPs.

The schedule that follows shows the principal and interest that will be paid over the following thirty-five year period to retire the current borrowing for capital leases, bonds and COPs (see Note 11). Revenue bonds in this schedule include net payments on interest rate swap derivatives.

(Amounts in Thousands)

	Fiscal Year 2021							
	Capital Leases		Revenue Bonds		Certificates of Participation		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Governmental Activities	$ 117,998	$ 9,797	$ -	$ -	$ 3,899,901	$ 1,720,489	$ 4,017,899	$ 1,730,286
Business-Type Activities	$ 74,224	$ 38,322	$ 4,485,403	$ 2,135,452	$ 114,607	$ 16,495	$ 4,674,234	$ 2,190,269
Total	$ 192,222	$ 48,119	$ 4,485,403	$ 2,135,452	$ 4,014,508	$ 1,736,984	$ 8,692,133	$ 3,920,555

(Amounts in Thousands)

	Fiscal Year 2020							
	Capital Leases		Revenue Bonds		Certificates of Participation		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Governmental Activities	$ 119,822	$ 11,980	$ -	$ -	$ 2,809,799	$ 1,370,077	$ 2,929,621	$ 1,382,057
Business-Type Activities	$ 35,645	$ 4,066	$ 4,413,396	$ 2,360,678	$ 374,877	$ 103,359	$ 4,823,918	$ 2,468,103
Total	$ 155,467	$ 16,046	$ 4,413,396	$ 2,360,678	$ 3,184,676	$ 1,473,436	$ 7,753,539	$ 3,850,160

For Fiscal Year 2021, the total principal amount of capital leases, revenue bonds, and COPs increased by 12.1 percent from the prior year to $8,692.1 million. The Fiscal Year 2021 increase is attributable primarily to the $500.0 million issuance of State of Colorado Rural Colorado Certificates of Participation, Series 2021A, $100.2 million in Building Excellent Schools Today Series 2020R refunding Certificates of Participation, and $64.3 million in Higher Education Lease Purchase Financing Program Certificates of Participation.

CONDITIONS EXPECTED TO AFFECT FUTURE OPERATIONS

Many of the conditions affecting future operations of the State remain unchanged from the prior fiscal year. These conditions are as follows:

Coronavirus Disease 2019 (COVID-19) Pandemic – COVID-19 was first identified in December 2019 in Wuhan, China. The outbreak was declared a Public Health Emergency of International Concern in January 2020, and a pandemic in March 2020. The pandemic resulted in a nationwide recession that began in March 2020, which significantly reduced Colorado's economic activity the last quarter of Fiscal Year 2020. Despite significant improvement from the depths of the recession in April 2020 and outperforming the national average, Colorado's economic activity remains below normal levels. In response to the pandemic, the U.S. Congress passed the $1.9 trillion American Rescue Plan Act of 2021 to assist with economic and health effects of the COVID-19 pandemic and the ongoing recession. The Act provided funding for the following:

- $656.2 billion of direct financial assistance in the form of stimulus checks to individuals, unemployment benefit claims, tax credits, the paycheck protection program, and the economic injury disaster loan program.

- $362.0 billion for state and local fiscal recovery funds, Coronavirus capital projects, and local assistance for public lands and tribal consistency funds.

- $211.6 billion for education and childcare including education stabilization, the childcare and development block grant program, childcare entitlements to states, the low-income home energy assistance program, childcare stabilization, and Head Start.

- Tens of billions of dollars for other programs including health care and transportation.

The U.S. economy slowly continues to improve with the federal aid. Personal incomes and savings rates are above pre-pandemic levels due to these major federal relief measures. While higher incomes and savings are positive signs for the economic outlook, the recovery remains highly dependent on the course of the virus including mutations, and the effectiveness of vaccines developed to mitigate the spread of COVID and lessen symptoms.

Public Employees Retirement Association Reforms – The State Legislature passed – and the governor signed – Senate Bill 18-200 during the 2018 legislative session. Senate Bill 18-200 contained a package of reforms designed to reduce the overall risk profile of the PERA retirement plan and improve its funded status. The bill makes several changes to the pension plan including:

- Increasing contribution rates from employers and employees.

- Allocates $225.0 million annually beginning in Fiscal Year 2019 to PERA to reduce the unfunded liability for the State, Judicial, Schools, and Denver Public Schools Divisions Trust Funds. To assist with reductions in spending for Fiscal Year 2021 resulting from the economic impact of COVID-19, the state legislature eliminated the $225.0 million direct distribution for Fiscal Year 2021. The State resumed the direct distribution in Fiscal Year 2022.

- Modifies retirement benefits, including reducing the annual increase for all current and future retirees.

- Raises the retirement age for new employees; and (5) establishes an automatic adjustment provision designed to keep PERA on a path to full funding in 30 years by 2048.

Election 2000 Amendment 23 – This constitutional requirement was originally designed to exempt a portion of State revenues from TABOR and dedicate those revenues to education programs. With the passage of Referendum C, revenues in excess of the TABOR limit are not being refunded. However, resources that were once general-purpose revenues continue to be diverted to the State Education Fund. The amendment requires the General Assembly to increase funding of education by one percent over inflation through Fiscal Year 2011 and by inflation thereafter. This requirement will have an increasing impact if the inflation rate increases. The revenue diversion and mandated expenditure growth infringes on general funding for other programs when State revenues decline with the business cycle. Notwithstanding these expenditure increases, the State continues to face legal challenges that assert the current school funding system fails to provide a thorough and uniform system of free public education as required by the Colorado Constitution.

Cash Basis Accounting – For Fiscal Year 2003 and following years, the Legislature changed the budgetary accounting for June payroll and certain Medicaid expenditures to the cash basis and deferred June pay-dates until July (after Fiscal Year-end). During Fiscal Year 2008, similar treatment was extended to certain Old Age Pension, Medicare, and Children's Basic Health Plan expenditures. In Fiscal Year 2009, this treatment was applied to an additional month of Medicare payments, and legislation was passed to extend the pay-date shift beginning in Fiscal Year 2011 to all information technology staff formerly paid by the General Purpose Revenue Fund. Each of these items causes the outflow of resources to be deferred into the following year for General Fund budget purposes. As a result, the State does not use full or modified accrual accounting to calculate budgetary compliance. Instead, potentially significant liabilities are delayed until the following year assuming that subsequent revenues will be adequate to pay those liabilities. In Fiscal Year 2012, legislation was passed to eliminate the deferral of June pay dates until July for employees paid on a biweekly basis beginning in Fiscal Year 2013. It will be difficult for the State to return to the GAAP basis of accounting for budgetary expenditures because of the significant one-time budgetary impact of recording payroll, Medicaid, and other expenditures that were previously deferred.

General Fund Liquidity – The General Purpose Revenue Fund shows a cash balance of $2,243.5 million at June 30, 2021. Due to the COVID-19 pandemic, the State delayed its statewide income tax filing deadline extension to July 2020 (FY 2021), resulting in less overall cash collections in Fiscal Year 2020, and a significant increase in tax collections in Fiscal Year 2021. From the prior fiscal year to the current fiscal year, General Purpose Revenue Fund taxes receivable decreased by $1,028.3 million to $1,835.8 million; tax refunds payable increased by $202.6 million to $1,144.7 million; and deferred inflows related to the tax receivables not expected to be collected within the next year decreased by $26.8 million down to $154.6 million. The tax receivable and related refunds are based on the best economic data available at year-end; however, economic projections rarely identify inflection points in the economy. If the State's economy experiences another downturn, tax receivables will likely decline (due to declining personal income) and tax refunds will likely increase (due to higher than required estimated tax and withholding payments) putting additional pressure on the fund balance of the General Purpose Revenue Fund. The General Fund legally has access to short-term borrowing from the cash balances of other funds. However, those transfers become increasingly difficult as accessible cash fund balances are depleted from transfers in prior years.

Debt Service – Various state departments, agencies, and institutions of higher education have outstanding notes, bonds, and/or Certificates of Participation (COPs) for the purchase of equipment or to construct facilities or infrastructure. The average debt service related to governmental activities over the next five years is $272.5 million for these agreements and debt instruments. The majority of the revenue streams to cover the debt service payments comprise general governmental resources; there is no general obligation associated with these debt instruments; and the investors' sole recourse is the leased asset. However, if the revenue streams intended to fund this debt service do not materialize, the State will need to find other ways to pay for the service-potential represented by these capital assets. The average debt service related to business-type activities including revenue bonds over the next five years is $341.5 million.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS:				
Current Assets:				
Cash and Pooled Cash	$ 11,224,875	$ 2,662,612	$ 13,887,487	$ 282,804
Restricted Cash and Pooled Cash	122,403	-	122,403	70,190
Investments	-	2,261,237	2,261,237	-
Taxes Receivable, net	1,739,314	125,713	1,865,027	-
Contributions Receivable, net	-	-	-	49,548
Other Receivables, net	663,412	827,965	1,491,377	85,006
Due From Other Governments	1,638,331	2,550,350	4,188,681	1,102
Internal Balances	48,657	(48,657)	-	-
Due From Component Units	-	24,857	24,857	-
Inventories	269,427	50,406	319,833	-
Prepaids, Advances and Deposits	122,230	37,461	159,691	201
Other Current Assets	-	-	-	4,136
Total Current Assets	15,828,649	8,491,944	24,320,593	492,987
Noncurrent Assets:				
Restricted Cash and Pooled Cash	2,971,240	353,797	3,325,037	39,546
Restricted Investments	1,324,475	131,547	1,456,022	63,514
Restricted Receivables	323,485	20,808	344,293	876
Investments	158,487	2,109,357	2,267,844	2,909,333
Contributions Receivable, net	-	-	-	90,734
Other Long-Term Assets	763,849	114,217	878,066	943,012
Depreciable Capital Assets and Infrastructure, net	10,063,683	9,042,147	19,105,830	153,034
Land and Nondepreciable Capital Assets	3,005,913	2,195,349	5,201,262	20,747
Total Noncurrent Assets	18,611,132	13,967,222	32,578,354	4,220,796
TOTAL ASSETS	34,439,781	22,459,166	56,898,947	4,713,783
DEFERRED OUTFLOW OF RESOURCES:	1,654,895	909,377	2,564,272	2,327
LIABILITIES:				
Current Liabilities:				
Tax Refunds Payable	1,154,442	-	1,154,442	-
Accounts Payable and Accrued Liabilities	1,756,431	955,419	2,711,850	25,839
TABOR Refund Liability (Note 2B)	547,872	-	547,872	-
Due To Other Governments	379,075	1,693,848	2,072,923	2,320
Due To Component Units	-	240	240	-
Unearned Revenue	4,513,916	421,714	4,935,630	4,019
Accrued Compensated Absences	15,331	31,583	46,914	-
Claims and Judgments Payable	45,135	819	45,954	-
Leases Payable	30,538	5,984	36,522	-
Notes, Bonds, and COPs Payable	110,285	104,291	214,576	33,095
Other Postemployment Benefits	-	14,753	14,753	-
Other Current Liabilities	24,245	2,813,580	2,837,825	225,909
Total Current Liabilities	8,577,270	6,042,231	14,619,501	291,182
Noncurrent Liabilities:				
Deposits Held In Custody For Others	1,779	25	1,804	608,509
Accrued Compensated Absences	214,870	433,340	648,210	-
Claims and Judgments Payable	141,339	52,714	194,053	-
Capital Lease Payable	87,460	68,240	155,700	-
Derivative Instrument Liability	-	25,602	25,602	-
Notes, Bonds, and COPs Payable	3,881,964	5,082,716	8,964,680	321,755
Due to Component Units	-	1,458	1,458	-
Net Pension Liability	5,874,655	3,370,077	9,244,732	3,855
Other Postemployment Benefits	203,724	1,041,543	1,245,267	214
Other Long-Term Liabilities	228,926	138,497	367,423	43,586
Total Noncurrent Liabilities	10,634,717	10,214,212	20,848,929	977,919
TOTAL LIABILITIES	19,211,987	16,256,443	35,468,430	1,269,101
DEFERRED INFLOW OF RESOURCES:	3,531,733	1,260,085	4,791,818	2,728
NET POSITION:				
Net investment in Capital Assets:	9,172,398	5,973,861	15,146,259	173,882
Restricted for:				
Construction and Highway Maintenance	671,488	-	671,488	-
Education	724,957	632,230	1,357,187	-
Debt Service	148,326	36,346	184,672	-
Emergencies	244,000	-	244,000	-
Permanent Funds and Endowments:				
Expendable	8,886	232,960	241,846	1,556,479
Nonexpendable	1,457,856	89,102	1,546,958	757,703
Other Purposes	839,781	34,494	874,275	793,890
Unrestricted	83,264	(1,146,978)	(1,063,714)	162,327
TOTAL NET POSITION	$ 13,350,956	$ 5,852,015	$ 19,202,971	$ 3,444,281

The notes to the financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	Expenses		Program Revenues		
Functions/Programs	Expenses	Indirect Cost Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:					
Governmental Activities:					
General Government	$ 844,684	$ (22,293)	$ 165,563	$ 338,299	$ 4,304
Business, Community, and Consumer Affairs	1,365,893	2,660	206,723	753,421	105
Education	6,655,207	1,740	43,333	1,192,639	-
Health and Rehabilitation	1,659,004	1,652	132,533	1,212,884	-
Justice	1,687,335	4,623	368,886	281,017	567
Natural Resources	98,594	459	147,299	116,000	-
Social Assistance	10,152,228	5,052	178,318	6,439,949	70
Transportation	1,631,403	1,452	492,297	161,059	539,507
Interest on Debt	135,332	-	-	-	-
Total Governmental Activities	24,229,680	(4,655)	1,734,952	10,495,268	544,553
Business-Type Activities:					
Higher Education	6,897,028	3,380	4,770,763	3,697,584	99,178
Healthcare Affordability	4,198,822	-	1,126,847	3,067,758	-
Unemployment Insurance	9,465,001	-	603,154	6,997,205	-
Lottery	691,482	462	795,845	(135)	-
Parks and Wildlife	170,360	345	236,497	50,153	84,029
College Assist	79,517	120	-	74,638	-
Other Business-Type Activities	523,537	348	398,533	208,169	-
Total Business-Type Activities	22,025,747	4,655	7,931,639	14,095,372	183,207
Total Primary Government	46,255,427	-	9,666,591	24,590,640	727,760
Total Component Units	$ 296,454	$ -	$ 80,386	$ 757,629	$ 35,841

General Revenues:
Taxes:
Sales and Use Taxes
Excise Taxes
Individual Income Tax
Corporate Income Tax
Other Taxes
Restricted for Education:
Individual Income Tax
Corporate and Fiduciary Income Tax
Restricted for Transportation:
Fuel Taxes
Other Taxes
Unrestricted Investment Earnings (Losses)
Other General Revenues
(Transfers-Out) / Transfers-In
Permanent Fund Additions
Total General Revenues, Special Items, and Transfers

Change in Net Position

Net Position - Fiscal Year Beginning
Prior Period Adjustment (See Note 15A)
Accounting Changes (See Note 15B)
Net Position - Fiscal Year Beginning (Restated)

Net Position - Fiscal Year Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (314,225)	$ -	$ (314,225)	
(408,304)	-	(408,304)	
(5,420,975)	-	(5,420,975)	
(315,239)	-	(315,239)	
(1,041,488)	-	(1,041,488)	
164,246	-	164,246	
(3,538,943)	-	(3,538,943)	
(439,992)	-	(439,992)	
(135,332)	-	(135,332)	
(11,450,252)	-	(11,450,252)	
-	1,667,117	1,667,117	
-	(4,217)	(4,217)	
-	(1,864,642)	(1,864,642)	
-	103,766	103,766	
-	199,974	199,974	
-	(4,999)	(4,999)	
-	82,817	82,817	
-	179,816	179,816	
(11,450,252)	179,816	(11,270,436)	
			577,402
3,954,846	-	3,954,846	-
433,686	-	433,686	-
8,292,319	-	8,292,319	-
1,090,209	-	1,090,209	-
517,762	9,238	527,000	-
804,935	-	804,935	-
69,665	-	69,665	-
593,646	-	593,646	-
91	-	91	-
50,931	-	50,931	79,356
104,683	-	104,683	-
(366,962)	366,962	-	-
141,128	5	141,133	-
15,686,939	376,205	16,063,144	79,356
4,236,687	556,021	4,792,708	656,758
9,290,973	5,113,700	14,404,673	2,787,056
(196,566)	181,689	(14,877)	-
19,862	605	20,467	467
9,114,269	5,295,994	14,410,263	2,787,523
$ 13,350,956	$ 5,852,015	$ 19,202,971	$ 3,444,281

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	GENERAL	FEDERAL SPECIAL REVENUE FUND	HIGHWAY USERS TAX	OTHER GOVERNMENTAL FUNDS	TOTAL
ASSETS:					
Cash and Pooled Cash	$ 2,716,157	$ 3,771,198	$ 55,291	$ 4,584,308	$ 11,126,954
Taxes Receivable, net	1,835,824	-	1,843	61,821	1,899,488
Other Receivables, net	478,692	-	1,097	164,748	644,537
Due From Other Governments	1,560,917	12,680	-	64,653	1,638,250
Due From Other Funds	99,965	-	13,715	56,730	170,410
Inventories	70,664	-	17,908	179,646	268,218
Prepaids, Advances and Deposits	50,814	814	6,077	46,242	103,947
Restricted Assets:					
Restricted Cash and Pooled Cash	1,214,940	-	881,407	997,088	3,093,435
Restricted Investments	-	-	-	1,324,475	1,324,475
Restricted Receivables	437	-	323,048	-	323,485
Investments	12,909	-	-	145,578	158,487
Other Long-Term Assets	25,496	-	31,495	545,825	602,816
TOTAL ASSETS	$ 8,066,815	$ 3,784,692	$ 1,331,881	$ 8,171,114	$ 21,354,502
DEFERRED OUTFLOW OF RESOURCES:	-	-	-	4,847	4,847
LIABILITIES:					
Tax Refunds Payable	$ 1,144,749	$ -	$ -	$ 9,693	$ 1,154,442
Accounts Payable and Accrued Liabilities	1,185,056	15,096	297,884	216,181	1,714,217
TABOR Refund Liability (Note 2B)	547,872	-	-	-	547,872
Due To Other Governments	290,670	3,894	38,997	45,514	379,075
Due To Other Funds	42,009	-	500	79,080	121,589
Unearned Revenue	143,449	3,754,329	237,606	377,263	4,512,647
Claims and Judgments Payable	728	-	174	89	991
Other Current Liabilities	9,850	-	42	10,370	20,262
Deposits Held In Custody For Others	387	-	1,174	218	1,779
TOTAL LIABILITIES	3,364,770	3,773,319	576,377	738,408	8,452,874
DEFERRED INFLOW OF RESOURCES:	156,381	-	3,062	1,526	160,969
FUND BALANCES:					
Nonspendable:					
Inventories	70,664	-	17,908	179,646	268,218
Permanent Fund Principal	-	-	-	1,438,292	1,438,292
Prepaids	50,702	-	6,077	46,242	103,021
Restricted	609,779	11,373	679,412	986,088	2,286,652
Committed	1,287,662	-	49,045	4,785,759	6,122,466
Assigned	123,036	-	-	-	123,036
Unassigned	2,403,821	-	-	-	2,403,821
TOTAL FUND BALANCES	4,545,664	11,373	752,442	7,436,027	12,745,506
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 8,066,815	$ 3,784,692	$ 1,331,881	$ 8,175,961	$ 21,359,349

The notes to the financial statements are an integral part of this statement.

GOVERNMENTAL FUNDS BALANCE SHEET
RECONCILED TO
STATEMENT OF NET POSITION
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	TOTAL GOVERNMENTAL FUNDS	(A) INTERNAL SERVICE FUNDS	(B) CAPITAL ASSET BALANCES	(C) DEBT RELATED BALANCES	(D) CENTRALIZED RISK MANAGEMENT LIABILITIES	(E) OTHER MEASUREMENT FOCUS ADJUSTMENTS	(F) INTERNAL BALANCES ELIMINATION	STATEMENT OF NET POSITION TOTALS
ASSETS:								
Current Assets:								
Cash and Pooled Cash	$ 11,126,954	$ 98,108	$ -	$ -	$ -	$ (187)	$ -	$ 11,224,875
Restricted Cash and Pooled Cash	122,403	-	-	-	-	-	-	122,403
Taxes Receivable, net	1,899,488	-	-	-	-	(160,174)	-	1,739,314
Other Receivables, net	644,537	1,365	-	-	-	17,390	120	663,412
Due From Other Governments	1,638,250	81	-	-	-	-	-	1,638,331
Due From Other Funds	170,410	884	-	-	-	-	(171,294)	-
Internal Balances	-	-	-	-	-	-	48,657	48,657
Inventories	268,218	1,209	-	-	-	-	-	269,427
Prepaids, Advances and Deposits	103,947	7,243	-	-	-	11,040	-	122,230
Total Current Assets	15,974,207	108,890	-	-	-	(131,931)	(122,517)	15,828,649
Noncurrent Assets:								
Restricted Cash and Pooled Cash	2,971,032	208	-	-	-	-	-	2,971,240
Restricted Investments	1,324,475	-	-	-	-	-	-	1,324,475
Restricted Receivables	323,485	-	-	-	-	-	-	323,485
Investments	158,487	-	-	-	-	-	-	158,487
Other Long-Term Assets	602,816	-	-	-	-	161,033	-	763,849
Depreciable Capital Assets and Infrastructure, net	-	118,815	9,944,868	-	-	-	-	10,063,683
Land and Nondepreciable Capital Assets	-	377	3,005,536	-	-	-	-	3,005,913
Total Noncurrent Assets	5,380,295	119,400	12,950,404	-	-	161,033	-	18,611,132
TOTAL ASSETS	21,354,502	228,290	12,950,404	-	-	29,102	(122,517)	34,439,781
DEFERRED OUTFLOW OF RESOURCES:	4,847	50,657	-	1,599,391	-	-	-	1,654,895
LIABILITIES:								
Current Liabilities:								
Tax Refunds Payable	1,154,442	-	-	-	-	-	-	1,154,442
Accounts Payable and Accrued Liabilities	1,714,217	36,140	-	6,065	-	-	9	1,756,431
TABOR Refund Liability (Note 2B)	547,872	-	-	-	-	-	-	547,872
Due To Other Governments	379,075	-	-	-	-	-	-	379,075
Due To Other Funds	121,589	937	-	-	-	-	(122,526)	-
Unearned Revenue	4,512,647	1,338	-	-	-	(69)	-	4,513,916
Compensated Absences Payable	-	1,296	-	-	-	14,035	-	15,331
Claims and Judgments Payable	991	-	-	-	38,143	6,001	-	45,135
Leases Payable	-	25,033	-	5,505	-	-	-	30,538
Notes, Bonds, and COPs Payable	-	-	-	110,285	-	-	-	110,285
Other Current Liabilities	20,262	382	-	-	-	3,601	-	24,245
Total Current Liabilities	8,451,095	65,126	-	121,855	38,143	23,568	(122,517)	8,577,270
Noncurrent Liabilities:								
Deposits Held In Custody For Others	1,779	-	-	-	-	-	-	1,779
Accrued Compensated Absences	-	14,368	-	-	-	200,502	-	214,870
Claims and Judgments Payable	-	-	-	-	93,591	47,748	-	141,339
Capital Lease Payable	-	69,341	-	18,119	-	-	-	87,460
Notes, Bonds, and COPs Payable	-	1	-	3,881,963	-	-	-	3,881,964
Net Pension Liability	-	338,048	-	-	-	5,536,607	-	5,874,655
Other Postemployment Benefits	-	11,130	-	-	-	192,594	-	203,724
Other Long-Term Liabilities	-	-	-	-	-	228,926	-	228,926
Total Noncurrent Liabilities	1,779	432,888	-	3,900,082	93,591	6,206,377	-	10,634,717
TOTAL LIABILITIES	8,452,874	498,014	-	4,021,937	131,734	6,229,945	(122,517)	19,211,987
DEFERRED INFLOW OF RESOURCES:	160,969	79,412	-	-	-	3,291,352	-	3,531,733
NET POSITION:								
Net investment in Capital Assets:	-	24,820	12,950,404	(3,802,826)	-	-	-	9,172,398
Restricted for:								
Construction and Highway Maintenance	671,488	-	-	-	-	-	-	671,488
Education	724,957	-	-	-	-	-	-	724,957
Debt Service	148,326	-	-	-	-	-	-	148,326
Emergencies	244,000	-	-	-	-	-	-	244,000
Permanent Funds and Endowments:								
Expendable	8,886	-	-	-	-	-	-	8,886
Nonexpendable	1,457,856	-	-	-	-	-	-	1,457,856
Other Purposes	839,781	-	-	-	-	-	-	839,781
Unrestricted	8,650,212	(323,299)	-	1,380,280	(131,734)	(9,492,195)	-	83,264
TOTAL NET POSITION	$ 12,745,506	$ (298,479)	$ 12,950,404	$ (2,422,546)	$ (131,734)	$ (9,492,195)	$ -	$ 13,350,956

The notes to the financial statements are an integral part of this statement.

Differences Between the *Balance Sheet – Governmental Funds* and
Governmental Activities on the Government-Wide *Statement of Net Position*

(A) Management uses Internal Services Funds to report the charges for and the costs of goods and services sold by state agencies solely within the state. Because the sales are primarily to governmental funds, the assets and liabilities of the Internal Service Funds are included in the governmental activities on the government-wide *Statement of Net Position.* Internal Service Funds are reported using proprietary fund-type accounting in the fund-level financial statements. In addition to minor training services provided by the Department of Personnel & Administration, and internal sales within the Department of Transportation and the Department of Public Safety, the State's Internal Service Funds provide the following goods and services to nearly all state agencies:

- Fleet management,
- Printing and mail services,
- Information technology and telecommunication services,
- Building maintenance and management in the capitol complex,
- Administrative court services,
- Legal services, and
- Others including debt collection.

(B) Capital assets used in governmental activities are not current financial resources, and therefore, they are not included in the fund-level financial statements. However, capital assets are economic resources and are reported in the government-wide *Statement of Net Position.*

(C) Long-term liabilities such as leases, bonds, notes, mortgages, and Certificates of Participation (including accrued interest) are not due and payable in the current period, and therefore, they are not included in the fund-level financial statements. However, from an economic perspective these liabilities reduce net position and are reported in the *Statement of Net Position.* The portion reported as current in the reconciliation is payable within the following fiscal year. Deferred outflows related to debt refunding losses require a similar adjustment. The largest single portion of the long-term balance is related to Transportation Revenue Anticipation Notes issued by the Department of Transportation.

(D) Risk management liabilities are actuarially determined claims and consist of a current and long-term portion. Generally accepted accounting principles (GAAP) list claims and judgments as an exception to the full accrual basis of accounting that constitutes the modified accrual basis of accounting. The current portion (payable within one year) is excluded from the fund-level statements because it is not payable with expendable available financial resources. In this instance, "payable with expendable available financial resources" means the amounts are not accrued as fund liabilities because they are not budgeted in the current year. The long-term portion of the risk management liability is excluded from the fund-level statements because it is not due and payable in the current period.

(E) Other measurement focus adjustments include:

- Interfund balances receivable from or payable to fiduciary funds are reported on the fund-level *Balance Sheet – Governmental Funds* as due from/to other funds. On the government-wide *Statement of Net Position*, these amounts are considered external receivables and payables.
- Long-term assets and long-term taxes receivable are not available to pay for current period expenditures; therefore, the related revenue is reported as a deferred inflow of resources on the fund-level *Balance Sheet – Governmental Funds*. From an economic perspective, this revenue is earned and the related deferred inflow of resources is removed from the government-wide *Statement of Net Position* when the revenue is recognized on the government-wide *Statement of Activities*.
- Compensated absences are a GAAP modification of the full accrual basis of accounting similar to claims and judgments discussed above. Therefore, both the current and long-term portions of the liability are shown on the government-wide *Statement of Net Position*, but they are not reported on the fund-level *Balance Sheet – Governmental Funds*.
- Claims and Judgments Payable and other long-term liabilities including pension liabilities are not reported on the fund-level *Balance Sheet – Governmental Funds* because the amounts are not due and payable from current financial resources. However, from an economic perspective, these liabilities reduce net position, and they are therefore reported on the government-wide *Statement of Net Position*.

(F) All interfund payable balances shown on the fund-level Balance Sheet – Governmental Funds are reported in the internal balances line on the government-wide Statement of Net Position along with all governmental-activities interfund receivables.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	GENERAL	FEDERAL SPECIAL REVENUE FUND	HIGHWAY USERS TAX	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES:					
Taxes:					
Individual and Fiduciary Income	$ 8,305,502	$ -	$ -	$ 808,701	$ 9,114,203
Corporate Income	1,117,777	-	-	65,899	1,183,676
Sales and Use	3,920,489	-	-	30,226	3,950,715
Excise	112,551	-	593,646	320,456	1,026,653
Other Taxes	336,628	-	91	225,497	562,216
Licenses, Permits, and Fines	36,173	-	417,864	440,745	894,782
Charges for Goods and Services	70,069	-	141,884	173,814	385,767
Rents	2	-	2,717	128,734	131,453
Investment Income (Loss)	87,847	(10,094)	(10,899)	97,633	164,487
Federal Grants and Contracts	8,702,952	919,870	620,418	604,168	10,847,408
Additions to Permanent Funds	-	-	-	141,128	141,128
Unclaimed Property Receipts	-	-	-	143,231	143,231
Other	183,157	-	91,849	55,142	330,148
TOTAL REVENUES	22,873,147	909,776	1,857,570	3,235,374	28,875,867
EXPENDITURES:					
Current:					
General Government	278,846	34,605	74,727	79,016	467,194
Business, Community, and Consumer Affairs	320,357	39,378	-	520,225	879,960
Education	475,967	819	-	221,208	697,994
Health and Rehabilitation	1,363,876	58,995	12,277	188,114	1,623,262
Justice	1,660,185	23,467	142,777	281,522	2,107,951
Natural Resources	41,049	-	-	79,437	120,486
Social Assistance	8,832,971	8,358	-	230,253	9,071,582
Transportation	-	-	1,479,831	5,600	1,485,431
Capital Outlay	207,566	17	60,866	124,360	392,809
Intergovernmental:					
Cities	100,597	188,016	202,529	95,436	586,578
Counties	1,699,047	137,268	230,494	138,054	2,204,863
School Districts	4,960,306	410,057	-	662,697	6,033,060
Special Districts	75,794	18,572	136,385	26,485	257,236
Federal	-	-	16	2,281	2,297
Other	62,651	10	3,251	67,517	133,429
Debt Service	84,724	-	-	144,412	229,136
TOTAL EXPENDITURES	20,163,936	919,562	2,343,153	2,866,617	26,293,268
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,709,211	(9,786)	(485,583)	368,757	2,582,599
OTHER FINANCING SOURCES (USES):					
Transfers-In	900,632	-	354,626	1,481,511	2,736,769
Transfers-Out	(1,589,302)	(191)	(95,287)	(1,410,723)	(3,095,503)
Face Amount of Bond/COP Issuance	98,030	-	-	676,838	774,868
Bond/COP Premium/Discount	19,932	-	-	158,117	178,049
Issuance of Capital Leases	502	-	-	4,206	4,708
Sale of Capital Assets	836	-	-	5,775	6,611
Insurance Recoveries	4,229	-	91	1,540	5,860
Bond/COP Refunding Issuance	-	-	19,050	-	19,050
Bond/COP Premium Refunding Proceeds	-	-	3,742	-	3,742
Bond/COP Refunding Payments	-	-	(22,550)	-	(22,550)
TOTAL OTHER FINANCING SOURCES (USES)	(565,141)	(191)	259,672	917,264	611,604
NET CHANGE IN FUND BALANCES	2,144,070	(9,977)	(225,911)	1,286,021	3,194,203
FUND BALANCE, FISCAL YEAR BEGINNING	2,401,594	21,350	978,353	6,090,424	9,491,721
Prior Period Adjustment (See Note 15A)	-	-	-	39,720	39,720
Accounting Changes (See Note 15B)	-	-	-	19,862	19,862
FUND BALANCE, FISCAL YEAR BEGINNING (RESTATED)	2,401,594	21,350	978,353	6,150,006	9,551,303
FUND BALANCE, FISCAL YEAR END	$ 4,545,664	$ 11,373	$ 752,442	$ 7,436,027	$ 12,745,506

The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES RECONCILED TO STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	TOTAL GOVERNMENTAL FUNDS	(A) INTERNAL SERVICE FUNDS	(B) CAPITAL RELATED ITEMS	(C) LONG-TERM DEBT TRANSACTIONS	(D) OTHER MEASUREMENT FOCUS ADJUSTMENTS	STATEMENT OF ACTIVITIES TOTALS
REVENUES:						
Taxes:						
Individual and Fiduciary Income	$ 9,114,203	$ -	$ -	$ -	$ (13,183)	$ 9,101,020
Corporate Income	1,183,676	-	-	-	(27,568)	1,156,108
Sales and Use	3,950,715	-	-	-	4,131	3,954,846
Excise	1,026,653	-	-	-	679	1,027,332
Other Taxes	562,216	-	-	-	(4,209)	558,007
Licenses, Permits, and Fines	894,782	-	-	-	30	894,812
Charges for Goods and Services	385,767	-	-	-	-	385,767
Rents	131,453	-	-	-	-	131,453
Investment Income (Loss)	164,487	(1,150)	-	-	1	163,338
Federal Grants and Contracts	10,847,408	-	-	-	-	10,847,408
Additions to Permanent Funds	141,128	-	-	-	-	141,128
Unclaimed Property Receipts	143,231	-	-	-	-	143,231
Other	330,148	-	-	-	1,862	332,010
TOTAL REVENUES	28,875,867	(1,150)	-	-	(38,257)	28,836,460
EXPENDITURES:						
Current:						
General Government	467,194	(20,492)	28,969	-	(99,668)	376,003
Business, Community, and Consumer Affairs	879,960	(18,333)	2,358	-	(133,284)	730,701
Education	697,994	(1,137)	41,131	-	(46,727)	691,261
Health and Rehabilitation	1,623,262	(5,385)	592	-	(180,250)	1,438,219
Justice	2,107,951	(14,688)	51,755	-	(689,236)	1,455,782
Natural Resources	120,486	(7,367)	475	-	(33,552)	80,042
Social Assistance	9,071,582	(33,650)	18,326	-	(67,825)	8,988,433
Transportation	1,485,431	(6,841)	321,637	-	(165,004)	1,635,223
Capital Outlay	392,809	-	(872,294)	-	-	(479,485)
Intergovernmental:						
Cities	586,578	-	-	-	-	586,578
Counties	2,204,863	-	-	-	-	2,204,863
School Districts	6,033,060	-	-	-	78,020	6,111,080
Special Districts	257,236	-	-	-	1,743	258,979
Federal	2,297	-	-	-	-	2,297
Other	133,429	-	-	-	-	133,429
Debt Service	229,136	2,385	-	(97,338)	-	134,183
TOTAL EXPENDITURES	26,293,268	(105,508)	(407,051)	(97,338)	(1,335,783)	24,347,588
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,582,599	104,358	407,051	97,338	1,297,526	4,488,872
OTHER FINANCING SOURCES (USES):						
Transfers-In	2,736,769	1,759	-	-	-	2,738,528
Transfers-Out	(3,095,503)	(7,808)	-	-	-	(3,103,311)
Face Amount of Bond/COP Issuance	774,868	-	-	(774,867)	-	1
Bond/COP Premium/Discount	178,049	-	-	(162,723)	-	15,326
Issuance of Capital Leases	4,708	-	-	(4,536)	-	172
Sale of Capital Assets	6,611	-	80,901	-	-	87,512
Insurance Recoveries	5,860	-	-	-	-	5,860
Bond/COP Refunding Issuance	19,050	-	-	(19,050)	-	-
Bond/COP Premium Refunding Proceeds	3,742	-	-	(3,742)	-	-
Bond/COP Refunding Payments	(22,550)	-	-	22,792	-	242
TOTAL OTHER FINANCING SOURCES (USES)	611,604	(6,049)	80,901	(942,126)	-	(255,670)
Internal Service Fund Charges to BTAs	-	3,485	-	-	-	3,485
NET CHANGE FOR THE YEAR	3,194,203	101,794	487,952	(844,788)	1,297,526	4,236,687
Prior Period Adjustment (See Note 15A)	39,720	-	-	-	(236,286)	(196,566)
Accounting Changes (See Note 15B)	19,862	-	-	-	-	19,862
TOTAL CHANGE FOR THE CURRENT YEAR	$ 3,253,785	$ 101,794	$ 487,952	$ (844,788)	$ 1,061,240	$ 4,059,983

The notes to the financial statements are an integral part of this statement.

Differences Between the *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* and Governmental Activities on the Government-Wide *Statement of Activities*

(A) Management uses Internal Services Funds to report charges for and the costs of goods and services sold by state agencies solely within the state. Internal Service Funds are intended to operate on the cost reimbursement basis and should break even each period. If an Internal Service Fund makes a profit, the other funds of the State have been overcharged. If an Internal Service Fund has an operating loss, the other funds of the State have been undercharged. In order to show the true cost of services purchased from Internal Service Funds, an adjustment is made that allocates the net revenue/expense of each Internal Service Fund to the programs that purchased the service. Investment income, debt service, and transfers of the Internal Service Fund are not allocated. In addition to minor training services provided by the Department of Personnel & Administration, and internal sales within the Department of Transportation and the Department of Public Safety, the State's Internal Service Funds provide the following goods and services to nearly all state agencies:

- Fleet management,
- Printing and mail services,
- Information technology services and telecommunication services,
- Building maintenance and management in the capitol complex,
- Administrative court services,
- Legal services, and
- Others including debt collection.

(B) The following adjustments relate to capital assets:

- Capital assets, received as donations, are not reported on the fund-level *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* because they are not current financial resources. However, such donations increase net position and are reported on both the government-wide *Statement of Net Position* and *Statement of Activities*.
- Depreciation is not reported on the fund-level *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds*, but it is reported for the economic perspective on which the government-wide *Statement of Activities* is presented.
- Expenditures reported for capital outlay on the fund-level *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* are generally reported as a conversion of cash to a capital asset on the government-wide *Statement of Net Position*. They are not reported as expenses on the government-wide *Statement of Activities*.
- On the fund-level *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* all cash received on disposal of capital assets is reported as a gain on sale of capital assets. On the government-wide *Statement of Activities* the reported gain or loss on sale is based on the carrying value of the asset as well as the cash received.

(C) The following adjustments relate to debt issuance and debt service including leases:

- Payments on principal and debt refunding payments are reported as expenditures and other financing uses, respectively, on the fund-level *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds*. These payments are reported as reductions of lease, bond, and other debt liability balances on the government-wide *Statement of Net Position* and are not reported on the government-wide *Statement of Activities*.
- Amortization of debt premium/discount and gain/loss on refunding are not reported on the fund-level *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds*, but are reported on the government-wide *Statement of Activities*.
- Lease proceeds, issuance of debt, and debt refunding proceeds are all reported as other financing sources on the fund-level *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds*. From an economic perspective lease proceeds, debt issuances, and debt refunding proceeds are reported as liabilities on the government-wide *Statement of Net Position* and are not reported on the government-wide *Statement of Activities*.

(D) Other measurement focus adjustments include:

- Long-term taxes receivable and certain other long-term assets are offset by deferred inflows or unearned revenue and are not part of fund balance on the fund-level *Balance Sheet – Governmental Funds*; however, from a full accrual perspective, changes in the fund-level unearned revenue balances result in adjustments to revenue that are recognized and reported on the government-wide *Statement of Activities*.
- Compensated absences accruals, pension liabilities, and claims and judgments are not normally expected to be liquidated from expendable available financial resources; and therefore, they are not reported on the fund-level *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds*. However, from a full accrual perspective, these are expenses that are reported on the government-wide *Statement of Activities*.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS						GOVERNMENTAL ACTIVITIES
	HIGHER EDUCATION INSTITUTIONS	HEALTHCARE AFFORDABILITY	TRANSPORTATION ENTERPRISE	UNEMPLOYMENT INSURANCE	OTHER ENTERPRISES	TOTAL	INTERNAL SERVICE FUNDS
ASSETS:							
Current Assets:							
Cash and Pooled Cash	$ 1,414,157	$ 51,702	$ 317,393	$ 127,619	$ 751,741	$ 2,662,612	$ 98,108
Investments	2,261,237	-	-	-	-	2,261,237	-
Premiums/Taxes Receivable, net	-	-	-	125,452	261	125,713	-
Student and Other Receivables, net	586,841	101,939	8,409	69,960	60,809	827,958	1,365
Due From Other Governments	291,757	177,999	4,828	1,887,066	188,700	2,550,350	81
Due From Other Funds	48,978	-	-	92	9,261	58,331	884
Due From Component Units	24,857	-	-	-	-	24,857	-
Inventories	37,654	-	-	-	12,752	50,406	1,209
Prepaids, Advances and Deposits	28,246	-	340	-	8,875	37,461	7,243
Total Current Assets	4,693,727	331,640	330,970	2,210,189	1,032,399	8,598,925	108,890
Noncurrent Assets:							
Restricted Cash and Pooled Cash	102,983	-	32,787	177,706	40,321	353,797	208
Restricted Investments	131,547	-	-	-	-	131,547	-
Restricted Receivables	-	-	-	-	20,808	20,808	-
Investments	2,109,357	-	-	-	-	2,109,357	-
Other Long-Term Assets	113,320	-	-	-	897	114,217	-
Depreciable Capital Assets and Infrastructure, net	7,384,334	27,879	1,291,055	33,641	305,238	9,042,147	118,815
Land and Nondepreciable Capital Assets	1,196,152	2,542	548,752	-	447,903	2,195,349	377
Total Noncurrent Assets	11,037,693	30,421	1,872,594	211,347	815,167	13,967,222	119,400
TOTAL ASSETS	15,731,420	362,061	2,203,564	2,421,536	1,847,566	22,566,147	228,290
DEFERRED OUTFLOW OF RESOURCES:	831,543	2,442	2,899	813	71,680	909,377	50,657
LIABILITIES:							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	442,072	160,416	23,093	31,040	275,231	931,852	36,140
Due To Other Governments	-	97,034	-	1,577,206	19,608	1,693,848	-
Due To Other Funds	2,747	22,618	-	17,832	58,857	102,054	937
Due To Component Units	240	-	-	-	-	240	-
Unearned Revenue	337,082	-	5,169	20,228	59,235	421,714	1,338
Compensated Absences Payable	30,072	7	-	-	1,504	31,583	1,296
Claims and Judgments Payable	819	-	-	-	-	819	-
Leases Payable	5,656	-	-	-	328	5,984	25,033
Notes, Bonds, and COPs Payable	103,691	-	-	-	600	104,291	-
Other Postemployment Benefits	14,753	-	-	-	-	14,753	-
Other Current Liabilities	118,220	-	-	2,630,685	64,675	2,813,580	382
Total Current Liabilities	1,055,352	280,075	28,262	4,276,991	480,038	6,120,718	65,126
Noncurrent Liabilities:							
Due to Other Funds	-	-	12,950	-	15,544	28,494	-
Deposits Held In Custody For Others	-	-	-	-	25	25	-
Accrued Compensated Absences	417,154	209	91	-	15,886	433,340	14,368
Claims and Judgments Payable	52,714	-	-	-	-	52,714	-
Capital Lease Payable	67,136	-	-	-	1,104	68,240	69,341
Derivative Instrument Liability	25,602	-	-	-	-	25,602	-
Notes, Bonds, and COPs Payable	4,511,357	-	571,303	-	56	5,082,716	1
Due to Component Units	1,458	-	-	-	-	1,458	-
Net Pension Liability	2,965,082	13,058	6,906	7,065	377,966	3,370,077	338,048
Other Postemployment Benefits	1,027,843	435	238	245	12,782	1,041,543	11,130
Other Long-Term Liabilities	44,999	-	93,484	-	14	138,497	-
Total Noncurrent Liabilities	9,113,345	13,702	684,972	7,310	423,377	10,242,706	432,888
TOTAL LIABILITIES	10,168,697	293,777	713,234	4,284,301	903,415	16,363,424	498,014
DEFERRED INFLOW OF RESOURCES:	1,018,835	2,817	129,754	4,730	103,949	1,260,085	79,412
NET POSITION:							
Net investment in Capital Assets:	4,166,677	30,421	1,037,187	33,641	705,935	5,973,861	24,820
Restricted for:							
Education	632,230	-	-	-	-	632,230	-
Debt Service	20,699	-	15,647	-	-	36,346	-
Permanent Funds and Endowments:							
Expendable	232,960	-	-	-	-	232,960	-
Nonexpendable	89,102	-	-	-	-	89,102	-
Other Purposes	-	-	-	-	34,494	34,494	-
Unrestricted	233,763	37,488	310,641	(1,900,323)	171,453	(1,146,978)	(323,299)
TOTAL NET POSITION	$ 5,375,431	$ 67,909	$ 1,363,475	$ (1,866,682)	$ 911,882	$ 5,852,015	$ (298,479)

The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS						GOVERNMENTAL ACTIVITIES
(DOLLARS IN THOUSANDS)	HIGHER EDUCATION INSTITUTIONS	HEALTHCARE AFFORDABILITY	TRANSPORTATION ENTERPRISE	UNEMPLOYMENT INSURANCE	OTHER ENTERPRISES	TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUES:							
Unemployment Insurance Premiums	$ -	$ -	$ -	$ 602,104	$ -	$ 602,104	$ -
License and Permits	-	-	-	88	181,378	181,466	-
Tuition and Fees	3,020,102	-	-	-	863	3,020,965	-
Scholarship Allowance for Tuition and Fees	(718,136)	-	-	-	-	(718,136)	-
Sales of Goods and Services	2,303,408	1,126,820	138,876	-	995,432	4,564,536	477,171
Scholarship Allowance for Sales of Goods & Services	(31,707)	-	-	-	-	(31,707)	-
Investment Income (Loss)	915	-	-	-	(5,544)	(4,629)	-
Rental Income	17,089	-	-	-	2,218	19,307	15,630
Gifts and Donations	53,827	-	-	-	-	53,827	-
Federal Grants and Contracts	1,310,005	3,065,067	11,251	6,994,675	320,407	11,701,405	-
Intergovernmental Revenue	8,393	-	-	-	38,828	47,221	-
Other	405,141	28	-	128	3,173	408,470	99
TOTAL OPERATING REVENUES	6,369,037	4,191,915	150,127	7,596,995	1,536,755	19,844,829	492,900
OPERATING EXPENSES:							
Salaries and Fringe Benefits	4,426,816	31,177	10,852	(2,434)	110,394	4,576,805	169,870
Operating and Travel	1,652,005	4,142,380	8,674	9,425,527	521,279	15,749,865	184,262
Cost of Goods Sold	103,214	-	-	-	51,379	154,593	1
Depreciation and Amortization	490,709	4,770	25,649	2,195	23,408	546,731	30,965
Intergovernmental Distributions	36,642	20,497	-	-	17,674	74,813	-
Debt Service	-	-	-	-	2,867	2,867	-
Prizes and Awards	345	-	-	-	518,421	518,766	3
TOTAL OPERATING EXPENSES	6,709,731	4,198,824	45,175	9,425,288	1,245,422	21,624,440	385,101
OPERATING INCOME (LOSS)	(340,694)	(6,909)	104,952	(1,828,293)	291,333	(1,779,611)	107,799
NONOPERATING REVENUES AND (EXPENSES):							
Taxes	-	-	-	-	47,593	47,593	-
Fines and Settlements	529	-	1,418	834	555	3,336	-
Investment Income (Loss)	784,259	2,691	(4,699)	2,530	1,849	786,630	(1,150)
Rental Income	28,637	-	-	-	20,036	48,673	-
Gifts and Donations	300,472	-	-	-	12,448	312,920	-
Intergovernmental Distributions	(14,101)	-	-	-	(71,719)	(85,820)	-
Federal Grants and Contracts	970,211	-	5,169	-	-	975,380	-
Gain/(Loss) on Sale or Impairment of Capital Assets	(1,714)	-	(89,763)	(39,714)	(682)	(131,873)	2,349
Insurance Recoveries from Prior Year Impairments	1,449	-	-	-	(108)	1,341	-
Debt Service	(169,589)	-	(13,658)	-	(181)	(183,428)	(2,372)
Other Expenses	(3,087)	-	(577)	-	(14)	(3,678)	-
Other Revenues	14,265	-	-	-	1,682	15,947	-
TOTAL NONOPERATING REVENUES (EXPENSES)	1,911,331	2,691	(102,110)	(36,350)	11,459	1,787,021	(1,173)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,570,637	(4,218)	2,842	(1,864,643)	302,792	7,410	106,626
CONTRIBUTIONS, TRANSFERS, AND OTHER ITEMS:							
Capital Contributions	97,839	-	-	-	86,178	184,017	1,215
Additions to Permanent Endowments	947	-	-	-	5	952	-
Transfers-In	486,077	-	-	-	54,690	540,767	1,760
Transfers-Out	(53,153)	(16,491)	-	(508)	(106,973)	(177,125)	(7,807)
TOTAL CONTRIBUTIONS AND TRANSFERS	531,710	(16,491)	-	(508)	33,900	548,611	(4,832)
CHANGE IN NET POSITION	2,102,347	(20,709)	2,842	(1,865,151)	336,692	556,021	101,794
NET POSITION - FISCAL YEAR BEGINNING	3,104,807	74,947	1,360,633	(1,531)	574,844	5,113,700	(400,273)
Prior Period Adjustments (See Note 15A)	168,003	13,671	-	-	15	181,689	-
Accounting Changes (See Note 15B)	274	-	-	-	331	605	-
NET POSITION - FISCAL YEAR BEGINNING (RESTATED)	3,273,084	88,618	1,360,633	(1,531)	575,190	5,295,994	(400,273)
NET POSITION - FISCAL YEAR ENDING	$ 5,375,431	$ 67,909	$ 1,363,475	$ (1,866,682)	$ 911,882	$ 5,852,015	$ (298,479)

The notes to the financial statements are an integral part of this statement.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
(DOLLARS IN THOUSANDS)	HIGHER EDUCATION INSTITUTIONS	HEALTHCARE AFFORDABILITY	TRANSPORTATION ENTERPRISE
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from:			
Tuition, Fees, and Student Loans	$ 2,355,210	$ -	$ -
Fees for Service	2,172,583	1,120,787	135,018
Receipts for Interfund Services	-	-	8,478
Sales of Products	2,717	-	-
Gifts, Grants, and Contracts	1,557,984	3,205,715	16,435
Loan and Note Repayments	378,815	-	-
Unemployment Insurance Premiums	-	-	-
Income from Property	45,726	-	-
Other Sources	-	26	44,131
Cash Payments to or for:			
Employees	(5,226,989)	(30,498)	(12,076)
Suppliers	(1,394,801)	(4,059,589)	(21,342)
Payments for Interfund Services	-	(134,294)	(2,315)
Sales Commissions and Lottery Prizes	-	(5)	-
Unemployment Benefits	-	-	-
Scholarships	(221,205)	-	-
Others for Student Loans and Loan Losses	(367,540)	-	-
Other Governments	(36,642)	(11,387)	-
Other	(484,316)	(5,238)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	(1,218,458)	85,517	168,329
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers-In	395,017	-	-
Transfers-Out	(53,153)	(16,491)	-
Receipt of Deposits Held in Custody	283,071	218	-
Release of Deposits Held in Custody	(296,436)	(218)	-
Gifts and Grants for Other Than Capital Purposes	1,265,415	-	-
Intergovernmental Distributions	(14,101)	-	-
Unclaimed Property Fund Interest	-	-	-
NonCapital Debt Proceeds	2,760	-	48,077
NonCapital Debt Service Payments	-	-	(2,062)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	1,582,573	(16,491)	46,015
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of Capital Assets	(726,437)	(40,030)	(232,163)
Capital Contributions	249,013	-	-
Capital Gifts, Grants, and Contracts	15,073	-	-
Proceeds from Sale of Capital Assets	8,702	20,015	-
Capital Debt Proceeds	196,366	-	-
Capital Debt Service Payments	(162,190)	-	(10,021)
Capital Lease Payments	(22,399)	-	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(441,872)	(20,015)	(242,184)

The notes to the financial statements are an integral part of this statement.

			GOVERNMENTAL ACTIVITIES
UNEMPLOYMENT INSURANCE	OTHER ENTERPRISES	TOTALS	INTERNAL SERVICE FUNDS
$ -	$ 849	$ 2,356,059	$ -
76,720	310,367	3,815,475	4,799
-	11,499	19,977	471,727
-	840,135	842,852	1,027
6,867,165	157,800	11,805,099	47
-	-	378,815	-
603,154	-	603,154	-
-	22,143	67,869	15,630
2,042,294	330,081	2,416,532	218
(12,843)	(216,473)	(5,498,879)	(262,968)
-	(152,831)	(5,628,563)	(115,531)
-	(8,769)	(145,378)	(62,938)
-	(570,508)	(570,513)	-
(9,559,594)	-	(9,559,594)	-
-	-	(221,205)	-
-	-	(367,540)	-
-	(18,449)	(66,478)	(1)
(48,619)	(332,253)	(870,426)	(6,303)
(31,723)	373,591	(622,744)	45,707
-	56,731	451,748	2,163
(508)	(106,973)	(177,125)	(7,807)
-	1,481	284,770	1,989
-	(1,558)	(298,212)	(2,306)
-	12,448	1,277,863	-
-	(70,895)	(84,996)	-
-	1,671	1,671	-
-	122	50,959	47
-	(122)	(2,184)	(46)
(508)	(107,095)	1,504,494	(5,960)
(35,219)	(152,374)	(1,186,223)	(29,453)
-	-	249,013	-
-	-	15,073	-
35,219	116,316	180,252	30,083
-	-	196,366	-
-	(717)	(172,928)	(59)
-	(378)	(22,777)	(28,119)
-	(37,153)	(741,224)	(27,548)

(Continued)

STATEMENT OF CASH FLOWS, CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS HIGHER EDUCATION INSTITUTIONS	HEALTHCARE AFFORDABILITY	TRANSPORTATION ENTERPRISE
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends on Investments	93,149	2,090	4,246
Proceeds from Sale/Maturity of Investments	6,183,762	-	29,806
Purchases of Investments	(6,873,549)	-	(14,110)
Increase(Decrease) from Unrealized Gain(Loss) on Investments	528,426	601	(8,809)
NET CASH FROM INVESTING ACTIVITIES	(68,212)	2,691	11,133
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	(145,969)	51,702	(16,707)
CASH AND POOLED CASH , FISCAL YEAR BEGINNING	1,663,109	-	366,887
CASH AND POOLED CASH, FISCAL YEAR END	$ 1,517,140	$ 51,702	$ 350,180
RECONCILIATION OF OPERATING INCOME TO NET CASH			
PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ (340,694)	$ (6,909)	$ 104,952
Adjustments to Reconcile Operating Income (Loss)			
to Net Cash Provided by Operating Activities:			
Depreciation	490,709	4,770	25,649
Investment/Rental Income and Other Revenue in Operating Income	-	-	-
Rents, Fines, Donations, and Grants and Contracts in NonOperating	52,843	-	6,588
(Gain)/Loss on Disposal of Capital and Other Assets	750	-	-
Compensated Absences Expense	38,056	110	25
Interest and Other Expense in Operating Income	18,323	13,671	(7,560)
Net Changes in Assets, Deferred Outflows, Liabilities, and Deferred			
Inflows Related to Operating Activities:			
(Increase) Decrease in Operating Receivables	(264,032)	145,926	4,633
(Increase) Decrease in Inventories	3,507	-	-
(Increase) Decrease in Other Operating Assets and Deferred Outflows	7,958	-	293
(Increase) Decrease in Pension Deferred Outflow	(164,987)	2,865	106
(Increase) Decrease in OPEB Deferred Outflow	(140,486)	93	(6)
Increase (Decrease) in Accounts Payable	38,104	52,378	(20,718)
Increase (Decrease) in Pension Liability	(193,067)	(125)	301
Increase (Decrease) in OPEB Liability	208,028	(72)	(21)
Increase (Decrease) in Other Operating Liabilities and Deferred Inflows	(389,235)	(124,707)	55,719
Increase (Decrease) in Pension Deferred Inflow	(550,991)	(2,529)	(1,601)
Increase (Decrease) in OPEB Deferred Inflow	(33,244)	46	(31)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ (1,218,458)	$ 85,517	$ 168,329
SUPPLEMENTARY INFORMATION - NONCASH TRANSACTIONS:			
Capital Assets Funded by the Capital Projects Fund	(4,585)	-	-
Capital Assets Acquired by Grants or Donations and Payable Increases	52,450	-	28,380
Unrealized Gain/Loss on Investments and Interest Receivable Accruals	605,936	-	7,443
Loss on Disposal of Capital and Other Assets	115	-	-
Disposal of Capital Assets	(1,965)	-	-
Amortization of Debt Valuation Accounts and Interest Payable Accruals	191,340	-	-
Assumption of Capital Lease Obligation or Mortgage	2,823	-	-
Financed Debt Issuance Costs	92	-	-
Gain on Debt Defeasance	103,390	-	-
Bad Debt Expense	3,897	-	-
Fair Value Change in Derivative Instrument	1,201	-	-
Noncapital Gifts	34,186	-	-
Additions to Investments held by Foundation	3,655	-	-
Federal Receivables (BABS & CARES)	221	-	-
Proceeds from 2019A refunding Bonds	-	-	12
Proceeds from MEXL Loan Refi	-	-	25,000
Payment of MEXL BofA Loan	-	-	(25,000)
Payment of debt fees	-	-	(372)
Transfer of managed lanes	-	-	89,334

The notes to the financial statements are an integral part of this statement.

UNEMPLOYMENT INSURANCE	OTHER ENTERPRISES	TOTALS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
2,544	8,994	111,023	347
-	-	6,213,568	-
-	-	(6,887,659)	-
(14)	(7,593)	512,611	(1,497)
2,530	1,401	(50,457)	(1,150)
(29,701)	230,744	90,069	11,049
335,026	561,318	2,926,340	87,267
$ 305,325	$ 792,062	$ 3,016,409	$ 98,316
$ (1,828,293)	291,333	$ (1,779,611)	$ 107,799
2,195	23,408	546,731	30,965
-	450	450	-
834	68,152	128,417	12
-	4	754	-
-	362	38,553	1,907
(58,204)	3,875	(29,895)	649
(1,486,115)	(169,823)	(1,769,411)	(62)
-	3,212	6,719	75
-	1,366	9,617	1,627
(77)	(32,146)	(194,239)	(21,463)
13	(759)	(141,145)	(153)
(11,062)	232,569	291,271	(1,001)
(2,760)	(4,918)	(200,569)	(5,849)
(143)	(2,110)	205,682	(1,962)
3,353,569	24,328	2,919,674	(1,358)
(1,745)	(67,551)	(624,417)	(66,721)
65	1,839	(31,325)	1,242
$ (31,723)	$ 373,591	$ (622,744)	$ 45,707
-	2,041	(2,544)	812
-	10,815	91,645	-
-	-	613,379	-
-	757	872	(2,337)
-	-	(1,965)	-
-	(35)	191,305	-
-	-	2,823	22,609
-	-	92	-
-	-	103,390	-
-	-	3,897	-
-	-	1,201	-
-	-	34,186	-
-	-	3,655	-
-	-	221	-
-	-	12	-
-	-	25,000	-
-	-	(25,000)	-
-	-	(372)	-
-	-	89,334	-

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	PENSION AND OTHER EMPLOYEE BENEFIT TRUST	PRIVATE-PURPOSE TRUST	CUSTODIAL	TOTAL
ASSETS:				
Cash and Pooled Cash	$ 107,374	$ 323,327	$ 504,596	$ 935,297
Investments:				
Government Securities	6,002	4,914	-	10,916
Corporate Bonds	13,135	7,871	-	21,006
Asset Backed Securities	374	-	-	374
Mortgages	6,917	22,983	-	29,900
Mutual Funds	99,523	11,128,070	-	11,227,593
Guaranteed Investment Contracts	-	172,727	-	172,727
Other Investments	29,613	622	-	30,235
Taxes Receivable, net	-	-	225,566	225,566
Other Receivables, net	11,350	27,149	1,297	39,796
Due From Other Governments	-	-	67	67
Due From Other Funds	1,618	15,194	6,764	23,576
Prepaids, Advances and Deposits	999	-	19	1,018
Other Long-Term Assets	-	-	8,900	8,900
TOTAL ASSETS	276,905	11,702,857	747,209	12,726,971
LIABILITIES:				
Tax Refunds Payable	-	-	2,132	2,132
Accounts Payable and Accrued Liabilities	25,982	31,793	1,360	59,135
Due To Other Governments	-	-	198	198
Due To Other Funds	-	7	120	127
Unearned Revenue	-	23,724	226	23,950
Claims and Judgments Payable	21,061	-	-	21,061
Other Current Liabilities	31,282	-	210	31,492
Accrued Compensated Absences	215	-	-	215
Other Long-Term Liabilities	-	8,274	539	8,813
TOTAL LIABILITIES	78,540	63,798	4,785	147,123
NET POSITION:				
Restricted for:				
OPEB	129,152	-	-	129,152
Held in Trust for:				
Pension/Benefit Plan Participants	69,213	-	-	69,213
Individuals, Organizations, and Other Entities	-	11,639,059	742,424	12,381,483
TOTAL NET POSITION	$ 198,365	$ 11,639,059	$ 742,424	$ 12,579,848

The notes to the financial statements are an integral part of this statement.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	PENSION AND OTHER EMPLOYEE BENEFIT TRUST	PRIVATE-PURPOSE TRUST	CUSTODIAL	TOTAL
ADDITIONS:				
Member Contributions	$ 80,587	$ -	$ -	$ 80,587
Employer Contributions	407,842	-	-	407,842
Investment Income/(Loss)	12,802	1,879,962	(52,526)	1,840,238
Gifts and Bequests	-	694	-	694
Unclaimed Property Receipts	-	1,255,306	-	1,255,306
Court Awards and Restitution Receipts	-	-	115,242	115,242
Collections of Sales Tax for Other Governments	-	-	2,501,371	2,501,371
Other Additions	289,772	2,771	92,983	385,526
Transfers-In	1,247	-	-	1,247
TOTAL ADDITIONS	792,250	3,138,733	2,657,070	6,588,053
DEDUCTIONS:				
Distributions to Participants	3,354	983,343	-	986,697
Health Insurance Premiums Paid	278,343	-	-	278,343
Health Insurance Claims Paid	162,294	-	-	162,294
Other Benefits Plan Expense	29,990	-	-	29,990
Payments of Sales Tax to Other Governments	-	-	2,488,338	2,488,338
Distributions - Intergovernmental Entities	-	700	-	700
Administrative Expense	17,929	279	7,506	25,714
Other Deductions	312,328	40,346	181,693	534,367
Transfers-Out	89	19	-	108
TOTAL DEDUCTIONS	804,327	1,024,687	2,677,537	4,506,551
CHANGE IN NET POSITION	(12,077)	2,114,046	(20,467)	2,081,502
NET POSITION - FISCAL YEAR BEGINNING	151,500	9,529,272	-	9,680,772
Prior Period Adjustments (Note 15A)	-	(15)	-	(15)
Accounting Changes (See Note 15B)	58,942	(4,244)	762,891	817,589
NET POSITION - FISCAL YEAR BEGINNING (RESTATED)	210,442	9,525,013	762,891	10,498,346
NET POSITION - FISCAL YEAR ENDING	$ 198,365	$ 11,639,059	$ 742,424	$ 12,579,848

The notes to the financial statements are an integral part of this statement.

STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	UNIVERSITY OF COLORADO FOUNDATION	OTHER COMPONENT UNITS	TOTAL
ASSETS:				
Current Assets:				
Cash and Pooled Cash	$ 235,570	$ 40,785	$ 6,449	$ 282,804
Restricted Cash and Pooled Cash	63,784	-	6,406	70,190
Contributions Receivable, net	-	49,548	-	49,548
Other Receivables, net	78,222	-	6,784	85,006
Due From Other Governments	1,102	-	-	1,102
Prepaids, Advances and Deposits	-	-	201	201
Other Current Assets	42	177	3,917	4,136
Total Current Assets	378,720	90,510	23,757	492,987
Noncurrent Assets:				
Restricted Cash and Pooled Cash	39,546	-	-	39,546
Restricted Investments	63,514	-	-	63,514
Restricted Receivables	876	-	-	876
Investments	-	2,909,333	-	2,909,333
Contributions Receivable, net	-	90,734	-	90,734
Other Long-Term Assets	942,793	-	219	943,012
Depreciable Capital Assets and Infrastructure, net	21	1,252	151,761	153,034
Land and Nondepreciable Capital Assets	-	-	20,747	20,747
Total Noncurrent Assets	1,046,750	3,001,319	172,727	4,220,796
TOTAL ASSETS	1,425,470	3,091,829	196,484	4,713,783
DEFERRED OUTFLOW OF RESOURCES:	1,986	-	341	2,327
LIABILITIES:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	7,743	13,689	4,407	25,839
Due To Other Governments	2,320	-	-	2,320
Unearned Revenue	-	-	4,019	4,019
Notes, Bonds, and COPs Payable	33,095	-	-	33,095
Other Current Liabilities	197,151	22,592	6,166	225,909
Total Current Liabilities	240,309	36,281	14,592	291,182
Noncurrent Liabilities:				
Deposits Held In Custody For Others	-	608,509	-	608,509
Notes, Bonds, and COPs Payable	321,755		-	321,755
Net Pension Liability	3,397	-	458	3,855
Other Postemployment Benefits	156	-	58	214
Other Long-Term Liabilities	21,658	21,928	-	43,586
Total Noncurrent Liabilities	346,966	630,437	516	977,919
TOTAL LIABILITIES	587,275	666,718	15,108	1,269,101
DEFERRED INFLOW OF RESOURCES:	1,985	-	743	2,728
NET POSITION:				
Net investment in Capital Assets:	(97)	1,252	172,727	173,882
Restricted for:				
Permanent Funds and Endowments:				
Expendable	-	1,556,479	-	1,556,479
Nonexpendable	-	757,703	-	757,703
Other Purposes	792,183	-	1,707	793,890
Unrestricted	46,110	109,677	6,540	162,327
TOTAL NET POSITION	$ 838,196	$ 2,425,111	$ 180,974	$ 3,444,281

The notes to the financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	UNIVERSITY OF COLORADO FOUNDATION	OTHER COMPONENT UNITS	TOTAL
EXPENSES	$ 30,731	$ 216,684	$ 49,039	$ 296,454
PROGRAM REVENUES:				
Charges for Services	24,128	5,547	50,711	80,386
Operating Grants and Contributions	6,050	751,579	-	757,629
Capital Grants and Contributions	33,575	-	2,266	35,841
TOTAL PROGRAM REVENUES:	63,753	757,126	52,977	873,856
NET (EXPENSE) REVENUE	33,022	540,442	3,938	577,402
GENERAL REVENUES:				
Unrestricted Investment Earnings (Losses)	4,453	74,884	19	79,356
Other General Revenues	-	-	-	-
TOTAL GENERAL REVENUES	4,453	74,884	19	79,356
CHANGE IN NET POSITION	37,475	615,326	3,957	656,758
NET POSITION - FISCAL YEAR BEGINNING	800,721	1,809,785	176,550	2,787,056
Prior Period Adjustment (See Note 15A)	-	-	-	-
Accounting Changes (See Note 15B)	-	-	467	467
NET POSITION - FISCAL YEAR BEGINNING (Restated)	800,721	1,809,785	177,017	2,787,523
NET POSITION - FISCAL YEAR ENDING	$ 838,196	$ 2,425,111	$ 180,974	$ 3,444,281

The notes to the financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the State of Colorado have been prepared in conformance with generally accepted accounting principles (GAAP) 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. A summary of the State of Colorado's significant accounting policies applied in the preparation of these financial statements follows.

A. NEW ACCOUNTING STANDARDS

The following accounting standards were implemented in Fiscal Year 2021:

GASB Statement No. 84 – Fiduciary Activities. In 2021, the State implemented GASB Statement No. 84. The objective of this Statement is to improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria, in which the focus is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

GASB Statement No. 89 – Accounting for Interest Cost Incurred before the End of a Construction Period. In 2021, the Colorado School of Mines and Colorado State University both early-implemented GASB Statement No. 89. The Statement was not implemented at a statewide level. This Statement seeks to enhance the relevance and comparability of information about capital assets and the costs of borrowing for a reporting period and to simplify accounting for interest costs incurred before the end of a construction period.

B. FINANCIAL REPORTING ENTITY

For financial reporting purposes, the State of Colorado's primary government includes all funds of the State, its three branches of government, departments, and agencies that make up the State's legal entity. The State's reporting entity also includes those component units that 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, as amended by GASB Statement No. 61, The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34. The State is financially accountable for those entities for which the State appoints a voting majority of the 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.

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 they are fiscally dependent and there exists a financial benefit or burden relationship with the State. Entities that do not meet the specific criteria for inclusion may still be included if it would be misleading to exclude them. Under GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No. 14, individually significant legally separate tax-exempt organizations are included as component units if their resources are for the direct benefit of the State and the State can access those resources.

Blended Component Units:

Some legally separate component units are so intertwined with the State that they are reported as part of the State's fund and government-wide financial statements and are considered blended component units.

The University Physicians Inc., d/b/a CU Medicine, is a Colorado non-profit corporation under Section 501(c)(3) of the Internal Revenue Code, organized to perform the billing, collection, and disbursement of functions for professional services rendered for CU Anschutz as authorized in Section 23-20-114 of the Colorado Revised Statutes (C.R.S). The State appoints a majority of CU Medicine's governing body, and is able to impose its will. Additionally, CU Medicine exclusively benefits the State by providing the services described above.

Incorporated in 2015 with operations starting in Fiscal Year 2017, the University of Colorado Property Construction, Inc. (CUPCO), receives, holds, invests, and administers real and personal property for the benefit of the University of Colorado. The State appoints CUPCO's governing body, is able to impose its will on the organization, and the organization provides services entirely to the State.

The entities noted below are blended component units of state universities and, as such, are included with the balances for state universities in this report. This report does not include any disclosures specific to these entities, as they do not meet the state's threshold for disclosure.

- 18th Avenue, LLC
- Altitude West, LLC
- Colorado School of Mines Building Corporation
- Mines Applied Technology Transfer, Inc.
- University License Equity Holdings, Inc.

Discretely Presented Component Units:

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 Governor appoints the Board of Directors, subject to approval by the Senate. In addition, water projects are subject to General Assembly authorization giving the state the ability to impose its will.

The University of Colorado Foundation was incorporated in 1967 and is authorized by the Board of Regents of the University of Colorado to receive, hold, invest, and transfer funds for the benefit of the University of Colorado. The Foundation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Service Code and is exempt from income tax on related income. Management believes it would be misleading to exclude this entity.

The Denver Metropolitan Major League Baseball Stadium District currently includes all or part of the seven counties in the Denver metro area. The district was created for the purpose of acquiring, constructing, and operating a major league baseball stadium. To accomplish this purpose, the General Assembly authorized the district to levy a sales tax of one-tenth of one percent throughout the district for a period not to exceed 20 years. However, the district discontinued the sales tax levy on January 1, 2001, upon the final defeasance of all its outstanding debt. Board members are appointed by the Governor, with consent of the Senate. The Board members serve at the pleasure of the Governor which gives the State the ability to impose its will.

The Statewide Internet Portal Authority (SIPA) was created by Colorado Statute in 2004 to develop the officially recognized statewide internet portal (Colorado.gov) in order to connect citizens with state and local government in Colorado. SIPA provides governments with the efficient technology solutions they need to enable their citizens to obtain information and conduct business electronically. SIPA is governed by a Board of Directors that are all appointed by the State or member by ex-officio due to position in the State which gives the State the ability to impose its will.

The State's financial statements do not include amounts relating to several component units that would be discretely presented. Based upon the State's determination, the following component units do not meet the minimum threshold required to be included in the State's financial statements:

- Colorado Channel Authority
- Colorado Energy Research Authority
- Colorado Horse Development Authority
- Colorado Mesa University Real Estate Foundation
- Colorado National Guard Foundation, Inc.
- Colorado Pet Overpopulation Authority
- Higher Education Competitive Research Authority

Fiduciary Component Units:

Under GASB Statement No. 84, Fiduciary Activities, component units that are engaged in fiduciary activities are presented in the fiduciary fund financial statements.

The University of Colorado Health and Welfare Trust is a fiduciary component unit of the State and is intended to be a voluntary employees' beneficiary association under Section 501(c)(9) of the Internal Revenue Code of 1986, as amended. It was established to administer and manage certain health and welfare benefits for participating employees and retirees of member employers. Member employers of the Trust are the University of Colorado and University Physicians Inc., d/b/a CU Medicine. The Trust's Board is controlled by the University of Colorado which gives the State the ability to impose its will.

The State Board for Community Colleges and Occupational Education (SBCCOE) Employee Benefit Trust Fund was created as a not-for-profit 501(c)(9) entity in 1983 and is a fiduciary component unit of the State. It was established to provide benefits to SBCCOE employees that may include life, accidental death and dismemberment, short-term and/or long-term disability, basic or major medical, dental, other sick or accident benefits, or other benefits, as determined by the Benefit Trust Committee. The SBCCOE appoints the Trust's Board members, manages the benefit plans, and is administratively intertwined with the Trust, which gives the State the ability to impose its will.

Contact:

Detailed financial information on all component units may be obtained from the following address:

State of Colorado
Office of the State Controller
Financial Reporting & Analysis
1525 Sherman Street, 5th Floor
Denver, CO 80203
303-866-6200

C. BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements focus on the government as a whole. The *Statement of Net Position* and the *Statement of Activities* are presented using the economic resources measurement focus and the full accrual basis of accounting. Under this presentation, all revenues, expenses, and all current and long-term assets, deferred outflows and liabilities and deferred inflows of the government are reported including capital assets, depreciation, and long-term debt.

The government-wide statements report all non-fiduciary activities of the primary government and its component units. Fiduciary activities of the primary government and its component units are excluded from the government-wide statements because those resources are not available to fund the programs of the government. The primary government is further subdivided between governmental activities and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities include proprietary funds financed in whole or in part by fees charged to external parties for goods or services.

The *Statement of Net Position* presents the financial position of the government. The net position section of the statement focuses on whether assets and deferred outflows, net of related liabilities and deferred inflows, have been restricted as to the purpose for which they may be used. When an external party or the State Constitution places a restriction on the use of certain assets, those assets, net of related liabilities, are reported in the Net Position line items shown as Restricted. The nature of an asset may also result in a restriction on asset use. The line item Net Investment in Capital Assets, comprises capital assets (net of depreciation) reduced by the outstanding balance of leases, bonds, mortgages, notes, Certificates of Participation, or other borrowings that were used to finance the acquisition, construction, or improvement of the capital asset. The State does not report restrictions of net position related to enabling legislation because a settled court case determined that crediting money to a special fund does not mean that the General Assembly is prohibited from appropriating the money for another purpose. Internal Service Fund assets and liabilities are reported in the government-wide *Statement of Net Position* as part of the governmental activities.

The *Statement of Activities* shows the change in financial position for the year. It focuses on the net program cost of individual functions and business-type activities in State government. It does this by presenting direct and allocated indirect costs reduced by program revenues of the function or business-type activities. Direct costs are those that can be specifically identified with a program. The State allocates indirect costs based on the Statewide Appropriations/Cash Fees Plan. Program revenues comprise fines and forfeitures, charges for goods and services, and capital and operating grants.

Taxes, with the exception of unemployment insurance premiums supporting a business-type activity, are presented as general-purpose revenues. General-purpose revenues are presented at the bottom of the statement and do not affect the calculation of net program cost.

Interfund transactions, such as federal and state grants moving between State agencies, have been eliminated from the government-wide statements to the extent that they occur within either the governmental or business-type activities, except as follows. In order not to misstate the sales revenue and purchasing expenses of individual functions or business-type activities, the effects of interfund services provided and used have not been eliminated. Balances between governmental and business-type activities are presented as internal balances and are eliminated in the total column. Internal Service Fund activity has been eliminated by allocating the net revenue/expense of the Internal Service Fund to the function originally charged for the internal sale.

Some of the State's component units have fiscal year-ends that differ from the State's fiscal year-end, and as a result amounts receivable and payable between the primary government and component units may not be equal. Amounts shown as receivable and payable between the primary government and the component units are primarily with the University of Colorado Foundation, which has a matching fiscal year end, but also includes amounts related to component units not deemed material for discrete reporting.

Interfund balances between the primary government's fiduciary activities and the primary government are presented on the government-wide statements as external receivables and payables.

D. BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS

The fund-level statements provide additional detail about the primary government and its component units. The information is presented in four types – governmental funds, proprietary funds, fiduciary funds, and component units. With the exception of the fiduciary fund type, each type is presented with a major fund focus. The State's major funds report the following activities:

GOVERNMENTAL FUND TYPE (MAJOR):

General Fund

Transactions that are not related to specific revenue streams for dedicated purposes for services traditionally provided by state government are accounted for in the General Fund. The General Fund contains the Emergency Reserve Fund as well as Special Purpose Funds, which include the State Public School, Risk Management, and Other Special Purpose Funds. Resources obtained from federal grants that support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements. As a result of comingled current and cumulative general-purpose and special-purpose revenue in the General Fund, combining schedules detailing the components of the General Fund are included as supplementary information. The schedules segregate activities funded with general-purpose revenue in order to demonstrate compliance with the legal definition of the General Fund, which is referred to as the General Purpose Revenue Fund.

Federal Special Revenue Fund

This fund reports funds received from the Federal Government as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and Coronavirus Emergency Supplemental Funding (CESF) programs. These programs were passed in response to the economic fallout of the COVID-19 pandemic in the United States.

Highway Users Tax Fund

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. In prior years, this fund has issued revenue bonds to finance construction and maintenance of highway infrastructure.

PROPRIETARY FUND TYPE (MAJOR):

Higher Education Institutions

This fund reports the activities of all state institutions of higher education. Fees for educational services, tuition payments, and research grants are the primary sources of funding for this activity. Higher Education Institutions have significant capital debt secured solely by pledged revenues.

Healthcare Affordability

The Colorado Healthcare Affordability and Sustainability Enterprise Act of 2017, created the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) as a government-owned business within the Department of Health Care Policy and Financing to collect a healthcare affordability and sustainability fee from hospitals to provide business services to Colorado hospitals. This fee, not to exceed six percent of net patient revenues, is assessed on hospital providers.

Transportation Enterprise

This fund consists of the Bridge Enterprise and the High Performance Transportation Enterprise in the Department of Transportation. The bridge and highway construction activity is financed through bond issuances and user fees.

Unemployment Insurance

This fund accounts for the collection of unemployment insurance premiums from employers, related federal support, the payment of unemployed benefits to eligible claimants, and revenue bonds issued through a related party, the Colorado Housing and Finance Authority.

Internal Service Funds

The State uses internal service funds to account for the sale of goods and services, primarily to internal customers, on a cost reimbursement basis. The major fund concept does not apply to internal service funds. The State's Internal Service Funds reported in supplementary information include Central Services, Statewide Financial Information Technology, Information Technology, Capitol Complex, Highways, Public Safety, Administrative Courts, Legal Services, and Other Enterprise Services. In the fund financial statements, these activities are aggregated into a single column. In the government-wide statements, the Internal Service Funds are included in the governmental activities on the *Statement of Net Position,* and they are included in the *Statement of Activities* through an allocation of their net revenue/expense back to the programs originally charged for the goods or services.

FIDUCIARY FUND TYPE:

Fiduciary Funds are used to report assets held in a trustee or custodial capacity for others. Therefore, the resources reported in Fiduciary Funds cannot be used to support the government's own programs and are excluded in the government-wide financial statements. The types of Fiduciary Funds maintained by the State consist of the following:

Pension and Other Employee Benefit Trust Funds

Pension and other employee benefit trust funds are used to account for the activities of the retirement system, which accumulates resources for pension benefit payments to qualified public employees. In the basic financial statements, the State reports in a single column the activities related to resources being held in trust for (1) members and beneficiaries of the Group Benefits Plan, which provides health, life, dental, and short-term disability benefits to state employees, and (2) the Colorado State University Other Post-Employment Benefit Trust Funds.

Private Purpose Trust Funds

Private purpose trust funds are used to report the resources held in trust for the benefit of other governments, private organizations, or individuals. A single column in the basic financial statements aggregates the Treasurer's Private

Purpose Trusts, the College Savings Plan operated by CollegeInvest, and several smaller funds shown in the aggregate as Other.

Custodial Funds

Custodial funds are used to report resources held in a purely custodial capacity for other individuals, private organizations, or other governments. Custodial funds primarily include local sales tax collections, trustee investments related to State capital projects, and investments of the Colorado Water Resource and Power Development Authority. Typically the time between receipt and disbursement of these resources is short and investment earnings are inconsequential.

PRESENTATION OF INTERNAL BALANCES

Intrafund transactions are those transactions that occur completely within a column in the financial statements, while interfund transactions involve more than one column. This definition applies at the level of combining financial statements in the Supplementary Information section of the Annual Comprehensive Financial Report. Substantially all intrafund transactions and balances of the primary government have been eliminated from the fund-level financial statements. Interfund sales and federal grant pass-throughs are not eliminated, but are shown as revenues and expenditures/expenses of the various funds. Substantially all other interfund transactions are classified as transfers-in or transfers-out after the revenues and expenses are reported on each of the Statements of Changes in Net Position, or the Statement of Revenues, Expenditures and Changes in Fund Balances.

FUNCTIONAL PRESENTATION OF EXPENDITURES

In the governmental fund types, expenditures are presented on a functional basis, rather than an individual program basis, because of the large number of programs operated by the State. The State's eight functional classifications and the State agencies or departments comprising each are:

General Government

Legislative Branch, Department of Personnel & Administration, most of the Department of Military and Veterans Affairs, part of the Governor's Office, part of the Department of Revenue, and Department of Treasury.

Business, Community, and Consumer Affairs

Department of Agriculture, part of the Governor's Office, Department of Labor and Employment, Department of Local Affairs, most of the Department of Regulatory Agencies, Gaming Division of the Department of Revenue, and Department of State.

Education

Department of Education, and the portion of the Department of Higher Education not reported as a business-type activity.

Health and Rehabilitation

Department of Public Health and Environment, and part of the Department of Human Services.

Justice

Department of Corrections, Division of Youth Corrections in the Department of Human Services, Judicial Branch, Department of Law, Department of Public Safety, and the Civil Rights Division of the Department of Regulatory Agencies.

Natural Resources

Department of Natural Resources.

Social Assistance

Department of Human Services, Department of Military and Veterans' Affairs, and the Department of Health Care Policy and Financing.

Transportation

Department of Transportation.

E. BASIS OF ACCOUNTING

The basis of accounting applied to a fund depends on both the type of fund and the financial statement on which the fund is presented.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

All transactions and balances on the government-wide financial statements are reported on the full accrual basis of accounting. Under full accrual, revenues, expenses, gains, losses, assets, deferred outflows, liabilities, and deferred inflows resulting from exchange transactions are recognized when the exchange takes place and the earnings process is complete. Similar recognition occurs for nonexchange transactions, depending on the type of transaction as follows:

- Derived tax revenues are recognized when the underlying exchange transaction occurs.
- Imposed nonexchange revenues are recognized when the State has an enforceable legal claim.
- Government mandated and voluntary nonexchange revenues are recognized when all eligibility requirements are met – assets are recognized if received before eligibility requirements are met.

FUND-LEVEL FINANCIAL STATEMENTS

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are measurable and available. The State defines revenues as available if they are expected to be collected within one year. Historical data, adjusted for economic trends, are used to estimate the following revenue accruals:

- Sales, use, liquor, and cigarette taxes are accrued based on filings received and an estimate of filings due at June 30.

- Income taxes, net of refunds, to be collected from individuals, corporations, and trusts are accrued based on current income earned by taxpayers before June 30. Quarterly filings, withholding statements, and other historical and economic data are used to estimate taxpayers' current income. The related revenue is accrued net of an allowance for uncollectible taxes.

Revenues earned under the terms of reimbursement agreements with other governments or private sources are recorded at the time the related expenditures are made if other eligibility requirements have been met.

Expenditures are recognized in governmental funds when:

- The related liability is incurred and is due and payable in full (examples include professional services, supplies, utilities, and travel).

- The matured portion of general long-term indebtedness is due and payable (or resources have been designated in the Debt Service Fund and the debt service is payable within thirty days of fiscal year-end).

- The liability has matured and is normally expected to be liquidated with expendable available financial resources.

Under these recognition criteria, compensated absences, claims and judgments, and termination benefits are reported as fund liabilities only in the period that they become due and payable. Expenditures/liabilities not recognized in the fund-level statements are reported as expenses/liabilities on the government-wide statements.

Proprietary and Fiduciary Funds

All transactions and balances of the proprietary and fiduciary fund types are reported on the full accrual basis of accounting as described above for the government-wide statements.

F. ACCOUNTING POLICIES AFFECTING SPECIFIC ASSETS, LIABILITIES, AND NET POSITION

CASH AND POOLED CASH

For purposes of reporting cash flows, cash and pooled cash is defined as cash-on-hand, demand deposits, certificates of deposit with financial institutions, pooled cash with the State Treasurer, and warrants payable.

RECEIVABLES

Accounts receivable in the governmental and business-type activities consist mainly of amounts due from the Federal Government, customers, and others. Receivables from the Federal Government are reasonably assured; accordingly, no allowance for uncollectible accounts has been established. Accrued taxes include receivables for taxpayer-assessed taxes where the underlying exchange has occurred in the period ending June 30 or prior, net of applicable estimated refunds and allowances.

INVENTORIES AND PREPAIDS

Inventories of the various State agencies are primarily comprised of finished goods inventories held for resale 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 fair value. The State uses various valuation methods (FIFO, average cost, etc.) as selected by individual State agencies.

The method used in each agency is consistent from year to year. Consumable inventories that are deemed 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 expensed at the time of sale. Payments made to vendors for services representing costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

INVESTMENTS

Investments, including those held by the State Treasurer and reported as pooled cash, include both short and long-term investments. They are stated at fair value, except for certain investments which are measured at their Net Asset Value (see Note 4). Investments that do not have an established market are reported at their estimated fair value. The State Treasurer records investment interest in individual funds based on book yield as adjusted for amortization of investment premiums and discounts.

CAPITAL ASSETS

Depreciable capital assets are reported at historical cost, net of accumulated depreciation, on the government-wide *Statement of Net Position*. Donated capital assets are carried at their estimated acquisition value at the date of donation. Donated capital assets acquired prior to July 1, 2015 are stated at fair value as of the date of donation. Land, certain land improvements, construction in progress, and certain works of art or historical treasures are reported as nondepreciable assets.

The following table lists the range of capitalization thresholds established by the State, as well as lower thresholds adopted by some State agencies. State agencies are allowed to capitalize assets below established thresholds. The University of Colorado adopted a $75,000 threshold for land and leasehold improvements, buildings, intangibles, and infrastructure. All land and library materials/collections are capitalized regardless of cost.

Asset Class	Lower Threshold	Established State Thresholds
Land Improvements	$ 5,000	$ 50,000
Buildings	5,000	50,000
Leasehold Improvements	5,000	50,000
Intangible Assets	5,000	50,000
Vehicles and Equipment	NA	5,000
Software (purchased)	NA	5,000
Software (internally developed)	NA	50,000
Works of Art/Historical Treasure	NA	5,000
Other	5,000	NA
Infrastructure	50,000	500,000

All depreciable capital assets are depreciated using the straight-line method. State agencies are required to use actual experience in setting useful lives for depreciating capital assets. The following table lists the range of lives that State agencies normally use in depreciating capital assets. Certain historical and Department of Transportation buildings are depreciated over longer lives, but they are excluded from the following table. Useful life for intangible assets, excluding software, vary based upon the nature of the asset.

Asset Class	Estimated Useful Life
Land Improvements	5 to 50 years
Buildings	3 to 122 years
Leasehold Improvements	2 to 50 years
Vehicles and Equipment	2 to 50 years
Software	2 to 20 years
Library Books & Collections	3 to 20 years
Other Capital Assets	3 to 25 years
Infrastructure	10 to 75 years

Roads and bridges, except for right-of-way and fiber optic infrastructure, owned by the Department of Transportation and other infrastructure primarily owned by the Department of Natural Resources, are capitalized and depreciated. The Department of Transportation depreciates roadways over 40 years, and bridges over 75 years.

With the exceptions of the University of Colorado, the Colorado Community College System, the Metropolitan State University of Denver, the Colorado School of Mines, and Colorado State University, which early-implemented GASB Statement No. 89; the State capitalizes interest incurred during the construction of capital assets that are reported in enterprise funds.

UNEARNED REVENUE AND DEFERRED INFLOWS

Under reimbursement agreements, receipts from the federal government and other program sponsors are not earned until the related expenditures occur. These receipts are recorded as unearned revenue, except for amounts recorded as deferred inflows when the only eligibility requirement not met is the time requirement.

On the fund-level governmental financial statements, revenues related to taxes receivable that the State does not expect to collect until after the following fiscal year, are not earned and are reported as deferred inflows. However, taxes receivable are recognized as revenue on the government-wide financial statements.

ACCRUED COMPENSATED ABSENCES LIABILITY

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 the individual's accrued balance on July 1, 1988, plus 360 additional hours. Employees that exceed the limit at June 30 are required to convert five hours of unused sick leave to one hour of annual leave. Employees or their survivors are paid for one-fourth of their unused sick leave upon retirement or death. Annual leave is earned at increasing rates based on employment longevity. No classified employee is allowed to accumulate more than 42 days of annual leave at the end of a fiscal year. Employees are paid 100 percent of their annual leave balance upon leaving State service.

Compensated absence liabilities related to the governmental funds are recognized as liabilities of the fund only to the extent that they are due and payable at June 30. For all other fund types, both current and long-term portions are recorded as individual fund liabilities. On the government-wide *Statement of Net Position,* all compensated absence liabilities are reported.

INSURANCE

The State has an agreement with Broadspire to act as the third party administrator for the State's self-insured workers' compensation claims. The State reimburses Broadspire 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 a combination of self-insurance and commercial insurance carriers and is self-insured against liability risks for both its officials and employees (see Note 9). It is self-funded for employee healthcare plans, however, in the healthcare instance, the risk resides with the employees, because the State contribution to the plan is subject to appropriation each year, and employees are required to cover the balance of any premiums due. The State pays the actual costs of unemployment benefits paid to separated employees, rather than unemployment insurance premiums.

NET POSITION

In the government-wide and proprietary fund financial statements, net position is the difference between assets, liabilities, deferred inflows, and deferred outflows. Net investment in capital assets, represents capital assets; less accumulated depreciation; and less any outstanding borrowings related to the acquisition, construction, or improvement of those assets. Certain net positions are restricted for highway maintenance, education, unemployment insurance, debt service, donor restrictions, and various other funds that were established at the direction of the federal government, the courts, the State Constitution, or other external parties.

FUND BALANCES

Nonspendable – Nonspendable fund balances are amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained. This fund balance category consists of inventories; prepaid expenditures such as advances to counties for social assistance programs, local entities for species conservation, and to Colorado cities and special districts from emergency management funds; permanent funds related to state lands, and the corpus of other permanent funds.

Restricted – This classification is the portion of fund balance that is restricted by the State Constitution or external parties, and therefore, the related fund balance can only be expended as directed by the State Constitution or the external party.

Committed – This fund balance classification consists of amounts constrained by the General Assembly, the State's highest level of decision-making authority. Changes to constraints require legislative action by the General Assembly. The classification applies to the majority of governmental funds, excluding the General Purpose Revenue Fund.

In the General Purpose Revenue Fund, the Committed category represents the requirement in Colorado Revised Statutes 24-75-201.1(1)(d). See Note 15 for additional detail.

Committed balances also include earned augmenting revenue, such as insurance proceeds, that State agencies are not required to revert into the General Purpose Revenue Funds' fund balance.

In the Capital Projects Fund, the Committed classification represents the fund balance of the Corrections Expansion Reserve and the balance of certain other projects that are allowed to maintain a fund balance. These projects are not required to revert excess cash revenue to the Capital Projects Fund.

Assigned – This classification represents the portion of the General Purpose Revenue Fund fund balance related to certain Fiscal Year 2020 appropriations that the Colorado State Controller approved in accordance with Fiscal Rule 7-3 for use in the subsequent fiscal year.

Unassigned – This is the residual classification for the General Fund, and is not shown in other governmental funds, unless the fund balance is a deficit.

When an expenditure incurred could be funded from either restricted or unrestricted sources, unrestricted dollars are spent first, and within unrestricted sources funding is allocated first from unassigned, then assigned, and then committed resources. However, in certain circumstances restricted and/or committed resources are spent without regard to other available funding sources including transfers to pay indirect costs, to fund programs operating in the General Purpose Revenue Fund, to support health-related programs funded by tobacco tax, to support programs partially funded by Highway Users' Tax funds, and other situations that are not individually significant.

G. ACCOUNTING POLICIES AFFECTING REVENUES, EXPENDITURES/ EXPENSES

PROGRAM REVENUES

The government-wide *Statement of Activities* presents two broad types of revenues – program revenues and general revenues. All taxes, with the exception of unemployment insurance premiums used to support a business-type activity, are reported as general revenues. Unrestricted investment earnings and the court ordered awards of the Tobacco Litigation Settlement Fund, a nonmajor Other Special Revenue Fund, are also reported as general revenues. Except for transfers, permanent fund additions, and special items, all other revenues are reported as program revenues. In general, program revenues include:

- Fees for services, tuition, licenses, certifications, and inspections
- Fines and forfeitures
- Sales of products
- Rents and royalties
- Donations and contributions
- Intergovernmental revenues (including capital and operating grants)

INDIRECT COST ALLOCATION

The State allocates indirect costs on the government-wide *Statement of Activities*. In general, the allocation reduces costs shown in the general government functions and increases costs in the other functions and business-type activities. The allocation is based on the Statewide Appropriations/Cash Fees Plan.

The Plan uses allocation statistics from Fiscal Year 2018 and costs from the Fiscal Year 2020 (SB19-207 and other special or supplemental bills) Appropriations bill that were incorporated in State agency budgets for Fiscal Year 2021.

The allocation of costs between the governmental activities and business-type activities would normally result in an adjustment of internal balances on the government-wide *Statement of Net Position*. However, since the amount allocated from the governmental activities to the business-type activities is small, an offsetting adjustment is made to the (Transfers-Out)/Transfers-In line item at the bottom of the *Statement of Activities.*

OPERATING REVENUES AND EXPENSES

The State reports four major enterprise funds, multiple nonmajor enterprise funds, and multiple internal service funds. Because these funds engage in a wide variety of activities, the State's definition of operating revenues and expenses is highly generalized. For these funds, operating revenues and expenses are defined as transactions that result from the core business activity of the proprietary fund.

In general, this definition provides consistency between operating income on the *Statement of Revenues, Expenses, and Changes in Net Position* and cash from operations on the *Statement of Cash Flows.* However, certain exceptions occur including:

- Interest earnings and expenses of proprietary funds, for which the core business activity is lending, are reported as operating revenues and expenses on the *Statement of Revenues, Expenses, and Changes in Net Position* but are reported as investing activities on the *Statement of Cash Flows.*

- Some rents, fines, donations, and certain grants and contracts are reported as nonoperating revenues on the *Statement of Revenues, Expenses, and Changes in Net Position*, but are reported as cash from operations on the *Statement of Cash Flows.*

The State's institutions of higher education have defined operating revenues and expenses as generally resulting from providing goods and services for instruction, research, public service, or related support services to an individual or entity separate from the institution.

H. ADDITIONAL DISCLOSURE

SUBSEQUENTLY DISCOVERED FACTS THAT BECAME KNOWN AFTER THE RELEASE OF THE INDEPENDENT AUDITOR'S REPORT

On February 17, 2022, subsequent to the release of the Independent Auditor's Report on January 31, 2022, management notified the auditor of a misstatement in the classifications of net position for Business Type Activities. The Transportation Enterprise column on the Statement of Net Position - Proprietary Funds (page 56) reported a $2.1 billion understatement in the classification of Net Investment in Capital Assets and a $2.1 billion overstatement in the classification of Unrestricted. These misstatements affected the same classifications of net position for Business-Type Activities on the Government-wide Statement of Net Position (page 47) by the same dollar amounts. There was no misstatement of total net position at both the proprietary fund and government-wide levels.

The financial statements and Required Supplementary Information were revised and the Independent Auditor's Report has been dual-dated to include an additional date of March 8, 2022. The additional date is limited to the revisions to the financial statements and Required Supplementary Information.

NOTE 2 – STEWARDSHIP, ACCOUNTABILITY, AND LEGAL COMPLIANCE

A. OVEREXPENDITURES

Depending on the accounting fund type involved, expenditures/expenses are determined using the modified accrual or accrual basis of accounting even if the accrual will result in an overexpenditure. In the General Purpose Revenue Fund and Regular Capital Projects Fund, if earned cash revenues plus available reserved fund balance and earned federal revenues are less than cash and federal expenditures, then those excess expenditures are considered general-funded expenditures. If general-funded expenditures exceed the general-funded appropriation, then an overexpenditure occurs even if the expenditures did not exceed the total legislative line item appropriation. Absent general-funded appropriations, agencies are not allowed to use general-purpose revenue to support an expenditure/expense that was appropriated from cash or federal funds. Budget-to-actual comparisons are presented in the Required Supplementary Information Section. Differences noted between departmental reversions or overexpended amounts on the budgetary schedules and the overexpended amounts discussed below are due to offsetting underexpended line item appropriations.

Within the limitations discussed below, the State Controller, with the approval of the Governor, may allow certain overexpenditures of the legal appropriation, as provided by Section 24-75-109, C.R.S. Unlimited overexpenditures are allowed in the Medicaid program. The statute also provides for $250,000 of general-funded overexpenditure authority in the Children's Basic Health Plan. The Department of Human Services is allowed $1.0 million of overexpenditures not related to Medicaid, and unlimited overexpenditures for self-insurance of its workers' compensation plan. Statute also allows overexpenditures up to $3.0 million in total for the remainder of the Executive Branch. An additional $1.0 million of combined transfers and overexpenditures are allowed for the Judicial Branch.

The State Controller is generally required by statute to restrict the subsequent year appropriation whether or not an overexpenditure is approved. Such a restriction requires the agency to seek a supplemental appropriation from the General Assembly, earn adequate cash or federal revenue to cover the expenditure in the following year, and/or reduce their subsequent year's expenditures. Per Section 24-75-109(2)(b) C.R.S., neither the Governor nor the State Controller is allowed to approve any overexpenditure in excess of the unencumbered balance of the fund from which the overexpenditure is made.

Total overexpenditures at June 30, 2021, were $1,912.6 million as described in the following paragraphs.

Approved Medicaid Overexpenditures:

- Children's Basic Health Plan Medical and Dental Costs – The Department of Health Care Policy & Financing overspent this line item by $0.4 million cash funds. The overexpenditure was driven by higher-than-anticipated caseload growth for the expansion population funded by the Healthcare Affordability and Sustainability Fee cash fund.

- Behavioral Health Fee-for-Service Payments – The Department of Health Care Policy & Financing overspent this line item by $0.05 million cash funds and $0.2 million general funds. The behavioral health fee-for-service line represents expenditures that are excluded from coverage under the behavioral health capitation, either because the member is not attributed to the Regional Accountable Entity or the service fell outside of the contractual requirements of covered services. The overexpenditure occurred due to utilization growing by more than projected in the second half of the year.

- Behavioral Health Capitation Payments – The Department of Health Care Policy & Financing overspent this line item by $0.1 million cash funds. The overexpenditure was driven by an increase in the number of ACA expansion members with Medicare coverage, which are funded through cash funds as the state share and the standard FMAP. The increase in this population is a byproduct of the Medicaid continuous coverage requirement.

Approved Department of Human Services Overexpenditures, Other Than Medicaid, subject to the $1.0 million limit:

- None at June 30, 2021.

Approved State Departments Overexpenditures Subject to the $3.0 Million Limit:

- None at June 30, 2021.

Approved Judicial Overexpenditures, subject to the $1.0 million limit:

- None at June 30, 2021.

Overexpenditures Not Allowed to Be Approved (Deficit Fund Balances):

- Colorado Office of Film, Television and Media Operational Account – The Governor's Office of Economic Development and International Trade had a deficit in the fund of $0.2 million due to the transfer of Gaming revenue to this fund being suspended with the passage of HB20-1399. Historically, funds distributed in August were used to cover the prior year's spending. This is a continuation of the overexpenditure HB20-1399 caused in Fiscal Year 2020 as the gaming funds are still suspended. Without cash coming into the fund restrictions of Fiscal Year 2021 budget was not possible. This will be remedied with the restriction the amount of the overexpenditure in the Fiscal Year 2022 budget and when gaming funds are restored. This issue will no longer exist, as the funds will be transferred at the beginning of the year rather than at the end.

- History Colorado Restricted Donations Fund – History Colorado had a deficit in the fund of $0.7 million. Due to COVID-19, History Colorado's revenue from the operation and gaming taxes decreased significantly. In order to continue to pay staff salaries, during Fiscal Year 2020 and Fiscal Year 2021, History Colorado applied for Paycheck Protection Program (PPP) loan from the Small Business Administration (SBA) and received PPP loan for $2.3 million. On July 1, 2021, SBA approved the forgiveness for the full amount of the PPP loan. This will be one time deficit. The deficit will be eliminated in Fiscal Year 2022 once History Colorado recognize the forgiven loan amount.

- Highway Fund – The Department of Transportation had a deficit in this fund of $0.3 million. This fund provides the following services: Print Shop, State Fleet and Sign Shop services. The Print Shop has not been able to cover its expenses and is closed. The Sign Shop is working on reducing the deficit fund balance.

- Unemployment Insurance Fund – The Department of Labor and Employment had a deficit in this fund of $1,908.7 million. Due to the recession caused by the COVID-19 pandemic, estimated unemployment insurance benefits payable exceeded available and estimated resources at the end of Fiscal Year 2021. The Department has options available to address the deficit including, but not limited to, assessing unemployment insurance premium surcharges. The Department does not expect that this would be an ongoing problem outside of unprecedented circumstances like the COVID-19 pandemic.

The deferral of Medicaid expenditures and revenues for budget purposes only is authorized in Section 25.5-8-108(5) C.R.S. However, those expenditures are recognized in the current fiscal year for financial statement presentation under Generally Accepted Accounting Principles (GAAP). The recognition of those expenditures on the GAAP basis resulted in fund balance deficits. Because the budget deferral that caused the GAAP deficit fund balance is in compliance with statute, no restriction of Fiscal Year 2021 spending authority is recommended. The following cash funds were in a deficit fund balance position as a result of Department of Health Care Policy and Financing Medicaid activity as of June 30, 2021:

- Colorado Autism Treatment Fund - $0.1 million
- Health Care Expansion Fund - $1.8 million

A separately issued report comparing line item expenditures to authorized budget is available upon request from the Office of the State Controller.

B. TAX, SPENDING, AND DEBT LIMITATIONS

Certain State revenues, primarily taxes and fees, are limited under Article X, Section 20 (TABOR) of the State Constitution. Growth in these revenues from year to year is limited to the rate of population growth plus the rate of inflation. The TABOR section of the State Constitution also requires voter approval for any new tax, tax rate increase, or new debt. These limitations apply to the State as a whole, not to individual funds, departments, or agencies of the State. Government run businesses accounted for as enterprise funds that have the authority to issue bonded debt and that receive less than ten percent of annual revenues from the State and its local governments are exempt from the TABOR revenue limits.

In the 2005 general election, voters approved Referendum C, a statutory measure referred to the ballot by the Legislature that authorized the State to retain revenues in excess of the limit for the five fiscal years from 2006 through 2010. With the end of the Referendum C five-year excess revenue retention period, the State is subject to an Excess State Revenue Cap (ESRC), which began in Fiscal Year 2011. Calculation of the original TABOR limit continues to apply, but the ESRC replaces the previous TABOR limit for triggering taxpayer refunds. The beginning base for the ESRC was the highest adjusted TABOR revenue during the five-year period, which occurred in Fiscal Year 2008.

In Fiscal Year 2021, revenue subject to TABOR was $16,169.8 million, which was above the $15,644.3 million ESRC by $525.5 million, and by $3,541.7 million over the original TABOR limit. Therefore, there is a refund payable from Fiscal Year 2021 revenue of $525.5 million. During the year, the State reimbursed $22.3 thousand of the Fiscal Year 2015 refund payable through the sales tax and earned income tax credit mechanisms and $120.7 million of the Fiscal Year 2019 refund payable through the income tax rate reduction mechanism. The State's liability for TABOR refunds was $547.9 million at June 30, 2021, which includes the Fiscal Year 2021 revenue above the ESRC and prior-year revenue adjustments of $809.1 thousand. Since the inception of Referendum C in Fiscal Year 2006, the State has retained $27,457.0 million (unadjusted for prior year errors) – $3,593.6 million during the initial five-year revenue retention period, and an additional $23,863.4 million as a result of the higher ESRC limit in Fiscal Year 2011 through Fiscal Year 2021.

TABOR requires the State to reserve three percent of fiscal year nonexempt revenues for emergencies. The estimated reserve for Fiscal Year 2021 was based on the revenue projection prepared in the spring of 2020 by the Legislative Council. In the Long Appropriations Act, HB 20-1360, the funds designated below and the maximum balances from each, constitute the reserve.

At June 30, 2021, the financial net positions, or fund balances of the following funds were restricted:

- Major Medical Insurance Fund, a portion of the nonmajor Labor Fund – $63.0 million maximum set in the Long Appropriations Act.

- Colorado Water Conservation Board Construction Fund, a portion of the major Resource Extraction Fund – $33.0 million.

- Controlled Maintenance Trust Fund, a portion of the major General Fund – $73.0 million.

- Disaster Emergency Fund – $75.0 million.

- Unclaimed Property Tourism Promotion Trust Fund, a portion of the nonmajor Private Purpose Trust Fund – $5.0 million.

The 2020 legislative session Long Appropriations Act also designated up to $160.0 million of State properties as the remainder of the emergency reserve.

Based on actual fiscal year nonexempt revenues in Fiscal Year 2021, the required reserve was $485.1 million. Because the actual reserve requirement was more than the amount set in HB 20-1360, the total amount restricted for the reserve was $76.1 million less than the combined maximums allowable in the designated funds detailed above.

During Fiscal Year 2021, nine executive orders called for a net amount of $65.9 million to be transferred from the funds constituting the TABOR reserve, to the Disaster Emergency Fund (DEF), in response to the costs of dealing with the COVID-19 pandemic. Another $9.8 million was transferred to the DEF through six executive orders for the costs of fighting wildfires across the State.

NOTE 3 – CASH, RECEIVABLES, INVENTORIES, PREPAIDS, AND OTHER

CASH AND POOLED CASH

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 Purpose Revenue Fund unless a specific statute directs otherwise. Most funds are required to be invested in noninterest bearing warrants of the General Purpose Revenue Fund if the General Purpose Revenue Fund overdraws its rights in the pool. This means that under certain conditions participating funds would not receive the interest earnings to which they would otherwise be entitled. The detailed composition of the Treasury pooled cash and investment are shown in the Treasurer's Investment Reports. Where a major fund or fund category has a cash deficit, that deficit has been reclassified to an interfund payable to the General Purpose Revenue Fund – the payer of last resort for the pool.

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 significant financial resources as soon as the moneys are available within the banking system. To enhance availability of funds for investment purposes, the State Treasurer uses electronic funds transfers to move depository account balances into the Treasurer's pooled cash.

Colorado statutes require protection of public moneys in banks beyond that provided by the federal insurance corporations. The Public Deposit Protection Act in Colorado Revised Statutes 11-10.5-107(5) requires all eligible depositories holding public deposits, including those of the State's component units, to pledge designated eligible collateral having market value equal to at least 102 percent of the deposits exceeding the amounts insured by federal insurance. Upon liquidation of a defaulting eligible depository, the statute requires the banking board to seize the eligible collateral, liquidate the collateral, and repay the public deposits to the depositing government.

The State had an accounting system cash deposit balance of $1,181.3 million as of June 30, 2021. Under the GASB Statement No. 40 definitions, $29.0 million of the State's total bank balance of $1,371.6 million was exposed to custodial credit risk because the deposits were uninsured and the related collateral was held by the pledging institution or was held by the pledging institution's trust department or agent, but not in the State's name.

RECEIVABLES

The Taxes Receivable of $1,865.0 million shown on the government-wide *Statement of Net Position* in current assets net of long-term taxes receivable of $160.2 million, primarily comprises the following:

- $1,835.8 million in the General Purpose Revenue Fund, mainly self-assessed income and sales tax. This amount includes $160.2 million of Taxes Receivable expected to be collected after one year that are reclassified on the *Governmental Funds Balance Sheet Reconciled to Statement of Net Position* so they can be reported as Other Long-Term Assets on the government-wide *Statement of Net Position*.

- $125.5 million of unemployment insurance premiums receivable primarily recorded in the Unemployment Insurance Fund.

- $61.8 million recorded in non-major special revenue funds that include approximately $17.8 million from insurance premium tax and $18.7 million from gaming tax.

The Restricted Receivables of $323.5 million shown for Governmental Activities on the government-wide *Statement of Net Position* in non-current assets related primarily to $3.0 million of taxes receivable, $114.5 million of other receivables, and $205.5 million of intergovernmental receivables recorded in the Highway Users Tax Fund and State

Highway Fund. All three items were reported as Restricted Receivables because the State Constitution and federal requirements restrict that portion of the Highway Users Tax Fund and State Highway Fund. The tax receivable was primarily fuel taxes while the intergovernmental receivable was primarily due from the Federal Government.

The Other Receivables of $1,491.4 million shown on the government-wide *Statement of Net Position* are net of $288.2 million in allowance for doubtful accounts and primarily comprise the following:

- $452.2 million of receivables recorded in the General Fund, of which $57.0 million is from interest receivable on investments. The Department of Health Care Policy and Financing recorded receivables of $363.7 million related primarily to rebates from drug companies and overpayments to healthcare providers, and the Colorado Mental Health Institutes recorded $9.2 million of patient receivables.

- $587.2 million of student and other receivables of Higher Education Institutions.

- $101.9 million of receivables recorded by the Department of Health Care Policy and Financing in the Colorado Healthcare Affordability and Sustainability Enterprise Fund related primarily to rebates from drug companies associated with prescriptions for Medicaid clients.

- $70.0 million of receivables recorded by the Department of Labor and Employment primarily for unemployment insurance overpayments.

INVENTORIES

Inventories of $319.8 million shown on the government-wide *Statement of Net Position* at June 30, 2021, primarily comprise the following:

- $228.0 million of consumable supplies inventories, of which $102.4 million was recorded in the Disaster Emergency Fund; $42.1 million was recorded by the Department of Natural Resources for the Colorado Water Conservation Board Fund; $61.2 million was recorded in the General Fund; $10.5 million was recorded by Higher Education Institutions; and $9.9 million was recorded for Highways.

- $74.4 million of resale inventories, of which $34.5 million was recorded for Resource Extraction; $27.1 million recorded by Higher Education Institutions; $7.6 million recorded for Highways; and $2.5 million recorded for the Colorado Lottery.

- $9.0 million of warehouse and consignment inventories recorded in the General Fund; and $7.3 million of raw material, work in process, and finished goods inventories recorded by Correctional Industries – a nonmajor enterprise fund.

PREPAIDS, ADVANCES, AND DEPOSITS

Prepaids, Advances, and Deposits of $159.7 million shown on the government-wide *Statement of Net Position* are primarily general prepaid expenses. The significant items include:

- $28.3 million advanced to Colorado counties by the General Purpose Revenue Fund primarily related to emergency management and social assistance programs.

- $22.7 million prepaid by Higher Educational Institutions, of which $4.2 million primarily related to cash payments for library subscriptions at Colorado State University.

- $18.5 million prepaid from the Marijuana Tax Cash Fund was to designated service organizations by the Department of Human Services primarily for behavioral health.

- $16.1 million advanced to Colorado cities and special districts by the Division of Homeland Security and Emergency Management.

- $8.0 million advanced by the Office of Economic Development for grants from the Advance Industries program.

- $6.9 million advanced to conservation organizations by the Department of Natural Resources from the Species Conservation Fund, a portion of the Resource Extraction Fund.

- $6.8 million prepaid by the Governor's Office of Information Technology primarily for multi-year maintenance and licensing agreements.

- $5.7 million prepaid by the Department of Transportation for the Owners Controlled Insurance Program (OCIP) on substantially large highway construction projects.

- $5.4 million of prize expense paid by the Colorado Lottery to a multistate organization related to participation in the Powerball lottery game.

OTHER LONG-TERM ASSETS

The $878.1 million shown as Other Long-Term Assets on the government-wide *Statement of Net Position* is primarily long-term taxes receivable and long-term loans. Long-term taxes receivable of $160.2 million recorded in the General Purpose Revenue Fund are not included as Other Long-Term Assets on the *Balance Sheet – Governmental Funds* but are shown in Taxes Receivable.

The $602.8 million of Other Long-Term Assets shown on the fund-level *Balance Sheet – Governmental Funds* is primarily related to loans issued by the Highway Users Tax Fund ($31.5 million), a non-major special revenue fund, and the Resource Extraction Fund ($498.9 million), a non-major special revenue fund. This balance primarily comprises water loan activity. The Water Conservation Board makes water loans from the Water Projects Fund, part of the Resource Extraction Fund, to local entities for the purpose of constructing water projects in the State.

The water loans are made for periods ranging from 10 to 30 years. Interest rates range from 2 to 6 percent for most projects, and they require the local entities or districts to make a yearly payment of principal and interest.

The $114.2 million shown as Other Long-term Assets on the *Statement of Net Position – Proprietary Funds* is primarily student loans issued by Higher Education Institutions but also includes livestock.

NOTE 4 – INVESTMENTS

The State holds investments both for its own benefit and as an agent for certain entities as provided by statute. The State does not invest its funds with any external investment pool. Funds not required for immediate payment of expenditures are administered by the authorized custodian of the funds or pooled and invested by the State Treasurer.

Colorado Revised Statutes 24-75-601.1 authorizes the types of securities in which public funds of governmental entities, including State agencies, may be invested. Investments of the Public Employees Retirement Association discussed in Note 6 and other pension funds are not considered public funds. In general, the statute allows investment in: Certificates of Participation related to a lease or lease purchase commitment, local government investment pools, repurchase and reverse repurchase agreements (with certain limitations), securities lending agreements, corporate or bank debt securities denominated in US dollars, guaranteed investment or interest contracts including annuities and funding agreements, securities issued by or fully guaranteed by the United States Treasury or certain federal entities and the World Bank, inflation indexed securities issued by the United States Treasury, general obligation and revenue debt of other states in the United States and their political subdivisions (including authorities), or registered money market funds with policies that meet specific criteria.

The statute establishes high minimum credit quality ratings by at least two national rating agencies for most investment types. That statute also sets maximum time to maturity limits, but allows the governing body of the public entity to extend those limits. Public entities may also enter securities lending agreements that meet certain requirements. The statute prohibits investment in subordinated securities and securities that do not have fixed coupon rates unless the variable reference rate is a United States Treasury security with maturity less than one year, the London Interbank Offer Rate, or the Federal Reserve cost of funds rate. The above statutory provisions do not apply to the University of Colorado.

Colorado Revised Statutes 24-36-113 authorizes securities in which the State Treasurer may invest and requires prudence and care in maintaining investment principal and maximizing interest earnings. In addition to the investments authorized for all public funds, the State Treasurer may invest in securities of the federal government and its agencies and corporations without limitation, asset-backed securities, certain bankers' acceptances or bank notes, certain commercial paper, certain international banks, certain loans and collateralized mortgage obligations and certain debt obligations backed by the full faith and credit of the state of Israel. The Treasurer's statute also establishes credit quality rating minimums specific to the Treasurer's investments. The Treasurer's statute is the basis for a formal investment policy published on the State Treasurer's website. In addition to the risk restrictions discussed throughout this Note 4, the Treasurer's investment policy precludes the purchase of derivative securities.

The State Treasurer maintains a custodial fund for the Great Outdoors Colorado Program (GOCO), a related organization. At June 30, 2021 and 2020, the treasurer had $82.1 million and $76.9 million at fair value, respectively, of GOCO's funds on deposit and invested.

The investment earnings of the Unclaimed Property Tourism Trust Fund, a nonmajor special revenue fund, are assigned by law to the Colorado Travel and Tourism Promotion Fund, a nonmajor special revenue fund, to the State Fair, a nonmajor enterprise fund, and to the Agriculture Management Fund, a nonmajor special revenue fund.

As provided by State statute, the State Treasurer held $12.9 million of investment in residential mortgages representing payments of property taxes of certain elderly State citizen homeowners that qualify for the Property Tax Deferral Program. The investment is valued based on the outstanding principal and interest currently owed to the State as there is no quoted market price for these investments.

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

(Amounts in Thousands)

Footnote Amounts	Carrying Amount
Deposits (Note 3)	$ 1,181,296
Investments:	
Governmental Activities	19,191,486
Business-Type Activities	4,502,141
Fiduciary Activities	11,492,751
Total	$ 36,367,674
Financial Statement Amounts	
Net Cash and Pooled Cash	$ 14,822,784
Add: Warrants Payable Included in Cash	619,596
Total Cash and Pooled Cash	15,442,380
Add: Restricted Cash	3,447,440
Add: Restricted Investments	1,456,022
Add: Investments	16,021,832
Total	$ 36,367,674

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure, the State will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the State's name, and are held by either the counterparty to the investment purchase or are held by the counterparty's trust department or agent but not held in the State's name.

The State Treasurer's investment policy requires all securities to be held by the State Treasurer or a third party custodian designated by the Treasurer with each security evidenced by a safekeeping receipt. Certain trustees have selected the State Treasurer's pool as their primary investment vehicle. The Treasurer accounts for the trustees' deposits in custodial funds, and the investment types and related risks are disclosed through the Treasurer's pool investments.

Open-end mutual funds and certain other investments are not subject to custodial risk because ownership of the investment is not evidenced by a security. The following tables list the investments of the State Treasurer's pooled cash, major governmental funds, and nonmajor governmental funds in aggregate, by investment type at fair value.

(Amounts in Thousands)
Governmental Activities

	Treasurer's Pool	General Fund	Other Governmental	Total
NOT SUBJECT TO CUSTODIAL CREDIT RISK				
U.S. Treasury Bills	$ 339,997	$ -	$ -	$ 339,997
U.S. Treasury Notes/Bonds	2,589,580	-	165,730	2,755,310
U.S. Agency Securities (Not Explicitly Guaranteed)	602,333	-	24,503	626,836
Commercial Paper	2,709,359	-	-	2,709,359
Corporate Bonds	4,949,759	-	579,498	5,529,257
Municipal Bonds	187,832	-	9,361	197,193
Money Market Mutual Funds	3,810,000	-	1,020	3,811,020
Bond Mutual Funds	-	-	14,653	14,653
Asset-Backed Securities	479,347	-	24,431	503,778
Mortgage-Backed Securities	1,943,949	12,909	220,903	2,177,761
Sovereigns/Supranationals	96,368	-	10,822	107,190
Equity Mutual Funds	-	-	364,407	364,407
Other	-	-	53,851	53,851
SUBTOTAL	17,708,524	12,909	1,469,179	19,190,612
SUBJECT TO CUSTODIAL CREDIT RISK				
Money Market Mutual Funds	-	-	874	874
SUBTOTAL	-	-	874	874
TOTAL	$ 17,708,524	$ 12,909	$ 1,470,053	$ 19,191,486

The following table lists the investments of the major enterprise funds, nonmajor enterprise funds in aggregate, and fiduciary funds by investment type at fair value as of June 30, 2021. The University of Colorado, Colorado State University, and the Colorado School of Mines reported investments in the internal pools of their respective foundations. These investments are reported as Investment in Foundation Pool.

(Amounts in Thousands)

	Business-Type Activities		Fiduciary
	Higher Education Institutions	Total	Fiduciary
NOT SUBJECT TO CUSTODIAL CREDIT RISK			
U.S. Treasury Bills	$ 15,988	$ 15,988	$ 4,914
U.S. Treasury Notes/Bonds	110,041	110,041	4,571
U.S. Agency Securities (Explicitly Guaranteed)	191	191	-
U.S. Agency Securities (Not Explicitly Guaranteed)	83,984	83,984	-
Commercial Paper	2,003	2,003	-
Corporate Bonds	275,463	275,463	21,007
Municipal Bonds	759	759	1,431
Money Market Mutual Funds	400,862	400,862	27,786
Bond Mutual Funds	176,156	176,156	43,762
Asset-Backed Securities	193,224	193,224	374
Investment In Foundation Pool	636,728	636,728	-
Mortgage-Backed Securities	107,887	107,887	29,900
Guaranteed Investment Contracts	4,374	4,374	-
Corporate Equities	3,108	3,108	-
Private Equities	67,206	67,206	6,002
Equity Mutual Funds	1,643,402	1,643,402	28,139
Other	226,659.00	226,659	23,609
SUBTOTAL	3,948,035	3,948,035	191,495
SUBJECT TO CUSTODIAL CREDIT RISK			
U.S. Treasury Bills	2,008	2,008	-
U.S. Treasury Notes/Bonds	168,941	168,941	-
U.S. Agency Securities (Explicitly Guaranteed)	13,912	13,912	-
U.S. Agency Securities (Not Explicitly Guaranteed)	97	97	-
Corporate Bonds	201,819	201,819	-
Municipal Bonds	22,795	22,795	-
Money Market Mutual Funds	223	223	1,184,277
Bond Mutual Funds	31,673	31,673	3,956,476
Asset-Backed Securities	1,028	1,028	-
Mortgage-Backed Securities	952	952	-
Guaranteed Investment Contracts	-	-	172,727
Corporate Equities	10,698	10,698	-
Equity Mutual Funds	48,599	48,599	5,987,153
Balanced Mutual Funds	406	406	-
Other	50,955	50,955	623
SUBTOTAL	554,106	554,106	11,301,256
TOTAL	$ 4,502,141	$ 4,502,141	$ 11,492,751

Credit Quality Risk

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations to the State. This risk is assessed by nationally recognized rating agencies, which assign a credit quality rating for many investments. Credit quality ratings for obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not reported. However, credit quality ratings are reported for obligations of U.S. Government agencies that are not explicitly guaranteed by the U.S. Government.

The State Treasurer's formal investment policy requires that eligible securities must be rated at least by one and preferably two nationally recognized rating organizations. One rating must be from Moody's, Standard & Poor's, or Fitch. The policy sets acceptable credit quality ratings by investment portfolio and investment type.

The fair value amount of rated and unrated debt securities is detailed in the following table by the lowest known credit quality rating, which shows the Treasurer's Pool, Higher Education Institutions, Fiduciary Funds, and All Other Funds in the aggregate. The credit quality ratings shown are Moody's, Standard and Poor's, and Fitch, respectively.

CREDIT QUALITY RATINGS
(Amounts In Thousands)

Credit Quality Rating	U.S. Govt. Securities	Commercial Paper	Corporate Bonds	Asset Backed Securities	Mortgage Backed Securities	Money Market Mutual Funds	Bond Mutual Funds	Sovereigns & Supranationals	Guaranteed Investment Contracts	Other	Total
Treasurer's Pool:											
Long-term Ratings											
Aaa/AAA/AAA	$ -	$ -	$ 184,664	$ 479,347	$ -	$3,810,000	$ -	$ 96,368	$ -	$ 29,639	$ 4,600,018
Aa/AA/AA	602,333	2,709,359	642,161	-	1,943,949	-	-	-	-	158,192	6,055,994
A/A/A	-	-	2,279,340	-	-	-	-	-	-	-	2,279,340
Baa/BBB/BBB	-	-	1,838,611	-	-	-	-	-	-	-	1,838,611
Unrated	-	-	4,983	-	-	-	-	-	-	-	4,983
Total T-Pool	602,333	2,709,359	4,949,759	479,347	1,943,949	3,810,000	-	96,368	-	187,831	14,778,946
Higher Education Institutions:											
Long-term Ratings											
Aaa/AAA/AAA	868	-	63,302	135,234	560	439,164	79	-	-	5,962	645,169
Aa/AA/AA	37,828	-	27,821	12,873	-	-	119,816	-	-	25,260	223,598
A/A/A	451	-	153,324	11,482	-	-	-	-	-	2,357	167,614
Baa/BBB/BBB	2,893	-	215,923	4,427	-	-	-	-	-	560	223,803
Ba/BB/BB	-	-	14,566	83	371	-	-	-	-	-	15,020
B/B/B	-	-	287	244	-	-	-	-	-	-	531
Caa/CCC/CCC	-	-	-	1,221	-	-	-	-	-	-	1,221
Short-term Ratings											
P1/MIG1/A-1/F-1	-	2,003	-	-	-	-	-	-	-	-	2,003
Unrated	42,042	-	3,443	28,514	3,206	214	117,669	-	46,115	67,327	308,530
Total Higher Ed	84,082	2,003	478,666	194,253	4,137	439,378	237,564	-	46,115	101,466	1,587,664
Fiduciary Funds:											
Long-term Ratings											
Aaa/AAA/AAA	-	-	531	155	-	1,697	-	-	-	571	2,954
Aa/AA/AA	-	-	1,767	-	6,917	-	-	-	-	746	9,430
A/A/A	-	-	6,455	-	-	-	-	-	-	114	6,569
Baa/BBB/BBB	-	-	4,217	76	-	-	-	-	-	-	4,293
Unrated	-	-	165	143	-	743,873	4,408,151	-	172,727	-	5,325,059
Total Fiduciary	-	-	13,135	374	6,917	745,570	4,408,151	-	172,727	1,431	5,348,305
All Other Funds:											
Long-term Ratings											
Aaa/AAA/AAA	-	-	14,601	13,668	-	-	-	10,822	-	1,852	40,943
Aa/AA/AA	24,503	-	74,364	1,952	242,697	-	-	-	-	2,363	345,879
A/A/A	-	-	194,969	2,432	228	-	-	-	-	-	197,629
Baa/BBB/BBB	-	-	215,247	3,082	592	-	-	-	-	-	218,922
Ba/BB/BB	-	-	35,577	794	368	-	-	-	-	-	36,740
B/B/B	-	-	37,106	-	-	-	-	-	-	-	37,106
Caa/CCC/CCC	-	-	6,444	-	-	-	-	-	-	-	6,444
Ca/D/DDD	-	-	51	-	-	-	-	-	-	-	51
Unrated	-	-	6,284	2,503	12,909	-	14,653	-	-	-	36,350
Total Other	24,503	-	584,643	24,431	256,794	-	14,653	10,822	-	4,215	920,064
Total	$ 710,918	$2,711,362	$6,026,203	$ 698,405	$2,211,797	$4,994,948	$4,660,368	$ 107,190	$ 218,842	$ 294,943	$22,634,979

Interest Rate Risk

Interest rate risk is the risk that changes in the market rate of interest will adversely affect the value of an investment. The State manages interest rate risk using either weighted average maturity or duration. Weighted average maturity is a measure of the time to maturity, measured in years, that has been weighted to reflect the dollar size of individual investments within an investment type. Various methods are used to measure duration; in its simplest form, duration is a measure, in years, of the time-weighted present value of individual cash flows from an investment divided by the price of the investment.

Statute requires the State Treasurer to formulate investment policies regarding liquidity, maturity, and diversification for each fund or pool of funds in the State Treasurer's custody. The State Treasurer's formal investment policy targets a weighted average effective duration of 3 years within range of 1-5 years and a maximum stated maturity limited to 30 years from the settlement date for Treasurer's pool funds. The policy also sets maturity limits for the Unclaimed Property Tourism Promotion Trust Fund (1 - 30 years). The policy also mitigates interest rate risk through the use of maturity limits delineated to meet the needs of each funds and the use of active management to react to changes in the yield curve, economic forecasts, and the liquidity needs of the fund.

The following table shows the weighted average maturity and fair value amount for those investments managed using the weighted average maturity measure.

(Dollar Amounts in Thousands, Weighted Average Maturity in Years)

Investment Type	Treasurer's Pool Fair Value Amount	Treasurer's Pool Weighted Average Maturity	Higher Education Institutions Fair Value Amount	Higher Education Institutions Weighted Average Maturity	Fiduciary Funds Fair Value Amount	Fiduciary Funds Weighted Average Maturity	All Other Funds Fair Value Amount	All Other Funds Weighted Average Maturity
U.S. Treasury Bills/Notes/Bonds	$ 2,930,703	4.886	$ 296,835	9.747	$ 4,571	2.454	$ 164,604	10.184
U.S. Agency Securities	602,333	6.101	201,800	22.998	-	-	24,503	3.515
Bond Mutual Funds	-	-	196,235	8.600	11,271	3.980	-	-
Commercial Paper	2,709,359	0.183	2,003	0.109	-	-	-	-
Corporate Bonds	4,949,759	7.199	477,283	9.010	13,135	3.673	579,498	8.072
Repurchase Agreements	-	-	67,206	0.666	-	-	-	-
Asset-Backed Securities	479,347	1.651	194,253	17.242	374	0.056	24,431	3.422
Money Market Funds	-	-	61,917	0.098	745,570	0.003	-	-
Municipal Bonds	187,832	10.754	34,246	9.765	1,431	0.389	9,361	25.245
Mortgage-Backed Securities	1,944,148	7.333	4,137	0.398	29,900	4.454	220,704	4.659
Other	96,368	3.180	46,115	1.367	-	-	10,822	6.417
Total Investments	$13,899,849		$ 1,582,030		$ 806,252		$ 1,033,923	

The table below presents the fair value amount and duration measure for State agencies that manage some or all of their investments using the duration measure.

The CollegeInvest program has investments reported in the College Savings Plan, a Private Purpose Trust Fund. CollegeInvest uses duration to manage the interest rate risk of selected mutual funds in the College Savings Plan. CollegeInvest's Private Purpose Trust Fund holds inflation protected bond mutual funds for $378.0 million with a duration of 7.7 years and a short-term inflation protected securities index fund for $93.0 million with a duration of 2.6 years. These securities are excluded from the duration table below because interest rate risk is effectively mitigated by the inflation protection attribute of the funds.

(Dollar Amounts in Thousands, Duration in Years)

	Fair Value Amount	Duration
Enterprise Funds:		
Higher Education Institutions:		
Colorado School of Mines:		
Money Market Funds	$ 1,383	7.100
Private Purpose Trust Funds:		
CollegeInvest:		
Bond Mutual Fund-1	$ 1,238,825	6.800
Bond Mutual Fund-2	723,901	7.100
Bond Mutual Fund-3	594,605	1.900
Bond Mutual Fund-4	570,705	8.400
Bond Mutual Fund-5	91,195	6.800
Bond Mutual Fund-6	266,252	2.700
Bond Mutual Fund-7	440,404	3.200

Foreign Currency Risk

Foreign Currency risk is the risk that changes in exchange rates will adversely affect their value of an investment or deposit. The Treasurer's formal investment policy does not allow for investments in foreign currency. Risk is mitigated by only permitting a maximum of 4% of treasury pool assets to be invested in sovereign/government/supranational securities.

Concentration of Credit Risk

The State Treasurer's formal investment policy sets minimum and maximum holding percentages for each investment type for the investment pool and for the Unclaimed Property Tourism Promotion Trust Fund. The pool and the Unclaimed Property Tourism Promotion Trust Fund may be 100 percent invested in U.S. Treasury securities with more restrictive limits (ranging from 5 percent to 80 percent) set for the other allowed investment types. For the pool and the Unclaimed Property Tourism Promotion Trust Fund, the policy sets maximum concentrations in an individual issuer for certain investment types.

Fair Value Measurements

To the extent available, the State's investments are recorded at fair value as of June 30, 2021. Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 Investments – values are based on quoted prices (unadjusted) for identical assets (or liabilities) in active markets that a government can access at the measurement date.

Level 2 Investments – inputs other than quoted prices included within Level 1 – that are observable for an asset (or liability), either directly or indirectly.

Level 3 Investments – classified as Level 3 have unobservable inputs for an asset (or liability) and may require a degree of professional judgment.
The following table summarizes the State's investments within the fair value hierarchy at June 30, 2021:

(Amounts in Thousands)

	Fair Value as of June 30, 2021	Fair Value Measurements Using: Quoted prices in active markets for identical assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
U.S. Treasury Bills	$ 362,905	$ 361,116	$ 1,789	$ -
U.S. Treasury Notes/Bonds	3,038,863	2,919,552	119,311	-
U.S. Agency Securities (Explicitly Guaranteed)	14,103	191	13,912	-
U.S. Agency Securities (Not Explicitly Guaranteed)	710,918	97	710,821	-
Commercial Paper	2,711,362	-	2,711,362	-
Corporate Bonds	6,027,546	7,871	6,019,494	181
Municipal Bonds	222,177	-	222,177	-
Money Market Mutual Funds	5,086,098	5,085,078	1,020	-
Bond Mutual Funds	4,222,721	4,222,721	-	-
Asset-Backed Securities	698,405	-	697,201	1,204
Mortgage-Backed Securities	2,316,500	2,968	2,300,623	12,909
Sovereigns/Supranationals	107,190	-	107,190	-
Guaranteed Investment Contracts	177,101	4,374	-	172,727
Investment in Foundation Pool	636,728	-	-	636,728
Corporate Equities	13,806	13,806	-	-
Private Equities	6,002	-	-	6,002
Equity Mutual Funds	8,071,700	8,039,347	32,353	-
Balanced Mutual Funds	406	406	-	-
Other	134,662	6,857	10,551	117,254
Total	$ 34,559,193	$ 20,664,384	$ 12,947,804	$ 947,005
Total investments measured at NAV	169,604			
Total other investments not valued at fair value	457,549			
Total	$ 35,186,346			

On June 30, 2021, the University of Colorado held an investment in an equity trust valued at $169.6 million. The value was determined using the University's Net Asset Value (NAV) per share in the equity trust. The assets held by the trust could be sold at an amount different than the NAV per share due to the liquidation policies in the trust's investor agreements. Redemption frequencies for these funds range from one to seven days and there were no unfunded commitments as of June 30, 2021.

The University of Colorado also held investments in a repurchase agreement with a contract value of $67.2 million, guaranteed investment agreements with a contract value of $46.1 million, and private equities measured at a cost of $5.3 million. It is the State's policy to report money market fund investments at fair market value unless the institution managing the investment reports its value at amortized cost. At June 30, 2021, the University of Colorado held $338.9 million of money market funds valued at amortized cost.

Treasurer's Investment Pool

Participation in the State Treasurer's cash/investment pool is mandatory for all State agencies with the exception of Colorado Mesa University, Colorado State University System, Colorado School of Mines, Fort Lewis State College, and the University of Colorado and its blended component units; however, all participate in the Treasurer's Pool. The Treasurer, in consultation with the State's investment custodian, determines the fair value of the pool's investments at each month-end for performance tracking purposes. Short-term realized gains, losses, and interest earnings, adjusted for amortization of investment premiums and discounts, are distributed monthly. If the statutes authorize the participant to receive interest and investment earnings, these gains or losses are prorated according to the average of the participant's daily balance during the month.

NOTE 5 – CAPITAL ASSETS

During Fiscal Year 2021, the State capitalized $17.0 million of interest incurred during the construction of capital assets. The majority of this capitalized interest was for the Department of Transportation's Bridge Enterprise of $16.2 million, and the High Performance Transportation Enterprise of $0.7 million, and Institutions of Higher Education of $0.1 million.

On the government-wide *Statement of Activities,* depreciation charged to functional programs and business-type activities is as follows:

(Amounts in Thousands)	Depreciation Amount
GOVERNMENTAL ACTIVITIES	
General Government	$ 58,658.5
Business, Community and Consumer Affairs	2,487.3
Education	40,823.1
Health and Rehabilitation	12,367.4
Justice	50,800.0
Natural Resources	455.0
Social Assistance	18,329.2
Transportation	321,872.2
Total Depreciation Expense - Governmental Activities	505,792.7
BUSINESS-TYPE ACTIVITIES	
Higher Education	491,505.0
Parks and Wildlife	18,104.0
State Nursing Homes	1,862.6
Unemployment Insurance	2,195.4
Transportation	25,648.7
Social Assistance	5,213.8
Other Enterprise Funds	2,201.3
Total Depreciation Expense - Business-Type Activities	546,730.8
Total Depreciation Expense Primary Government	$ 1,052,523.5

The schedule on the following page shows the capital asset activity during Fiscal Year 2021. The schedule shows that $526.1 million of construction in progress projects were completed and added to capital assets for Governmental activities, and $920.8 million of construction in progress were completed and added to capital assets for Business-Type activities. These amounts are net of additions.

(Amounts in Thousands)	Beginning Balance	Increases	CIP Transfers	Decreases/ Adjustments	Ending Balance
GOVERNMENTAL ACTIVITIES:					
Capital Assets Not Being Depreciated:					
Land	$ 119,222	$ 20,844	$ -	$ (90)	$ 139,976
Land Improvements	7,752	-	-	-	7,752
Collections	11,213	-	-	-	11,213
Other Capital Assets	12,347	4,118	-	(9,806)	6,659
Construction in Progress (CIP)	1,548,817	779,767	(545,720)	(3,566)	1,779,298
Infrastructure	1,040,339	1,019	19,657	-	1,061,015
Total Capital Assets Not Being Depreciated	2,739,690	805,748	(526,063)	(13,462)	3,005,913
Capital Assets Being Depreciated:					
Leasehold and Land Improvements	81,861	3,275	317	(964)	84,489
Buildings	3,399,414	2,111	217,830	(7,523)	3,611,832
Software	578,925	15,335	8,285	(3,311)	599,234
Vehicles and Equipment	1,029,805	87,559	5,196	(42,953)	1,079,607
Library Materials and Collections	5,482	381	-	(338)	5,525
Other Capital Assets	37,156	134	-	-	37,290
Infrastructure	12,502,697	19	294,435	89,335	12,886,486
Total Capital Assets Being Depreciated	17,635,340	108,814	526,063	34,246	18,304,463
Less Accumulated Depreciation:					
Leasehold and Land Improvements	(43,573)	(3,759)	-	276	(47,056)
Buildings	(1,272,738)	(89,849)	-	1,280	(1,361,307)
Software	(371,159)	(48,775)	-	2,936	(416,998)
Vehicles and Equipment	(639,522)	(69,270)	-	38,948	(669,844)
Library Materials and Collections	(3,984)	(373)	-	338	(4,019)
Other Capital Assets	(36,635)	(28)	-	-	(36,663)
Infrastructure	(5,411,155)	(293,738)	-	-	(5,704,893)
Total Accumulated Depreciation	(7,778,766)	(505,792)	-	43,778	(8,240,780)
Total Capital Assets Being Depreciated, net	9,856,574	(396,978)	526,063	78,024	10,063,683
TOTAL GOVERNMENTAL ACTIVITIES	12,596,264	408,770	-	64,562	13,069,596
BUSINESS-TYPE ACTIVITIES:					
Capital Assets Not Being Depreciated:					
Land	656,790	10,562	7,150	49,120	723,622
Land Improvements	17,041	-	-	-	17,041
Collections	33,148	982	-	20	34,150
Construction in Progress (CIP)	1,529,265	774,906	(928,506)	(77,631)	1,298,034
Other Capital Assets	15,461	8,477	-	-	23,938
Infrastructure	98,042	-	522	-	98,564
Total Capital Assets Not Being Depreciated	2,349,747	794,927	(920,834)	(28,491)	2,195,349
Capital Assets Being Depreciated:					
Leasehold and Land Improvements	890,981	84,919	49,853	(788)	1,024,965
Buildings	10,529,004	55,034	572,203	(2,356)	11,153,885
Software	240,501	42,635	15,227	(46,049)	252,314
Vehicles and Equipment	1,331,747	87,847	14,235	(42,094)	1,391,735
Library Materials and Collections	629,100	21,917	-	(2,851)	648,166
Other Capital Assets	3,874	81	-	-	3,955
Infrastructure	1,308,495	964	269,316	(91,403)	1,487,372
Total Capital Assets Being Depreciated	14,933,702	293,397	920,834	(185,541)	15,962,392
Less Accumulated Depreciation:					
Leasehold and Land Improvements	(491,542)	(41,965)	-	617	(532,890)
Buildings	(4,149,512)	(344,853)	-	966	(4,493,399)
Software	(203,910)	(15,092)	-	45,796	(173,206)
Vehicles and Equipment	(990,524)	(93,619)	-	37,346	(1,046,797)
Library Materials and Collections	(495,963)	(24,208)	-	3,160	(517,011)
Other Capital Assets	(2,027)	(130)	-	-	(2,157)
Infrastructure	(128,355)	(26,865)	-	435	(154,785)
Total Accumulated Depreciation	(6,461,833)	(546,732)	-	88,320	(6,920,245)
Total Capital Assets Being Depreciated, net	8,471,869	(253,335)	920,834	(97,221)	9,042,147
TOTAL BUSINESS-TYPE ACTIVITIES	10,821,616	541,592	-	(125,712)	11,237,496
TOTAL CAPITAL ASSETS, NET	$ 23,417,880	$ 950,362	$ -	$ (61,150)	$ 24,307,092

NOTE 6 – DEFINED BENEFIT PENSIONS

Summary of Significant Accounting Policies

The State of Colorado is a participating employer in the State Division Trust Fund ("SDTF") and the Judicial Division Trust Fund ("JDTF"), both cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees' Retirement Association of Colorado ("PERA"). The State of Colorado is also a governmental nonemployer contributing entity in the SDTF, JDTF, School, and Denver Public Schools Division Trust Fund ("DPS") Divisions. In addition, the University of Colorado offers a single-employer, defined benefit Alternate Medicare Payment pension plan to retirees of its Optional Retirement Plan. The net pension liability, deferred outflows of resources, deferred inflows of resources, pension expense, aid to other governments, information about the fiduciary net position, and additions to/deductions from the fiduciary net position of the SDTF, JDTF, School Division, DPS Division, and the Alternate Medicare Payment Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Recent Legislative Changes

Senate Bill (SB) 18-200 entitled *Modifications To PERA Public Employees' Retirement Association To Eliminate Unfunded Liability* requires a direct distribution from the State Treasury to PERA for $225.0 million annually to reduce unfunded PERA liabilities. The direct distributions are to occur until no unfunded actuarial accrued liabilities exist for any PERA Division Trust. PERA allocates the direct distribution to four PERA Division Trusts in proportion with payroll-based contributions.

House Bill (HB) 20-1379, signed by Governor Polis on June 29, 2020, suspended the July 1, 2020 direct distribution for the State's fiscal year ended June 30, 2021. Due to the suspension, the State of Colorado's nonemployer contributing entity's proportion is zero percent. Refer to the sections below on Net Pension Liability and Pension Expense & Aid to Other Governments for information on the effect to the State's financial statements from the zero percent proportionate share for the State of Colorado as a nonemployer contributing entity.

Pursuant to Section 24-51-414 Colorado Revised Statutes (C.R.S.), the annual direct distribution payment from the State of Colorado resumed on July 1, 2021.

General Information about the Pension Plan

Eligible employees of the State of Colorado receive a pension benefit through the SDTF and the JDTF, both cost-sharing multiple-employer defined benefit pension plans administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes, administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. The Colorado General Assembly may amend Colorado State law provisions from time to time. PERA issues a publicly available annual comprehensive financial report (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

PERA provides retirement, disability, and survivor benefits. Retirement benefits determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at Sections 24-51-602, 604, 1713, and 1714, C.R.S.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the DPS benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- $15 times the first 10 years of service credit plus $20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases, the service retirement benefit is limited to 100 percent of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to Section 24-51-413, C.R.S. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SDTF and for the JDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in Section 24-51-413, C.R.S.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. For the SDTF, State Troopers whose disability is caused by an on-the-job injury are immediately eligible to apply for disability benefits and do not have to meet the five years of service credit requirement. For the JDTF, the five-year requirement is not applicable to active judges. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions

Eligible employees and the State are required to contribute to the SDTF at rates established under Section 24-51-401, C.R.S., *et seq.* and Section 24-51-413, C.R.S. Employee and employer contribution rates for the period July 1, 2020 through June 30, 2021 are presented in the following tables:

State Division Trust Fund	July 1, 2020 Through June 30, 2021
Employee contribution (all employees except State Troopers)	10.00%
State Troopers Only	12.00%

Employee contribution rates for the SDTF are expressed as a percentage of salary as defined in Section 24-51-101(42) C.R.S.

The employer contribution requirements for all employees except State Troopers are summarized in the table below:

State Division Trust Fund	July 1, 2020 Through December 31, 2020	January 1, 2021 Through June 30, 2021
Employer contribution rate	10.90%	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount apportioned to the SDTF	9.88%	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	N/A	0.05%
Total employer contribution rate to the SDTF	**19.88%**	**19.93%**

The employer contribution requirements for State Troopers are summarized in the table below:

State Division Trust Fund	July 1, 2020 Through December 31, 2020	January 1, 2021 Through June 30, 2021
Employer contribution rate	13.60%	13.60%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount apportioned to the SDTF	12.58%	12.58%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	N/A	0.05%
Total employer contribution rate to the SDTF	**22.58%**	**22.63%**

Contribution rates for the SDTF are expressed as a percentage of salary as defined in Section 24-51-101(42), C.R.S.

Eligible employees and the State are required to contribute to the JDTF at rates established under Section 24-51-401 C.R.S., *et seq.* and Section 24-51-413, C.R.S. Employee and employer contribution rates for the period July 1, 2020 through June 30, 2021 are presented in the following tables:

Judicial Division Trust Fund	July 1, 2020 Through June 30, 2021
Employee contribution	15%

Judicial Division Trust Fund	July 1, 2020 Through December 31, 2020	January 1, 2021 Through June 30, 2021
Employer contribution rate	9.41%	9.41%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount apportioned to the JDTF	8.39%	8.39%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	3.80%	4.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	3.80%	4.20%
Total employer contribution rate to the JDTF	**15.99%**	**16.79%**

Contribution rates for the JDTF are expressed as a percentage of salary as defined in Section 24-51-101(42), C.R.S.

As specified in Section 24-51-414 C.R.S., the State is required to contribute $225.0 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF and JDTF based on the proportionate amount of annual payroll of those division trust funds to the total annual payroll of each trust to the School Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SDTF and JDTF is considered a nonemployer contribution for financial reporting purposes. As noted above, House Bill (HB) 20-1379 suspended the $225.0 million direct distribution for July 1, 2020 which relates to the State's fiscal year ended June 30, 2021.

Employer contributions are recognized by the SDTF and by the JDTF in the period in which the compensation becomes payable to the member and the State is statutorily committed to pay the contributions to the SDTF and to the JDTF. Employer contributions made by the State to the SDTF and to the JDTF were $626.0 million and $8.5 million, respectively, for the year ended June 30, 2021.

Net Pension Liability

The net pension liability for the SDTF and for the JDTF were measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The State's proportion of the net pension liability of the SDTF and of the JDTF is based on the State's contributions to the SDTF and to the JDTF for calendar year 2020 relative to the total contributions of all participating employers and the nonemployer contributions made by the State to the SDTF and to the JDTF.

The State reports a net pension liability in accordance with the requirements of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions* using the Schedule of Employer and Nonemployer Allocations and Schedule of Collective Pension Amounts published by PERA. The Schedule of Employer and Nonemployer Allocations for PERA's fiscal year ended December 31, 2020 reports a proportionate share of zero percent for the State of Colorado as a nonemployer contributing entity due to the suspension of the July 1, 2020 direct distribution payment. The zero percent proportionate share resulted in no liability attributable to employees of other governments at June 30, 2021 as well as no proportionate share of collective pension expense for the fiscal year ended June 30, 2021. Pursuant to Section 24-51-414 C.R.S., the direct distribution payment from the State of Colorado recommenced on July 1, 2021 and the State will resume reporting a component of its net pension liability attributable to employees of other governments for its fiscal year ending June 30, 2022. Refer to the last four tables in Note RSI-2 for historical information on the State of Colorado's proportionate share of collective pension amounts as a nonemployer contributing entity. Historical information on the collective pension amounts is available in the Required Supplementary Information section of PERA's Annual Comprehensive Financial Report available at https://www.copera.org/investments/pera-financial-reports.

For purposes of GASB 68 paragraph 15, a circumstance continues to exist in which a nonemployer contributing entity is legally responsible for making contributions to the State, Judicial, School and DPS Division Trust Funds and is considered to meet the definition of a special funding situation.

At June 30, 2021, the State reported a total liability of $9.1 billion for its proportionate share of the net pension liability. The amounts recognized by the State for its proportionate share of the net pension liability are as follows:

(Amounts in thousands)	PERA Division Trust Fund				
Proportionate share of the net pension liability attributable to:	State	Judicial	School	DPS	Total
State's own employees	$ 9,066,999	$ 57,929	-	-	$ 9,124,928
Employees of other governments	-	-	-	-	-
Total	$ 9,066,999	$ 57,929	$ -	$ -	$ 9,124,928

Proportionate Share

The State's proportions at December 31, 2019, December 31, 2020, and how the proportions increased or decreased are presented in the following table:

As a Participating Employer			
	Proportionate Share		
PERA Division	12/31/2019	12/31/2020	Increase (Decrease)
State	95.49%	95.60%	0.11%
Judicial	94.28%	93.49%	-0.79%

As a Governmental Nonemployer Contributing Entity			
	Proportionate Share		
PERA Division	12/31/2019	12/31/2020	Decrease
State	0.51%	0.00%	-0.51%
Judicial	0.64%	0.00%	-0.64%
School	11.26%	0.00%	-11.26%
DPS	30.71%	0.00%	-30.71%

Pension Expense & Aid to Other Governments

For the year ended June 30, 2021, the State recognized pension expense for its own employees and expense to aid other governments related to support provided by the State as a governmental nonemployer contributing entity. The components of expense are presented in the following table.

	PERA Division Trust Fund				
(Amounts in thousands)	State	Judicial	School	DPS	Total
Pension expense	$ (1,880,214)	$ (15,026)	-	-	$ (1,895,240)
Aid to other governments*	1,706	37	74,647	3,373	79,763
Total	$ (1,878,508)	$ (14,989)	$ 74,647	$ 3,373	$ (1,815,477)

* Amortization of employer-level deferrals only. Due to the suspension of the PERA direct distribution in Fiscal Year 2021, this does not include amounts for a proportionate share of collective pension expense since the proportionate share was zero.

Deferred Outflows of Resources and Deferred Inflows of Resources

The State participates in the SDTF and the JDTF as both an employer and as a governmental nonemployer contributing entity. The following tables therefore segregate deferred outflows of resources and deferred inflows of resources between balances related to the State's own employees and balances related to employees of other governments. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

State Division Trust Fund

	Deferred Outflows of Resources Related to		Deferred Inflows of Resources Related to	
(Amounts in thousands)	State's Own Employees	Employees of Other Governments	State's Own Employees	Employees of Other Governments
Difference between expected and actual experience	$ 224,071	$ -	$ -	$ -
Changes of assumptions or other inputs	615,665	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	1,855,773	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	246,008	-	236,216	43,694
Contributions subsequent to the measurement date	311,594	-	-	-
Total	$ 1,397,338	$ -	$ 2,091,989	$ 43,694

Deferred outflows of resources of $311.6 million related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	(Amounts in thousands)
2022	(83,239)
2023	(44,866)
2024	(630,940)
2025	(290,830)

Judicial Division Trust Fund

(Amounts in thousands)	Deferred Outflows of Resources Related to		Deferred Inflows of Resources Related to	
	State's Own Employees	Employees of Other Governments	State's Own Employees	Employees of Other Governments
Difference between expected and actual experience	$ 12,722	$ -	$ -	$ -
Changes of assumptions or other inputs	671	-	39,662	-
Net difference between projected and actual earnings on pension plan investments	-	-	41,646	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	322	676	1,397	1,025
Contributions subsequent to the measurement date	4,322	-	-	-
Total	$ 18,037	$ 676	$ 82,705	$ 1,025

Deferred outflows of resources of $4.3 million related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	(Amounts in thousands)
2022	(28,636)
2023	(23,208)
2024	(11,960)
2025	(5,535)

School & Denver Public Schools Division Trust Funds

The State participates in the School Division Trust Fund and the Denver Public Schools (DPS) Division Trust Fund as a governmental nonemployer contributing entity. Therefore, the deferred outflows of resources and deferred inflows of resources associated with the School and DPS Divisions relate only to employees of other governments.

School & DPS Division Trust Funds

(Amounts in thousands)	Deferred Outflows of Resources		Deferred Inflows of Resources	
	School Division	DPS Division	School Division	DPS Division
Difference between expected and actual experience	$ -	$ -	$ -	$ -
Changes of assumptions or other inputs	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	497,435	114,418	1,880,940	191,135
Total	$ 497,435	$ 114,418	$ 1,880,940	$ 191,135

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as expense to aid other governments as follows:

Year ended June 30:	(Amounts in thousands)
2022	(253,558)
2023	(747,680)
2024	(458,984)

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State Division Trust Fund	Judicial Division Trust Fund	School Division Trust Fund	DPS Division Trust Fund
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.40 percent	2.40 percent	2.40 percent	2.40 percent
Real wage growth	1.10 percent	1.10 percent	1.10 percent	1.10 percent
Wage inflation	3.50 precent	3.50 precent	3.50 precent	3.50 precent
Salary increases, including wage inflation	3.50 - 9.17 percent	4.00 - 5.00 percent	3.50 - 9.70 percent	3.50 - 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent	7.25 percent	7.25 percent	7.25 percent
Discount rate	7.25 percent	7.25 percent	7.25 percent	7.25 percent
Post-retirement benefit increases:				
PERA benefit structure hired prior to 1/1/07	1.25 percent	1.25 percent	1.25 percent	1.25 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve	Financed by the Annual Increase Reserve	Financed by the Annual Increase Reserve	Financed by the Annual Increase Reserve

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor for the SDTF and a 93 percent factor for JDTF, School, and DPS Divisions applied to rates for ages less than 80, a 108 percent factor for the SDTF and a 113 percent factor for the JDTF, School, and DPS Divisions applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor for the SDTF and a 68 percent factor for the JDTF, School, and DPS Divisions applied to rates for ages less than 80, a 109 percent factor for the SDTF and a 106 percent factor for the JDTF, School, and DPS Divisions applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

	State Division Trust Fund	Judicial Division Trust Fund	School Division Trust Fund	DPS Division Trust Fund
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30 percent	2.30 percent	2.30 percent	2.30 percent
Real wage growth	0.70 percent	0.70 percent	0.70 percent	0.70 percent
Wage inflation	3.00 precent	3.00 precent	3.00 precent	3.00 precent
Salary increases, including wage inflation	3.50 - 10.90 percent	2.80 - 5.30 percent	3.40 - 11.00 percent	3.80 - 11.50 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent	7.25 percent	7.25 percent	7.25 percent
Discount rate	7.25 percent	7.25 percent	7.25 percent	7.25 percent
Post-retirement benefit increases:				
PERA benefit structure hired prior to 1/1/07	1.25 percent	1.25 percent	1.25 percent	1.25 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve	Financed by the Annual Increase Reserve	Financed by the Annual Increase Reserve	Financed by the Annual Increase Reserve

Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Pre-retirement mortality assumptions for Members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for Members other than State Troopers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.

- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the SDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	**100.00%**	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225.0 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the $225.0 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the fiduciary net position of the SDTF, JDTF, and the School Division were projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the net pension liability to changes in the discount rate

The following table presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

(Amount in thousands)	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
	Proportionate Share of the Net Pension Liability		
State Division Trust Fund	$ 11,995,907	$ 9,066,999	$ 6,607,774
Judicial Division Trust Fund	103,919	57,929	18,530
School Division Trust Fund	-	-	-
DPS Division Trust Fund	-	-	-

Pension plan fiduciary net position. Detailed information about the SDTF's fiduciary net position is available in PERA's Annual Report which can be obtained at: www.copera.org/investments/pera-financial-reports.

Payables to the PERA Defined Benefit Pension Plan

A short-term payable of approximately $2.9 million existed at June 30, 2021 for employer and employee contributions due to PERA. C.R.S. 24-51-401 requires employer, employee, and retiree contributions be remitted to PERA within five days after the date the members and retirees are paid. PERA Rule 4.10-A specifies that employers are responsible for payment of interest computed on a daily rate for contributions not remitted timely.

Alternate Medicare Payment

Plan description. The University of Colorado offers an Alternate Medicare Payment (AMP) to retirees of the University of Colorado Optional Retirement Plan (ORP) participating in Medicare as an alternative to healthcare coverage provided under the University OPEB Plan (University OPEB). The AMP is a single- employer, defined benefit, pension plan established by the University who also administers and has the authority to amend benefits (e.g., ad hoc postemployment benefit changes). No assets are accumulated in a trust as the University funds the AMP on a pay-as-you-go basis. No stand-alone financial report is issued, and the AMP is not included in the report of a public employee retirement system.

Benefits. A participant must be in a benefits-eligible position at 50 percent or greater appointment immediately preceding retirement and have met the required number of service years. Only ORP retirees participating in Medicare are eligible to receive AMP benefits. The AMP is available to the employee and eligible spouse/same gender domestic partner. AMP benefits are not provided for dependent children. The AMP is non-contributory for the retiree and provides a monthly, non-salary dependent, cash payment to offset healthcare-related costs. As the monthly cash payments are not restricted as to use, they are considered a pension benefit rather than OPEB. Since the AMP's inception, monthly cash payments have been $154 for a retiree, $262 for a retiree plus spouse/same gender domestic partner, and $108 for a surviving spouse.

Employees Covered by Benefit Terms. The actuarial valuation was based on census data as of March 1, 2019. Table below is a summary of the employees covered by the benefit terms used in the valuation.

Employees Covered by AMP's Benefit Terms

Active employees	13,619
Retirees and beneficiaries currently receiving benefit payments	685
Retirees and beneficiaries entitled to but not yet receiving benefit payments	214
Total	**14,518**

Total Pension Liability. The AMP's total pension liability at June 30, 2021 of $119.8 million was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date. The University contributed $1.8 million for the year ended June 30, 2021.

Actuarial Assumptions and Other inputs. The AMP's total pension liability in the June 30, 2020 actuarial valuation was determined using the actuarial assumptions and other inputs in Table below, applied to all periods included in the measurement, unless otherwise specified.

AMP's Actuarial Assumptions and Other Inputs

Actuarial cost method	Entry age
Inflation rate	2.50%
Salary increases	PERA's 12/31/2020 assumption for the State Division (Non-Troopers)
Discount rate	2.20%
Benefit cost trend rate	2.50%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based upon the PUB-2010 Amounts-Weighted Teachers Classification Table for Employees with generational projection using Scale MP-2020.

With the exception of the mortality assumption, the demographic assumptions are based upon Colorado PERA's "Experience Study for the Four Year Period Ending December 31, 2015" for the State Division (Non-Troopers).
Changes in the Total Pension Liability. Table below details the changes in the AMP's total pension liability during Fiscal Year 2021.

Reconciliation of AMP's Total Pension Liability
(*in thousands*)

	Fiscal Year Ending June 30, 2021
Total pension liability, beginning of year	$90,199
Changes recognized for the fiscal year:	
Service cost	4,854
Interest on total AMP liability	3,295
Differences between expected and actual experience	(124)
Changes of assumption	23,408
Estimated benefit payments	(1,828)
Net changes	29,605
Total pension liability, end of year	$119,804

Sensitivity of the total pension liability to changes in the discount rate. The following table presents the total pension liability of the AMP, as well as what the AMP's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

Sensitivity of AMP's Total Pension Liability to Changes in the Discount Rate *(in thousands)*

	1% Decrease	Discount Rate	1% Increase
Fiscal year ended	1.20%	2.20%	3.20%
June 30, 2021	145,137	119,804	100,082

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension. The University recognized $12.1 million of pension expense for the AMP in Fiscal Years 2021. The following table presents the AMP's deferred outflows of resources and deferred inflows of resources related to pension from the following sources as of June 30, 2021.

AMP Deferred Outflows and Inflows of Resources *(in thousands)*

	Deferred Outflows	Deferred Inflows
Changes in Assumptions	32,015	1,684
Differences between expected and actual experience	-	4,942
Benefit payments subsequent to the measurement date	1,819	-
Total	33,834	6,626

The $1.8 million reported as deferred outflows of resources as of June 30, 2021, resulting from benefit payments subsequent to the measurement date, will be recognized as a reduction to the AMP's total pension liability in the year ended June 30, 2022.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as summarized in table below.

Future Amortization of AMP's Deferred Outflows of Resources and Inflows of Resources ***(in thousands)***		
Years ending June 30:		
2022	$	3,950
2023		3,950
2024		3,950
2025		3,310
2026		3,050
2027-2029		7,179
Total	$	25,389

The following table lists the amortization bases included in the AMP's deferred outflows and inflows of resources as of June 30, 2021.

Amortization of AMP Deferred Outflows of Resources and Deferred Inflows of Resources ***(in thousands)***

		Period		Balance		Annual
Date Established	Type of Base	Original	Remaining	Original	Remaining	Amortization
July 1, 2016	Differences between expected and actual experience	8.5	3.5	$ (101)	(41)	(12)
July 1, 2016	Changes in assumptions	8.5	3.5	10,999	4,529	1,294
July 1, 2017	Differences between expected and actual experience	8.5	4.5	(3,377)	(1,789)	(397)
July 1, 2017	Changes in assumptions	8.5	4.5	(3,180)	(1,684)	(374)
July 1, 2018	Differences between expected and actual experience	8.3	5.3	(109)	(70)	(13)
July 1, 2018	Changes in assumptions	8.3	5.3	4,940	3,155	595
July 1, 2019	Differences between expected and actual experience	8.3	6.3	(3,865)	(2,933)	(466)
July 1, 2019	Changes in assumptions	8.3	6.3	4,845	3,677	584
July 1, 2020	Differences between expected and actual experience	8.5	7.5	(124)	(109)	(15)
July 1, 2020	Changes in assumptions	8.5	7.5	23,408	20,654	2,754
				Total	**$ 25,389**	**$ 3,950**

NOTE 7 – OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS

Summary of OPEB Plans

The State of Colorado participates in the following OPEB plans:

- PERA Health Care Trust Fund (HCTF) OPEB
- University of Colorado Healthcare and Life Insurance Subsidy
- Colorado State University OPEB
    - Retiree Medical Premium Refund Plan for DCP Participants
    - Retiree Medical Premium Subsidy for PERA Participants
    - Retiree Umbrella Rx Plan for PERA Participants
    - Long-Term Disability Plan

Disclosures provided in this note are applicable to the PERA Health Care Trust Fund (HCTF) OPEB and to the University of Colorado OPEB.

PERA Health Care Trust Fund OPEB

Summary of Significant Accounting Policies
The State of Colorado participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan
Eligible employees of the State are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues an Annual Comprehensive Financial Report available at: www.copera.org/investments/pera-financial-reports.

Benefits Provided
The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure
The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure
The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum $230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions
Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the State is statutorily committed to pay the contributions. Contributions made by the State and allocated to the HCTF for purposes of financial reporting were $31.4 million for the year ended June 30, 2021.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

At June 30, 2021 the State reported a liability of $313.2 million for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The State's proportion of the net OPEB liability is based on contributions to the HCTF from the State for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the State's proportion was 32.96 percent, which was an increase of 0.21 percent from its proportion measured as of December 31, 2019.

For the fiscal year ended June 30, 2021, the State recognized OPEB expense of $6.0 million. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

(Amounts in thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 831	$ 68,859
Changes of assumptions or other inputs	2,340	19,206
Net difference between projected and actual earnings on pension plan investments	-	12,798
Changes in proportion and differences between contributions recognized and proportionate share of contributions	16,152	20,846
Contributions subsequent to the measurement date	15,600	-
Total	$ 34,923	$ 121,709

$15.6 million reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	(Amounts in thousands)
2022	$ (24,316)
2023	(22,525)
2024	(24,731)
2025	(22,531)
2026	(7,789)
Thereafter	(494)

Actuarial Assumptions

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	8.10 percent in 2020, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent in 2020, gradually increasing to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2020 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	$588	$227
Kaiser Permanente Medicare Advantage HMO	$621	$232

The 2020 Medicare Part A premium is $458 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	$550
Kaiser Permanente Medicare Advantage HMO	$586

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates.

Effective December 31, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Post-retirement non-disabled mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

	Trust Fund			
	State Division	**School Division**	**Local Government Division**	**Judicial Division**
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%*	N/A

* C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.

- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	**100.00%**	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Sensitivity to Changes in Health Care Cost Trend Rates

The following table presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

Sensitivity - Health Care Cost Trend Rates

(Amounts in thousands)	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A	2.50%	3.50%	4.50%
Ultimate Medicare Part A	3.50%	4.50%	5.50%
Net OPEB Liability	$305,117	$313,213	$322,637

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF’s fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

Sensitivity to Changes in the Discount Rate
The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

Sensitivity - Discount rate

(Amount in thousands)	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	$ 358,791	$ 313,213	$ 274,270

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's Annual Report which can be obtained at www.copera.org/investments/pera-financial-reports.

Payables to the PERA Health Care Trust OPEB Plan

A short-term payable of approximately $144.2 thousand existed at June 30, 2021 for employer and employee contributions due to PERA. Section 24-51-401(1.7)(a)(I), C.R.S. requires employer, employee, and retiree contributions be remitted to PERA within five days after the date the members and retirees are paid. PERA Rule 4.10-A specifies that employers are responsible for payment of interest computed on a daily rate for contributions not remitted timely.

University of Colorado Healthcare and Life Insurance Subsidy (University OPEB)

Plan description. University OPEB provides OPEB for University employees who participate in either the University of Colorado Optional Retirement Plan (ORP) or the University of Colorado PERA Retirement Plans (PERA). University OPEB is a single-employer, defined benefit, OPEB plan administered by the University, and established by the Regents (Regent Policy 11.F Benefits) who have the authority to amend plan provisions. No assets are accumulated in a trust that meets the criteria established in GAAP, as the University funds University OPEB on a pay-as-you-go basis. No stand-alone financial report is issued, and University OPEB is not included in the report of a public employee retirement system.

Benefits. The University subsidizes a portion of healthcare and life insurance premiums for retirees on a pay-as-you-go basis. All employees in a benefit-eligible position at 50 percent or greater appointment immediately preceding retirement are eligible to participate based on age and years of service. Spouses/partners, surviving spouses/partners, and dependents are eligible for benefits. The University specifies the maximum amount that it will contribute towards retiree healthcare benefits at the beginning of each coverage period. The retiree is required to make up the difference between the total cost and the amount contributed by the University. Benefits are not dependent on salary. For non-Medicare retirees, the subsidy for medical plans ranges from $610 per month to $1,763 per month depending on the number of individuals covered. For Medicare retirees, the subsidy ranges from $716 per month to $1,030 per month depending on the number of individuals covered. For dental plans, the subsidy ranges from $0 per month to $58 per month. The amount of life insurance offered is the lesser of 25 percent of the employee's pre-retirement benefit or $3,000. It is assumed for purposes of this report that everyone is eligible for the maximum life insurance benefit of $3,000.

For ORP retirees, normal retirement benefits are available at age 55 with 20 years of service. Early retirement benefits begin at age 55 with 15 years of service. For PERA retirees, normal retirement benefits begin at 20 years of service and the individual must meet requirements as defined by PERA. The individual must retire with PERA concurrent with or prior to retirement from the University. Early retirement is available with fewer than 20 years of service. Healthcare benefits for PERA retirees cease at age 65. Following the death of an active employee, the surviving spouse receives 100 percent of the University contribution for a period of two years. After two years, the surviving spouse receives the portion of the University contribution that the employee earned immediately prior to death.

The percentage of the University contribution the retiree receives is based on the retiree's years of service at retirement divided by the required number of years of service. Enrollment in University OPEB is voluntary. University and participant payments for healthcare benefits are paid to the University of Colorado Health and Welfare Trust which is responsible for administration of healthcare benefits. The University contributed $14.4 million for the fiscal year ended June 30, 2021.

Employees Covered by Benefit Terms. The actuarial valuation was based on census data as of March 1, 2019. The following table presents a summary of the employees covered by the benefit terms used in the valuation.

	Healthcare		Life Insurance	
	ORP	**PERA**	**ORP**	**PERA**
Active employees	13,619	5,085	14,973	5,533
Retirees and beneficiaries	1,380	646	1,910	3,060
Total	**14,999**	**5,731**	**16,883**	**8,593**

Total OPEB Liability. The University OPEB's total OPEB liability at June 30, 2021 of $941.6 million was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the actuarial assumptions and other inputs in the following table, applied to all periods included in the measurement, unless otherwise specified.

University OPEB's Actuarial Assumptions and Other Inputs	
Actuarial cost method	Entry age
Salary increases	PERA's 12/31/2020 assumption for the State Division (Non-Troopers)
Discount rate	2.2% at 6/30/2020 measurement date
	3.5% at 6/30/2019 measurement date

Healthcare Cost Trend Rates:

	Non-Medicare			Medicare		
Year	Medical	Rx	Contributions	Medical	Rx	Contributions
2019-2020	6.0%	9.0%	6.7%	4.9%	9.0%	7.6%
2020-2021	5.8%	8.5%	6.4%	4.9%	8.5%	7.3%
2021-2022	5.6%	8.0%	6.2%	4.8%	8.0%	7.0%
2022-2023	5.4%	7.5%	5.9%	4.8%	7.5%	6.7%
2023-2024	5.3%	7.0%	5.7%	4.7%	7.0%	6.3%
2024-2025	5.1%	6.5%	5.5%	4.7%	6.5%	6.0%
2025-2026	5.0%	6.0%	5.2%	4.6%	6.0%	5.6%
2026-2027	4.8%	5.5%	5.0%	4.6%	5.5%	5.2%
2027-2028	4.7%	5.0%	4.7%	4.5%	5.0%	4.9%
2028-2029+	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%

Dental trend rate 4.50% in all years.
Administrative expense trend rate is 3.00% in all years.

Retirees' Share of Benefit Related Costs:

Plan	Retiree Only	Retiree and Spouse or Partner
Kaiser Medical	$ 109.00	$ 296.50
Exclusive Medical	$ 50.50	$ 184.50
High Deductible Medical	$ -	$ 15.00
Medicare Primary Medical	$ 41.31	$ 207.30
Essential Dental	$ -	$ 16.50
Choice Dental	$ 17.00	$ 51.50
Premier Dental	$ 46.50	$ 82.50

The discount rate was based upon the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based upon the PubT.H-2010 – Healthy Retiree Table for Males or Females, as appropriate, with generational projection using Scale MP-2020.

With the exception of the mortality assumption, the demographic assumptions are based upon Colorado PERA's "Experience Study for the Four Year Period Ending December 31, 2015" for the State Division (Non-Troopers).

Changes in the Total OPEB Liability. The following table details the changes in the University's total OPEB plan liability during fiscal year 2021.

Reconciliation of University OPEB's Total OPEB Liability *(in thousands)*

	Total OPEB Liability
Balance recognized at June 30, 2020	$ 712,892
Changes recognized for the fiscal year:	
Services cost	49,138
Interest on total OPEB liability	26,392
Differences between expected and actual experience	287
Changes of assumption	168,948
Benefit payments	(16,062)
Net changes	228,703
Balance recognized at June 30, 2021	$ 941,595

Changes of assumptions and other inputs reflect:

- Discount rate changed from 3.50 percent to 2.20 percent.

- Mortality table was updated from PUB-2010 “Teachers” table with generational projection using Scale PM-2019 to the PUB-2010 “Teachers” table with generational projection using Scale MP-2020.

Sensitivity of the total OPEB liability to changes in the discount rate. The following table presents the total OPEB liability of the University OPEB, as well as what University OPEB’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate for the fiscal year ended June 30, 2021.

Sensitivity of University OPEB's Total OPEB Liability to Changes in the Discount Rate (in thousands)

	1% Decrease	Discount Rate	1% Increase
Fiscal year ended	1.20%	2.20%	3.20%
June 30, 2021	1,122,721	941,595	799,768

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following table presents the total OPEB liability of the University OPEB, as well as what the University OPEB’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates for the fiscal year ended June 30, 2021.

Sensitivity of University OPEB's Total OPEB Liability to Changes in the Healthcare Cost Trend Rate (in thousands)

Fiscal year ended	1% Decrease	Trend Rate	1% Increase
June 30, 2021	770,782	941,595	1,169,982

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. The University recognized $56.8 million in OPEB expense for the University OPEB Plan in fiscal year 2021. There are no assets accumulating in trust for the University OPEB plan. The following table illustrates the deferred outflows and inflows of resources from various sources as of June 30, 2021.

University OPEB's Deferred Outflows and Inflows of Resources *(in thousands)*

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	250	193,066
Changes in Assumptions	171,257	21,322
Contributions subsequent to the measurement date	14,407	-
Total	185,914	214,388

The $14.4 million reported as deferred outflows of resources as of June 30, 2021, resulting from contributions subsequent to the measurement date, will be recognized as a reduction to the University’s OPEB liability in the year ending June 30, 2022.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as shown in the following table.

Future Amortization of University OPEB's Deferred Outflows of Resources and Inflows of Resources (in thousands)	
Years ending June 30:	
2022	$ (18,681)
2023	(18,681)
2024	(18,681)
2025	(7,813)
2026	(2,846)
2027-2028	23,821
Total	$ (42,881)

Amortization bases included in the University's OPEB deferred outflows and inflows of resources as of June 30, 2021 are presented in the following table.

Amortization of University OPEB's Deferred Outflows of Resources and Deferred Inflows of Resources *(in thousands)*

Date		Period		Balance		Annual
Established	Type of Base	Original	Remaining	Original	Remaining	Amortization
July 1, 2017	Differences between expected and actual experience	7.4	3.4	$ (87,654)	(40,274)	(11,845)
July 1, 2017	Changes in assumptions	7.4	3.4	(46,406)	(21,322)	(6,271)
July 1, 2018	Differences between expected and actual experience	7.5	4.5	(1,728)	(1,038)	(230)
July 1, 2018	Changes in assumptions	7.5	4.5	35,919	21,552	4,789
July 1, 2019	Differences between expected and actual experience	7.5	5.5	(209,938)	(151,754)	(27,592)
July 1, 2019	Changes in assumptions	7.5	5.5	3,678	2,698	490
July 1, 2020	Differences between expected and actual experience	7.7	6.7	287	250	37
July 1, 2020	Changes in assumptions	7.7	6.7	168,948	147,007	21,941
				Total	$ (42,881)	$ (18,681)

NOTE 8 – OTHER EMPLOYEE BENEFITS

A. MEDICAL AND DISABILITY BENEFITS

The Group Benefit Plans Fund is a Pension and Other Employee Benefits Trust Fund established for the purpose of risk financing employee and state-official medical claims. The fund includes several medical plan options ranging from provider of choice to managed care. The State uses a self-funded approach for certain employee and state-official medical claims. The State's contribution to the premium is subject to appropriation by the legislature each year, and State employees pay the difference between the State's contribution and the premium required to meet actuarial estimates. Since the amount of the State contribution is at the discretion of the legislature, employees ultimately bear the risk of funding the benefit plans.

The premiums, which are based on actuarial analysis, are intended to cover claims, reserves, third party administrator fees, stop-loss premiums and other external administration costs (such as COBRA and case management). Premiums also include a fee to offset the internal costs of administering the plan. Internal costs include developing plan offerings, maintaining the online benefits system, and communicating benefit provisions to employees. Employee healthcare premiums are allowed on a pretax basis under the State's Salary Reduction Plan Document. Effective July 1, 2013, premiums also included a fee to implement a statewide wellness program. During Fiscal Year 2020, covered employees who elected to participate in the wellness plan received a monthly health insurance premium credit of $20 depending on the level of participation.

The Group Benefit Plans short-term disability program provides an employee with 60 percent of their pay beginning after 30 days of disability or exhausting their sick leave balance, whichever is later. This benefit expires six months after the beginning of the disability.

For the fiscal year ended June 30, 2021, the State offered two statewide, self-funded PPO options administered by Cigna and two regional, fully-insured HMO options administered by Kaiser Permanente. Two of these medical options were HSA-qualified high-deductible health plans (HDHPs). Two statewide, dental PPO options administered by Delta Dental were also offered.

The Public Employees Retirement Association (PERA) covers short-term disability claims for State employees eligible under its retirement plan (see Note 6). The Group Benefit Plans Fund provides short-term disability coverage for employees not yet qualified for the retirement plan and secondary benefits for employees also covered under the PERA short-term disability plan.

B. DEFINED CONTRIBUTION RETIREMENT PLANS

Defined Contribution Retirement Plan (PERA DC Plan)

Plan Description – Employees of the State of Colorado that were hired on or after January 1, 2006 , and employees of certain community colleges that were hired on or after January 1, 2008, which were eligible to participate in the SDTF, a cost-sharing multiple-employer defined benefit pension plan, have the option to participate in the SDTF or the Defined Contribution Retirement Plan (PERA DC Plan). Pursuant to C.R.S. § 24-51-1501(4), the PERA DC Plan eligibility was extended to certain new classified employees at State Colleges and Universities beginning on January 1, 2019. The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. The DC Plan is also included in PERA's Annual Report as referred to above.

Funding Policy – All participating employees in the PERA DC Plan, with the exception of State Troopers, are required to contribute 10.00 percent of their PERA-includable salary, and the State of Colorado is required to contribute 10.15 percent of PERA-includable salary on behalf of these employees. All participating State Troopers are required to contribute 12.00 percent of their PERA-includable salary, and the State of Colorado is required to contribute 12.85 percent of PERA-includable salary on behalf of these employees. Additionally, the State of Colorado is required to contribute AED and SAED to the SDTF as follows:

	July 1, 2020 through December 31, 2020	*January 1, 2021 through June 30, 2021*
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 [1]	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 [1]	5.00%	5.00%
Automatic Adjustment Provision (AAP), as specified in C.R.S. § 24-51-413[1]	0.50%	0.50%
Defined Contribution statutory contribution as specified in C.R.S. § 24-51-1505[1]	0.25%	0.25%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	N/A	0.05%
Total employer contribution rate to the SDTF[1]	**10.75%**	**10.80%**

[1]Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50 percent vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10 percent. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. For the Fiscal Year ending June 30, 2021, the State of Colorado recognized pension expense of $16.8 million for the PERA DC Plan.

University of Colorado - Optional Retirement Plan

Under the University's optional retirement plan (ORP), a 401(a) plan, certain members of the University are required to participate in a defined contribution retirement plan administered by the University for the benefit of full-time faculty and exempt staff members. The State constitution assigns the authority to establish and amend plan provisions to the Regents. The contribution requirements of plan members and the University are established and may be amended by the Regents. Generally, employees are eligible for participation in the ORP upon hire and are vested immediately upon participation.

For the year ended June 30, 2021, the University's contribution to the defined contribution retirement plan was equal to 10 percent of covered payroll, and the employee contribution was equal to 5 percent of covered payroll. The University's contribution under the ORP approximated $170.0 million.

Participants in the University's ORP choose to invest all contributions with one or more of three designated vendors. In addition, participants in the University's ORP are covered under federal Social Security. Federal Social Security regulations require both the employer and employee to contribute a percentage of covered payroll to Social Security.

Colorado State University - University Optional Retirement Plan – The Defined Contribution Plan for Retirement (DCP)

Under the University's optional retirement plan, all Academic Faculty, Administrative Professionals, Post-Doctoral Fellows, Veterinary Interns and Clinical Psychology Interns appointed on or after April 1, 1993, are required as a condition of employment under Colorado law to participate in either the University's Defined Contribution Plan (DCP) for Retirement or, in very limited cases, in the PERA Defined Benefit plan (as eligibility permits). DCP participants may select from three investment companies as follows:

- Fidelity Investments / MetLife (eligible Faculty/Staff at CSU-Pueblo do not have access to this investment company)

- Teachers Insurance and Annuity Association (TIAA)

- AIG Retirement Services (AIG)

The defined contribution retirement plans are established pursuant to state statute (24 54.5 101 to 24 54.5 107 C.R.S.). The CSU plan was adopted by the Board of Governors in December 1992 and the CSU-Pueblo plan was adopted in April 1993. The Defined Contribution Retirement Plan is a qualified plan under Section 401(a) of the IRC. CSU and CSU-Pueblo are the Plan Sponsors. All participants contribute the required eight percent of eligible salary. As required, CSU provides a matching contribution of 12.0 percent of eligible salary for all "permanent" appointees (those with regular, special and senior teaching appointments at half time or greater) and for temporary appointees with appointments of half time or greater for the second and subsequent consecutive year(s). CSU-Pueblo provides a matching contribution of 11.1 percent, as required, of eligible salary for all nonstudent employees, including those employees at less than half time and nonstudent temporary, hourly employees. Both employee and employer contributions are vested immediately. Investments are participant directed within the funds available through the authorized investment companies. For the year ended June 30, 2020, the System's contribution to the defined contribution retirement plan was equal to 11.5 percent of covered payroll, and the employee contribution was equal to 8 percent of covered payroll. The System's contribution under the ORP approximated $55.2 million during the year ended June 30, 2021.

NOTE 9 – RISK MANAGEMENT

The State currently self-insures its agencies, officials, and employees for certain risks of loss to which they are exposed. These include general liability, motor vehicle liability, and workers' compensation. Per statute, individual Department property claims have a $5,000 deductible per occurrence. Pursuant to the Colorado Governmental Immunity Act, Section 24-10-101 C.R.S,. claims that accrued before January 1, 2018 brought under state law are limited to $350,000 per person, and $990,000 per accident. Claims that accrue after January 1, 2018 and before January 1, 2022 brought under state law are limited to $387,000 per person, and $1,093,000 per accident. The Colorado Governmental Immunity Act requires the Secretary of State to certify adjusted limits for claims that accrue after January 1, 2022 by that date based on the percentage change of the consumer price index over the preceding four years. The Risk Management Fund is reported as a Special Purpose General Fund, and it is used to account for claims adjustment, investigation, defense, and authorization for the settlement and payment of claims or judgments against the State.

Workers compensation losses are self-insured per the Risk Management Act (Section 24-30-1501, C.R.S.); the State has purchased $50.0 million of excess insurance per occurrence ($10.0 million deductible). Property claims are self-insured as well with $450.0 million of property loss insurance ($1,000,000 deductible). The State has also purchased excess liability coverage for automotive liability outside Colorado $5.0 million per occurrence ($2.0 million deductible), and $10.0 million of employee dishonesty and theft loss coverage ($250,000 deductible). Liability settlements have not exceeded insurance coverage in any of the three prior years.

All funds and agencies of the State, except for the University of Colorado, Colorado State University (not including CSU-Pueblo and CSU-Global), the University of Northern Colorado, Colorado School of Mines, Fort Lewis College, Colorado Mesa University, Western State Colorado University, Adams State University and component units participate in the State Risk Management Fund. State agency premiums are based on an assessment of risk exposure and historical claims experience.

Claims are reported in the General Fund in accordance with GASB Interpretation No. 6, and therefore, related liabilities are only reported to the extent that they are due and payable at June 30. On the government-wide statements, risk management liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Those liabilities include an amount for claims that have been incurred but not reported and an adjustment for non-incremental claims expense that is based on current administrative costs as a percentage of current claims and projected to the total actuarial claims estimate.

Because actual claims liabilities depend on complex factors such 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 evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. A contractor completes an actuarial study each year determining both the current and long-term liabilities of the Risk Management Fund.

Colorado employers, including the State, are liable for occupational injuries and diseases of their employees through workers' compensation insurance or self-insurance. Benefits are prescribed by the Workers' Compensation Act of Colorado for medical expenses and loss of wages resulting from job-related injuries. The State is self-insured and uses the services of a third party administrator, CorVel Corporation, to administer its plan. The State reimburses CorVel the current cost of claims paid and related administrative expenses.

From January 1, 2000 through June 30, 2005, the State and its employees purchased insurance for medical claims. Beginning July 1, 2005, the State returned to the self-funding approach (used prior to January 1, 2000) for medical claims except for stop-loss insurance purchased for claims over $500,000 per individual. The State also maintains a fully insured health plan with Kaiser that is separate from the self-funded plan. In Fiscal Year 2021, the State recovered $4.8 million related to the stop-loss insurance claims. The State's contribution to medical premiums is subject to appropriation by the legislature each year, and State employees pay the difference between the State's contribution and the premium required to meet actuarial estimates. Since the amount of the State's contribution is at the discretion of the legislature, employees ultimately bear the risk of funding the benefit plans. The claims and related liabilities are reported in the Group Benefit Plans, a Pension and Other Employee Benefits Trust Fund.

The State recorded approximately $14.1 million of insurance recoveries during Fiscal Year 2021. Of that amount approximately $6.4 million was related to asset impairments that occurred in prior years. The remaining $7.7 million relates to the current year and was primarily recorded by Group Benefits Plans (including the $4.8 million, as noted above), a Pension and Other Employee Benefits Fund, and $2.0 million by Higher Education in the Higher Education Institutions Fund.

The University of Colorado is self-insured for workers' compensation, auto, and general and property liability. The Fund's liabilities are projected on a semi-annual basis by an actuary, Willis Towers Watson. The risks of loss are related to workers' compensation, auto, property and general liability claims. The University has purchased excess insurance to cover losses over its' self-insured retention (SIR), which varies by line of coverage and policy year. The current SIR levels are $500,000 per property claim, $1.5 million per workers' compensation claim, and $1.25 million per general liability claim. Tort claims are subject to the governmental immunity act, and damages are capped for specified areas at $350,000 per person and $990,000 per occurrence. There were no significant reductions in insurance coverage in Fiscal Year 2021 and there were four claims that exceeded coverage in the past three fiscal years: two Property, one General Liability, and one Workers' Compensation.

University of Colorado Anschutz Medical Campus and its faculty and staff are self-insured for medical malpractice liability under the terms of the Colorado Governmental Immunity Act. The University of Colorado Self-Insurance Trust was authorized and established by the Board of Regents under the limits of governmental immunity. For claims outside of governmental immunity, the Trust has purchased a stop-loss policy to cover claims greater than $500,000 per claimant and $1.5 million per occurrence. The policy provides $15.0 million coverage in aggregate annually. There were no reductions of insurance coverage in Fiscal Year 2021. Over the past three years, the plan has collected $141,531 from the stop-loss insurance carrier for settlements in excess of the individual stop-loss insurance coverage.

The University of Colorado Graduate Medical Education (GME) Health Benefits Program is a comprehensive health and dental insurance program for physicians in training at the Anschutz Medical Campus. Coverage includes major medical, outpatient, lab, x-ray, prescriptions and personal psychiatric services for residents plus their immediate family (spouses and children). The plan's exposure to loss results from medical and dental claims filed on behalf of the enrolled members after receiving medical and dental services from qualified health care providers. Excess risk exposure is covered by the purchase of stop-loss insurance, which entitles GME to get reimbursement for claims exceeding $325,000 per individual and per plan year. There were no reductions of insurance coverage in Fiscal Year 2021 for this program. There have been no claims against the aggregate stop-loss insurance in the previous three years; however, the University collected $5.7 million from the stop-loss insurance carrier for individual claims in excess of the threshold over the previous three years. There was a high-cost claimant incurred in Fiscal Year 2020 with a result of $5.1 million in reimbursements. An insurance brokerage firm estimates liabilities of the plan using actuarial methods.

The University of Colorado Denver also self-insures its faculty and staff for medical malpractice through the University of Colorado Self-Insurance Trust, consistent with the limits of governmental immunity. For claims outside of governmental immunity, the Trust has purchased stop-loss insurance to cover claims greater than $500,000 per claimant, $1.5 million per occurrence, and $15.0 million in aggregate annually. The discounted liability for malpractice is determined annually by an actuarial study. There was no significant reduction in insurance coverage in Fiscal

Year 2021, however, the University collected $141,531 from the stop-loss insurance carrier for settlements in excess of the individual stop-loss insurance coverage.

Colorado State University medical, dental, short-term disability, liability and workers' compensation liabilities are based on a calculation using past experience and current data. CSU also purchases re-insurance which covers individual health care claims of more than $350,000 in any plan (calendar) year. The health care plans have reserves that are set by the University based upon the underwriting review by our benefits consultant and our third-party administrator. Workers comp, liability and property liability also have reserve accounts established. CSU instructs an actuarial company to perform an annual actuarial study of CSU's Workers' Compensation and Liability self-insurance programs. CSU is self-insured for liability insurance and carries Excess Public Liability for claims exceeding $500,000 per occurrence. CSU is liable for the first $500,000 and purchases excess liability in the amount of $25.0 million per occurrence in two layers: the first layer of $10.0 million with Brit (Lloyds of London), with a sexual abuse sublimit of $5.0 million, and an additional layer of $10.0 million with Munich RE, and Brit providing an additional layer of $5.0 million. CSU carries excess Workers Compensation. Under this coverage CSU is liable for the first $500,000 and Safety National Casualty Company covers the rest up to Workers' Compensation's statutory limits. CSU carries excess insurance for property insurance with FM Global which provides coverage up to $1.0 billion per occurrence after CSU covers the first $100,000. CSU purchases a standalone Fine Arts/Special Collections policy with limits of $30.0 million. CSU carries Cyber Risk Liability Insurance with Lloyds of London with a liability limit of $10.0 million after the following deductible amounts are met: $250,000 for cyber extortion, and $10,000 for crisis management and public relations. CSU has International Liability Insurance with Great Northern Insurance Company for $1.0 million. CSU carries Non-Owned Aviation Liability Insurance (Non-Owned) with Starr Aviation with a liability limit of $50.0 million after CSU pays the $1,000 deductible for each occurrence. CSU also carries UAV (Unmanned Aerial Vehicles) Liability Insurance with Global Aerospace with a single limit of $1.0 million per occurrence. Insurance policies are reviewed regularly for gaps in coverage, and where appropriate additional coverage may be purchased. In Fiscal Year 2019, additional limits of $1.0 million were purchased for social engineering coverage. As of March 1, 2016, CSU purchased liability, professional liability and pollution liability for all CEMML (Center for Environmental Management of Military Lands) operations, including their prescribed burn operations. This insurance included a primary layer of $2.0 million aggregate, an umbrella layer of $5.0 million, and an excess layer of $5.0 million. Effective October 2017 CSU purchased additional limits of $50.0 million for CEMML operations, including additional responsibility for prescribed burning. There were no significant reductions in insurance coverage in Fiscal Year 2021, and the amount of settlements has not exceeded insurance coverage in any of the three prior fiscal years.

The University of Northern Colorado manages general liability, professional liability, property, automobile, and worker's compensation risks primarily through the purchase of insurance. The University retains a small amount of self-insurance risk from taking over claims previously covered by State risk management from Fiscal Year 2006.

The University of Northern Colorado has purchased $3.0 million of general liability insurance ($0 deductible), $3.0 million of professional liability insurance ($25,000 deductible), $1.0 million of automobile liability ($0 deductible), $3.0 million of errors and omissions insurance ($25,000 deductible), $3.0 million of employment practices liability ($50,000 deductible), $500,000 of workers compensation ($1,000 deductible), $2.0 million umbrella liability with a self-insured retention of $10,000, $3.0 million of employee dishonesty ($25,000 deductible), and $500 million for other property coverage ($50,000 deductible). There were no significant reductions in insurance coverage in Fiscal Year 2021, and the amount of settlements has not exceeded insurance coverage in any of the three prior fiscal years.

Colorado School of Mines manages worker's compensation risks primarily through the purchase of insurance. The University has purchased $500,000 of worker's compensation insurance ($1,000 deductible). Before Fiscal Year 2018, the University was covered under the State's risk management program. There were no significant reductions in insurance coverage in Fiscal Year 2021, and the amount of settlements has not exceeded coverage during the fiscal year.

Colorado School of Mines manages other liability risks through the purchase of insurance. The University purchased $2.0 million of general liability insurance ($0 deductible), $4.0 million of educator's legal liability insurance ($10,000 deductible), $1.0 million of automobile liability ($1,000 deductible), $1.0 million of fiduciary ($10,000 deductible), $4.0 million of employment practices liability ($50,000 deductible), $3.0 million of umbrella liability ($10,000 self-insured retention), $1.0 million of employee dishonesty ($25,000 deductible), $1.1 billion of property ($100,000 deductible), $725,000 of inland marine ($5,000 deductible), $1.0 million of aviation ($0 deductible), $5.0 million of cybersecurity coverage ($50,000 deductible) and $4.0 million of foreign coverage ($0 deductible). Before Fiscal Year 2018, the University was covered under the State's risk management program. There were no significant reductions in insurance coverage in Fiscal Year 2021, and the amount of settlements has not exceeded coverage during the fiscal year.

Fort Lewis College manages worker's compensation risks primarily through the purchase of insurance. The College has purchased $500,000 of worker's compensation insurance ($5,000 deductible). Before Fiscal Year 2011, the College was covered under the State's risk management program. The College retains a small amount of self-insurance risk from taking over claims previously covered by State risk management from Fiscal Year 2010. There were no significant reductions in insurance coverage in Fiscal Year 2021, and the amount of settlements has not exceeded insurance coverage in any of the three prior fiscal years.

Fort Lewis College manages general liability risks primarily through the purchase of insurance. The College has purchased blanket building and personal property insurance of $571.7 million ($10,000 deductible), $2.0 million of general liability ($0 deductible), and $7.0 million of fine arts insurance ($2,500 deductible). The College has also purchased $1.0 million of employee dishonesty insurance ($10,000 deductible). Before Fiscal Year 2012, the College was covered under the State's risk management program. There were no significant reductions in insurance coverage in Fiscal Year 2021 and settlements have not exceeded insurance coverage in any of the prior three fiscal years.

Colorado Mesa University manages worker's compensation risks primarily through the purchase of insurance. The University has purchased $1.0 million of worker's compensation insurance ($5,000 deductible). Before Fiscal Year 2011, the University was covered under the State's risk management program. The University retains a small amount of self-insurance risk from taking over claims previously covered by State risk management from Fiscal Year 2010. There were no significant reductions in insurance coverage in Fiscal Year 2021, and the amount of settlements has not exceeded insurance coverage in the past three fiscal years.

Colorado Mesa University manages general liability risks primarily through the purchase of insurance. The University has purchased $2.0 million of general liability insurance ($1,000 deductible). Before Fiscal Year 2012, the University was covered under the State's risk management program. The University retains a small amount of self-insurance risk from taking over claims previously covered by State risk management from Fiscal Year 2011. There were no significant reductions in insurance coverage in Fiscal Year 2021 and settlements have not exceeded insurance coverage in any of the prior three fiscal years.

Western State Colorado University manages worker's compensation risks primarily through the purchase of insurance. The University has purchased $500,000 of worker's compensation insurance ($500 deductible). Before Fiscal Year 2012, the University was covered under the State's risk management program. The University retains a small amount of self-insurance risk from taking over claims previously covered by State risk management from Fiscal Year 2011. There were no significant reductions in insurance coverage in Fiscal Year 2021 and settlements have not exceeded insurance coverage in any of the prior three fiscal years.

Western State Colorado University manages general liability risks primarily through the purchase of insurance.

The University has purchased general liability insurance of $2.0 million ($1,000 deductible for accidents and acts of nature, $10,000 for loss to property). Before Fiscal Year 2013, the University was covered under the State's risk management program. The University retains a small amount of self-insurance risk from taking over claims previously covered by State risk management from Fiscal Year 2013. There were no significant reductions in insurance coverage in Fiscal Year 2021, and the amount of settlements has not exceeded insurance coverage in any of the prior three fiscal years.

Adams State University manages worker's compensation risks primarily through the purchase of insurance. The University has purchased worker's compensation insurance of $500,000 ($500 deductible). There were no significant reductions in insurance coverage in Fiscal Year 2021 and settlements have not exceeded insurance coverage in any of the prior three fiscal years.

Adams State University manages liability risks primarily through the purchase of insurance. The University has purchased a property policy that will cover the replacement costs of all real or personal property, a $2.0 million aggregate general liability policy ($1,000 deductible), auto, fidelity, and a $10.0 million aggregate umbrella policy. Before Fiscal Year 2012, the University was covered under the State's risk management program. There were no significant reductions in insurance coverage in Fiscal Year 2021 and settlements have not exceeded insurance coverage in any of the prior three fiscal years.

Changes in claims liabilities were as follows:

Changes in Claims Liabilities
(Amounts in Thousands)

Fiscal Year	Liability at July 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability at June 30
State Risk Management:				
Liability Fund				
2020-21	27,954	(6,400)	(3,941)	25,495
2019-20	22,076	12,695	6,817	27,954
2018-19	22,399	4,007	4,330	22,076
Workers' Compensation				
2020-21	104,030	25,262	32,496	96,796
2019-20	118,210	16,170	30,350	104,030
2018-19	126,908	22,011	30,709	118,210
Group Benefit Plans:				
2020-21	22,928	293,995	295,862	21,061
2019-20	20,935	262,537	260,544	22,928
2018-19	18,459	246,177	243,701	20,935
University of Colorado:				
General Liability, Property, and Workers' Compensation				
2020-21	17,621	7,530	6,440	18,711
2019-20	19,308	5,520	7,207	17,621
2018-19	16,769	9,512	6,973	19,308
University of Colorado Denver:				
Graduate Medical Education Health Benefits Program				
2020-21	2,502	13,293	14,119	1,676
2019-20	2,832	10,470	10,800	2,502
2018-19	2,689	13,856	13,713	2,832
Medical Malpractice				
2020-21	10,445	3,636	1,830	12,251
2019-20	10,710	943	1,208	10,445
2018-19	9,767	4,377	3,434	10,710

Changes in Claims Liabilities
(Amounts in Thousands)

(Continued) Fiscal Year	Liability at July 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability at June 30
Colorado State University:				
Medical, Dental, and Disability Benefits and General Liability				
2020-21	37,074	69,799	60,088	46,785
2019-20	34,975	62,265	60,166	37,074
2018-19	30,548	62,504	58,077	34,975
University of Northern Colorado:				
General Liability, Property, and Workers' Compensation				
2020-21	52	77	22	107
2019-20	55	56	59	52
2018-19	78	36	59	55
Colorado School of Mines:				
General Liability, Property, and Workers' Compensation				
2020-21	256	-	-	256
2019-20	256	-	-	256
2018-19	295	-	39	256
Fort Lewis College:				
Workers' Compensation				
2020-21	4	7	4	7
2019-20	6	4	6	4
2018-19	2	4	-	6
General Liability				
2020-21	10	-	10	-
2019-20	11	(1)	-	10
2018-19	-	11	-	11
Colorado Mesa University:				
Workers' Compensation				
2020-21	32	647	574	105
2019-20	52	36	56	32
2018-19	29	42	19	52
General Liability				
2020-21	319	(310)	9	-
2019-20	182	673	536	319
2018-19	36	238	92	182

NOTE 10 – LEASES AND SHORT-TERM DEBT

LEASE COMMITMENTS

Management is authorized to enter lease or rental agreements for buildings and/or equipment. All leases contain clauses stipulating that continuation of the lease is subject to funding by the Legislature. Historically, these leases have been renewed in the normal course of business. Therefore, they are treated as non-cancellable for financial reporting purposes.

At June 30, 2021, the State had the following amounts of assets under capital lease:

	(Amounts in Thousands)		
Gross Capital Assets Under Lease:	Governmental Activities	Business-Type Activities	Total
Buildings	$ 54,936	$ 64,628	$ 119,564
Equipment and Other	290,556	32,678	323,234
Total Capital Assets Under Lease, Gross	345,492	97,306	442,798
Less Accumulated Depreciation:			
Buildings	(24,119)	(10,226)	(34,345)
Equipment and Other	(187,514)	(12,484)	(199,998)
Total Accumulated Depreciation	(211,633)	(22,710)	(234,343)
Total Capital Assets Under Lease, Net	$ 133,859	$ 74,596	$ 208,455

At June 30, 2021, expected future minimum sublease rentals relating to operating leases are $2.1 million for business-type activities, and $156.0 thousand for governmental activities. No future minimum sublease rentals related to capital leases are expected.

During the fiscal year ended June 30, 2021, the State incurred no contingent rentals related to capital and operating leases.

For Fiscal Year 2021, the State recorded building and land rent of $97.1 million for governmental activities, $23.9 million for business-type activities, and $1,449 for fiduciary activities. The State also recorded equipment and vehicle rental expenditures of $25.9 million and $51.0 million for governmental and business-type activities, respectively. The above amounts were payable to entities external to State government and do not include transactions with the State's fleet management program.

The State recorded $3.1 million of capital lease interest costs for governmental activities and $3.1 million for business-type activities in Fiscal Year 2021.

In Fiscal Year 2021, the State entered into approximately $23.7 million of capital leases related to the State's fleet management program, which is reported in an internal service fund that does not report capital lease proceeds.

Future minimum payments at June 30, 2021, for existing leases were as follows:

(Amounts in Thousands)

Fiscal Year(s)	Operating Leases Governmental Activities	Operating Leases Business-Type Activities	Capital Leases Governmental Activities Principal	Capital Leases Governmental Activities Interest	Capital Leases Business-Type Activities Principal	Capital Leases Business-Type Activities Interest
2022	$ 56,138	$ 33,570	$ 30,538	$ 3,227	$ 5,984	$ 2,780
2023	48,121	25,659	22,732	2,153	5,656	2,603
2024	43,681	22,861	18,495	1,498	4,148	2,433
2025	37,949	20,461	14,216	1,114	3,473	2,271
2026	28,482	18,070	10,706	783	3,150	2,156
2027 to 2031	44,730	52,596	20,939	1,011	17,476	9,211
2032 to 2036	2,365	6,113	372	11	6,408	7,067
2037 to 2041	639	785	-	-	8,028	5,447
2042 to 2046	561	628	-	-	10,056	3,419
2047 to 2051	61	303	-	-	9,845	935
2052 to 2056	61	113	-	-	-	-
2057 to 2061	61	119	-	-	-	-
Thereafter	577	-	-	-	-	-
Total	$ 263,426	$ 181,278	$ 117,998	$ 9,797	$ 74,224	$ 38,322

SHORT-TERM DEBT

On August 6, 2020, the State Treasurer issued $600.0 million of General Fund Tax Revenue Anticipation Notes (GTRAN), Series 2020A. The notes were due and payable on June 25, 2021, at a coupon rate of 4.000 percent. The total interest related to this issuance was $21.3 million; however, the notes were issued at a premium of $20.3 million, resulting in net interest costs (including the cost of issuance) of $1.3 million and a yield of 0.177 percent. The notes were issued for cash management purposes and were repaid by June 25, 2021, as required by the State Constitution.

Statutes authorize the State Treasurer to issue notes and lend the proceeds to local school districts in anticipation of local school district revenues to be collected at a later time. On August 4, 2020, the State Treasurer issued $410.0 million of Education Loan Program Tax and Revenue Anticipation Notes (ETRAN), Series 2020A. The notes were due and payable on June 29, 2021, at a coupon rate of 3.512 percent. The total interest related to this issuance was $13.0 million; however, the notes were issued at a premium of $12.3 million, resulting in net interest costs (including cost of issuance) of $1.0 million or 0.193 percent. The notes matured on June 29, 2021, and were repaid.

On January 28, 2021, the State Treasurer issued $390.0 million of ETRAN, Series 2020B. The notes were due and payable on June 29, 2021, at a coupon rate of 3.058 percent. The total interest related to this issuance was $5.0 million; however, the notes were issued at a premium of $4.9 million, resulting in net interest costs (including cost of issuance) of $0.2 million or 0.075 percent. The notes matured on June 29, 2021, and were repaid.

On June 5, 2018, the University of Colorado of issued the first tranche of Commercial Paper (CP) in the amount of $40.0 million with a maturity of September 6, 2018. The Commercial Paper program has been used to fund the Imig Music Building, AMC Health Sciences Building and associated basement remodels. The average interest rate of borrowing from inception of the program through fiscal year end was 1.44 percent. In Fiscal Year 2020, $155.7 million of commercial paper was retired with permanent financing. On July 2, 2020, the outstanding balance of $50.0 million was retired with Variable Rate Demand Bond series 2020B1.

On June 20, 2018, the Board of Governors of the Colorado State University System (CSU) authorized the issuance of Commercial Paper Notes (Notes) in the aggregate principal amount not to exceed $50.0 million as part of the Series A (tax-exempt) and Series B (taxable) issuance. The maturity date of any Notes issued may not exceed two hundred and seventy days from the date of issuance and no maturity may be later than March 1, 2037. Pursuant to the Bond Resolution, the obligations are payable solely from net revenues paid in portions by both CSU and CSU-Pueblo, as defined in the bond agreement. The Notes are being used to finance certain projects, as determined by the Board, for any of the campuses for which the Board has spending authority. In May 2019, the Board of Governors of the Colorado State University System approved the first amendment to the twelfth supplemental resolution, increasing the aggregate principal amount authorized to be issued from $50.0 million to $75.0 million. This increase became effective beginning Fiscal Year 2020. As of June 30, 2021, no action has been taken on the authorized increase of $25.0 million.

The following schedule shows the changes in short-term financing for the period ended June 30, 2021:

(Amount in Thousands)

	Beginning Balance July 1	Changes		Ending Balance June 30
		Additions	Reductions	
Governmental Activities:				
Tax Revenue Anticipation Notes	$ -	$ 600,000	$ (600,000)	$ -
Education Loan Anticipation Notes	-	800,000	(800,000)	-
Total Governmental Activities Short-Term Financing	-	1,400,000	(1,400,000)	-
Business-Type Activities:				
Tax Exempt Commercial Paper	82,500	(31,000)	(1,810)	49,690
Total Business-Type Activities Short-Term Financing	82,500	(31,000)	(1,810)	49,690
Total Short-Term Financing	$ 82,500	$ 1,369,000	$(1,401,810)	$ 49,690

NOTE 11 – NOTES, BONDS, AND CERTIFICATES OF PARTICIPATION PAYABLE

Various institutions of higher education, History Colorado, the Judicial Branch, and the Departments of Corrections, Transportation, Agriculture, Public Administration, Public Safety, and Treasury have outstanding notes, bonds, and/or Certificates of Participation (COPs) for the purchase of equipment or to construct facilities or infrastructure. Except for the Department of Corrections that receives Capital Projects Fund appropriations and the Department of Public Safety that receives General Purpose Revenue Fund appropriations for lease payments related to COPs, specific user revenues are pledged for the payments of interest and future retirement of the obligations. The State is not allowed by its Constitution to issue general obligation debt except to fund buildings for State use, to defend the State or the U.S. (in time of war), or to provide for unforeseen revenue deficiencies; additional restrictive limitations related to the valuation of taxable property also apply.

Collectively, the State's business-type activities had $1,738.4 million in available net revenue after operating expenses to meet the $189.7 million of debt service requirement related to revenue bonds.

The revenue of an individual business-type activity is generally not available to meet the debt service requirements of another business-type activity. (See additional disclosures regarding pledged revenue in Note 17.)

During Fiscal Year 2021, the State recorded $266.8 million of interest costs, of which $137.2 million was recorded by governmental activities and $129.6 million was recorded by business-type activities. The governmental activities interest cost primarily comprises $5.4 million of Highway Users Tax Fund interest on Transportation Revenue Anticipation Notes issued by the Department of Transportation, $16.7 million of interest on Certificates of Participation issued by the Judicial Branch, $48.4 million of interest on Certificates of Participation issued by the State Treasurer for the Building Excellent Schools Today program and $1.0 million of interest on Education and General Fund Tax and Revenue Anticipation Notes issued by the State Treasurer. The business-type activities interest cost primarily comprises $112.2 million of interest on revenue bonds issued by institutions of higher education, $2.9 million of interest paid to lending institutions that made loans to students under the College Assist loan guarantee program, and $14.5 million of interest on bonds issued by the Bridge Enterprise in the Transportation Enterprise. College Assist and the Transportation Enterprise are nonmajor enterprise funds. Annual maturities of notes, bonds, and COPs payable at June 30, 2021, are as follows:

(Amounts in Thousands)

Governmental Activities (Non-Direct Borrowings and Non-Direct Placements)

Fiscal	Certificates of Participation		Totals	
Year	Principal	Interest	Principal	Interest
2022	$ 104,120	$ 151,391	$ 104,120	$ 151,391
2023	110,805	144,762	110,805	144,762
2024	203,200	139,216	203,200	139,216
2025	126,115	133,139	126,115	133,139
2026	122,540	127,110	122,540	127,110
2027 to 2031	880,570	524,945	880,570	524,945
2032 to 2036	861,160	328,154	861,160	328,154
2037 to 2041	797,610	143,850	797,610	143,850
2042 to 2046	257,405	27,922	257,405	27,922
Subtotals	3,463,525	1,720,489	3,463,525	1,720,489
Unamortized Prem/Discount	436,376	-	436,376	-
Totals	$ 3,899,901	$ 1,720,489	$ 3,899,901	$ 1,720,489

(Amounts in Thousands)

Governmental Activities (Direct Borrowings and Direct Placements)

Fiscal Year	Notes Payable Principal	Notes Payable Interest	Certificates of Participation Principal	Certificates of Participation Interest	Totals Principal	Totals Interest
2022	$ 2,315	$ 48	$ 3,850	$ 3,167	$ 6,165	$ 3,215
2023	-	-	2,920	3,010	2,920	3,010
2024	-	-	3,040	2,857	3,040	2,857
2025	-	-	3,165	2,686	3,165	2,686
2026	-	-	17,835	12,548	17,835	12,548
2027 to 2031	-	-	19,340	8,984	19,340	8,984
2032 to 2036	-	-	17,725	7,537	17,725	7,537
2037 to 2041	-	-	21,925	4,715	21,925	4,715
Subtotals	2,315	48	89,800	45,504	92,115	45,552
Unamortized Prem/Discount	-	-	232	-	232	-
Totals	$ 2,315	$ 48	$ 90,032	$ 45,504	$ 92,347	$ 45,552

(Amounts in Thousands)

Business-Type Activities (Non-Direct Borrowings and Non-Direct Placements)

Fiscal Year	Revenue Bonds Principal	Revenue Bonds Interest	Mortgages Payable Principal	Mortgages Payable Interest	Certificates of Participation Principal	Certificates of Participation Interest	Totals Principal	Totals Interest
2022	$ 78,234	$ 122,934	$ 403	$ 397	$ 14,830	$ 4,777	$ 93,467	$ 128,108
2023	116,147	121,028	421	380	15,595	4,017	132,163	125,425
2024	147,749	160,909	439	362	16,395	3,217	164,583	164,488
2025	369,928	152,062	457	344	17,235	2,378	387,620	154,784
2026	178,863	157,696	476	325	18,115	1,495	197,454	159,516
2027 to 2031	829,073	603,919	2,702	1,303	20,850	611	852,625	605,833
2032 to 2036	853,239	418,291	4,859	354	-	-	858,098	418,645
2037 to 2041	741,390	235,025	-	-	-	-	741,390	235,025
2042 to 2046	388,975	103,092	-	-	-	-	388,975	103,092
2047 to 2051	394,034	43,393	-	-	-	-	394,034	43,393
2052 to 2056	120,145	16,661	-	-	-	-	120,145	16,661
2057 to 2061	17,685	442	-	-	-	-	17,685	442
Subtotals	4,235,462	2,135,452	9,757	3,465	103,020	16,495	4,348,239	2,155,412
Unamortized Prem/Discount	252,752	-	-	-	11,587	-	264,339	-
Unaccreted Interest	(2,811)	-	-	-	-	-	(2,811)	-
Totals	$ 4,485,403	$ 2,135,452	$ 9,757	$ 3,465	$ 114,607	$ 16,495	$ 4,609,767	$ 2,155,412

(Amounts in Thousands)

Business-Type Activities (Direct Borrowings and Direct Placements)

Fiscal Year	Revenue Bonds Principal	Revenue Bonds Interest	Notes Payable Principal	Notes Payable Interest	Certificates of Participation Principal	Certificates of Participation Interest	Totals Principal	Totals Interest
2022	$ 7,104	$ 8,216	$ 1,150	$ 2,046	$ 2,570	$ 451	$ 10,824	$ 10,713
2023	8,549	7,986	1,108	2,018	2,090	372	11,747	10,376
2024	239,734	7,721	12,201	3,858	2,065	323	254,000	11,902
2025	8,518	5,776	17,356	3,787	2,125	272	27,999	9,835
2026	9,355	5,844	17,280	2,620	2,160	220	28,795	8,684
2027 to 2031	50,095	22,864	54,889	7,680	6,800	336	111,784	30,880
2032 to 2036	54,255	13,765	2,341	145	-	-	56,596	13,910
2037 to 2041	42,900	6,728	219	50	-	-	43,119	6,778
2042 to 2046	23,875	1,683	-	-	-	-	23,875	1,683
2047 to 2051	3,460	56	-	-	-	-	3,460	56
Subtotals	447,845	80,639	106,544	22,204	17,810	1,974	572,199	104,817
Unamortized Prem/Discount	5,031	-	-	-	(14)	-	5,017	-
Unaccreted Interest	-	-	24	-	-	-	24	-
Totals	$452,876	$80,639	$106,568	$22,204	$ 17,796	$ 1,974	$577,240	$104,817

In March 2008, the Colorado School of Mines entered a derivative instrument agreement (interest rate swap) as an effective hedge against expected increasing interest costs on its variable rate debt.

Assuming current interest rates are applied over the term of the debt, at June 30, 2021, the Colorado School of Mines' aggregate debt service payments and net swap cash payments are reflected in the table below:

(Amounts in Thousands)

Net Debt Service for Colorado School of Mines' Interest Rate Swap Agreement

Fiscal Year	Principal	Interest	Interest Rate Swap, Net	Total
2022	$ 850	$ 202	$ 1,257	$ 2,309
2023	925	197	1,226	2,348
2024	975	193	1,192	2,360
2025	1,000	185	1,157	2,342
2026	1,050	180	1,121	2,351
2027 to 2031	11,250	743	4,618	16,611
2032 to 2036	14,100	366	2,263	16,729
2037 to 2041	6,035	32	197	6,264
Totals	$ 36,185	$ 2,098	$ 13,031	$ 51,314

In January 2018, Colorado State University entered into a floating to fixed interest rate swap agreement in connection with the 2015D System Enterprise Revenue Bonds.

Assuming current interest rates are applied over the term of the debt, at June 30, 2021, Colorado State University's aggregate debt service payments and net swap cash payments are reflected in the table below:

(Amounts in Thousands)

Net Debt Service for Colorado State University Interest Rate Swap Agreement

Fiscal Year	Principal	Interest	Interest Rate Swap, Net	Total
2022	$ -	$ 353	$ 1,256	$ 1,609
2023	-	354	1,256	1,610
2024	1,005	353	1,251	2,609
2025	1,005	348	1,232	2,585
2026	1,000	341	1,213	2,554
2027 to 2031	12,980	1,561	5,547	20,088
2032 to 2036	17,910	1,087	3,867	22,864
2037 to 2041	13,510	711	2,529	16,750
2042 to 2046	15,785	327	1,162	17,274
2047 to 2050	3,460	12	43	3,515
Totals	$ 66,655	$ 5,447	$ 19,356	$ 91,458

In Fiscal Year 2020, CSU entered into a floating to fixed interest swap agreement in connection with the 2015A System Enterprise Revenue Bonds. This agreement gives the university the right to enter into a swap agreement on a future date, March 2025.

Assuming current interest rates are applied over the term of the debt, at June 30, 2021, Colorado State University's aggregate debt service payments and net swap cash payments are reflected in the table below:

(Amounts in Thousands)

Net Debt Service for Colorado State University Interest Rate Swap Agreement

Fiscal Year	Principal	Interest	Interest Rate Swap, Net	Total
2022	$ -	$ -	$ -	$ -
2023	-	-	-	-
2024	-	4,511	-	4,511
2025	-	4,511	-	4,511
2026	375	4,511	(1,963)	2,923
2027 to 2031	1,990	22,554	(9,953)	14,591
2032 to 2036	7,700	22,218	(10,056)	19,862
2037 to 2041	12,530	20,900	(9,676)	23,754
2042 to 2046	5,370	18,701	(8,635)	15,436
2047 to 2050	41,290	14,730	(6,994)	49,026
2051 to 2055	39,485	4,637	(2,299)	41,823
Totals	$ 108,740	$ 117,273	$ (49,576)	$ 176,437

In April 2020, Metropolitan State University entered a derivative instrument agreement (interest rate swap) as an effective hedge against expected increasing interest costs.

Assuming current interest rates are applied over the term of the debt, at June 30, 2021, Metropolitan State University's aggregate debt service payments and net swap cash payments are reflected in the table below:

(Amounts in Thousands)

Net Debt Service for Metropolitan State University Interest Rate Swap Agreement

Fiscal Year	Principal	Interest	Interest Rate Swap, Net	Total
2022	$ -	$ 732	$ 1,099	$ 1,831
2023	1,415	710	1,065	3,190
2024	1,465	687	1,030	3,182
2025	1,535	663	994	3,192
2026	1,590	638	956	3,184
2027 to 2031	8,925	2,775	4,163	15,863
2032 to 2036	10,810	1,983	2,975	15,768
2037 to 2041	13,115	1,022	1,534	15,671
2042 to 2046	7,490	72	108	7,670
Totals	$ 46,345	$ 9,282	$ 13,924	$ 69,551

The original principal amount of the State's debt disclosed in the above tables is as follows:

Non-Direct Borrowings and Non-Direct Placements (Amounts in Thousands)

	Revenue Bonds	Mortgages Payable	Certificates of Participation	Total
Governmental Activities	$ -	$ -	$ 3,915,818	$ 3,915,818
Business-Type Activities	5,717,529	12,450	227,990	$ 5,957,969
Total	$ 5,717,529	$ 12,450	$ 4,143,808	$ 9,873,787

Direct Borrowings and Direct Placements (Amounts in Thousands)

	Revenue Bonds	Notes Payable	Certificates of Participation	Total
Governmental Activities	$ -	$ 21,075	$ 117,420	$ 138,495
Business-Type Activities	478,105	114,289	34,080	$ 626,474
Total	$ 478,105	$ 135,364	$ 151,500	$ 764,969

Assets pledged as collateral for debt across state departments and institutions of higher education include the following:

- The Colorado Bureau of Investigations (CBI) Grand Junction Regional Office and Forensic Laboratory (related to direct borrowing/direct placement for governmental activities);

- The CBI Pueblo Regional Office and Forensic Laboratory (related to direct borrowing/direct placement for governmental activities);

- The Colorado Department of Transportation (CDOT) Headquarters (related to non-direct borrowing/non-direct placement for governmental activities) and Regional Office Buildings (related to both non-direct borrowing/non-direct placement and direct borrowing/direct placement for governmental activities);

- The Colorado History Building at 1200 Broadway in Denver (related to related to direct borrowing/direct placement for governmental activities).

Regarding terms specified in debt agreements related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, and (3) subjective acceleration clauses, the following points were noted across state departments and institutions of higher education:

- In each Certificate of Participation (COP), the State has the right to purchase the Leased Property in connection with the defeasance or redemption of all of the Series 201X Certificates, as described in the section of the agreements' State's Purchase Option Price. Upon a nonrenewal of the Lease Term/s by reason of a Lease Event of Default or Lease Event of Nonappropriation, and so long as the State or Sublessee has not exercised its purchase option with respect to all the Leased Property, the State or Sublessee must vacate the Leased Property within 90 days. The Trustee/s may proceed to exercise any remedies available for the benefit of the Owners of the Certificates and may exercise any other remedies available upon default as provided in the Lease, including the sale of or lease of the Trustees' interest under the Site Lease/s (related to direct borrowing/direct placement for governmental activities).

- For Notes Payable, in the event of termination acceleration of payment for debt due (or to be due within that fiscal year) and the relinquishment of the equipment purchased through the energy performance contract measures could occur (related to direct borrowing/direct placement for business-type activities).

- CDOT will take over the payments for the C-470 bonds in the event High Performance Transportation Enterprise (HPTE) is unable to pay (related to non-direct borrowing/non-direct placement for business-type activities). Additionally, for Notes Payable, CDOT would take over debt service payments if HPTE was in default (related to direct borrowing/direct placement for business-type activities).

Derivative Instruments

Colorado School of Mines: In Fiscal Year 2008, the University entered into a floating to fixed interest rate swap agreement (Swap Agreement) in connection with the 2008A issuance. The Swap Agreement was entered into with the objective of protecting against the potential of rising interest rates. The 2008A issuance was refunded with the Series 2010A issuance. The Series 2010A was refunded with the issuance of the Series 2018A Refunding Bonds. The Swap Agreement was not terminated and was associated with the Series 2018A issuance. The Swap Agreement has a notional amount of $36,185,000 and $36,760,000 and a fair value of ($9,645,000) and ($12,838,000) at June 30, 2021 and 2010, respectively. The Swap Agreement provides for certain payments to or from Morgan Stanley equal to the difference between the fixed rate of 3.59 percent payable by the University and 67 percent of one month USD-LIBOR-BBA, 0.100 percent and 0.166 percent at June 30, 2021 and 2020, respectively, payable by Morgan Stanley. The fair value of the swap is classified as a noncurrent liability and the change in fair value of the swap is classified as a deferred outflow at June 30, 2021 and 2020. On the date of the refunding of the Series 2010A Bonds, the fair market value of the swap was ($6,998,662) and was included in the calculation of deferred loss on refunding and is being amortized over the life of the Series 2018A Refunding Bonds. Accumulated amortization of the deferred loss as of June 30, 2021 and 2020 was $2,929,000 and $2,395,000, respectively. Morgan Stanley, counterparty to the Swap Agreement, determined the fair value as of June 30, 2021 and 2020, using a discounted forecasted cash flows;

however, the actual method and significant assumptions used are proprietary. The Swap Agreement has an effective date of March 5, 2008 and a termination date of December 1, 2038.

There can be risks inherent to interest rate swaps that the University addresses and monitors pursuant to entering into interest rate swap agreements:

- Termination Risk – The need to terminate the transaction in a market that dictates a termination payment by the University. It is possible that a termination payment is required in the event of termination of a swap agreement due to a counterparty default or following a decrease in credit rating. In general, exercising the right to optionally terminate an agreement should produce a benefit to the University, either through receipt of a payment from a termination, or if a termination payment is made by the University, a conversion to a more beneficial debt instrument or credit relationship.
- Credit Risk – The risk that the counterparty will not fulfill its obligations. The University considers the Swap Agreement counterparty's (Morgan Stanley) credit quality rating and whether the counterparty can withstand continuing credit market turmoil. As of June 30, 2021, Morgan Stanley's credit rating is A1 by Moody's, BBB+ by Standards & Poor's.

  For the outstanding Swap Agreement the University has a maximum possible loss equivalent to the swaps' fair value at June 30, 2021 and 2020 related to the credit risk. However, the University was not exposed to this loss because of the negative fair value of the swaps as of June 30, 2021 and 2020. In addition, these agreements required no collateral and no initial net cash receipt or payment by the University.
- Basis Index Risk – Basis risk arises as a result of movement in the underlying variable rate indices that may not be in tandem, creating a cost differential that could result in a net cash outflow from the University. Basis risk can also result from the use of floating, but different, indices. To mitigate basis risk, it is the University's policy that any index used as part of an interest rate swap agreement shall be a recognized market index, including, but not limited to, the Securities Industry and Financial Markets Association (SIFMA) or the London Interbank Offered Rate (LIBOR).

Colorado State University: On January 16, 2018, the System entered into a floating to fixed interest rate swap agreement (2015 D Swap Agreement) in connection with the Series 2015 D System Enterprise Revenue Bonds (Notes from Direct Placements). The 2015 D Swap Agreement was entered into with the objective of protecting against the potential rising of interest rates. The 2015 D Swap Agreement had a notional value of $66.7 million and a negative fair value of $8.2 million as of June 30, 2021. The fair value of the 2015 D Swap Agreement was recorded as a noncurrent liability and a deferred outflow of resources as of fiscal year ended June 30, 2021. The 2015 D Swap Agreement had a notional value of $66.7 million and a negative fair value of $14.9 million as of June 30, 2020. The fair value of the 2015 D Swap Agreement was recorded as a noncurrent liability and a deferred outflow of resources as of fiscal year ended June 30, 2020. The 2015 D Swap Agreement has an effective date of July 1, 2019 and a termination date of March 1, 2047.

The 2015 D Swap Agreement provides for certain payments by The Royal Bank of Canada (RBC) equal to the difference between the fixed rate of 1.91390 percent payable by the System and 70 percent of one-month UDS-LIBOR-BBA, payable by RBC. RBC, counterparty to the 2015 D Swap Agreement, determined the fair value as of June 30, 2021 using a discounted forecasted cash flow.

On February 18, 2020, the System entered into a floating to fixed interest rate swap agreement (2015 A Swap Agreement) in connection with the Series 2015 A System Enterprise Revenue Bonds. The 2015 A Swap Agreement was entered into with the objective of protecting against the potential rising of interest rates. The 2015 A Swap Agreement had a notional value of $108.7 million and a negative fair value of $646 thousand as of June 30, 2021. The fair value of the 2015 A Swap Agreement was recorded as a noncurrent liability and a deferred outflow of resources as of fiscal year ended June 30, 2021. The 2015 A Swap Agreement had a notional value of $108.7 million and a negative fair value of $7.7 million as of June 30, 2020. The fair value of the 2015 A Swap Agreement was recorded as a noncurrent liability and a deferred outflow of resources as of fiscal year ended June 30, 2020. The 2015 A Swap Agreement has an effective date of March 1, 2025 and a termination date of March 1, 2055.

The 2015 A Swap Agreement provides for certain payments by The Royal Bank of Canada (RBC) equal to the difference between the fixed rate of 1.74250 percent payable by the System and 70 percent of one-month UDS-LIBOR-BBA, payable by RBC. RBC, counterparty to the 2015 A Swap Agreement, determined the fair value as of June 30, 2021 using a discounted forecasted cash flow.

There can be risks inherent to interest rate swaps that the System addressed and monitors pursuant to entering into interest rate Swap Agreements:

- Termination Risk – Termination Risk is the need to terminate the transaction in a market that dictates a termination payment by the System. It is possible that a termination payment is required in the event of termination of a Swap Agreement due to a counterparty default. In general, exercising the right to optionally terminate an agreement should produce a benefit to the System, either through receipt of a payment from a termination, or if a termination payment is made by the System, a conversion to a more beneficial debt instrument or credit relationship.
- Credit Risk – Credit Risk is the risk that the counterparty will not fulfill its obligations. The System considers the Swap Agreement counterparty's (RBC) credit quality rating and whether the counterparty can withstand continuing credit market turmoil. As of June 30, 2021, RBC's credit rating is rated Aa2 by Moody's, AA- by S&P, and AA+ by Fitch.

  The Swap Agreement contract contains a credit support annex that allows for collateral to be posted if the market value threshold exceeds $25.0 million at both parties' current credit rating or $10.0 million if the parties credit rating falls to A3/A-.
- Basis Index Risk – Basis Index Risk arises as a result of movement in the underlying variable rate indices that may not be in tandem, creating a cost differential that could result in a net cash outflow from the System. Basis Index Risk can also result from the use of floating, but different, indices.

Metropolitan State University: On September 30, 2020 MSU Denver executed a Novation agreement which transferred the HLC@Metro Inc's floating to fixed interest rate swap agreement (Swap Agreement) with RBC to the University. This was a part of the University's acquisition of most of the HLC's assets and liabilities on June 30, 2020. The Swap Agreement was entered with the objective of protecting against the potential increase of interest rates. The Swap Agreement had a notional value of $48.7 million and a negative fair value of $7.1M and $11.5 million as of June 30, 2021 and 2020, respectively. The fair value of the Swap Agreement was recorded as a noncurrent liability and a deferred outflow of resources as of fiscal year ended June 30, 2021 and 2020. The Swap Agreement has an effective date of September 1, 2020 and a termination date of July 1, 2042.

Pursuant to the interest rate swap, the University will pay RBC a fixed rate of 2.451% per annum. RBC will pay the University 80% of USD-LIBOR-BBA. In addition, the University will pay JPMorgan, as owner of the Series 2020 Bonds, 80% of LIBOR plus 150 basis points. This arrangement will produce an interest rate on the Series 2020 Bonds equal to approximately 3.95% and helps ensure the University can leverage a low interest rate in an otherwise unpredictable market. RBC, the counterparty to the Swap Agreement, determined the fair value as of June 30, 2021 and 2020 using an indicative mid-market valuation.

There can be risks inherent to interest rate swaps that the University addressed and monitors pursuant to entering into interest rate Swap Agreements:

- Termination Risk – Termination Risk is the need to terminate the transaction in a market that dictates a termination payment by the University. It is possible that a termination payment is required in the event of termination of a Swap Agreement due to a counterparty default. In general, exercising the right to optionally terminate an agreement should produce a benefit to the University, either through receipt of a payment from a termination, or if a termination payment is made by the University, a conversion to a more beneficial debt instrument or credit relationship.
- Credit Risk – Credit Risk is the risk that the counterparty will not fulfill its obligations. MSU Denver considers the Swap Agreement counterparty's (RBC) credit quality rating and whether the counterparty can withstand continuing credit market turmoil. As of June 30, 2021, RBC's credit rating is rated Aa2 by

Moody's and AA- by S&P. The Swap Agreement contract contains a credit support annex that allows for collateral to be posted if the market value threshold exceeds $5.0 million and the credit rating is equal to A3 as rated by Moody's or A- as rated by S&P, or if threshold is zero but the credit ratings are Baa1 as rated by Moody's or BBB+ as rated by S&P.

- Basis Index Risk – Basis Index Risk arises as a result of movement in the underlying variable rate indices that may not be in tandem, creating a cost differential that could result in a net cash outflow from the University. Basis Index Risk can also result from the use of floating, but different, indices.

NOTE 12 – CHANGES IN LONG-TERM LIABILITIES

Primary Government

The following table summarizes the changes in long-term liabilities for Fiscal Year 2021:

(Amount in Thousands)

	Beginning Balance July 1	Changes Additions	Changes Reductions	Ending Balance June 30	Due Within One Year
Governmental Activities					
Deposits Held In Custody For Others	$ 1,404	$ 1,344	$ 9,619	$ 12,367	$ 10,588
Accrued Compensated Absences	213,176	34,962	(17,937)	230,201	15,331
Claims and Judgments Payable	198,417	-	(11,943)	186,474	45,135
Capital Lease Obligations	119,822	24,999	(26,823)	117,998	30,538
Certificates of Participation from Direct Borrowings and Direct Placements	322,824	-	(4,282)	318,542	3,850
Certificates of Participation from Non-Direct Borrowings and Non-Direct Placements*	2,805,878	975,709	(110,196)	3,671,391	104,120
Notes, Anticipation Warrants, Mortgages from Direct Borrowings and Direct Placements	4,585	-	(2,270)	2,315	2,315
Notes, Anticipation Warrants, Mortgages from Non-Direct Borrowings and Direct Placements	-	1	-	1	-
Net Pension Liability	7,804,791	-	(1,930,136)	5,874,655	-
Other Postemployment Benefits	233,180	-	(29,456)	203,724	-
Other Long-Term Liabilities	229,134	20,135	(20,343)	228,926	-
Total Governmental Activities Long-Term Liabilities	11,933,211	1,057,150	(2,143,767)	10,846,594	211,877
Business-Type Activities					
Deposits Held In Custody For Others	46,825	-	(13,517)	33,308	33,283
Accrued Compensated Absences	426,369	77,262	(38,708)	464,923	31,583
Claims and Judgments Payable	46,441	12,865	(5,773)	53,533	819
Capital Lease Obligations	35,645	46,781	(8,202)	74,224	5,984
Derivative Instrument Liabilities	46,864	-	(21,262)	25,602	-
Bonds Payable from Direct Borrowings and Direct Placements	222,384	471,545	(244,984)	448,945	7,104
Bonds Payable from Non-Direct Borrowings and Non-Direct Placements	4,414,804	462,101	(387,571)	4,489,334	78,234
Certificates of Participation from Direct Borrowings and Direct Placements	18,371	-	(575)	17,796	2,570
Certificates of Participation from Non-Direct Borrowings and Non-Direct Placements*	149,763	-	(35,156)	114,607	14,830
Notes, Anticipation Warrants, Mortgages from Direct Borrowings and Direct Placements	56,226	76,400	(26,058)	106,568	1,150
Notes, Anticipation Warrants, Mortgages from Non-Direct Borrowings and Non-Direct Placements	10,145	-	(388)	9,757	403
Net Pension Liability	3,570,647	-	(200,570)	3,370,077	-
Other Postemployment Benefits	835,859	205,684	-	1,041,543	-
Other Long-Term Liabilities	104,600	65,980	(30,625)	139,955	-
Total Business-Type Activities Long-Term Liabilities	9,984,943	1,418,618	(1,013,389)	10,390,172	175,960
Fiduciary Activities					
Deposits Held In Custody For Others	1,863,250	20,315	(1,857,029)	26,536	18,262
Accrued Compensated Absences	139	107	(31)	215	-
Claims and Judgments Payable	22,986	21,061	(22,986)	21,061	21,061
Other Long-Term Liabilities	32	539	(32)	539	-
Total Fiduciary Activities Long-Term Liabilities	1,886,407	42,022	(1,880,078)	48,351	39,323
Total Primary Government Long-Term Liabilities	$ 23,804,561	$ 2,517,790	$ (5,037,234)	$ 21,285,117	$ 427,160

*Beginning balances were restated for FY2021 due to a reclassification of certain COP from Business-Type to Governmental Activities. Refer to Note 15 for additional information.

Liabilities for accrued compensated absences, net pension liabilities, and other postemployment benefits of both governmental activities and the business-type activities are normally liquidated using resources of the fund that are responsible for paying the employee's salary. As a result, the resources of nearly all of the State's funds are used to liquidate the compensated absence, net pension, and OPEB liabilities.

The amounts in the table above for the changes in net pension liability and other postemployment benefits liability are netted and presented as either additions or reductions. See Note 6 for additional information on pensions and Note 7 for additional information on OPEB.

The amounts shown in the schedule above for Notes, Bonds, and Certificates of Participation do not include short-term borrowing disclosed in Note 10. A current portion is not normally identifiable for Claims and Judgments Payable, Derivative Instrument Liabilities, Other Post-Employment Benefits in business-type activities and Other Long-Term Liabilities in both governmental activities and business-type activities.

Long-term liabilities that are actuarially determined include amounts for claims that are incurred but not yet reported. Since these liabilities are not based on individually identifiable claims, it is not practicable to report gross additions and reductions. (See Notes 7 and 9 for the amount of claims reported and paid and other adjustments to these actuarially determined liabilities.)

Governmental activities include internal service funds which apply full accrual accounting, and as a result, additions to Capital Lease Obligations shown above include amounts that are not shown as capital lease proceeds on the *Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds*.

NOTE 13 – DEFEASED DEBT AND POLLUTION REMEDIATION OBLIGATIONS

DEFEASED DEBT

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 2021, debt was defeased in both governmental and business-type activities.

At June 30, 2021, the remaining balances of amounts previously placed in escrow accounts with paying agents are as follows:

(Amount in Thousands)

Agency	Amount
Governmental Activities:	
Department of Treasury	$ 579,425
Business-Type Activities:	
University of Colorado	877,890
Colorado State University	484,410
Colorado Community College System	40,930
Colorado School of Mines	34,000
Fort Lewis College	1,665
Total	$ 2,018,320

The Board of Regents of the University of Colorado issued $140.9 million of its Enterprise Revenue Refunding Bonds, Series 2020B2 to partially defease its Enterprise Revenue Refunding Bonds, Series 2007A, 2011A, 2011B, 2012A-1, 2012A-3, 2012B, 2013A, 2014A, 2014B1, 2015A, 2015B, 2015C, 2016A, 2016B1, 2017A1, 2017A2, 2019A, 2019A2, 2019B, and 2019C. The defeased debt had an interest rate of 3.79 percent, and the new debt had an interest rate of 2.56 percent. The remaining term of the debt was 15 years and the estimated debt service cash flows increased by $56.0 million. The defeasance resulted in an economic gain of $133,959, and book loss of $31.2 million that will be amortized as an adjustment of interest expense over the remaining 28 years of the new debt.

The Board of Regents of the University of Colorado issued $44.5 million of its Enterprise Revenue Refunding Bonds, Series 2021B to partially defease its Enterprise Revenue Refunding Bonds, Series 2011B, 2012A1, 2012A2, 2012A3, 2013B, and 2014A1. The defeased debt had an interest rate of 3.62 percent, and the new debt had an interest rate of 1.22 percent. The remaining term of the debt was 8 years and the estimated debt service cash flows decreased by $1.6 million. The defeasance resulted in an economic gain of $1.5 million, and book loss of $2.8 million that will be amortized as an adjustment of interest expense over the remaining 8 years of the new debt.

The Board of Governors of Colorado State University issued $230.0 million of its System Enterprise Revenue Refunding Bonds Taxable, Series 2020A to partially defease its System Enterprise Revenue Bonds Series 2010B, 2012A, 2013D, 2013E, 2015B, 2015E-2, 2015F, 2016A, and 2018A, and System Enterprise Revenue Refunding Bonds Series 2012B, 2013A, 2015C, 2016B, 2017A, 2017B, 2017D, 2017E, 2017F, 2019A, and 2019B. The defeased debt had an interest rate of 4.20 percent, and the new debt had an interest rate of 2.66 percent. The remaining term of the debt was 2 years and the estimated debt service cash flows increased by $114.4 million. The defeasance resulted in an economic loss of $34.8 million, and book loss of $103.4 million that will be amortized as an adjustment of interest expense over the remaining 29 years of the new debt.

The Board of Governors of Colorado State University issued $115.0 million of its System Enterprise Revenue Refunding Bonds Taxable, Series 2021A to partially defease its System Enterprise Revenue Refunding Bonds Taxable, Series 2020A. The defeased debt had an interest rate of 0.51 percent, and the new debt had an interest rate of 0.72 percent. The remaining term of the debt was 2 years and the estimated debt service cash flows decreased by $1.9 million. The defeasance resulted in an economic gain of $2.4 million and, no book loss/gain.

The Board of Governors of Colorado State University issued $115.0 million of its System Enterprise Revenue Refunding Bonds Taxable, Series 2021B to partially defease its System Enterprise Revenue Refunding Bonds Taxable, Series 2020A. The defeased debt had an interest rate of 0.51 percent, and the new debt had an interest rate of 0.72 percent. The remaining term of the debt was 2 years and the estimated debt service cash flows decreased by $1.9 million. The defeasance resulted in an economic gain of $2.4 million, and no book loss/gain.

The Board of Trustees of Fort Lewis College issued $5.0 million of its Enterprise Refunding Revenue Bonds – Tax-Exempt Series 2020A-1 and 2020B-1 and Enterprise Refunding Revenue Bonds – Taxable Series 2020A-2 and 2020B-2 to partially defease its Enterprise Refunding Revenue Bonds – Series 2016A and 2016B and Enterprise Revenue Bonds – Series 2016C. The defeased debt had an interest rate of 3.25 percent, and the new debt had an interest rate of 3.00 percent. The remaining term of the debt was 18 years and the estimated debt service cash flows increased by $1.5 million. The defeasance resulted in an economic loss of $494,927, and book loss of $1.9 million that will be amortized as an adjustment of interest expense over the remaining 18 years of the new debt.

The Colorado Department of Transportation issued $19.1 million of its Second Amended and Restated Headquarters Facilities Lease Purchase Agreement Refunding Certificates of Participation, Series 2020 to partially defease its Headquarters Facilities Lease Purchase Agreement Certificates of Participation, Series 2016. The defeased debt had an interest rate of 5.00 percent, and the new debt had an interest rate of 4.00 percent. The remaining term of the debt was 20 years and the estimated debt service cash flows decreased by $10.1 million. The defeasance resulted in an economic gain of $295,571, and book gain of $460,640 that will be amortized as an adjustment of interest expense over the remaining 20 years of the new debt.

POLLUTION REMEDIATION OBLIGATIONS

Various state agencies and institutions of higher education have pollution remediation obligations as defined by GASB Statement No. 49. Liability amounts are included in Other Current Liabilities or Other Long-Term Liabilities on the government-wide and proprietary fund-level *Statement of Net Position.*

The State has numerous instances of hazardous waste contamination that qualify as Superfund sites. Superfund is the federal government's program to clean up these hazardous waste sites. A hazardous waste site becomes a Superfund site when it is placed on an Environmental Protection Agency (EPA) list that ranks sites according to a process that assesses current or potential health impacts. The following individually significant items are all Superfund sites under the control of the Department of Public Health and Environment.

The State's total amount of pollution remediation obligations as of June 30, 2021 was $209.7 million, of which $4.5 million is a current liability. Individually significant pollution remediation obligations are disclosed below:

- The Department of Public Health & Environment recorded a liability for remediation activities in the Clear Creek Basin of approximately $87.2 million related to a number of inactive precious metal mines that caused contamination in surface water and soil in the basin. The liability includes remediation and site clean-up activities, projected post-remediation operating and monitoring costs, the State operation of an existing water treatment plant, and operation of a water treatment plant. Current operating and maintenance costs are estimated at $1.5 million beginning in Fiscal Year 2022, increasing to approximately $2.6 million in Fiscal Year 2029, with a projected annual increase of 2 percent thereafter. The department shares the remaining costs to complete the remediation projects with the EPA in a cost-sharing ratio of 10 percent State, 90 percent EPA for 10 years. After this time, the State assumes 100 percent of the operating and maintenance costs. Operating and maintenance estimates are based on experience in operating existing plants adjusted for the newer design and technological advancements. Potential changes affecting these estimates include regulatory changes in the EPA cost-sharing ratio, as well as technology and pricing changes that could impact construction and operating costs.

- The Department of Public Health & Environment recorded a liability for remediation activities at the Summitville Mine of approximately $91.9 million related to the operation of a water treatment plant. The mine is located in the San Juan Mountains, surrounded by the Rio Grande National Forest. The operating and maintenance costs of the treatment plant are to be shared with the EPA in a cost-sharing ratio of 10 percent State, 90 percent EPA through Fiscal Year 2022. Beginning in Fiscal Year 2023, the State will assume 100 percent of the operating costs of the treatment plant, with a projected total cost of approximately $2.0 million per year, with a projected annual increase of 2 percent thereafter. Operating and maintenance estimates are based on experience in operating existing plants adjusted for the newer design and technological advancements. Potential changes affecting these estimates include regulatory changes in the EPA cost-sharing ratio, as well as technology and pricing changes that could impact operating costs. As of June 30, 2021, the State has $2.6 million in recoveries funded from other responsible parties.

- The Department of Public Health & Environment recorded a liability for remediation activities at the Captain Jack Mill located at the headwaters of the Left Hand Creek Watershed in the mountains west of Boulder of approximately $9.5 million related to the clean-up of contamination from mine waste piles and drainage. The EPA and the State have agreed upon a remediation plan from a recently completed engineering study, which includes construction of a capping mine waste tunnel plug. Construction cost estimates of approximately $0.2 million in Fiscal Year 2022 and 2023 for the project's completion. In Fiscal Year 2024, a sulfate reducing bioreactor is estimated to be completed with a projected cost of $0.2 million. Upon completion, the State's 10% share of O&M will commence in Fiscal Year 2025. Annual ongoing projected costs for subsurface remedy average $0.1 million per year until Fiscal Year 2035, when the State assumes 100% share of O&M, and projected costs increase to $0.4 million per year, with a 2 percent projected annual increase thereafter. Periodic maintenance for the surface remedy is projected to start in Fiscal Year 2023 at a cost of approximately less than $0.1 million, with a 2 percent projected annual increase thereafter. Construction cost estimates were based upon an engineering study and construction bids received by the State. Operating and maintenance estimates are based on experience in operating existing plants adjusted for the newer design and technological advancements. Potential changes affecting these estimates include regulatory changes in the EPA's cost-sharing ratio, as well as technology and pricing changes that could impact construction and operating costs.

- The Department of Public Health & Environment recorded a liability for remediation activities at the Bonita Peak Mining District site is located near Silverton, Colorado for approximately $6.0 million. The Bonita Peak Mining District is within the Mineral Creek, Cement Creek, and the Upper Animas River drainages. The site consists of 48 historic mines or mining-related sources where ongoing releases of metal-laden water and sediments occur within Mineral Creek, Cement Creek, and the Upper Animas. An interim record of decision (IROD) establishes a site-wide repository for disposing of site-related mine waste from remedial action cleanups, sludge generated at the water treatment plant, and waste from future water treatment operations. The projected five-year costs are $0.1 million per year for the first four years with a $1.0 million projected cost in Fiscal Year 2026. The site-wide repository is estimated at $0.3 million per year for a five-year period ending in Fiscal Year 2027. The State's share of O&M is not projected to start until Fiscal Year 2028, where projected annual costs are $0.1 million, with a 2% annual increase thereafter. Approximately 20 of the 48 sites do not have viable responsible parties. Therefore, these sites will likely be addressed using a fund-financed remedial action of 90% EPA and 10% State, at which time the State's share will increase. As of June 30, 2021, the State has $0.3 million in recoveries funded from other responsible parties.

- The Nelson Tunnel is a former mining site outside of Creede, CO, which has a large waste pile. Runoff from this pile adversely affects the Rio Grande River via Willow Creek. While a portion of the project is reasonably estimable, the State cannot estimate a majority of the project costs. The water treatment component of the project has historically been included as a presumptive remedy. However, no decision document has been executed that would require water treatment. Although the State believes there will be associated water treatment costs in the future, these costs won't be included in the projection until there is an idea of what the remedy and long-term operating/maintenance costs are. Any long-term remedies are dependent on the initial assessment and monitoring procedures. Additionally, once a long-term remedy is identified, the Department will negotiate with the EPA to determine which entity is responsible for what share of the costs (typically 90% federal, 10% state).

NOTE 14 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of assets by the entity that is applicable to a future reporting period, and deferred inflows of resources represent an acquisition of assets by the entity that is applicable to a future reporting period. The table below provides information about amounts reported as deferred outflows/inflows on the *Statement of Net Position* as of June 30, 2021.

(Amounts in Thousands)

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources:			
Asset Retirement Obligations	$ -	$ 586	$ 586
Refunding Losses	29,319	220,451	249,770
Derivatives	-	20,230	20,230
Other	4,847	36	4,883
Other Post Employment Benefits	26,511	200,554	227,065
Pensions	1,594,218	467,520	2,061,738
	1,654,895	909,377	2,564,272
Deferred Inflows of Resources:			
Refunding Gains	438	710	1,148
Nonexchange Transactions	-	3	3
Other	17,390	2,050	19,440
Unavailable Revenue	795	-	795
Service Concession Arrangements	-	127,834	127,834
Other Post Employment Benefits	71,689	272,798	344,487
Pensions	3,441,421	856,690	4,298,111
	$ 3,531,733	$ 1,260,085	$ 4,791,818

NOTE 15 – NET POSITION AND FUND BALANCE

PRIOR PERIOD ADJUSTMENTS AND ACCOUNTING CHANGES TO NET POSITION

A. PRIOR PERIOD ADJUSTMENTS

Fund balances and net position at July 1, 2020 have been increased (decreased) as follows in order to correct errors:

GOVERNMENTAL ACTIVITIES	(Dollars in Thousands)	
Nonmajor Governmental Funds		
Debt Service		
To report debt service benefiting institutions of higher education with governmental activities.	$ (3,482)	
Regular Capital Projects		
To report capital projects benefiting institutions of higher education with governmental activities.	71,930	
Labor		
Department of Public Safety, correction to personal protective equipment inventory	(28,728)	
Total Nonmajor Governmental Funds		39,720
Government-wide Reconciling Items		
General Full Accrual Account Group		
Colorado State University, National Western Complex Certificates of Participation	(129,073)	
University of Colorado, Fitzsimons Certificates of Participation	(107,377)	
Department of Natural Resources, Public Lands Division accumulated depreciation	164	
Total Government-wide Reconciling Items		(236,286)
TOTAL GOVERNMENTAL ACTIVITIES		**$ (196,566)**
BUSINESS-TYPE ACTIVITIES		
Major Enterprise Funds		
Higher Education Institutions		
To report debt service, capital projects, and long-term liabilities benefiting institutions of higher education as a governmental activity.	$ 168,003	
Healthcare Affordability		
Reclassify committed healthcare expense funds to cash fund.	13,671	
Other Enterprises		
Reclassify CollegeInvest private-purpose trust fund to enterprise fund	15	
Total Major Enterprise Funds		181,689
TOTAL BUSINESS-TYPE ACTIVITIES		**$ 181,689**
FIDUCIARY ACTIVITIES		
Private-Purpose Trust Funds		
Department of Higher Education		
To reclassify CollegeInvest funds to business type activity	$ (15)	
Total Private-Purpose Trust Funds		(15)
TOTAL FIDUCIARY ACTIVITIES		**$ (15)**

B. ACCOUNTING CHANGES

Fund balance, net position, and fiduciary net position at July 1, 2020 have been increased (decreased) as follows in order to implement the requirements of GASB Statement No. 84 – Fiduciary Activities. Net position at July 1, 2020 for discretely presented component units was restated for the purpose as noted in the Component Unit section below.

		(Dollars in Thousands)	
GOVERNMENTAL ACTIVITIES			
Nonmajor Governmental Funds			
Debt Service			
Department of Treasury		$ 15,078	
Environment and Health Protection			
Department of Public Health and Environment		47	
Other Special Revenue			
Department of Law	4,533		
Department of Treasury	204		
Total Other Special Revenue		4,737	
Total Nonmajor governmental Funds			19,862
TOTAL GOVERNMENTAL ACTIVITIES			**$ 19,862**
BUSINESS-TYPE ACTIVITIES			
Major Enterprise Funds			
Higher Education Institutions			
Colorado School of Mines		$ 95	
Metropolitan State University of Denver		179	
Total Enterprise Funds - Major			274
Enterprise Funds - Non-Major			
Other Enterprise Activities			
Department of Agriculture		331	
Total Enterprise Funds - Non-Major			331
TOTAL BUSINESS-TYPE ACTIVITIES			**$ 605**
FIDUCIARY ACTIVITIES			
Fiduciary Funds			
Pension and Other Employee Benefit Trust Funds			
Department of Higher Education		$ 58,942	
Private-Purpose Trust Funds			
Department of Higher Education	(15,078)		
Department of Treasury	(204)		
Other Non-Major Departments	11,038		
Total Private-Purpose Trust Funds		(4,244)	
Custodial Funds			
Department of Corrections	3,751		
Department of Higher Education	(35)		
Department of Human Services	28,022		
Judicial	64,761		
Department of Labor and Employment	10,881		
Department of Law	146		
Dept of Natural Resources	74,087		
Dept of Regulatory Agencies	61		
Department of Revenue	403,629		
Department of Treasury	177,588		
Total Custodial Funds		762,891	
TOTAL FIDUCIARY ACTIVITIES			**$ 817,589**

COMPONENT UNITS

Nonmajor Other Component Units

HLC @ Metro

HLC@Metro is no longer included as a discretely presented component unit. The basis for inclusion was the State's guarantee of HLC@Metro's bonded debt. HLC@Metro's bonds were defeased, thereby relieving the State of its guarantee and financial accountability.	$ 467	
Total Nonmajor Other Component Units		467
TOTAL COMPONENT UNITS		**$ 467**

C. FUND BALANCE

On the *Balance Sheet – Governmental Funds,* the fund balance is comprised of the following (refer to Note 1 for additional information):

(Dollars in Thousands)

	Restricted Purposes	Committed Purposes	Assigned Purposes
GENERAL FUND			
General Government	$ 331,761	$ 886,867	$ 123,036
Business, Community and Consumer Affairs	-	170,080	-
Education	278,018	171,938	-
Health and Rehabilitation	-	6,324	-
Justice	-	4,637	-
Natural Resources	-	398	-
Social Assistance	-	47,418	-
Transportation	-	-	-
TOTAL	$ 609,779	$ 1,287,662	$ 123,036
FEDERAL SPECIAL REVENUE			
General Government	4,340	-	-
Business, Community and Consumer Affairs	932	-	-
Education	4	-	-
Health and Rehabilitation	5,852	-	-
Justice	153	-	-
Social Assistance	92	-	-
TOTAL	$ 11,373	$ -	$ -
HIGHWAY USERS TAX			
General Government	$ 69,664	$ 33,848	$ -
Health and Rehabilitation	1,350	-	-
Justice	2,498	1,468	-
Natural Resources	496	-	-
Transportation	605,404	13,729	-
TOTAL	$ 679,412	$ 49,045	$ -
OTHER GOVERNMENTAL FUNDS			
General Government	$ 138,906	$ 2,166,002	$ -
Business, Community and Consumer Affairs	74,098	593,063	-
Education	731,538	134,006	-
Health and Rehabilitation	21,076	89,236	-
Justice	5	267,057	-
Natural Resources	20,465	1,119,477	-
Social Assistance	-	317,733	-
Transportation	-	99,185	-
TOTAL	$ 986,088	$ 4,785,759	$ -

D. STABILIZATION ARRANGEMENTS

Restriction on State Appropriations – General Fund Reserve

In accordance with Section 24-75-201.1(1)(d) C.R.S., state general fund appropriations are limited in order to maintain sufficient available budgetary fund balance (the reserve) for the General Fund - General Purpose Revenue Component. For the fiscal year ended June 30, 2021, the required reserve is calculated as two and eighty-six one-hundredths percent of General Purpose Revenue Fund appropriations less exceptions pursuant to Section 24-75-201.1(2) C.R.S. Section 24-75-201.5(1)(a) C.R.S. further requires the Governor to take action within the fiscal year to preserve one half of the reserve when economic forecasts indicate revenues will not be adequate to maintain the required reserve. In conjunction with the Governor's actions to reduce expenditures, the legislature has traditionally taken action to use the reserve. Historically, the statutory reserve has only been expended during recessionary periods when other budget measures have been exhausted. As of June 30, 2021, on a legal budgetary basis the reserve was $314.0 million. Refer to the Budgetary Comparison Schedule General Fund – General Purpose Revenue Component, and to Note RSI-4 for additional information.

Emergency Reserve

Senate Bill (SB) 21-227 established the State Emergency Reserve Cash Fund effective with the State's fiscal year ended June 30, 2021. SB 21-227 required a transfer of $101.0 million from the General Purpose Revenue Component of the General Fund and a transfer of $100.0 million from the Controlled Maintenance Trust Fund to the to the State Emergency Reserve Cash Fund. The State Emergency Reserve Cash Fund is reported as the Emergency Reserve component of the State's General Fund. Refer to the Combining Balance Sheet – General Fund Components and to the Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund Components for additional information. The Emergency Reserve was $201.0 million at June 30, 2021. The Emergency Reserve shall not be expended or appropriated for any purpose other than for an emergency declared by the Governor pursuant to 24-33.5-704(4). Refer to Note RSI-4 for additional information.

E. MINIMUM FUND BALANCE POLICIES

The appropriations process and statutory structure that governs State fiscal matters generally does not provide for the ability to set aside fund balances outside of those processes. However, in limited circumstances, boards and committees have fiscal policy and/or rulemaking authority. No minimum fund balances were established under this type of authority for Fiscal Year 2021.

F. NET POSITION DEFICITS

The following table shows deficit net position balances for individual nonmajor funds. See Note 2 for information regarding statutory spending violations and over expenditures.

(In Thousands)

	Enterprise Funds	Internal Service Funds
State Lottery	$ (19,443)	$ -
Correctional Industries	(24,134)	-
State Nursing Homes	(42,312)	-
Petroleum Storage Tank	(3,866)	-
Central Services	-	(5,476)
Information Technology	-	(211,218)
Capitol Complex	-	(5,569)
Highways	-	(1,458)
Administrative Courts	-	(10,413)
Legal Services	-	(69,438)
Other Internal Service Funds	-	(1,679)
	$ (89,755)	*$ (305,251)*

NOTE 16 – INTERFUND TRANSACTIONS

INTERFUND BALANCES

Interfund balances at June 30, 2021, consisted of the following:

(DOLLARS IN THOUSANDS)	DUE FROM General	Highway Users Tax	Other Governmental Funds	Higher Education Institutions	Healthcare Affordability	Transportation Enterprise
DUE TO						
General	$ -	$ 193	$ 49,530	$ 432	$ 22,618	$ -
Highway Users Tax	68	-	573	-	-	12,950
Other Governmental Funds	21,891	211	-	-	-	-
Higher Education Institutions	19,663	89	28,975	-	-	-
Unemployment Insurance	92	-	-	-	-	-
Other Enterprises	-	-	-	706	-	-
Internal Service Funds	288	7	-	-	-	-
Pension and Other Employee Benefit Trust	7	-	2	1,609	-	-
Private Purpose Trust	-	-	-	-	-	-
Custodial	-	-	-	-	-	-
Total	$ 42,009	$ 500	$ 79,080	$ 2,747	$ 22,618	$ 12,950

(DOLLARS IN THOUSANDS)	DUE FROM Unemployment Insurance	Other Enterprises	Internal Service Funds	Private Purpose Trust	Custodial	Total
DUE TO						
General	$ -	$ 26,379	$ 813	$ -	$ -	$ 99,965
Highway Users Tax	-	-	124	-	-	13,715
Other Governmental Funds	17,547	16,961	-	-	120	56,730
Higher Education Institutions	-	251	-	-	-	48,978
Unemployment Insurance	-	-	-	-	-	92
Other Enterprises	-	8,548	-	7	-	9,261
Internal Service Funds	285	304	-	-	-	884
Pension and Other Employee Benefit Trust	-	-	-	-	-	1,618
Private Purpose Trust	-	15,194	-	-	-	15,194
Custodial	-	6,764	-	-	-	6,764
Total	$ 17,832	$ 74,401	$ 937	$ 7	$ 120	$ 253,201

Interfund balances represent amounts owed between funds at the end of the fiscal year. They occur when there are timing differences between when transactions are recognized and when the related cash payments are made. They also occur when loans are made between funds.

The balance of $49.5 million due from Other Governmental Funds to the General Fund consists primarily of $44.7 million due from the Gaming Fund.

Other Governmental Funds owed Higher Education Institutions $29.0 million. $27.8 million of the balance was due from the Capital Projects Fund for the reimbursement of capital expenditures related to the National Western Center complex.

The $26.4 million due to the General Fund from Other Enterprises primarily consists of amounts owed from the State Lottery Fund as of June 30, 2021 for distributions related to the fourth quarter of Fiscal Year 2021 that were made in Fiscal Year 2022.

The Healthcare Affordability Fund had a payable to the General Fund of $22.6 million. This amount represents Medicaid payments to providers in Fiscal Year 2021 for which the State was reimbursed in Fiscal Year 2022 due to the timing of the receipt of federal monies into the Healthcare Affordability Fund.

The General Fund owed Other Governmental Funds $21.9 million. $15.0 million of this was owed to the Just Transition Cash Fund, which is reported in the Labor Fund, for a transfer prescribed by House Bill 21-1290.

Of the $19.7 million owed from the General Fund to Institutions of Higher Education, $7.6 million was due from the Department of Higher Education for various purposes. An additional $7.5 million was due to Colorado State University to mitigate the risk of wildfire as prescribed by Senate Bill 21-258.

Other Governmental Funds report an internal receivable of $17.5 million from the Unemployment Insurance Fund. This amount represents Fiscal Year 2021 revenue in the Labor Fund for which cash was transferred in Fiscal Year 2022.

Other Governmental Funds report an internal receivable of $17.0 million from Other Enterprises. Most of this balance, $15.5 million, reflects outstanding loans payable from the Parks and Wildlife Fund to the Resource Extraction Fund that are not expected to be repaid within one year.

The $13.0 million owed from the Transportation Enterprise Fund to the Highway Users Tax Fund represents loans within the Colorado Department of Transportation and are not expected to be paid within one year.

INTERFUND TRANSFERS

Interfund transfers for Fiscal Year 2021, consisted of the following:

(DOLLARS IN THOUSANDS)	TRANSFER FROM General	Federal Special Revenue	Highway Users Tax	Other Governmental Funds	Higher Education Institutions	Healthcare Affordability
TRANSFER TO						
General	$ -	$ 191	$ 20,834	$ 718,835	$ 53,153	$ 16,491
Highway Users Tax	35,020	-	-	319,606	-	-
Other Governmental Funds	1,261,857	-	74,453	142,853	-	-
Higher Education Institutions	260,038	-	-	226,039	-	-
Other Enterprises	31,972	-	-	1,179	-	-
Internal Service Funds	415	-	-	964	-	-
Pension and Other Employee Benefit Trust	-	-	-	1,247	-	-
Total	$ 1,589,302	$ 191	$ 95,287	$ 1,410,723	$ 53,153	$ 16,491

(DOLLARS IN THOUSANDS)	TRANSFER FROM Unemployment Insurance	Other Enterprises	Internal Service Funds	Pension and Other Employee Benefit Trust	Private Purpose Trust	Total
TRANSFER TO						
General	$ -	$ 83,678	$ 7,342	$ 89	$ 19	$ 900,632
Highway Users Tax	-	-	-	-	-	354,626
Other Governmental Funds	508	1,756	84	-	-	1,481,511
Higher Education Institutions	-	-	-	-	-	486,077
Other Enterprises	-	21,539	-	-	-	54,690
Internal Service Funds	-	-	381	-	-	1,760
Pension and Other Employee Benefit Trust	-	-	-	-	-	1,247
Total	$ 508	$ 106,973	$ 7,807	$ 89	$ 19	$ 3,280,543

As a normal order of business, the General Assembly appropriates a large number of transfers between funds to allocate the State's resources to support programs across the State government.

The $1,261.9 million transferred from the General Fund to Other Governmental Funds includes $260.7 million to the Home- and Community-Based Services Improvement Fund, an Other Special Revenue Fund, as directed by Senate Bill 21-286. In addition, $186.1 million of Marijuana Sales Tax Revenues was transferred the Marijuana Tax Cash Fund, an Other Special Revenue Fund, as directed by Senate Bill 17-267.

Transfers from Other Governmental Funds to the General Fund totaled $718.8 million. The largest of these transfers is $137.0 million from the Retail Marijuana Excise Tax Fund, an Other Special Revenue Fund, as directed by House Bill 20-1401.

There were $319.6 million of transfers from Other Governmental Funds to the Highway Users Tax Fund. This primarily consists of $317.3 million transferred from the Capital Projects Fund and relate to projects funded by the State of Colorado Rural Colorado Certificates of Participation.

General Fund transfers to Higher Education Institutions totaled $260.0 million. The majority of these transfers, $167.0 million, were for student financial aid.

$226.0 million is reported as transfers from Other Governmental Funds to Higher Education Institutions. This amount is comprised primarily of $187.6 million of transfers from the Capital Projects Fund.

NOTE 17 – PLEDGED REVENUE AND DONOR RESTRICTED ENDOWMENTS

PLEDGED REVENUE

Various institutions of higher education and the Department of Transportation have issued bonds, notes, and/or Certificates of Participation (COPs) for the purchase of equipment, and the construction of facilities and infrastructure. Specific user revenues are pledged for the payments of interest and future retirement of the obligations. In Fiscal Year 2021, the following pledges were in place:

The Department of Transportation Statewide Bridge Enterprise pledged $111.6 million (gross) of federal highway funds, Build America Bonds, and surcharges to meet the current year interest payments on debt issued for construction activities related to the Funding Advancement for Surface Transportation and Economic Recovery (FASTER) Bridge Program. The debt was originally issued in Fiscal Year 2011 and has a final maturity date of Fiscal Year 2046. The pledged revenue represents 100 percent of the revenue stream, and $524.1 million of the pledge commitment remains outstanding.

The Department of Transportation High-Performance Transportation Enterprise pledged $2.9 million (gross) of C-470 Express Lanes Senior Revenue Bonds to meet the current year interest payments on debt issued for the cost of designing, engineering, developing and constructing an Express Lanes project on a portion of C-470, widening and replacing adjacent general purpose lanes and rehabilitating or reconstructing related bridges. The debt was originally issued in Fiscal Year 2018 and has a final maturity date of Fiscal Year 2057. The pledged revenue represents 100 percent of the revenue stream, and $409.6 million of the pledge commitment remains outstanding.

Higher Education Institutions have pledged auxiliary fees primarily related to student housing rent, and in some cases tuition, to meet the debt service commitment of their various bond issues. The debt issues involved had an earliest origination date in Fiscal Year 1999 and furthest maturity date of Fiscal Year 2055. In some instances, the gross revenue of the activity is pledged and in other instances the net available revenue is pledged. Total pledged revenue of the Higher Education Institutions is approximately $1.6 billion. Individually significant Higher Education Institution pledges include:

- $1.2 billion (net) pledged by the University of Colorado to secure $78.3 million of current principal and interest on debt issued to finance the construction of enterprise facilities and to refund prior enterprise debt. The related debt was issued in Fiscal Year 2007 and has a final maturity date of Fiscal Year 2051. The pledged revenue represents approximately 77.5 percent of the revenue stream, and $2.5 billion of the pledge (principal and interest) remains outstanding.

- $154.0 million (net) pledged by Colorado State University to secure $5.1 million of current principal and interest on debt issued to finance the construction, expansion, or renovation of certain recreation, research, athletic, and academic facilities. The related debt was originally issued in Fiscal Year 2011 and has a final maturity date of Fiscal Year 2055. The pledged revenue represents 59.2 percent of the total revenue stream, and $1.7 billion of the pledge (principal and interest) remains outstanding.

- $53.8 million (net) pledged by the Colorado School of Mines to secure $20.4 million of current principal and interest on debt issued to finance or refinance the construction, acquisition, improvement, renovation, and equipment for certain facilities and complete qualified conservation improvement projects. The debt issuances had an earliest origination date of Fiscal Year 1999 and furthest maturity date of Fiscal Year 2048. The pledged revenue represents approximately 75.9 percent of the revenue stream, and $420.9 million of the pledge (principal and interest) remains outstanding.

- $40.6 million (gross) pledged by Metropolitan State University of Denver to secure $10.2 million of current principal and interest on debt issued to finance the construction, expansion, or renovation of certain academic facilities. The related debt was originally issued in Fiscal Year 2010 and has a final maturity date of Fiscal Year 2046. The pledged revenue represents 10 percent of the tuition revenue stream and 100 percent of the fee and other revenues revenue stream, and $199.1 million of the pledge (principal and interest) remains outstanding.

- $29.2 million (net) pledged by Colorado Mesa University to secure $14.5 million of current principal and interest on debt issued to construct auxiliary facilities. The related debt was originally issued in Fiscal Year 2010 and has a final maturity date of Fiscal Year 2049. The pledged revenue represents approximately 55.2 percent of the revenue stream and $330.8 million of the pledge (principal and interest) remains outstanding.

- $37.1 million pledged by the University of Northern Colorado to secure $10.5 million of current principal and interest on debt issued to finance refunding of previous debt and for improvements of auxiliary facilities. The debt issuances had an earliest origination date of Fiscal Year 2014 and furthest maturity date of Fiscal Year 2046. The pledged revenue represents 52.5 percent of the net total auxiliary, extended studies, and student fee revenue streams; 100 percent of gross facility & admin cost recoveries; and 10 percent of gross general fund tuition revenue. $192.4 million of the pledge (principal and interest) remains outstanding.

- $5.5 million pledged by the Auraria Higher Education Center to secure $5.5 million of current principal and interest on debt issued to finance construction of Tivoli Student Union park, coffee lounge, and patio and building parking structures. The debt issuances had an earliest origination date of Fiscal Year 2006 and furthest maturity date of Fiscal Year 2034. The pledged revenue represents 2.2 percent of the net and 100 percent of the gross auxiliary revenue stream. $62.5 million of the pledge (principal and interest) remains outstanding.

- $9.6 million (net) pledged by the Western State Colorado University to secure $7.2 million of current principal and interest on debt issued to finance a new student apartment complex and a new sports complex. The debt issuances had an earliest origination date of Fiscal Year 2010 and furthest maturity date of Fiscal Year 2045. The pledged revenue represents 37.8 percent of the revenue stream, and $150.5 million of the pledge (principal and interest) remains outstanding.

Revenue available to meet debt service requirements is shown in the following table:

(Amounts In Thousands)

Agency Name	Gross Revenue	Direct Operating Expense	Available Net Revenue	Debt Service Requirements: Principal	Interest	Total
Higher Education Institutions	$ 2,207,833	$ (586,621)	$ 1,621,212	$ 84,250	$ 80,160	$ 164,410
Statewide Bridge Enterprise	111,572	-	111,572	-	17,181	17,181
High Performance Transportation Enterprise	2,879	-	2,879	-	8,090	8,090
	$ 2,322,284	$ (586,621)	$ 1,735,663	$ 84,250	$ 105,431	$ 189,681

DONOR RESTRICTED ENDOWMENTS

The State's donor restricted endowments exist solely in its institutions of higher education. The policies of individual boards govern the spending of net appreciation on investments; there is no State law that governs endowment spending. Donor restricted endowment appreciation reported by the State's institutions of higher education totaled $27.6 million.

The University of Colorado reported net appreciation on endowment investments of $18.8 million that was available for spending. The University reported the related net position in Restricted for Permanent Funds and Endowments – Expendable on the Statement of Net Position – Proprietary Funds. The University spends its investment income in accordance with the University of Colorado Foundation’s established spending policy.

The Colorado School of Mines reported $4.6 million of net appreciation on endowment investments that was available for spending. The School reported the related net position in Restricted for Permanent Funds and Endowments – Expendable on the Statement of Net Position – Proprietary Funds. The School has an authorized spending rate of 4.25% of the rolling 36-month average market value of the endowment investments.

Colorado State University reported net appreciation on endowment investments of $4.2 million that was available for spending. The University reported the related net position in Restricted for Permanent Funds and Endowments – Expendable on the Statement of Net Position – Proprietary Funds. The University spends its investment income as authorized by the University’s President.

NOTE 18 – RELATED PARTIES

RELATED 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, as amended by GASB Statements No. 39 and 61:

- Colorado Agricultural Development Authority
- Colorado Beef Council Authority
- Colorado Educational and Cultural Facilities Authority
- Colorado Health Benefit Exchange
- Colorado Health Facilities Authority
- Colorado Housing and Finance Authority
- Colorado New Energy Improvement District
- Colorado Sheep and Wool Authority
- Fire and Police Pension Association
- Pinnacol Assurance
- The State Board of the Great Outdoors Colorado Trust Fund
- Venture Capital Authority

Even though the appointment of governing boards of these authorities is similar to those included in the reporting entity, the State cannot impose its will upon these entities and it does not have a financial benefit or burden relationship with them. Detailed financial information may be obtained directly from these organizations.

RELATED PARTY TRANSACTIONS

The Colorado Housing & Finance Authority (CHFA) provides administrative services while serving as a fiscal agent for small business programs to provide relief to business that are affected by COVID-19, helps businesses that typically struggle to get access to a bank loan, and programs that promote energy efficiency and renewable energy in Colorado. The State paid a total of $27.4 million to CHFA for the administration of these programs during Fiscal Year 2021.

The University of Colorado Health (UCHealth) is a legal entity separate from the University of Colorado. Faculty members of the University's School of Medicine perform a majority of their clinical practice and clinical training at UCHealth. The clinical revenue for these clinical services provided by the University's faculty is collected by University Physicians Inc., d/b/a CU Medicine, a blended component unit of the State. The University enters into contracts with UCHealth to support the University's educational mission. During Fiscal Year 2021, UCHealth paid the University $87.5 million, and the University paid UCHealth $12.5 million. At June 30, 2021, the University had accounts receivable from UCHealth of $3.8 million, and $0.2 million of accounts payable to UCHealth.

The State Board of the Great Outdoors Colorado (GOCO) Trust Fund is a constitutionally created entity whose purpose is to administer the GOCO Program and Trust Fund. The purpose of the program is to promote the wildlife and outdoor recreation resources of the State using funds it receives from the Colorado Lottery. During Fiscal Year 2021, the Board awarded $81.8 million to the Division of Parks and Wildlife at the Department of Natural Resources. At June 30, 2021, the amount the Division spent on GOCO grants was $38.6 million, and GOCO owed the Department of Natural Resources $14.4 million. Additionally, the GOCO Trust Fund is reported as a fiduciary fund in the State's financial statements. The Department of Treasury recorded deposits of $84.3 million and disbursements of $77.2 million in the GOCO Trust Fund, and the Trust Fund had an ending cash balance of $81.6 million as of June 30, 2021.

The Colorado Health Benefit Exchange, operating as Connect for Health Colorado, operates the State's health insurance marketplace. During Fiscal Year 2021, the Colorado Health Benefit Exchange received $9.2 million in payments from the State for eligibility determinations and system changes.

The Colorado Beef Council Authority oversees the sale of cattle in Colorado and imported beef and beef products. Statute requires the Brand Board within the Department of Agriculture to collect a fee up to $1 on each head of cattle inspected and remit it to the Colorado Beef Council Authority. In return for collecting and administering the fee, 3 percent is paid back to the Brand Board. During Fiscal Year 2021, the Brand Board paid $3.3 million to the Colorado Beef Council Authority, and the Colorado Beef Council Authority paid $0.1 million to the Brand Board.

NOTE 19 – COMMITMENTS AND CONTINGENCIES

COMMITMENTS

On August 24, 2017, Keiwit Meridiam Partners (KMP) was selected to be the Central 70 project developer to undertake the $1.2 billion project. On November 22, 2017, Colorado Bridge Enterprise (CBE) and the HPTE Boards approved the Project Agreement and completed the commercial close of the Central 70 project. On December 21, 2017, KMP and CBE completed the financial close of the project that included CBE issuing $120.8 million of Private Activity Bonds (PABs) and closing on a TIFIA loan totaling $416.0 million. Since CBE acted as a conduit issuer for the TIFIA loan and the PABs, CBE has no liabilities to record, and the debt will be repaid by KMP. Construction officially started in the summer of 2018 with completion estimated to occur in 2022.

SERVICE CONCESSION ARRANGEMENTS

On February 25 2014, the High Performance Transportation Enterprise (HPTE) and Plenary Roads Denver (PRD) completed the financial close of a 50-year concession arrangement. The concession arrangement is HPTE and CDOT's first public private partnership (P3) project, where public and private sectors work together to provide transportation improvements.

The commercial close of the concession arrangement transferred from HPTE to PRD the operations, maintenance, and revenues related to the existing I-25 High Occupancy Toll (HOT) lanes and the U.S. 36 Phase I project once completed in July 2015. Additionally, PRD assumed HPTE's 50-year $54 million TIFIA loan at the completion of U.S. 36 Phase I. PRD also financed, designed, and constructed U.S. 36 Phase II. Once completed in March 2016, PRD transferred the Phase II capital asset with an acquisition value of $88.7 million to HPTE. PRD subsequently assumed the operations, maintenance, and revenues from U.S. 36 Phase II. PRD has the right to collect tolls and raise rates with permission from the HPTE Board. If the Board does not approve the rate increase, HPTE must compensate PRD for any lost revenue.

HPTE reported deferred inflow of resources related to the arrangement of $127.8 million, which is included on the *Statement of Net Position*. The table below shows the carrying amount of HPTE's capital assets at fiscal year-end pursuant to the concession arrangement.

Project	Description	Carrying Amount
U.S. 36 Phase II	Tolling Equipment and Software	$ -
U.S. 36 Phase II	Managed Lanes	$ 91,180,538
U.S. 36 Phase II	36 Tolling Stations	$ 132,434

ENCUMBRANCES

Most encumbrances are supported by annual appropriations and lapse at year-end. However, the Capital Projects Funds, Institutions of Higher Education, and Colorado Department of Transportation Funds (primarily the Highway Users Tax Fund) include multi-year encumbrances of $53.4 million, $89.9 million and $1.7 billion, respectively, which are related to purchase orders and long-term contracts for the construction of major capital projects and infrastructure.

FINANCIAL GUARANTEES

Colorado statutes (Section 22-41-110, C.R.S.) hold the State liable for defaults on school district bonds and other obligations unless a school district board of education adopts a resolution stating it will not accept payment on their behalf. The State Treasurer shall recover the amount forwarded on behalf of the school districts by withholding amounts from the school district's payments of the state share of the district's total program received and from property tax and specific ownership tax revenues collected by the county treasurer on behalf of the school district; except that the State Treasurer may not recover amounts from property tax revenues that are pledged to pay notes and bonds issued by the school district. The guarantee will continue to be in effect as long as any bonds or other obligations of a school district remain outstanding. As of June 30, 2021, $10.7 billion of the school district bond is outstanding and no liability has been recorded, as the school districts have been deemed capable of meeting the debt service payments.

CONTINGENCIES

Numerous court cases are pending in which the plaintiffs allege that the State has deprived persons of their constitutional rights, civil rights, inadequately compensated them for their property, engaged in regulatory misfeasance, or breached contracts. In the aggregate, the monetary damages (actual, punitive, and attorney’s fees) claimed in the constitutional and civil rights cases would exceed the insurance coverage available by a material amount. The property compensation and breach of contract suits are generally limited to the appraised value of the property or the contract amount. In the breach of contract suits, the State often files counterclaims. While it is reasonably possible that awards of judgment could occur, it is unlikely that those awards would have a material adverse effect on the State’s financial condition.

Significant matters that are deemed a contingent liability to the State requiring disclosure are summarized below. A significant matter is defined as a single instance where an unfavorable outcome would result in damages of $5.0 million or more.

General Litigation

The State is a defendant in a number of lawsuits or is subject to potentially be named as a party to lawsuits that are associated with its normal governmental operations. Although the outcomes are uncertain, some of these litigations could involve substantial losses. However, the State believes in most cases that it will not incur a resulting liability that would have a material or adverse effect on the State’s financial condition. Should the State incur a loss through an unfavorable outcome, some of the losses may be covered through liability insurance.

Plaintiffs filed a class action suit on behalf of at least 160 women against the Department of Corrections, alleging violations of the Colorado Anti-Discrimination Act (CADA) for discrimination in a place of public accommodation based on sexual orientation and disability. The State will vigorously defend against an estimated $19.0 million of damage claims in the action, including by invoking any available immunity defenses. The State also intends to reopen discussions with Plaintiffs about potential settlement including changes to CDOC policies and practices.

A collective action for unpaid wages under the Fair Labor Standards Act (FLSA) was brought against the Department of Corrections. Under Plaintiffs' theory, members of the putative class should have been paid overtime weekly while on call. If Plaintiffs prevailed, they would likely be entitled to double damages as well as attorneys' fees under the FLSA. Based on the foregoing, we anticipate the damages sought will be significant and potentially exceed $25.0 million. The State will vigorously defend the lawsuit.

Multiple lawsuits have been filed against the Department of Higher Education on behalf of all students enrolled at the University of Colorado and Colorado State University who have paid tuition and the mandatory student fees for the Spring 2020 semester. Plaintiffs allege breach of contract and, in the alternative, unjust enrichment. The dispute relates to transition to remote delivery of educational services for the latter portion of the Spring 2020 semester in response to the COVID-19 pandemic. Although the likelihood of an unfavorable outcome is uncertain, should the court award a full refund of fees paid for the portion of the semester during which educational services were delivered remotely to all enrolled students, each institution's liability could potentially exceed $10.0 million. The State will vigorously defend the claims in the action.

The Department of Public Health & Environment has been named as a defendant related to a claim that it ordered a regulatory taking by prohibiting a corporate entity from legally distributing wastewater. Although the plaintiff seeks $110.0 million in compensatory damages, a reliable loss or range of loss cannot be estimated at this time. The likelihood of an unfavorable outcome is 50 percent, and the State is vigorously defending the case.

The Department of Revenue has been named as a defendant in a claim whereby the plaintiff challenges the denial of an income tax refund claim on the basis that retroactive changes in the CARES Act allegedly carried through to Colorado law despite a regulation to the contrary. If plaintiffs win, it would overturn the regulation. It would also have a very significant impact on other taxpayers, with a combined impact of several hundred million dollars. For this case, the Department of Revenue's potential exposure could be in excess of $8.0 million. The State is vigorously defending its position.

A lawsuit filed against the Colorado Department of Transportation (CDOT) arises from the design and construction of approximately one mile of I-25 between City Center Drive and Santa Fe Drive in Pueblo, CO. The plaintiff is claiming that CDOT forced the plaintiff to accelerate construction, and claims that it is entitled to an additional $13.0 million in payments from CDOT due to purported scheduling changes allegedly caused by CDOT. CDOT and its' counsel at the Attorney General's office are vigorously defending this lawsuit.

A breach of contract lawsuit was filed against CDOT related to construction projects along the I-25 corridor in Denver. The plaintiff alleges that CDOT did not proceed in good faith in its dispute resolution proceeding, and that defects in the road design and other issues caused cost overruns and incurred delays. Plaintiff is seeking $15.0 million in damages, and the State is vigorously defending the case.

Grants

The State receives federal grants for specific purposes that are subject to review and audit by grantor agencies. This federal funding is conditional upon compliance with the terms and conditions of such grant agreements and applicable federal laws and regulations. Issues resulting from federal reviews or audits can potentially cause disallowance of expenditures and consequently, a liability of the State.

The federal Department of Health and Human Services, Centers for Medicare and Medicaid (CMS) demanded the State return approximately $38.4 million of performance bonus payments under the Children's Health Insurance Program Reauthorization Act of 2009, on the basis the State improperly included individuals in current enrollment counts. The State is vigorously defending against the recovery demand, but the likelihood of an unfavorable outcome is uncertain.

Unemployment Insurance Claims

The Colorado Department of Labor and Employment experienced a significant increase in the number of unemployment insurance claims due to the COVID-19 pandemic. The Department also experienced a significant increase in the number of suspected fraudulent unemployment insurance payments in Fiscal Year 2021, and developed analytical tools to identify claims not yet paid for the presence of unique fraud indicators. The Department established a process to place holds on claims relating to potential fraud. If a payment had fraud indicators identified, the Department placed a Program Integrity Hold on the claim. Although some claims placed on hold may be legitimate, the Department is unable to reliably estimate a range of the amount of fraudulent claims payable because a Program Integrity Hold represents a claim deemed highly suspicious, and is not eligible for release unless the claimant has demonstrated their continuing eligibility. For Fiscal Year 2021, the State cannot reliably estimate the liability for fraudulent claims due to the remote possibility of fraudulent claims meeting all eligibility criteria, as required by state law, in order for a claim to be eligible for payment.

NOTE 20 – TAX ABATEMENTS

The Governor's Office of Economic Development and International Trade (OEDIT) – through the State Economic Development Commission (EDC) – supports recruitment, retention, and economic growth throughout the State by offering a variety of incentives and tax credits. OEDIT provided significant tax abatements under four programs during the fiscal year: Colorado Enterprise Zone Business and Contribution Tax Credits, Job Growth Incentive Tax Credits, Historic Preservation Tax Credits, and the Regional Tourism Act program.

- The Colorado Enterprise Zone (EZ) program was created under Article 30 of Title 39 of the Colorado Revised Statutes (C.R.S.) to promote a business friendly environment in economically distressed areas by offering state income tax credits that incentivize businesses to locate and develop in these communities. The Enterprise Zone Contribution Credit is a sub-credit of the Enterprise Zone program created under Section 39-30-103.5, C.R.S. The Contribution Credit is issued to taxpayers that contribute to an economic development project initiated by the local zone administrator and approved by the EDC. Taxpayers investing in Enterprise Zones can earn a credit on their Colorado income tax by planning and executing specific economic development activities. The following incentives can be earned by businesses located in Enterprise Zones:

Business Income Tax Credits	Credit Amount
Investment Tax Credit	3.0 percent of equipment purchases
Commercial Vehicles Investment Tax Credit	1.5 percent of commercial vehicle purchases
Job Training Tax Credit	12 percent of qualified training expenses
New Employee Credit	$1,100 per new job created
Agricultural Processor New Employee Credit	$500 per new job created
Employer Sponsored Health Insurance Credit	$1,000 per covered employee
Research & Development Increase Tax Credit	3 percent of increased R&D expenditures
Vacant Commercial Building Rehabilitation Tax Credit	25 percent of rehabilitation expenditures
Additional EZ Incentives	**Incentive Amount**
Manufacturing/Mining Sales and Use Tax Exemption	Expanded Sales & Use tax exemption in EZ
Contribution Tax Credit	25 percent cash/12.5 percent in-kind

  Areas with high unemployment rates (25% above the State average), low per capita income (25% below the State average), and/or slower population growth (less than 25% of the State average in rural areas) may be approved for EZ designation by the EDC.

  Each income tax year, a business located in an EZ must apply and be pre-certified prior to beginning an activity to earn any of the business tax credits listed in the table above. When pre-certifying, the business states that the credit is a contributing factor to the start-up, expansion, or relocation of the business. To certify for the credit, the investments and/or new jobs must have been made. At the end of the income tax year, a business must certify that the activities were performed. Contribution Tax Credits are earned by taxpayers making donations to eligible EZ Contribution Projects, and certifying those donations with the project organization or Local Enterprise Zone Administrator. The Commercial Vehicle Investment Tax Credit has a separate online application process.

  The provision for recapturing abated taxes would be an income tax return audit conducted by the Department of Revenue.

- The Job Growth Incentive Tax Credit (JGITC) is a performance-based job creation incentive program created under Section 39-22-531 C.R.S., in which businesses must create and maintain permanent new jobs for one year before receiving the tax credit. The JGITC provides a state income tax credit equal to 50% of FICA paid by the business on the net job growth for each calendar year in the credit period. A business must undertake a job creation project for which the State of Colorado is competing with at least one other state for the project. The JGITC must be a major factor in the business decision to locate or retain the project in Colorado, and a business may not start or announce the proposed project (including locating or expanding in the State, hiring employees related to the project, or making material expenditures for the project) until a final application has been submitted and approved by the EDC.

Businesses have to create at least 20 new jobs (full-time equivalents) in Colorado during the credit period with an average yearly wage of at least 100% of the county average wage based on where the business is located. A business located in an Enhanced Rural Enterprise Zone must create at least five net new jobs (full-time equivalents) in Colorado during the credit period with an average yearly wage of at least 100% of the county average wage based on where the business is located. The credit period is 96 consecutive months.

The provision for recapturing abated taxes would be an income tax return audit conducted by the Department of Revenue.

- The Historic Preservation Tax Credit was created under Section 39-22-514.5 C.R.S. The program issues tax credits to owners of commercial and residential properties who perform certified rehabilitations on their certified historic structures. Tax credit certificates are issued for specific dollar amount based on amount of qualifying investment made. Taxpayers that have made a qualified rehabilitation receive the credit upon completion of rehabilitation, and the provision for recapturing abated taxes would be an income tax return audit conducted by the Department of Revenue. For taxpayers to quality for the credit, the property must be on a historical register (national, state, or local), and the rehabilitation must maintain the historic register status. A commercial property owner must submit a Tax Credit Application. Once the project is approved by History Colorado, OEDIT will reserve the tax credits for 90 days. The tax credit may be claimed upon completion of the project and approved proof of rehabilitation. Qualified rehabilitation costs are those that support the National Historic Preservation Standard.

  The maximum credit for the State Tax Credit is $50,000 for residential properties within a ten-year period; the amount resets with change of ownership. The maximum credit for the State Tax Credit for commercial properties is $1 million per year per property. The State Tax Credit for commercial properties has a cap on the amount that can be awarded to all projects during a calendar year - $5 million to projects with rehabilitation expenditures of $2 million or less and $5 million to projects with rehabilitation expenditures greater than $2 million. These credits are awarded on a first come – first serve basis.

  Taxpayers must register with OEDIT and submit a tax credit application using OEDIT's project checklist. Applications are reviewed by History Colorado's Office of Archaeology and Historic Preservation, which has up to 45 days to review applications for the State Tax Credit for residential properties and the Federal ITC. History Colorado and the Colorado Office of Economic Development and International Trade have 90 days to review commercial applications for State Tax Credits.

- The Regional Tourism Act (RTA) program was created under Sections 24-46-301 through 309 C.R.S., and provides Tax Increment Financing (TIF) to support construction of unique and extraordinary large scale tourism and entertainment facilities that will drive net new visitors and revenue to Colorado. A percentage of state sales tax within a geographic area in a given year that exceeds a base year amount is collected by the Department of Revenue and diverted to a project financing entity. The EDC shall not approve any project that would likely create an annual state sales tax revenue dedication of more than $50 million to all regional tourism projects. A local government will need to submit a regional tourism project application to OEDIT within the application cycle deadline. OEDIT will review the application for general completeness and to make an initial determination regarding whether the application has met the general criteria for a regional tourism project. The EDC will review applications forwarded with OEDIT recommendations and may approve or reject the project based on a demonstration that the following criteria are materially met:

  - The project is of an extraordinary/unique nature and is reasonably anticipated to contribute significantly to economic development and tourism in the State and communities where the project is located.

  - The project is reasonably anticipated to result in a substantial increase in out-of-state tourism.

- A significant portion of sales tax revenue generated by the project is reasonably anticipated to be attributable to transactions with nonresidents of the zone.

- The local government has provided reliable economic data demonstrating that in the absence of state sales tax increment revenue, the project is not reasonably anticipated to be developed within the foreseeable future.

Recipients must follow the EDC resolution based on their application, and must build certain required elements and improvements and follow conditions established by the EDC. The provision for recapturing abated taxes is a formal decision by the EDC concluding the project has not commenced within five years.

Information relevant to disclosure of these tax abatement programs for the fiscal year ended June 30, 2021 is as follows:

Tax Abatement Program	Amount of Taxes Abated (in thousands)
Colorado Enterprise Zone Business Tax Credits	$ 75,747.0
Colorado Enterprise Zone Contribution Tax Credits	16,354.0
Job Growth Incentive Tax Credits	34,929.6
Historic Preservation Tax Credits	11,524.0
Regional Tourism Act	9,177.7
Total	$147,732.3

NOTE 21 – SUBSEQUENT EVENTS

A. DEBT ISSUANCES AND REFUNDINGS

On July 20, 2021, the State issued Education Loan Program Tax and Revenue Anticipation Notes (ETRAN), Series 2021A. The notes mature on June 29, 2022. The total due on that date includes $370.0 million in principal and $12.9 million in interest. By statute, interest on the notes is payable from the General Fund. The ETRAN was issued with a premium of $12.6 million, an average coupon rate of 3.696%, and a yield of 0.070%.

On August 2, 2021, the Metropolitan State University issued the Series 2021, Institutional Enterprise Revenue Refunding Bonds as a direct placement with PNC Bank to refund the Series 2020 bonds. The Series 2021 bonds offer a more favorable rate with a five-year term. Prior to issuing the refunding bonds the University was paying 80% of LIBOR plus 150 basis points, while after the refunding the University must pay 80% of LIBOR plus 46 basis points, which is an estimated present value savings of $6.4 million.

On August 6, 2021, the Board of Governors of the Colorado State University System has authorized the issuance of Bonds, in one or more series or subseries, to be designated "The Board of Governors of the Colorado State University System, System Enterprise Revenue and Revenue Refunding Bonds, Series 2021C" (referred to herein as the "Refunding Bonds," the "2021 Improvement Bonds" or the "Series 2021C Bonds). The purposes were to (a) defraying the cost of financing the Refunding Project; (b) defraying the cost of financing the 2021 Improvement Project; and (c) paying certain costs relating to the issuance thereof, in accordance with and as provided by the Master Resolution and the Twenty Second Supplemental Resolution. Any Series 2021C Bonds, issued in one or more series or subseries, shall be issued in an aggregate principal amount not to exceed $195.0 million for the Refunding Project and $25.0 million for the 2021 Improvement Project.

In April 2021, the High-Performance Transportation Enterprise (HPTE) and the Colorado Bridge Enterprise (CBE) Boards authorized the restructuring of Kiewit-Meridiam Partners (KMP)'s debt for the Central 70 project. Doing so will allow the Central 70 project to generate additional financing proceeds, without increasing project funding from CBE, and to mitigate increases in project costs, delay costs and future risk to the project. The refinancing involves the following: (1) a new, upsized TIFIA loan with the USDOT (the 2021 TIFIA Loan) at a lower interest rate the existing 2017 TIFIA Loan; (2) new senior revenue bonds issued via CBE as a conduit issuer; and (3) additional equity investment by KMP, while maintaining the same key financial ratios and CBE funding commitments that were in place at the start of the project. The new CBE series 2021A Senior Revenue Bonds will be sized to maximize the total refinancing proceeds, payable from the current Performance Payment amounts, without increase once the final interest rate on the TIFIA is set as of the date of financial close. As with the original Colorado Bridge Enterprise Senior Revenue Bonds (Central 70 Project), Series 2017, issued for this project, CBE is issuing the bonds as a conduit issuer. The Series 2021 are not obligations of CBE and are payable solely by KMP from the Trust Estate (as defined in the Trust Indenture, as amended). On September 15, 2021 the CBE issued $51.7 million in Taxable Central 70 Project Series 2021A Senior Revenue Bonds, and $465.0 million in Taxable Central 70 Project Series 2021B Senior Project Infrastructure Bonds. Proceeds of the bonds will be used for additional Central 70 Project costs, prepay capitalized interest with respect to the 2017 TIFIA Loan, and pay certain costs of issuance of the Series 2021 Bonds. The 2021A and 2021B Series have interests rates of 2.543% and 0.923% (respectively). The 2021A series is due December 31, 2032 and the 2021B series is due December 31, 2023.

On October 5, 2021, Colorado State University System issued $27.7 million in System Enterprise Revenue Refunding Bond Taxable Convertible to Tax-Exempt Series 2021 E. The 2021 E Bond will be used to refund a portion of the Series 2015 C Bonds and to pay certain costs relating to the issuance of the 2021 E Bond.

On October 7, 2021, the University of Colorado Board issued a total of $227.6 million C-2 Bonds comprised of the following bonds as Parity Obligations under the Master Resolution which were purchased by Wells Fargo Municipal Capital Strategies, LLC.:(a) The Regents of the University of Colorado, University Enterprise Refunding Revenue Bonds, Taxable Convertible to Tax-Exempt Series 2021C-2A, in the aggregate principal amount of $41.7 million. (b) The Regents of the University of Colorado, University Enterprise Refunding Revenue Bonds, Taxable Convertible to Tax-Exempt Series 2021C-2B, in the aggregate principal amount of $62.1 million. (c) The Regents of the University of Colorado, University Enterprise Refunding Revenue Bonds, Taxable Convertible to Tax-Exempt Series 2021C-2C, in the aggregate principal amount of $123.8 million. These bonds refund and defease portions of the previously issued Series 2015A, Series 2016B-1 and Series 2017A-2 (Refunded Bonds). The proceeds, along with funds contributed by the University are being held by Zions Bank as Escrow Agent to pay all interest and principal to the respective call dates of the Refunded Bonds. The issuance of the refunding bonds and the defeasance of the Refunded Bonds will result in significant cash flow and present value savings to the University.

On November 2, 2021 the University of Colorado sold $202.5 million of University Enterprise Revenue Bonds Series 2021 C-3 and C-4, scheduled to close on November 16, 2021. Proceeds from the issue, plus original issue premium paid by investors, will be used to immediately retire $225 million Series 2020 A-1, A-2 and B-1 variable rate demand bonds and pay costs of issuance related to the C-3 and C-4 bonds. The Series C-3 and C-4 bonds have coupon interest rates of between 2% and 5%. The $125 million of Series C-3 bonds are being issued in term rates mode (Put Bonds) maturing on October 15, 2025 and October 15, 2026 in the amounts of $65 million and $60 million, respectively. The $77.46 million of Series C-4 bonds are issued as fixed-rate bonds, maturing serially from June 1, 2022 through June 1, 2051.

On November 10, 2021, Colorado State University System issued $38.6 million in System Enterprise Revenue and Revenue Refunding Bonds Series 2021 C and $28.9 million in System Enterprise Revenue Refunding Bonds Taxable Series 2021 D-2. The proceeds from the sale of the Series 2021 C Bonds will be used to finance the Lory Student Center Phase three revitalization, Adult Learner Center, and other capital projects as may be designated and approved by the Board, current refund certain Commercial Paper Notes issued to finance a portion of the Geo-Exchange System in the recreation fields south of Moby Arena, mechanical upgrades to the Moby complex, and pay certain costs relating to the issuance of the Series 2021 C Bonds. The proceeds from the sale of the Series D-2 Bonds will be used to refund in full the Series 2013 D Bonds, refund a portion of the Series 2016 B Bonds, and pay certain costs relating to the issuance of the Series 2021 D-2 Bonds.

On November 18, 2021, the University of Colorado issued $69.6 million of taxable advance refunding bonds, University Enterprise Revenue Refunding Bonds, Series 2021 C-1. The newly issued bonds are fixed rate bonds with interest rates of 0.323% to 2.979% and mature in various amounts on June 1 from 2022 to 2049. The Series 2021 C-1 Bonds advance refunded portions of Series 2012 A-2, 2012 B, 2018 B and 2019 B. The transaction will result in significant cash flow and present value saving on debt service for the University.

On December 09, 2021, the State issued Building Excellent Schools Today (BEST) Certificates of Participation (COPs), Series 2021S in the amount of $150.4 million. The COPs were issued as tax exempt bonds with a premium of $28.1 million, an average coupon rate of 4.099%, and a yield of 1.799%. Base Rents are due semiannually beginning on March 15, 2022, with a final maturity date of March 15, 2046.

On December 30, 2021, University of Northern Colorado Board of Trustees issued Institutional Enterprise Revenue Refunding Bonds Taxable, Series 2021A for $33.0 million. Bond proceeds of $33 million were used to advance refund a portion of outstanding principal balance on the Institutional Enterprise Revenue Refunding Bonds, Series 2014A, totaling $30.2 million as of June 30, 2021. The Series 2021A Bonds shall initially be issued as a Taxable Obligation and bear interest at the taxable rate of 2.29% per annum, and will convert to, and be reissued as, a Tax Exempt Obligation bearing interest at a rate of 1.77% per annum on or after March 5, 2024, upon satisfaction of certain agreed upon conditions. The Series 2021A bonds are guaranteed by the State Intercept program and are set to mature on June 1, 2035. Bond proceeds were also used to pay the cost of issuance totaling $0.15 million. As of December 30, 2021, the Series 2014A Bonds will have a remaining outstanding principal balance of $11.0 million.

On December 30, 2021, Colorado State University System issued $46.0 million in System Enterprise Revenue Refunding Bonds Taxable Series 2021 D-1. The 2021 D-1 Bonds will be used to refund a portion of the Series 2015 C Bonds, Series 2017 C Bonds, and Series 2018 A Bonds, and pay certain costs relating to the issuance of the Series 2021 D-1 Bonds.

On January 19, 2022, the State issued Education Loan Program Tax and Revenue Anticipation Notes (ETRAN), Series 2021B. The notes mature on June 29, 2022. The total due on that date includes $400 million in principal and $2.1 million in interest. By statute, interest on the notes is payable from the General Fund. The ETRAN was issued with a premium of $1.8 million, an average coupon rate of 1.188%, and a yield of 0.175%.

B. OTHER

On July 1, 2021, the Small Business Administration notified History Colorado that their Paycheck Protection Program (PPP) loan had been forgiven. Total amount forgiven consisted of $2.3 million in principal, and $27.9 thousand in interest.

On July 1, 2021 the University of Colorado entered into a $100.0 million operating line of credit with PNC Bank "Credit Agreement", pursuant to the 26th Supplemental Bond Resolution adopted by the Regents on June 17, 2021. Under the Credit Agreement with PNC Bank, the University may borrow up to $100.0 million for any lawful purpose of the University including to pay operating expenses and costs of capital projects. The primary purpose of entering into this agreement is to provide an additional source of liquidity to the University and to allow it to more efficiently invest monies in the pooled funds of the University. As of the date the financial statements were issued, there have been no drawings under the Credit Agreement and there are no current plans to do so .If monies are borrowed under the agreement, the University would pay variable rate of interest at 1 month LIBOR plus 50 basis points, which would currently be .59%. The agreement is a three-year agreement that expires on June 30, 2024 and any amounts drawn under the agreement must be repaid within the three-year term. The University also makes a fixed annual payment to PNC Bank for any unused portion.

Effective July 1, 2021, the CollegeInvest aggregate account balance limit for Colorado Section 529 plans for a particular beneficiary from all sources, excluding income, increased to $0.5 million.

On July 19, 2021, the CollegeInvest transfer of Scholars Choice Program assets, records and management responsibilities from QS Investors, LLC and Legg Mason Investor Services, LLC to TIAA-CREF Tuition Financing, Inc. was completed.

In May 2021, Senate Bill 21-008 amended C.R.S. 2-60-205 to remove the word "Junior" from the name of Otero Junior College to Otero College, as well as Trinidad State Junior College to Trinidad State College, effective September 11, 2021.

The Colorado School of Mines paid the Colorado School of Mines Foundation $1.6 million in October 2021, for two parcels of residential property adjacent to Mines south campus on the corner of 19th Street and Illinois Street. The 1.95 acre property was purchased by the Foundation for $6.5 million with the intent to convey to the University.

On October 13, 2021, the Board of University of Colorado Regents approved entering into an agreement for the sale of property located in Lone Tree, Colorado, and known as CU South Denver, for $10 million. The agreement provides the buyer of the property an inspection period that expires December 8, 2021. If following the inspection period, the buyer elects to move forward with the purchase, the sale closed on December 14, 2021. The net book value of the land, building, and improvements was $36.2 million as of June 30, 2021.

On November 1, 2021 the Colorado Mesa University reached an agreement with the Colorado Health Foundation, a Colorado nonprofit organization to enter into an impact investment agreement for a $5 million non-revolving term loan to help cover the cost of constructing the St. Mary's SCL Health Medical Education Center. The loan is non-interest bearing and the University will make eleven annual payments of $0.25 million beginning January 2, 2028 through January 2, 2038 with a final payment of $2.25 million due when the loan matures on November 1, 2038, the Seventeenth (17th) anniversary of the closing date.

College Assist renewed agreements with three outside collection agencies effective November 1, 2021, to collect on defaulted student loans for a one-year term. The agreements may be renewed annually for a one-year term if both parties agree. Collection agencies have been working with borrowers making voluntary payments and providing customer service. Normal collection activities are scheduled to restart on February 1, 2022. Approximately $150 million of student loans will be subrogated to the Department of Education starting in fiscal year 2022 to comply with the Dear Colleague Letter issued May 12, 2021.

In November 2021, the Board of Trustees of the Colorado School of Mines gave formal approval to enter into an agreement with a partner on a new Public Private Partnership that will reimagine Mines Park. Mines Park is a current housing option for upper division undergraduates, graduate students and families. This redevelopment will increase the bed count from 538 to more than a 1,000 in a sustainable residential village.

On December 17, 2021, the Small Business Administration notified History Colorado that their Paycheck Protection Program (PPP) loan had been forgiven. Total amount forgiven consisted of $2.0 million in principal, and $15.0 thousand in interest.

NOTE 22 – DISCRETELY PRESENTED COMPONENT UNITS

As described in Note 1, the State's discretely presented component units (DPCUs) are entities that are legally separate from the State, but included in the reporting entity due to their relationships with the State. This note discusses the significant balances reported in the financial statements for DPCUs and financial items directly related to the State's financial accountability for the DPCUs.

Basis of Accounting

The financial statements for the Colorado Water Resources and Power Development Authority (the Authority), a major DPCU, as well as the nonmajor DPCUs, the Denver Metropolitan Baseball Stadium District (the District) and the Statewide Internet Portal Authority (SIPA), are prepared on the accrual basis of accounting using the economic resources measurement focus and follow GASB standards for governments. The financial information for the Authority and the District is presented for the fiscal year ended December 31, 2020 and the financial information for SIPA is presented for the fiscal year ended June 30, 2021.

The financial information for the University of Colorado Foundation (the Foundation), a major DPCU, is presented for the fiscal year ended June 30, 2021. The Foundation follows standards for not-for-profit accounting promulgated by the Financial Accounting Standards Board (FASB), which recommends preparing financial statements using the accrual basis of accounting.

Cash and Cash Equivalents

The Authority reported cash and cash equivalents with a fair market value of $338.9 million. This amount comprises $324.3 million held by COLOTRUST (Colorado Local Government Liquid Asset Trust), $2.1 million held in the State Treasurer's Investment Pool, $11.1 million in a Federated Government Obligations Fund, and $1.4 million in bank cash deposits. The COLOTRUST and Federated deposits had nationally recognized statistical rating organization (NRSRO) credit ratings of AAAm. The COLOTRUST deposits were measured at net asset value per share (NAV) and the Federated deposits were measured using quoted market prices. The fair market value disclosures for the Treasurer's Investment Pool are disclosed in Note 4.

Investments

The Foundation holds resources for the benefit of the State and the amount of those resources, the vast majority of which are investments, are significant to the State.

Since the Foundation's financial statements are prepared according to FASB not-for-profit standards, the investment risk disclosures typical of government financial statements are not disclosed. For its endowments, the Foundation has adopted an investment policy that seeks to provide a steady and increasing stream of funding while maintaining the purchasing power of the assets. The Foundation's investments are reported, to the extent possible, at fair market value. The FASB fair market value reporting requirements provide for a valuation method hierarchy similar to GASB's. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 Investments – values are based on quoted prices (unadjusted) for identical assets (or liabilities) in active markets that a government can access at the measurement date.

Level 2 Investments – inputs other than quoted prices included within Level 1 – that are observable for an asset (or liability), either directly or indirectly.

Level 3 Investments – classified as Level 3 have unobservable inputs for an asset (or liability) and may require a degree of professional judgment.

The following table summarizes the Foundation's investments by type within the fair value hierarchy as of June 30, 2021. In addition to the investments reported at fair value below, the Foundation reports investment assets at cost or present value of $23.5 million.

University of Colorado Foundation
Fair Value Measurements Using
(Amounts In Thousands)

Investment Type	Fair Value as of 6/30/2021	Quoted prices in active markets for identical assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value Per Share
Mutual Funds - Domestic Equities	$ 116,472	$ 116,472	$ -	$ -	$ -
Mutual Funds - International Equities	254,540	254,540	-	-	-
Mutual Funds - Fixed Income	2,212	2,212	-	-	-
Equity Securities	228,600	178,800	-	49,800	-
Fixed-Income Securities	198,439	-	198,439	-	-
Real Estate	62,597	-	-	-	62,597
Private Equity	434,038	-	-	-	434,038
Commingled Equity Securities	817,137	-	-	-	817,137
Absolute Return	350,760	-	-	-	350,760
Venture Capital	337,586	-	-	501	337,085
Commodities	24,455	-	-	-	24,455
Other	838	-	568	270	-
Assets Held Under Split-Interest Agreements	42,652	42,652	-	-	-
Beneficial Interest in Charitable Trusts Held by Others	15,458	-	-	15,458	-
Total	$ 2,885,784	$ 594,676	$ 199,007	$ 66,029	$ 2,026,072

Receivables

The Authority loans funds to finance local government water resources projects, wastewater treatment projects, and drinking water projects. The Authority reported loans receivable of $1,010,8 million as of December 31, 2020. The scheduled maturities of the loans receivable are below.

Colorado Water Resources and Power Development Authority
Loans Receivable
(In Thousands)

Year	Principal	Interest	Total
2021	$ 70,240	$ 10,944	$ 81,184
2022	73,428	9,840	83,268
2023	70,427	8,608	79,035
2024	70,225	7,410	77,635
2025	69,420	6,628	76,048
2026 to 2030	277,878	23,637	301,515
2031 to 2035	205,697	11,139	216,836
2036 to 2040	113,540	4,847	118,387
2041 to 2045	35,062	1,637	36,699
2046 to 2050	24,558	362	24,920
2051	363	3	366
Total	**$ 1,010,838**	**$ 85,055**	**$ 1,095,893**

The Foundation reported contributions receivable of $140.3 million. This amount is net of allowances for uncollectible contributions and net present value discount. Of this amount, $49.5 million is due within one year, $81.8 million is due within one to five years, and $9.0 million is due in more than five years.

Debt Service Requirements

The Authority has issued several bonds to finance local government water projects, which do not constitute debt of the State. During 2020, the Authority issued 2020 Series A Water Resources Revenue Bonds for $7.4 million and two series of Clean Water Revenue Bonds, the 2020 Series A (SRF) and the 2020 Series B (SRF) for $11.6 million and $11.0 million, respectively. Additionally, the Authority issued the 2020 Series A (SRF) Drinking Water Revenue Bonds for $4.9 million in 2020. The Authority fully retired four series of Water Resources Revenue Bonds in 2020: 2009 Series A, 2010 Series A, 2011 Series A, and 2011 Series C. As of December 31, 2020, the Authority reported $33.1 million in current bonds payable and $321.8 million in noncurrent bonds payable.

The schedule below summarizes the remaining debt service payments for all bond issuances for the Authority.

Colorado Water Resources and Power Development Authority
Debt Service Requirements
(In Thousands)

Year	Principal	Interest	Total
2021	$ 33,095	$ 13,893	$ 46,988
2022	34,600	12,436	47,036
2023	33,375	10,874	44,249
2024	33,375	9,491	42,866
2025	30,215	8,263	38,478
2026 to 2030	101,240	26,922	128,162
2031 to 2035	55,570	10,542	66,112
2036 to 2040	22,540	3,942	26,482
2041 to 2045	7,860	1,166	9,026
2046 to 2050	2,980	206	3,186
Total	**$ 354,850**	**$ 97,735**	**$ 452,585**

Capital Assets

The District owns and operates a major league baseball stadium and other related capital assets. The District depreciates land improvements, buildings and other property and equipment using the straight-line method over estimated useful lives that range from three to 50 years. Changes in capital assets for the District for 2020 are below.

Denver Metropolitan Major League Baseball Stadium District
Changes in Capital Assets
(In Thousands)

	Beginning Balance, 1/1/2020	Additions	Transfers	Retirements	Ending Balance, 12/31/2020
Historical Costs					
Land	$ 20,664	$ -	$ -	$ -	$ 20,664
Land Improvements	13,214	-	-	-	13,214
Buildings	211,800	1,182	4,671	-	217,653
Construction in Progress	4,672	82	(4,671)	-	83
Other Property and Equipment	34,138	2,104	-	-	36,242
Total Historical Costs	284,488	3,368	-	-	287,856
Accumulated Depreciation					
Land Improvements	(6,705)	(217)	-	-	(6,922)
Buildings	(76,334)	(5,860)	-	-	(82,194)
Other Property and Equipment	(24,653)	(1,586)	-	-	(26,239)
Total Accumulated Depreciation	(107,692)	(7,663)	-	-	(115,355)
Net Capital Assets	**$ 176,796**	**$ (4,295)**	**$ -**	**$ -**	**$ 172,501**

Transactions with the Primary Government

Pursuant to statutes, with the written consent of the Department of Public Health and Environment, the Authority is authorized, on behalf of the State, to execute operating agreements with the United States Environmental Protection Agency. The Authority entered into a memorandum of agreement with the Department of Public Health and Environment and the Department of Local Affairs, under which each has agreed to assume specified responsibilities. The Authority incurred expenses for the two state agencies totaling $9.7 million in the fiscal year ending December 31, 2020.

The Foundation reported custodial funds of $619.2 million, held for investment for the University of Colorado. In Fiscal Year 2021, the Foundation collected a 1.5 percent annual advancement support assessment on these funds, which was $5.5 million. $182.3 million of distributions were transferred to the University and $29.5 million of advancement support was paid to the University.

Pension Information

The Authority participates in the PERA defined benefit pension plan disclosed in Note 6. Disclosures in Note 6 for the PERA State Division Trust Fund (SDTF) regarding general information about the plan, contributions, and actuarial assumptions are also applicable to the Authority. The pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions specific to the Authority are provided below.

At December 31, 2020, the Authority reported a liability of $3,397,219 for its proportionate share of the collective net pension liability.

The Authority recognized reduction of pension expense of $928,410 and revenue of $1,218 for support from the State as a nonemployer contributing entity for the fiscal year ended December 31, 2020. At December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 126,928	$ -
Changes of assumptions or other inputs	-	974,396
Net difference between projected and actual earnings on pension plan investments	-	366,010
Changes in proportion	-	250,462
Contributions subsequent to the measurement date	225,628	-
Total	**$ 352,556**	**$ 1,590,868**

At December 31, 2020, the Authority reported $225,628 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2021	$ (1,243,998)
2022	(81,019)
2023	(14,366)
2024	(124,557)
	$ (1,463,940)

Other Post-Employment Benefits (OPEB)

The Authority participates in the PERA defined benefit OPEB plan disclosed in Note 7. Disclosures in Note 7 for the PERA Health Care Trust Fund (HCTF) OPEB regarding general information about the plan, contributions, and actuarial assumptions are also applicable to the Authority. The OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB specific to the Authority are provided below.

At December 31, 2020, the Authority reported a liability of $155,969 for its proportionate share of the collective net OPEB liability.

The Authority recognized OPEB expense of $8,950 for the fiscal year ended December 31, 2020. At December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 518	$ 26,209
Changes of assumptions or other inputs	1,294	-
Net difference between projected and actual earnings on OPEB plan investments	-	2,603
Changes in proportion	624	5,032
Contributions subsequent to the measurement date	11,735	-
Total	$ 14,171	$ 33,844

At December 31, 2020, the Authority reported $11,735 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Amount
2021	$ (6,336)
2022	(6,336)
2023	(5,582)
2024	(6,755)
2025	(6,037)
Thereafter	(362)
	$ (31,408)

Subsequent Event

The Authority issued its State Revolving Fund Refunding Revenue Bonds 2021 Series A that closed on June 3, 2021. The $33.8 million proceeds from the issuance will be used to refund bonds of the Authority the proceeds of which were used to fund loans to Colorado governmental municipal borrowers to finance or refinance certain costs of improvements to water system facilities or wastewater treatment facilities, to fund a debt service reserve account, and to pay costs of issuance. The Bonds have maturity dates starting in 2021 and ending in 2032 with interest rates varying between 1.0% and 5.0%.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
BUDGET AND ACTUAL - APPROPRIATED GENERAL FUNDED
FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Sales and Other Excise Taxes			$ 3,478,482	
Income Taxes			8,127,542	
Other Taxes			290,340	
Sales and Services			1,286	
Interest Earnings			45,201	
Other Revenues			23,096	
Transfers-In			403,326	
TOTAL REVENUES AND TRANSFERS-IN			12,369,273	
EXPENDITURES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Agriculture	$ 11,344	$ 14,796	$ 14,795	$ 1
Corrections	841,343	844,975	827,872	17,103
Education	3,929,011	4,009,330	4,005,590	3,740
Governor	52,763	85,976	84,080	1,896
Health Care Policy and Financing	3,184,706	2,790,163	2,680,385	109,778
Higher Education	604,518	608,308	607,950	358
Human Services	960,429	1,010,424	1,004,179	6,245
Judicial Branch	580,370	577,549	558,184	19,365
Labor and Employment	18,494	18,792	18,222	570
Law	14,285	14,284	13,765	519
Legislative Branch	53,636	53,660	53,626	34
Local Affairs	37,553	67,532	50,986	16,546
Military and Veterans Affairs	10,344	10,350	9,932	418
Natural Resources	32,699	40,496	33,236	7,260
Personnel & Administration	14,049	29,806	29,717	89
Public Health and Environment	59,959	64,391	63,908	483
Public Safety	152,019	148,122	138,450	9,672
Regulatory Agencies	1,941	1,941	1,906	35
Revenue	83,600	83,744	82,693	1,051
Transportation	1,000	1,000	949	51
Treasury	15,625	395,292	395,151	141
SUB-TOTAL OPERATING BUDGETS	10,659,688	10,870,931	10,675,576	195,355
Capital and Multi-Year Budgets:				
Departmental:				
Agriculture	$ 5,277	$ 2,684	$ 356	$ 2,328
Corrections	17,477	27,479	7,916	19,563
Education	3,533	1,052	620	432
Governor	1,316	31,289	12,210	19,079
Health Care Policy and Financing	1,082	2,913	596	2,317
Higher Education	209,849	113,845	42,449	71,396
Human Services	33,386	63,350	28,086	35,264
Local Affairs	1,327	1,099	11	1,088
Military and Veterans Affairs	1,139	3,319	2,498	821
Natural Resources	-	21,000	299	20,701
Personnel & Administration	17,835	14,571	7,141	7,430
Public Health and Environment	322	2,681	999	1,682
Public Safety	826	3,712	1,130	2,582
Transportation	800	1,000	500	500
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	294,169	289,994	104,811	185,183
TOTAL EXPENDITURES AND TRANSFERS-OUT	$ 10,953,857	$ 11,160,925	$ 10,780,387	$ 380,538
EXCESS OF REVENUES AND TRANSFERS-IN OVER (UNDER) EXPENDITURES AND TRANSFERS-OUT			$ 1,588,886	

The notes to the required supplementary information are an integral part of this schedule.

SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES IN FUND BALANCES/NET POSITION - BUDGETARY BASIS BUDGET AND ACTUAL - APPROPRIATED CASH FUNDED FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Sales and Other Excise Taxes			$ 15,386	
Income Taxes			874,600	
Other Taxes			113,238	
Tuition and Fees			2,620,221	
Sales and Services			1,670,009	
Interest Earnings			31,619	
Other Revenues			933,659	
Transfers-In			2,081,448	
Capital Contributions			1,215	
TOTAL REVENUES AND TRANSFERS-IN			8,341,395	
EXPENDITURES/EXPENSES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Agriculture	$ 38,649	$ 39,469	$ 29,160	$ 10,309
Corrections	77,870	76,403	45,987	30,416
Education	1,066,795	1,131,534	1,062,718	68,816
Governor	302,312	303,491	266,689	36,802
Health Care Policy and Financing	1,797,056	1,692,536	1,614,683	77,853
Higher Education	2,857,108	2,670,433	2,606,096	64,337
Human Services	341,238	346,010	284,635	61,375
Judicial Branch	189,954	190,829	148,956	41,873
Labor and Employment	74,501	77,882	68,336	9,546
Law	70,422	70,375	65,509	4,866
Legislative Branch	1,236	1,236	1,142	94
Local Affairs	35,521	35,504	30,807	4,697
Military and Veterans Affairs	4,497	4,497	1,260	3,237
Natural Resources	301,670	335,083	192,433	142,650
Personnel & Administration	135,480	133,508	113,976	19,532
Public Health and Environment	240,790	244,678	199,177	45,501
Public Safety	258,931	259,394	240,116	19,278
Regulatory Agencies	95,744	95,920	87,648	8,272
Revenue	248,661	261,484	219,892	41,592
State	27,238	28,547	27,555	992
Transportation	37,760	133,187	42,301	90,886
Treasury	67,012	67,018	65,776	1,242
SUB-TOTAL OPERATING BUDGETS	8,270,445	8,199,018	7,414,852	784,166
Capital and Multi-Year Budgets:				
Departmental:				
Agriculture	$ -	$ 162	$ 162	$ -
Governor	-	13,088	7,743	5,345
Higher Education	49,332	216,900	102,759	114,141
Human Services	1,759	4,298	769	3,529
Labor and Employment	28,422	6,987	6,567	420
Natural Resources	28,247	63,770	5,716	58,054
Personnel & Administration	-	7,376	1,391	5,985
Public Health and Environment	-	9,274	1,742	7,532
Public Safety	-	2,370	-	2,370
Transportation	1,900	500	500	-
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	109,660	324,725	127,349	197,376
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS-OUT	$ 8,380,105	$ 8,523,743	$ 7,542,201	981,542
EXCESS OF REVENUES AND TRANSFERS-IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS-OUT			$ 799,194	

The notes to the required supplementary information are an integral part of this schedule.

SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES,
AND CHANGES IN FUND BALANCES/NET POSITION - BUDGETARY BASIS
BUDGET AND ACTUAL - APPROPRIATED FEDERALLY FUNDED
FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Federal Grants and Contracts			$ 7,253,095	
TOTAL REVENUES AND TRANSFERS-IN			7,253,095	
EXPENDITURES/EXPENSES AND TRANSFERS-OUT:				
Capital and Multi-Year Budgets:				
Departmental:				
Health Care Policy and Financing	$ 6,736,939	$ 7,230,381	$ 6,858,105	$ 372,276
Human Services	360,938	380,669	346,610	34,059
Labor and Employment	15,651	18,283	16,425	1,858
Public Health and Environment	19,749	19,749	16,558	3,191
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	7,133,277	7,649,082	7,237,698	411,384
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS-OUT	$ 7,133,277	$ 7,649,082	$ 7,237,698	$ 411,384
EXCESS OF REVENUES AND TRANSFERS-IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS-OUT			$ 15,397	

The notes to the required supplementary information are an integral part of this schedule.

RECONCILING SCHEDULE
ALL BUDGET FUND TYPES
TO ALL GAAP FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)

	GOVERNMENTAL FUNDS			
	GENERAL	FEDERAL SPECIAL REVENUE FUND	HIGHWAY USERS TAX	OTHER GOVERNMENTAL FUNDS
BUDGETARY BASIS:				
Revenues and Transfers-In Appropriated (Required Supplementary Information):				
General	$ 12,273,074	$ -	$ -	$ 96,199
Cash	1,069,583	-	283,843	2,427,121
Federal	4,304,168	-	-	264
Sub-Total Revenues and Transfers-In Appropriated	17,646,825	-	283,843	2,523,584
Revenues and Transfers-In Non-Appropriated (Supplementary Information):				
General	1,956,640	-	-	-
Cash	5,741,735	7,553	2,064,578	3,860,974
Federal	4,982,981	881,946	620,418	793,729
Sub-Total Revenues and Transfers-In Non-Appropriated	12,681,356	889,499	2,684,996	4,654,703
Total Revenues and Transfers-In Appropriated and Non-Appropriated	30,328,181	889,499	2,968,839	7,178,287
Expenditures/Expenses and Transfers-Out Appropriated (Required Supplementary Information):				
General Funded	10,675,510	-	-	104,877
Cash Funded	1,068,302	-	284,946	1,816,532
Federally Funded	4,288,918	-	-	-
Expenditures/Expenses and Transfers-Out Appropriated	16,032,730	-	284,946	1,921,409
Expenditures/Expenses and Transfers-Out Non-Appropriated(Supplementary Information):				
General Funded	1,768,843	-	-	-
Cash Funded	4,846,771	-	2,317,836	3,147,030
Federally Funded	4,997,578	4,397,312	569,311	577,718
Expenditures/Expenses and Transfers-Out Non-Appropriated	11,613,192	4,397,312	2,887,147	3,724,748
Expenditures/Expenses and Transfers-Out Appropriated and Non-Appropriated	27,645,922	4,397,312	3,172,093	5,646,157
Excess of Revenues and Transfers-In Over (Under) Expenditures and Transfers-Out - Budget Basis - Appropriated	1,614,095	-	(1,103)	602,175
Excess of Revenues and Transfers-In Over (Under) Expenditures and Transfers-Out - Budget Basis - Non-Appropriated	1,068,164	(3,507,813)	(202,151)	929,955
BUDGETARY BASIS ADJUSTMENTS:				
Increase/(Decrease) for Unrealized Gains/Losses	23,075	(17,647)	(19,903)	(6,370)
Increase for Budgeted Non-GAAP Expenditures	-	-	-	-
Increase/(Decrease) for GAAP Expenditures Not Budgeted	934,553	3,477,955	711,631	1,383,335
Increase/(Decrease) for GAAP Revenue Adjustments	(1,495,817)	37,528	(714,385)	(1,623,074)
Increase/(Decrease) for Non-Budgeted Funds	-	-	-	-
Excess of Revenues and Transfers-In Over (Under) Expenditures and Transfers-Out - GAAP Basis	2,144,070	(9,977)	(225,911)	1,286,021
GAAP BASIS FUND BALANCES/NET POSITION:				
FUND BALANCE/NET POSITION, FISCAL YEAR BEGINNING	2,401,594	21,350	978,353	6,090,424
Prior Period Adjustments (See Note 15A)	-	-	-	39,720
Accounting Changes (See Note 15B)	-	-	-	19,862
NET POSITION - FISCAL YEAR BEGINNING (RESTATED)	2,401,594	21,350	978,353	6,150,006
FUND BALANCE/NET POSITION, FISCAL YEAR END	$ 4,545,664	$ 11,373	$ 752,442	$ 7,436,027

The notes to the required supplementary information are an integral part of this schedule.

PROPRIETARY FUND TYPES							
HIGHER EDUCATION INSTITUTIONS	TRANSPORTATION ENTERPRISE	UNEMPLOYMENT INSURANCE	HEALTHCARE AFFORDABILITY	OTHER ENTERPRISE FUNDS	INTERNAL SERVICE	**TOTAL PRIMARY GOVERNMENT**	**FIDUCIARY FUND TYPES**
$ -	$ -	$ -	$ -	$ -	$ -	$ 12,369,273	$ -
2,623,943	-	11,029	1,126,820	376,381	420,429	8,339,149	2,246
-	-	-	2,948,793	(130)	-	7,253,095	-
2,623,943	-	11,029	4,075,613	376,251	420,429	27,961,517	2,246
-	-	-	-	-	-	1,956,640	-
575,832	54,642	594,668	21,949	1,119,597	79,253	14,120,781	6,334,304
413,314	16,420	6,994,675	94,763	320,538	-	15,118,784	-
989,146	71,062	7,589,343	116,712	1,440,135	79,253	31,196,205	6,334,304
3,613,089	71,062	7,600,372	4,192,325	1,816,386	499,682	59,157,722	6,336,550
-	-	-	-	-	-	10,780,387	-
2,547,946	-	3,705	1,114,635	307,328	396,695	7,540,089	2,112
-	-	-	2,948,780	-	-	7,237,698	-
2,547,946	-	3,705	4,063,415	307,328	396,695	25,558,174	2,112
-	-	-	-	-	-	1,768,843	-
623,287	34,990	3,064,261	21,979	924,756	86,997	15,067,907	4,181,508
431,071	-	6,495,332	94,778	337,036	-	17,900,136	-
1,054,358	34,990	9,559,593	116,757	1,261,792	86,997	34,736,886	4,181,508
3,602,304	34,990	9,563,298	4,180,172	1,569,120	483,692	60,295,060	4,183,620
75,997	-	7,324	12,198	68,923	23,734	2,403,343	134
(65,212)	36,072	(1,970,250)	(45)	178,343	(7,744)	(3,540,681)	2,152,796
-	(8,809)	(14)	601	(12,689)	(1,498)	(43,254)	(60,802)
-	-	-	-	-	-	-	-
18,749	(24,421)	137,503	(35,144)	144,812	88,415	6,837,388	(322,931)
9,505	-	(39,714)	1,681	(42,697)	(1,113)	(3,868,086)	312,305
2,063,308	-	-	-	-	-	2,063,308	-
2,102,347	2,842	(1,865,151)	(20,709)	336,692	101,794	3,852,018	2,081,502
3,104,807	1,360,633	(1,531)	74,947	574,844	(400,273)	14,205,148	9,680,772
168,003	-	-	13,671	15	-	221,409	(15)
274	-	-	-	331	-	20,467	817,589
3,273,084	1,360,633	(1,531)	88,618	575,190	(400,273)	14,447,024	10,498,346
$ 5,375,431	$ 1,363,475	$ (1,866,682)	$ 67,909	$ 911,882	$ (298,479)	18,299,042	$ 12,579,848

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE RSI-1 – BUDGETARY INFORMATION

A. BUDGETARY BASIS

Budget schedules are presented as appropriated and nonappropriated for each category. The appropriated schedules are part of the Required Supplementary Information (RSI) section while the nonappropriated schedules are part of the Supplementary Information (SI) section.

The three budget-to-actual schedules in the RSI show revenues and expenditures that are legislatively appropriated, excluding informational only appropriations that do not require action of the legislature but are included in the appropriations bills for informational purposes only. These schedules are presented in the budgetary fund structure discussed below.

Budgetary fund types differ from fund types proscribed by generally accepted accounting principles. The budgetary fund types are general, cash, and federal funds. For budgetary purposes, cash funds include financial resources designated to support specific expenditures. Federal funds primarily include revenues received from the federal government. All other financial resources received are general-purpose revenues, and are not designated for specific expenditures until appropriated.

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 significant duplicate recording of revenues and expenditures. An expenditure of one budgetary fund may be shown as a transfer-in or revenue in another budgetary fund and then be shown again as an expenditure in the second fund.

For budget purposes, depending on the accounting fund type involved, expenditures/expenses are determined using the modified accrual or accrual basis of accounting with the following exceptions:

- Payments to employees paid on a monthly basis for time worked in June of each fiscal year are made on the first working day of the following month; for general-funded appropriations those payments are reported as expenditures in the following fiscal year.

- Certain payments by state agencies to the Office of Information Technology for information technology services purchased in June using general-funded appropriations are reported as expenditures in the following fiscal year.

- Medicaid services claims are reported as expenditures only when the Department of Health Care Policy and Financing requests payment by the State Controller for medical services premiums under the Colorado Medical Services Act or for medical service provided by the Department of Human Services under the Colorado Medical Services Act. Similar treatment is afforded to non-administrative expenditures that qualify for federal participation under Title XIX of the federal Social Security Act except for medically indigent program expenditures. In most years, this results in the Department of Health Care Policy and Financing excluding expenditures accrued for services provided but not yet billed.

- Expenditures of the fiscal year in the following three categories that have not been paid at June 30 are reported in the following year: Old Age Pension Health and Medical Care program costs; state contributions required by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003; and financial administration costs of any non-administrative expenditure under the Children’s Basic Health Plan.

- Unrealized gains and losses on investments are not recognized as changes in revenue on the budgetary basis.

- Pension expense related to unfunded pension liabilities are not recognized on a budgetary basis.

B. BUDGETARY PROCESS

The financial operations of the legislative, judicial, and executive branches of the State government, with the exception of custodial funds and federal moneys not requiring matching state funds, are controlled by annual appropriations made by the General Assembly. The Department of Transportation'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 its portion of the Highway Fund.

The total 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 budgetary basis of accounting. The original appropriation by the General Assembly in the Long Appropriations Act segregates the budget of the State into its operating and capital components. The majority of the capital budgets are accounted for in the Capital Projects Fund, with the primary exception being budgeted capital funds used for infrastructure and institution of higher education capital projects.

The Governor has line item veto authority over the Long Appropriations Act, but the General Assembly may override each individual line item veto by a two-thirds majority vote in each house.

Most general and cash funded appropriations, with the exception of capital projects, lapse at year-end unless specifically required by the General Assembly or executive action is taken to rollforward all or part of the remaining unspent budget authority. Appropriations that meet the strict criteria for rollforward are reported in Note 19. Since capital projects appropriations are generally available for three years after appropriation, significant amounts of the capital budgets remain unexpended at fiscal year-end. Cash funded highway construction, maintenance and operations in the Department of Transportation are appropriated as operating budgets, but remain available in future years through action of the Transportation Commission.

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 State agency. Line items are individual lines in the official budget document and vary from specific payments for specific programs to single appropriations at the agency level. Statutes allow the Judicial and Executive Branches, at year-end, to transfer legislative appropriations within departments for expenditures. The appropriation may be retroactively adjusted in the following session of the General Assembly by a supplemental appropriation.

On the three budget-to-actual schedules, the column titled Original Appropriation consists of the Long Appropriations Act and special bills, excluding informational only appropriations. The column titled Final Spending Authority includes the original appropriation and supplemental appropriations of the Legislature.

Spending occurs outside of the legislative appropriations process primarily for custodial purposes, federally-funded activity for which there is no general-purpose revenue matching requirement, statutory transfers, and other miscellaneous budgetary items. Additional budget-to-actual schedules related to nonappropriated activity are included in the Supplementary Section of the Annual Comprehensive Financial Report.

C. OVEREXPENDITURES

Depending on the accounting fund type involved, expenditures/expenses are determined using the modified accrual or accrual basis of accounting even if the accrual will result in an overexpenditure. The modified and full accrual basis of accounting is converted to the budgetary basis of accounting as noted above. In the General Purpose Revenue Fund and Capital Projects Fund, if earned cash revenues plus available fund balance and earned federal revenues are less than cash and federal expenditures, then those excess expenditures are considered general-funded expenditures. If general-funded expenditures exceed the general-funded appropriation then an overexpenditure occurs even if the expenditures did not exceed the total legislative line item appropriation. Individual overexpenditures are listed in Note 2. Some transactions considered revenues for budgetary purposes, such as intrafund sales, are not considered GAAP revenues. Some events, such as the recognition of unrealized gains/losses on investments, affect revenues on a GAAP basis but not on the budgetary basis. Federal Medicaid revenues related to deferred Medicaid expenditures result in revenues on the GAAP statements but not on the budgetary schedules. These events and transactions are shown in the reconciliation as "Unrealized Gains/Losses" and/or "GAAP Revenue Adjustments."

D. BUDGET TO GAAP RECONCILIATION

The *Reconciling Schedule – All Budget Fund Types to All GAAP Fund Types* shows how revenues, expenditures/expenses, and transfers under the budgetary basis in the budgetary fund structure and how nonappropriated revenues, expenditures/expenses, and transfers under the budgetary basis in the budgetary fund structure relate to the change in fund balances/net position for the funds presented in the fund-level financial statements.

Certain expenditures on a generally accepted accounting principle (GAAP) basis, such as bad debt expense related to loan activity and depreciation, are not budgeted by the General Assembly. In addition, certain General Purpose Revenue Fund payroll disbursements for employee time worked in June by employees paid on a monthly basis, June general-funded purchases of service from the Office of Information Technology, and Medicaid and certain other assistance program payments (see Section A above) accrued but not paid by June 30 are excluded from the expenditures are not shown on the budget-to-actual schedules but are included in the budget-to-actual reconciliation schedule as "GAAP Expenditures Not Budgeted." Additionally, this line item includes some transactions considered expenditures for budgetary purposes, such as loan disbursements and capital purchases in proprietary fund types, are not expenditures on a GAAP basis.

Some transactions considered revenues for budgetary purposes, such as intrafund sales, are not considered GAAP revenues. Some events, such as the recognition of unrealized gains/losses on investments, affect revenues on a GAAP basis but not on the budgetary basis. Federal Medicaid revenues related to deferred Medicaid expenditures result in revenues on the GAAP statements but not on the budgetary schedules. These events and transactions are shown in the reconciliation as "Unrealized Gains/Losses" and/or "GAAP Revenue Adjustments."

The inclusion of these revenues and expenditures and the change in nonbudgeted funds along with the balances from the budget-to-actual schedules is necessary to reconcile to the GAAP fund balance.

E. OUTSTANDING ENCUMBRANCES

The State uses encumbrance accounting as an extension of formal budget implementation in most funds except certain fiduciary funds, and certain Higher Education Institutions Funds. Under this procedure, purchase orders and contracts for expenditures of money are recorded to reserve an equivalent amount of the related appropriation. Encumbrances do not constitute expenditures or liabilities. They lapse at year-end unless specifically brought forward to the subsequent year.

NOTE RSI-2 – THE STATE'S DEFINED BENEFIT PENSION PLAN

A. PROPORTIONATE SHARE OF PENSION LIBILITY AND CONTRIBUTIONS

Proportionate Share:

The State, Judicial, Denver Public Schools, and Schools Divisions Trust Funds – which are defined benefit cost-sharing multiple-employer pension plans – are administered by the Public Employees' Retirement Association (PERA). The schedule below presents the State's (primary government) proportionate share of the net pension liability for its retirement Trusts. The amounts presented for each Division were determined as of the measurement date, which is the calendar year-end that occurred within the State's fiscal year. Information is not available prior to Calendar Year 2013 for the State and Judicial Divisions, and Calendar Year 2018 for the Denver Public Schools, Schools, and State and Judicial NCE Divisions.

State Division

(Amounts In Thousands)

	CY 2020	CY 2019	CY 2018	CY 2017	CY 2016	CY 2015	CY 2014	CY 2013
State's proportion of the net pension liability	95.60%	95.49%	95.40%	95.37%	95.49%	95.71%	95.85%	95.86%
State's proportionate share of Net Pension liability	$ 9,066,999	$ 9,265,778	$ 10,855,754	$ 19,091,149	$ 17,539,728	$ 10,079,252	$ 9,016,144	$ 8,539,181
State's covered payroll	$ 3,132,159	$ 3,376,294	$ 3,262,962	$ 2,796,014	$ 2,751,094	$ 2,687,152	$ 2,586,800	$ 2,570,286
State's proportionate share of the net pension liability as a percentage of its covered payroll	289.48%	274.44%	332.70%	682.80%	637.55%	375.09%	348.54%	332.23%
Plan fiduciary net position as a percentage of the total pension liability	65.34%	62.24%	55.11%	43.20%	42.59%	56.11%	59.84%	61.00%

Judicial Division

(Amounts In Thousands)

	CY 2020	CY 2019	CY 2018	CY 2017	CY 2016	CY 2015	CY 2014	CY 2013
State's proportion of the net pension liability	93.49%	94.28%	94.06%	93.99%	94.17%	93.98%	93.60%	93.44%
State's proportionate share of Net Pension liability	$ 57,929	$ 85,727	$ 132,873	$ 218,136	$ 239,423	$ 172,824	$ 129,499	$ 102,756
State's covered payroll	$ 52,027	$ 55,934	$ 55,706	$ 46,764	$ 46,320	$ 44,159	$ 40,114	$ 37,203
State's proportionate share of the net pension liability as a percentage of its covered payroll	111.34%	153.27%	238.52%	466.46%	516.89%	391.37%	322.83%	276.20%
Plan fiduciary net position as a percentage of the total pension liability	87.06%	80.02%	68.48%	58.70%	53.19%	60.13%	66.89%	77.41%

Denver Public Schools Division

(Amounts In Thousands)

	CY 2020*	CY 2019	CY 2018
State's proportion of the net pension liability	0.00%	30.71%	34.13%
State's proportionate share of Net Pension liability	$ -	$ 202,321	$ 349,095
Plan fiduciary net position as a percentage of the total pension liability	90.48%	84.73%	75.69%

Schools Division

(Amounts In Thousands)

	CY 2020*	CY 2019	CY 2018
State's proportion of the net pension liability	0.00%	11.26%	12.03%
State's proportionate share of Net Pension liability	$ -	$ 1,681,628	$ 2,129,952
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%

State Division as a Non-Employer Contributing Entity

(Amounts In Thousands)

	CY 2020*	CY 2019	CY 2018
State's proportion of the net pension liability	0.00%	0.51%	0.55%
State's proportionate share of Net Pension liability	$ -	$ 49,203	$ 62,292

Judicial Division as a Non-Employer Contributing Entity

(Amounts In Thousands)

	CY 2020*	CY 2019	CY 2018
State's proportion of the net pension liability	0.00%	0.64%	0.85%
State's proportionate share of Net Pension liability	$ -	$ 582	$ 1,199

*The General Assembly passed House Bill 20-1379 which suspended contributions for Fiscal Year 2021 due to the COVID-19 pandemic; therefore, no liability was recognized. See Note 6 for additional information.

Contributions:

The following schedule presents a ten-year history of the State's (primary government's) contribution to PERA for the State and Judicial Divisions for each fiscal year ending June 30. For the Fiscal Years 2020 and 2019 State and Judicial Trust Divisions, figures reported for the contributions as a percentage of covered payroll differs from the actual employer contribution rate specified in statute due to additional contractually required contributions directly distributed to PERA in accordance with Senate Bill 18-200. In addition, the State made statutorily required non-employer contributions for its Fiscal Years 2019 and 2020 to the State and Judicial Trust Divisions that are not reflected in the tables below (see Note 6 for additional information).

State Division

	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013	FY2012
Contractually required contributions	625,966	673,795	639,485	541,295	516,932	484,588	$ 446,528	$ 413,694	$ 362,791	$ 272,068
Contributions in relation to the contractually required contributions	(625,966)	(673,795)	(639,485)	(541,295)	(516,932)	(484,588)	(446,528)	(413,694)	(362,791)	(272,068)
Contribution deficiency(excess)	-	-	-	-	-	-	-	-	-	-
State's covered payroll	3,144,787	3,455,535	3,320,884	2,829,559	2,767,479	2,725,417	2,645,149	2,590,401	2,479,774	2,422,689
Contributions as a percentage of covered payroll	19.90%	19.50%	19.26%	19.13%	18.68%	17.78%	16.88%	15.97%	14.63%	11.23%

Judicial Division

	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013	FY2012
Contractually required contributions	$ 8,488	$ 11,601	$ 10,031	$ 7,754	$ 7,546	$ 7,571	$ 6,878	$ 6,218	$ 5,677	$ 4,258
Contributions in relation to the contractually required contributions	(8,488)	(11,601)	(10,031)	(7,754)	(7,546)	(7,571)	(6,878)	(6,218)	(5,677)	(4,258)
Contribution deficiency(excess)	-	-	-	-	-	-	-	-	-	-
State's covered payroll	51,796	57,548	56,296	47,454	46,181	46,332	42,088	38,057	41,019	30,766
Contributions as a percentage of covered payroll	16.39%	20.16%	17.82%	16.34%	16.34%	16.34%	16.34%	16.34%	13.84%	13.84%

The schedule on the following page presents a three-year history of the State's (primary government's) Senate Bill 18-200 contractually required contributions to PERA for the Denver Public Schools and Schools Divisions, and the State and Judicial Divisions for which the State is a non-employer contributing entity for each fiscal year ending June 30.

Denver Public Schools Division

	FY2021*	FY2020	FY2019
Contractually required contributions	-	$ 19,201	$ 18,622
Contributions in relation to the contractually required contributions	-	(19,201)	(18,622)
Contribution deficiency(excess)		-	-

Schools Division

	FY2021*	FY2020	FY2019
Contractually required contributions	-	$ 127,367	$ 126,505
Contributions in relation to the contractually required contributions	-	(127,367)	(126,505)
Contribution deficiency(excess)		-	-

State Division as a Non-Employer Contributing Entity

	FY2021*	FY2020	FY2019
Contractually required contributions	-	$ 3,480	$ 3,607
Contributions in relation to the contractually required contributions	-	(3,480)	(3,607)
Contribution deficiency(excess)		-	-

Judicial Division as a Non-Employer Contributing Entity

	FY2021*	FY2020	FY2019
Contractually required contributions	-	$ 77	$ 82
Contributions in relation to the contractually required contributions	-	(77)	(82)
Contribution deficiency(excess)		-	-

*The General Assembly passed House Bill 20-1379 which suspended contributions for Fiscal Year 2021 due to the COVID-19 pandemic; therefore, no liability was recognized. See Note 6 for additional information.

University of Colorado Schedule of Changes in Alternate Medicare Payments Total Pension Liability and Related Ratios

	Fiscal Year Ending				
Alternate Medicare Payment	**June 30, 2021**	**June 30, 2020**	**June 30, 2019**	**June 30, 2018**	**June 30, 2017**
Service cost	$ 4,854	4,360	3,985	4,262	3,194
Interest on total AMP pension liability	3,295	3,339	2,751	2,231	2,391
Differences between expected and actual experience	(124)	(3,865)	(109)	(3,377)	(101)
Changes of assumptions	23,408	4,845	4,940	(3,180)	10,999
Benefit payments	(1,828)	(1,692)	(1,566)	(1,448)	(1,349)
Net change in total pension liability	29,605	6,987	10,001	(1,512)	15,134
Total pension liability (beginning)	90,199	83,212	73,211	74,723	59,589
Total pension liability (ending)	$ 119,804	90,199	83,212	73,211	74,723
Covered-employee payroll	$ 1,692,641	1,436,909	1,369,276	1,187,065	943,644
Total pension liability as a percentage of payroll	7.08%	6.28%	6.08%	6.17%	7.92%

B. SIGNFICANT CHANGES IN ASSUMPATIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION

PERA State and Judicial Trust Funds

2020 Changes in Assumptions or Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for State Troopers was changes to the PubS-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
    - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
    - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

2019 Changes in Assumptions or Other Inputs Since 2018

- The assumption used to value the AI cap benefit provision was changed from 1.50 percent to 1.25 percent.

2018 Changes in Assumptions or Other Inputs Since 2017

- The single equivalent interest rate (SEIR) for the State Division was increased from 4.72 percent to 7.25 percent to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the fiduciary net position (FNP), thereby eliminating the need to apply the municipal bond index rate.

- The SEIR for the School Division was increased from 4.78 percent to 7.25 percent to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate.

- The SEIR for the Judicial Division was increased from 5.41 percent to 7.25 percent to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate.

2017 Changes in Assumptions or Other Inputs Since 2016

- The SEIR for the State Division was lowered from 5.26 percent to 4.72 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.

- The SEIR for the Judicial Division was increased from 5.18 percent to 5.41 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.

- The municipal bond index rate used in the determination of the SEIR for the State and Judicial Divisions changed from 3.86 percent on the prior measurement date to 3.43 percent on the measurement date.

2016 Changes in Assumptions or Other Inputs Since 2015

- The investment return assumption was lowered from 7.50 percent to 7.25 percent.

- The price inflation assumption was lowered from 2.80 percent to 2.40 percent.

- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent.

- The post-retirement mortality assumption for healthy lives for the State Division was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 73 percent factor applied to ages below 80 and a 108 percent factor applied to age 80 and above, projected to 2018, for males, and a 78 percent factor applied to ages below 80 and a 109 percent factor applied to age 80 and above, projected to 2020, for females.

- The post-retirement mortality assumption for healthy lives for the Judicial Division was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93 percent factor applied to ages below 80 and a 113 percent factor applied to age 80 and above, projected to 2018, for males, and a 68 percent factor applied to ages below 80 and a 106 percent factor applied to age 80 and above, projected to 2020, for females.

- For disabled retirees, the mortality assumption was changed to reflect 90 percent of RP-2014 Disabled Retiree Mortality Table.

- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.

- The estimated administrative expense as a percentage of covered payroll was increased from 0.35 percent to 0.40 percent.

- The SEIR for the State Division was lowered from 7.50 percent to 5.26 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate of 3.86 percent on the measurement date.

- The SEIR for the Judicial Division was lowered from 5.73 percent to 5.18 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate from 3.57 percent on the prior measurement date to 3.86 percent on the measurement date.

<u>2015 Changes in Assumptions or Other Inputs Since 2014</u>

- The SEIR for the Judicial Division was lowered from 6.14 percent to 5.73 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate from 3.70 percent on the prior measurement date to 3.57 percent on the measurement date.

- The following programming changes were made:

  - Valuation of the full survivor benefit without any reduction for possible remarriage.
  - Reflection of the employer match on separation benefits for all eligible years.
  - Reflection of one year of service eligibility for survivor annuity benefit.
  - Refinement of the 18-month AI timing.
  - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.

- The following methodology changes were made:

  - Recognition of merit salary increases in the firs projection year.
  - Elimination of the assumption that 35 percent of future disabled members elect to receive a refund.
  - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
  - Adjustments to the timing of the normal cost and UAAL payment calculations to reflect contributions throughout the year.

<u>2014 Changes in Assumptions or Other Inputs Since 2013</u>

- The SEIR for the Judicial Division was lowered from 6.66 percent to 6.14 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate from 4.73 percent on the prior measurement date to 3.70 percent on the measurement date.

2013 Changes in Assumptions or Other Inputs Since 2012

- The investment return assumption was lowered from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 3.50 percent to 2.80 percent.
- The wage inflation assumption was lowered from 4.25 percent to 3.90 percent.

University of Colorado Alternate Medicare Payments Plan

Funded Status – no assets are held in trust to pay for plan benefits.

2020 Changes in Assumptions or Other Inputs Since 2019

- Discount rate changed from 3.50 percent to 2.20 percent.
- Mortality table was updated from the PUB-2010 "Teachers" table with generational projection using Scale MP-2019 to the PUB-2010 "Teachers" table with generational projection using Scale MP-2020.

2019 Changes in Assumptions or Other Inputs Since 2018

- Discount rate changed from 3.85 percent to 3.50 percent.
- Mortality table was updated from the PUB-2010 "Teachers" table with generational projection using Scale MP-2018 to the PUB-2010 "Teachers" table with generational projection using Scale MP-2019.

2018 Changes in Assumptions or Other Inputs Since 2017

- Discount rate changed from 3.60 percent to 3.85 percent.
- Mortality table was updated to reflect the Public Retirement Plans Mortality Tables Report issued by the Society of Actuaries in January 2019. The specific assumption used the PUB- 2010 Teachers Classification Table with generational projection using Scale MP-2018. The impact of this change was an increase in Total Pension Liability of about 10 percent.

2017 Changes in Assumptions or Other Inputs Since 2016

- Discount rate changed from 2.85 percent to 3.60 percent.
- Spouse age differential changed from zero years for males and females to spouses two years younger for males and one year older for females.
- Spouse coverage assumption changed from 54 percent for males and 22 percent for females to 60 percent for males and 40 percent for females.
- The following assumptions were updated based on the December 31, 2015 Colorado PERA assumption study:
    - Mortality rates
    - Withdrawal rates

2016 Changes in Assumptions or Other Inputs

- A decrease in the discount rate from 3.85 percent to 2.85 percent.

NOTE RSI-3 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) INFORMATION

A. PROPORTIONATE SHARE OF PERA HEALTH CARE TRUST FUNDS OPEB LIBILITY AND CONTRIBUTIONS

Proportionate Share:

The State’s Health Care Trust Fund (HFTC) – a defined benefit cost-sharing multiple-employer other post-employment benefit plan – is administered by the Public Employees’ Retirement Association (PERA). The schedule below presents the State’s (primary government’s) proportionate share of the net OPEB liability for its OPEB plan. The amounts presented were determined as of the measurement date, which is the calendar year-end that occurred within the State’s fiscal year. Information is not available prior to Calendar Year 2016.

(Amounts In Thousands)	CY 2020	CY 2019	CY 2018	CY 2017	CY 2016
State's proportion (percentage) of the collective net OPEB liability	32.96%	32.75%	33.40%	33.71%	33.83%
State's proportionate share of the collective net OPEB liability	$ 313,213	$ 368,098	$ 454,363	$ 438,113	$ 438,677
State's covered payroll	$ 3,102,215	$ 3,023,000	$ 2,923,641	$ 2,842,778	$ 2,797,414
State's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	10.10%	12.18%	15.54%	15.41%	15.68%
Fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%	16.72%

Contributions:

The following schedule presents a ten-year history of the State’s (primary government’s) contribution to PERA for the HCTF as of each fiscal year ending June 30:

(Amounts In Thousands)	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
Contractually required contributions	$ 31,408	$ 31,659	$ 30,171	$ 29,346	$ 28,699	$ 28,272	$ 27,410	$ 26,810	$ 25,712	$ 25,025
Contributions in relation to the contractually required contributions	(31,408)	(31,659)	(30,171)	(29,346)	(28,699)	(28,272)	(27,410)	(26,810)	(25,712)	(25,025)
Contribution deficiency(excess)	-	-	-	-	-	-	-	-	-	-
State's covered payroll	3,079,159	3,103,809	2,957,937	2,877,013	2,813,660	2,771,749	2,687,237	2,628,458	2,520,793	2,453,455
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

B. CHANGES IN THE TOTAL UNIVERSITY OPEB LIABILITY AND RELATED RATIOS – UNIVERSITY OF COLORADO SYSTEM

CHANGES IN TOTAL UNIVERSITY OPEB LIABILITY AND RELATED RATIOS

	Fiscal Year Ending June 30:			
University OPEB Plan (Amounts in Thousands)	**2021**	**2020**	**2019**	**2018**
Service cost	$ 49,138	53,400	49,754	53,099
Interest cost	26,392	34,254	28,404	24,648
Changes in benefit terms		-	-	-
Differences between expected and actual experience	287	(206,938)	(1,728)	(87,654)
Changes of assumptions	168,948	3,678	35,919	(46,406)
Benefit payments	(16,062)	(15,461)	(15,163)	(17,211)
Net change in total OPEB liability	228,703	(131,067)	97,186	(73,524)
Total OPEB liability (beginning)	712,892	843,959	746,773	820,297
Total OPEB liability (ending)	941,595	712,892	843,959	746,773
Covered-employee payroll	$ 2,053,724	1,719,840	1,663,010	1,475,177
Total OPEB liability as a % of payroll	45.85%	41.45%	50.75%	50.62%

C. SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION

PERA Health Care Trust Fund

2020 Changes in Assumptions or Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent.

- The wage inflation assumption was lowered from 3.50 percent to 3.00 percent.

- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.

- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.

- The pre-retirement mortality assumption for State Troopers was changes to the PubS-2010 Employee Table with generational projection using scale MP-2019.

- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.

- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:

    - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

    - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:

    - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.

    - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

There were no significant changes in assumptions or other inputs effective for the December 31, 2019, December 31, 2018, or December 31, 2017 measurement periods for the PERA HCTF.

University of Colorado OPEB

<u>2020 Changes in Assumptions or Other Inputs Since 2019</u>

- Discount rate changed from 3.50 percent to 2.20 percent.

- Mortality table was updated from the PUB-2010 "Teachers" table with generational projection using Scale MP-2019 to the PUB-2010 "Teachers" table with generational projection using Scale MP-2020.

<u>2019 Changes in Assumptions or Other Inputs Since 2018</u>

- Discount rate changed from 3.85 percent to 3.50 percent.

- Mortality table was updated from the PUB-2010 "Teachers" table with generational projection using Scale MP-2018 to the PUB-2010 "Teachers" table with generational projection using Scale MP-2019.

- Health care trend rates were updated.

- Health care claim costs and retiree contributions were updated based upon recent expenditures.

<u>2018 Changes in Assumptions or Other Inputs Since 2017</u>

- Discount rate changed from 3.60 percent to 3.85 percent.

- Mortality table was updated to reflect the Public Retirement Plans Mortality Tables Report issued by the Society of Actuaries in January 2019. The specific assumption used the PUB-2010 Teachers Classification Table with generational projection using Scale MP-2018. The impact of this change was an increase in Total OPEB Liability of about 8 percent.

<u>2017 Changes in Assumptions or Other Inputs Since 2016</u>

- Discount rate changed from 2.85 percent to 3.60 percent.

- Health care trend rates were updated.

- Spouse age differential changed from zero years for males and females to spouses two years younger for males and one year older for females.

- Spouse coverage assumption changed from 54 percent for males and 22 percent for females to 60 percent for males and 40 percent for females for PERA participants.

- The following assumptions were updated based on the December 31, 2015 Colorado PERA assumption study:

    - Mortality Rates

    - Withdrawal Rates

    - Retirement rates (apply to PERA participants only)

NOTE RSI-4

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND – GENERAL PURPOSE REVENUE COMPONENT

The State of Colorado reports components of the General Fund segregated by revenues being either general purpose or special purpose. Special purpose revenues are fund component revenues which are not of a sufficient original source to qualify for reporting as a special revenue fund. The special purpose components of the General Fund are: State Public Schools, Risk Management, and Other Special Purpose. General purpose revenues are not designated for a specific purpose and are reported in the General Purpose Revenue component of the General Fund. The General Purpose Revenue component of the General Fund is the primary operating fund of the state and is used to account for all financial resources and activity not required to be accounted for in another fund. Refer to the Supplementary Information section for additional information on the General Fund components and combining statements for the General Fund.

This schedule is presented primarily to report the change in budgetary fund balance from the prior fiscal year. The change in budgetary fund balance, as reconciled to the state's financial statements, supports the state's budgetary process. Ending budgetary fund balance on this schedule combined with relevant revenue forecasts are used to determine the total amount to be appropriated for the following fiscal year.

Beginning budgetary fund balances, resources (inflows), and amounts available for appropriation for the original budget and final budget are based on quarterly economic forecasts prepared by the Governor's Office of State Planning and Budgeting. Beginning budgetary fund balance and resources (inflows) in the actual amounts column reconcile to the state's accounting system. The March 2020 forecast is used for the original budget and the December 2020 forecast is used for the final budget. Charges to appropriations (outflows) for original and final budget are derived from budgeted expenditures recorded in the state's accounting system and agree to appropriations made by the General Assembly.

The original and final budget does not include budgeted amounts for federal grants and contracts, fees and other funding sources/uses, and revenues/expenditures not budgeted because they are currently not forecasted by the Office of State Planning and Budget. Amounts are included in the actual column because the activity is accounted for in this component of the General Fund.

Certain state laws result in budget-to-GAAP differences. Section 24-75-201(2)(a)(II), C.R.S. excludes Medicaid revenues from inflows of budgetary resources but they are revenues for financial reporting. Section 24-75-201(2)(a)(III), C.R.S. excludes Medicaid expenditures from outflows of budgetary resources but they are expenditures for financial reporting. Section 24-75-201(2)(a)(IV), C.R.S. excludes some payroll-related expenditures from outflows of budgetary resources but they are expenditures for financial reporting. Section 24-75-201(2)(a)(IV), C.R.S. excludes specific information technology expenditures from outflows of budgetary resources but they are expenditures for financial reporting purposes. Refer to the Budget-to-GAAP Reconciliation for amounts related to these statutorily-based budget-to-GAAP differences as well as for information on other budget-to-GAAP differences.

State law (Section 24-75-201.1, C.R.S.) restricts state appropriations from this component of the General Fund so that budgetary resources will be available for use in a state fiscal emergency. A state fiscal emergency may be declared by the passage of a joint resolution which is approved by a two-thirds majority vote of the members of both houses of the General Assembly and approved by the Governor. The statutory reserve for the fiscal year ended June 30, 2021 is $314.0 million. The reserve is included in this schedule and therefore beginning and ending budgetary fund balance are net of the required reserve. A positive ending budgetary fund balance in the actual column indicates a reserve maintained in compliance with state law.

Senate Bill (SB) 21-277 established the State Emergency Reserve Cash Fund effective with the State's fiscal year ended June 30, 2021. The State Emergency Reserve Cash Fund is reported as the Emergency Reserve component of the State's general fund. The Emergency Reserve is a stabilization arrangement in addition to the general fund statutory reserve required by Section 24-75-201.1, C.R.S. Refer to the Stabilization Arrangements section of Note 15 for additional information on the Emergency Reserve.

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - GENERAL PURPOSE REVENUE COMPONENT
FOR THE YEAR ENDED JUNE 30, 2021
(DOLLARS IN THOUSANDS)

	Forecasted / Budgeted Amounts		Actual Amounts	
	Original	Final	Budgetary Basis	Variance
Budgetary fund balance, June 30, 2020	$ 1,461,379	$ 1,461,379	$ 1,461,379	
Prior period adjustment	(199,004)	(199,004)	(199,004)	
Budgetary fund balance, July 1, 2020	$ 1,262,375	$ 1,262,375	$ 1,262,375	
Resources (Inflows):				
Sales and use tax	3,918,100	3,905,000	3,920,489	$ 15,489
Other excise taxes	106,900	208,500	112,551	(95,949)
Individual income tax, net	7,963,150	7,372,010	8,305,502	933,492
Corporate income tax, net	750,550	619,490	1,117,777	498,287
Insurance tax	339,900	319,300	336,301	17,001
Pari-mutuel, courts, and other	29,300	30,000	45,332	15,332
Investment income	28,300	29,800	50,038	20,238
Transfers-in from other funds	17,400	325,100	332,883	7,783
Amounts available for appropriation	14,415,975	14,071,575	15,483,248	1,411,673
Charges to appropriations (outflows):				
Agriculture	11,344	14,796	14,795	1
Corrections	844,440	844,950	827,847	17,103
Education	3,939,029	4,019,313	4,015,590	3,723
Governor	36,354	86,064	84,167	1,897
Health Care Policy and Financing	3,453,134	3,211,347	3,100,791	110,556
Higher Education	607,815	608,308	607,950	358
Human Services	960,929	1,010,424	1,004,179	6,245
Judicial Branch	581,370	578,549	559,184	19,365
Labor and Employment	18,494	18,792	18,222	570
Law	14,285	14,284	13,765	519
Legislative Branch	54,558	53,660	53,626	34
Local Affairs	102,565	130,907	114,324	16,583
Military and Veterans Affairs	10,344	10,350	9,932	418
Natural Resources	40,496	40,496	33,236	7,260
Personnel and Administration	16,721	30,894	30,805	89
Public Health and Environment	61,111	64,391	63,908	483
Public Safety	152,051	148,122	138,450	9,672
Regulatory Agencies	1,941	1,941	1,906	35
Revenue	200,232	444,987	440,026	4,961
Transportation	1,000	1,000	949	51
Treasury	902,955	1,272,621	1,286,711	(14,090)
Nondepartmental:				
Transfers-out to capital projects fund	23,989	23,989	23,989	-
Total charges to appropriations	12,035,157	12,630,185	12,444,352	185,833
Budgetary reserves and amounts not forecasted or budgeted:				
Decrease in Contingency reserve - C.R.S. 24-75-201.1	47,300	47,300	47,300	
Release of prior year State Controller approved rollforwards	-	-	35,241	
State Controller approved rollforwards	-	-	(123,036)	
Net of revenues not forecasted and expenditures not budgeted	-	-	(130,865)	
Total budgetary reserves and amounts not forecasted or budgeted	47,300	47,300	(171,360)	
Budgetary fund balance, June 30, 2021	$ 2,428,118	$ 1,488,690	$ 2,867,536	

The notes to the required supplementary information are an integral part of this schedule.

Budgetary Comparison Schedule
General Fund- General Purpose Revenue Component
Budget-to-GAAP Reconciliation
For the Year Ended June 30, 2021
(Dollars in Thousands)

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources:	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	$ 15,483,248
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(1,262,375)
Federal revenues not forecasted	9,245,417
Fee revenues and other funding sources not forecasted	752,951
Other revenues not forecasted	64,848
Deferred Medicaid revenues are excluded from inflows of budgetary resources but are revenues for financial reporting purposes - C.R.S. 24-75-201 (2) (a) (II).	(15,550)
Fair value of investments in excess of cost is excluded from inflows of budgetary resources but is revenue for financial reporting purposes.	39,428
Eliminations of transfers and intrafund transactions are not made in the budgetary funds if those transactions are under budgetary control	(1,042,494)
Transfers are inflows of budgetary resources but are other financing sources for financial reporting purposes.	(528,219)
Face Amount of Bond/COP Issuance Bond/COP Premium/Discount	-
Capital asset related proceeds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(1,337)
Insurance recoveries are not revenues for financial reporting purposes.	(19)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - general fund components	$ 22,735,898
Uses/outflows of resources and reserves:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	12,444,352
Differences - budget to GAAP:	
Expenditures of federal grants and contracts not budgeted	9,252,323
Fee revenue and other funding uses not budgeted	730,308
Other expenditures not budgeted	211,450
Transfers to other funds are outflows of budgetary resources but are other financing uses for financial reporting purposes. (Adjusted for SC22 entries)	(6,088,688)
Deferred Medicaid expenditures are excluded from outflows of budgetary resources but are expenditures for financial reporting purposes - C.R.S. 24-75-201 (2) (a) (II).	27,181
Deferred payroll expenditures are excluded from outflows of budgetary resources but are expenditures for financial reporting purposes - C.R.S. 24-75-201 (2) (a) (III).	2,694
Deferred information technology expenditures are excluded from outflows of budgetary resources but are expenditures for financial reporting purposes - C.R.S. 24-75-201 (2) (a) (IV).	68
Eliminations of transfers and intrafund transactions are not made in the budgetary funds if those transactions are under budgetary control.	(1,042,494)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances—general fund components	$ 15,537,194

SUPPLEMENTARY INFORMATION

GENERAL FUND COMPONENTS

GENERAL PURPOSE REVENUE

This fund is the general operating fund for state operations and is used unless another fund has been established for a particular activity. The fund consists of general purpose revenues from various tax collections the largest being income and sales taxes.

SPECIAL PURPOSE FUNDS

The State Public School fund is a statutory fund that distributes substantially all of its resources to school districts each year; most of the resources of the fund are transfers from the General Purpose Revenue component of the General Fund.

The Risk Management fund accounts for the State's liability, property, and worker's compensation insurance activities; its revenues are primarily from charges to State agencies.

The Other Special Purpose Fund comprises all other funds without sufficient original source revenues to qualify as Special Revenue Funds. Included in this category is the Building Excellent Schools Tomorrow (BEST) program that provides grants and funds for public school construction, Lottery proceeds held by the Division of Parks and Wildlife for parks and outdoor recreation projects, the Charter School Institute, as well as over thirty smaller funds.

EMERGENCY RESERVE

The Emergency Reserve is part of the State's budgetary stabilization arrangements. The Emergency Reserve shall not be expended or appropriated for any purpose other than for an emergency declared by the Governor pursuant to Section 24-33.5-704(4). Refer to the Stabilization Arrangements section in Note 15 for additional information.

COMBINING BALANCE SHEET
GENERAL FUND COMPONENTS
JUNE 30, 2021

		SPECIAL PURPOSE FUNDS						
(DOLLARS IN THOUSANDS)	GENERAL PURPOSE REVENUE	STATE PUBLIC SCHOOL	RISK MANAGEMENT	OTHER SPECIAL PURPOSE	EMERGENCY RESERVE	TOTAL	INTRA-FUND RECEIVABLE ELIMINATIONS	TOTAL
ASSETS:								
Cash and Pooled Cash	$ 2,317,652	$ 1,028	$ 28,773	$ 167,704	$ 201,000	$ 2,716,157	$ -	$ 2,716,157
Taxes Receivable, net	1,835,824	-	-	-	-	1,835,824	-	1,835,824
Other Receivables, net	452,165	12,463	692	13,372	-	478,692	-	478,692
Due From Other Governments	1,557,920	2,695	-	302	-	1,560,917	-	1,560,917
Due From Other Funds	76,520	-	-	31,780	-	108,300	(8,335)	99,965
Inventories	70,664	-	-	-	-	70,664	-	70,664
Prepaids, Advances and Deposits	50,799	-	-	15	-	50,814	-	50,814
Restricted Cash and Pooled Cash	4	191,181	-	1,023,755	-	1,214,940	-	1,214,940
Restricted Receivables	-	-	-	437	-	437	-	437
Investments	12,909	-	-	-	-	12,909	-	12,909
Other Long-Term Assets	1,546	-	-	23,950	-	25,496	-	25,496
TOTAL ASSETS	$ 6,376,003	$ 207,367	$ 29,465	$ 1,261,315	$ 201,000	$ 8,075,150	$ (8,335)	$ 8,066,815
DEFERRED OUTFLOW OF RESOURCES:	-	-	-	-	-	-	-	-
LIABILITIES:								
Tax Refunds Payable	$ 1,144,749	$ -	$ -	$ -	$ -	$ 1,144,749	$ -	$ 1,144,749
Accounts Payable and Accrued Liabilities	1,097,005	37,007	1,605	49,439	-	1,185,056	-	1,185,056
TABOR Refund Liability (Note 2B)	547,872	-	-	-	-	547,872	-	547,872
Due To Other Governments	266,475	-	-	24,195	-	290,670	-	290,670
Due To Other Funds	50,344	-	-	-	-	50,344	(8,335)	42,009
Unearned Revenue	142,194	-	-	1,255	-	143,449	-	143,449
Claims and Judgments Payable	728	-	-	-	-	728	-	728
Other Current Liabilities	9,819	-	-	31	-	9,850	-	9,850
Deposits Held In Custody For Others	39	-	-	348	-	387	-	387
TOTAL LIABILITIES	3,259,225	37,007	1,605	75,268	-	3,373,105	(8,335)	3,364,770
DEFERRED INFLOW OF RESOURCES:	154,570	1,811	-	-	-	156,381	-	156,381
FUND BALANCES:								
Nonspendable:								
Inventories	70,664	-	-	-	-	70,664	-	70,664
Prepaids	50,687	-	-	15	-	50,702	-	50,702
Restricted	-	-	-	609,779	-	609,779	-	609,779
Committed	314,000	168,549	27,860	576,253	201,000	1,287,662	-	1,287,662
Assigned	123,036	-	-	-	-	123,036	-	123,036
Unassigned	2,403,821	-	-	-	-	2,403,821	-	2,403,821
TOTAL FUND BALANCES	2,962,208	168,549	27,860	1,186,047	201,000	4,545,664	-	4,545,664
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 6,376,003	$ 207,367	$ 29,465	$ 1,261,315	$ 201,000	$ 8,075,150	$ (8,335)	$ 8,066,815

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND COMPONENTS
FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	GENERAL PURPOSE REVENUE	SPECIAL PURPOSE FUNDS STATE PUBLIC SCHOOLS	RISK MANAGEMENT	OTHER SPECIAL PURPOSE	EMERGENCY RESERVE	TOTAL	INTRA-FUND TRANSFER ELIMINATIONS	TOTAL
REVENUES:								
Taxes:								
Individual and Fiduciary Income	$ 8,305,502	$ -	$ -	$ -	$ -	$ 8,305,502	$ -	$ 8,305,502
Corporate Income	1,117,777	-	-	-	-	1,117,777	-	1,117,777
Sales and Use	3,920,489	-	-	-	-	3,920,489	-	3,920,489
Excise	112,551	-	-	-	-	112,551	-	112,551
Other Taxes	336,628	-	-	-	-	336,628	-	336,628
Licenses, Permits, and Fines	12,705	-	-	23,468	-	36,173	-	36,173
Charges for Goods and Services	21,061	-	48,682	326	-	70,069	-	70,069
Rents	2	-	-	-	-	2	-	2
Investment Income (Loss)	93,441	(4)	(356)	(5,234)	-	87,847	-	87,847
Federal Grants and Contracts	8,668,108	-	-	34,844	-	8,702,952	-	8,702,952
Other	147,634	1,301	261	33,961	-	183,157	-	183,157
TOTAL REVENUES	22,735,898	1,297	48,587	87,365	-	22,873,147	-	22,873,147
EXPENDITURES:								
Current:								
General Government	214,763	-	56,708	7,375	-	278,846	-	278,846
Business, Community, and Consumer Affairs	216,228	-	-	104,129	-	320,357	-	320,357
Education	464,023	5,329	-	6,615	-	475,967	-	475,967
Health and Rehabilitation	1,363,445	-	-	431	-	1,363,876	-	1,363,876
Justice	1,660,046	-	-	139	-	1,660,185	-	1,660,185
Natural Resources	41,023	-	-	26	-	41,049	-	41,049
Social Assistance	8,818,827	-	-	14,144	-	8,832,971	-	8,832,971
Capital Outlay	27,123	-	-	180,443	-	207,566	-	207,566
Cities	53,556	-	-	47,041	-	100,597	-	100,597
Counties	1,682,717	-	-	16,330	-	1,699,047	-	1,699,047
School Districts	873,848	3,812,411	-	274,047	-	4,960,306	-	4,960,306
Special Districts	51,981	-	-	23,813	-	75,794	-	75,794
Other	61,574	-	-	1,077	-	62,651	-	62,651
Debt Service	8,040	-	-	76,684	-	84,724	-	84,724
TOTAL EXPENDITURES	15,537,194	3,817,740	56,708	752,294	-	20,163,936	-	20,163,936
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,198,704	(3,816,443)	(8,121)	(664,929)	-	2,709,211	-	2,709,211
OTHER FINANCING SOURCES (USES):								
Transfers-In	528,219	4,111,182	-	1,031,645	201,000	5,872,046	(4,971,414)	900,632
Transfers-Out	(6,088,688)	(146,781)	(1,729)	(323,518)	-	(6,560,716)	4,971,414	(1,589,302)
Face Amount of Bond/COP Issuance	-	-	-	98,030	-	98,030	-	98,030
Bond/COP Premium/Discount	-	-	-	19,932	-	19,932	-	19,932
Issuance of Capital Leases	502	-	-	-	-	502	-	502
Sale of Capital Assets	836	-	-	-	-	836	-	836
Insurance Recoveries	19	-	4,210	-	-	4,229	-	4,229
TOTAL OTHER FINANCING SOURCES (USES)	(5,559,112)	3,964,401	2,481	826,089	201,000	(565,141)	-	(565,141)
NET CHANGE IN FUND BALANCES	1,639,592	147,958	(5,640)	161,160	201,000	2,144,070	-	2,144,070
FUND BALANCE, FISCAL YEAR BEGINNING	1,322,616	20,591	33,500	1,024,887	-	2,401,594	-	2,401,594
FUND BALANCE, FISCAL YEAR END	$ 2,962,208	$ 168,549	$ 27,860	$ 1,186,047	$ 201,000	$ 4,545,664	$ -	$ 4,545,664

OTHER GOVERNMENTAL FUNDS

The following statements present the combining balance sheet for Other Governmental Funds comprising Special Revenue, Debt Service, Capital Projects and Permanent funds.

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

Debt Service Funds - This fund accounts for the accumulation of resources, primarily transfers from other funds, for the payment of long-term debt principal and interest. It also accounts for the issuance of debt solely to refund debt of other funds. The primary debt serviced by this fund consists of Certificates of Participation issued by various departments and Transportation Revenue Anticipation Notes issued by the Department of Transportation to fund infrastructure.

Capital Project Funds - These funds are used to account for acquisition, construction, or improvement of State-owned facilities and certain equipment.

Permanent Funds - These funds report resources that are legally restricted to the extent that only earnings, and not principal, may be used to support State programs.

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT	TOTALS
ASSETS:					
Cash and Pooled Cash	$ 3,005,634	$ -	$ 1,578,674	$ -	$ 4,584,308
Taxes Receivable, net	61,821	-	-	-	61,821
Other Receivables, net	151,065	16	1,797	11,870	164,748
Due From Other Governments	59,494	341	4,818	-	64,653
Due From Other Funds	56,730	-	-	-	56,730
Inventories	179,646	-	-	-	179,646
Prepaids, Advances and Deposits	46,237	-	-	5	46,242
Restricted Cash and Pooled Cash	744,947	151,894	2	100,245	997,088
Restricted Investments	882	-	-	1,323,593	1,324,475
Investments	143,684	-	1,894	-	145,578
Other Long-Term Assets	523,399	-	-	22,426	545,825
TOTAL ASSETS	$ 4,973,539	$ 152,251	$ 1,587,185	$ 1,458,139	$ 8,171,114
DEFERRED OUTFLOW OF RESOURCES:	-	-	-	4,847	4,847
LIABILITIES:					
Tax Refunds Payable	$ 9,693	$ -	$ -	$ -	$ 9,693
Accounts Payable and Accrued Liabilities	191,835	3,925	15,499	4,922	216,181
Due To Other Governments	45,509	-	-	5	45,514
Due To Other Funds	50,688	-	28,189	203	79,080
Unearned Revenue	377,229	-	34	-	377,263
Claims and Judgments Payable	89	-	-	-	89
Other Current Liabilities	10,370	-	-	-	10,370
Deposits Held In Custody For Others	218	-	-	-	218
TOTAL LIABILITIES	685,631	3,925	43,722	5,130	738,408
DEFERRED INFLOW OF RESOURCES:	1,526	-	-	-	1,526
FUND BALANCES:					
Nonspendable:					
Inventories	179,646	-	-	-	179,646
Permanent Fund Principal	-	-	-	1,438,292	1,438,292
Prepaids	46,237	-	-	5	46,242
Restricted	837,757	148,326	5	-	986,088
Committed	3,222,742	-	1,543,458	19,559	4,785,759
TOTAL FUND BALANCES	4,286,382	148,326	1,543,463	1,457,856	7,436,027
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 4,973,539	$ 152,251	$ 1,587,185	$ 1,462,986	$ 8,175,961

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OTHER GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT	TOTALS
REVENUES:					
Taxes:					
Individual and Fiduciary Income	$ 808,701	$ -	$ -	$ -	$ 808,701
Corporate Income	65,899	-	-	-	65,899
Sales and Use	30,226	-	-	-	30,226
Excise	320,456	-	-	-	320,456
Other Taxes	225,497	-	-	-	225,497
Licenses, Permits, and Fines	440,745	-	-	-	440,745
Charges for Goods and Services	173,814	-	-	-	173,814
Rents	5,559	-	-	123,175	128,734
Investment Income (Loss)	(12,776)	1,377	16,184	92,848	97,633
Federal Grants and Contracts	585,035	-	19,133	-	604,168
Additions to Permanent Funds	139,560	-	-	1,568	141,128
Unclaimed Property Receipts	143,231	-	-	-	143,231
Other	54,611	490	27	14	55,142
TOTAL REVENUES	2,980,558	1,867	35,344	217,605	3,235,374
EXPENDITURES:					
Current:					
General Government	67,576	-	10,461	979	79,016
Business, Community, and Consumer Affairs	520,225	-	-	-	520,225
Education	220,572	-	636	-	221,208
Health and Rehabilitation	187,627	-	487	-	188,114
Justice	270,761	-	10,761	-	281,522
Natural Resources	66,083	-	84	13,270	79,437
Social Assistance	226,967	-	3,286	-	230,253
Transportation	5,600	-	-	-	5,600
Capital Outlay	19,296	-	81,856	23,208	124,360
Intergovernmental:					
Cities	95,436	-	-	-	95,436
Counties	137,994	-	11	49	138,054
School Districts	662,697	-	-	-	662,697
Special Districts	26,485	-	-	-	26,485
Federal	2,281	-	-	-	2,281
Other	67,112	404	-	1	67,517
Debt Service	2,387	142,024	1	-	144,412
TOTAL EXPENDITURES	2,579,099	142,428	107,583	37,507	2,866,617
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	401,459	(140,561)	(72,239)	180,098	368,757
OTHER FINANCING SOURCES (USES):					
Transfers-In	1,284,026	147,720	49,763	2	1,481,511
Transfers-Out	(740,527)	-	(523,035)	(147,161)	(1,410,723)
Face Amount of Bond/COP Issuance	-	13,907	662,931	-	676,838
Bond/COP Premium/Discount	-	-	158,117	-	158,117
Issuance of Capital Leases	4,206	-	-	-	4,206
Sale of Capital Assets	488	-	-	5,287	5,775
Insurance Recoveries	158	-	1,382	-	1,540
TOTAL OTHER FINANCING SOURCES (USES)	548,351	161,627	349,158	(141,872)	917,264
NET CHANGE IN FUND BALANCES	949,810	21,066	276,919	38,226	1,286,021
FUND BALANCE, FISCAL YEAR BEGINNING	3,360,516	115,664	1,194,614	1,419,630	6,090,424
Prior Period Adjustment (See Note 15A)	(28,728)	(3,482)	71,930	-	39,720
Accounting Changes (See Note 15B)	4,784	15,078	-	-	19,862
FUND BALANCE, FISCAL YEAR BEGINNING (RESTATED)	3,336,572	127,260	1,266,544	1,419,630	6,150,006
FUND BALANCE, FISCAL YEAR END	$ 4,286,382	$ 148,326	$ 1,543,463	$ 1,457,856	$ 7,436,027

CAPITAL PROJECTS FUND COMPONENTS

Transactions related to resources obtained and used for acquisition, construction, or improvement of State owned facilities and certain equipment are accounted for in the Capital Pro ects Fund, unless the activity occurs in a proprietary fund or in certain instances when the activity is incidental to a cash fund. For legal compliance purposes, the Capital Projects Fund is is segregated into the following components:

REGULAR CAPITAL PROJECTS	This fund accounts for projects that are either fully or partially funded with general-purpose revenue that is transferred from the General Purpose Revenue Fund. It also includes cash-funded or mixed funded projects.
SPECIAL CAPITAL PROJECTS	This fund accounts for certain projects that are not funded with any general-purpose revenue. This includes projects funded with the proceeds of certificates of participation such as the Colorado History Center and the Ralph L. Carr Justice Center, federal projects in the Department of Military Affairs, Lottery-funded projects in the Department of Natural Resources, and several smaller projects.

COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND COMPONENTS
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	REGULAR CAPITAL PROJECTS	SPECIAL CAPITAL PROJECTS	TOTAL
ASSETS:			
Cash and Pooled Cash	$ 1,557,912	$ 20,762	$ 1,578,674
Other Receivables, net	1,789	8	1,797
Due From Other Governments	3,106	1,712	4,818
Restricted Cash and Pooled Cash	-	2	2
Investments	-	1,894	1,894
TOTAL ASSETS	$ 1,562,807	$ 24,378	$ 1,587,185
LIABILITIES:			
Accounts Payable and Accrued Liabilities	$ 14,671	$ 828	$ 15,499
Due To Other Funds	28,189	-	28,189
Unearned Revenue	34	-	34
TOTAL LIABILITIES	42,894	828	43,722
FUND BALANCES:			
Restricted	-	5	5
Committed	1,519,913	23,545	1,543,458
TOTAL FUND BALANCES	1,519,913	23,550	1,543,463
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,562,807	$ 24,378	$ 1,587,185

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES CAPITAL PROJECTS FUND COMPONENTS FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	REGULAR CAPITAL PROJECTS	SPECIAL CAPITAL PROJECTS	TOTAL
REVENUES:			
Investment Income (Loss)	$ 15,755	$ 429	$ 16,184
Federal Grants and Contracts	8,914	10,219	19,133
Other	25	2	27
TOTAL REVENUES	24,694	10,650	35,344
EXPENDITURES:			
Current:			
General Government	6,829	3,632	10,461
Education	636	-	636
Health and Rehabilitation	487	-	487
Justice	9,810	951	10,761
Natural Resources	84	-	84
Social Assistance	3,203	83	3,286
Capital Outlay	74,924	6,932	81,856
Intergovernmental:			
Counties	11	-	11
Debt Service	1	-	1
TOTAL EXPENDITURES	95,985	11,598	107,583
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(71,291)	(948)	(72,239)
OTHER FINANCING SOURCES (USES):			
Transfers-In	38,474	11,289	49,763
Transfers-Out	(516,534)	(6,501)	(523,035)
Face Amount of Bond/COP Issuance	662,931	-	662,931
Bond/COP Premium/Discount	158,117	-	158,117
Insurance Recoveries	131	1,251	1,382
TOTAL OTHER FINANCING SOURCES (USES)	343,119	6,039	349,158
NET CHANGE IN FUND BALANCES	271,828	5,091	276,919
FUND BALANCE, FISCAL YEAR BEGINNING	1,176,155	18,459	1,194,614
Prior Period Adjustment (See Note 15A)	71,930	-	71,930
FUND BALANCE, FISCAL YEAR BEGINNING (RESTATED)	1,248,085	18,459	1,266,544
FUND BALANCE, FISCAL YEAR END	$ 1,519,913	$ 23,550	$ 1,543,463

SPECIAL REVENUE FUNDS

LABOR	This fund accounts for injured workers' medical benefits provided by statutes when the injury is not covered by workers' compensation benefits.
RESOURCE EXTRACTION	This fund accounts for receipts from severance taxes, mineral leasing, and fees associated with the regulation of mining activities. Expenditures include distributions to local governments, regulatory costs, and loans to special districts and local governments for water projects.
STATE EDUCATION	The State Education Fund was created in the State Constitution by a vote of the people in November 2000. The fund's primary revenue source is a tax of one third of one percent on federal taxable income. The revenues are restricted for the purpose of improving Colorado students' primary education by funding specific programs and by guaranteeing appropriation growth of at least one percent greater than annual inflation through Fiscal Year 2010-11, and by inflation thereafter.
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.
TOBACCO IMPACT MITIGATION	This fund accounts for receipts directly from the tobacco litigation settlement, earnings on those funds, and the expenditures of programs funded by the tobacco master settlement agreement. In addition, it accounts for tax revenues received from an additional State tax on cigarettes and tobacco products approved by State voters in the 2004 general election and the expenditure of those tax revenues.

RESOURCE MANAGEMENT

This fund accounts for receipts from licenses, rents, and fees related to managing the water, oil and gas resources of the State. Most of the related programs are managed by the Colorado Department of Natural Resources.

ENVIRONMENT AND HEALTH PROTECTION

This fund accounts for a large number of individual programs managed primarily by the Department of Public Health and Environment. The programs are primarily designed to regulate air, water, and other forms of pollution, control the spread of diseases, and regulate activities that impact the health of the citizens of Colorado.

UNCLAIMED PROPERTY

This fund reports the escheats funds managed by the State Treasurer that are not held in trust for claimants. The receipts of the fund are from bank accounts, investment accounts, and insurance proceeds that are placed with the State when the owners of the assets cannot be located. Per statute, the owner's legal rights to the asset are protected in perpetuity; however, historically not all of the assets are claimed. The assets ultimately expected to be claimed and paid are reported as Net Position Held In Trust in the Unclaimed Property Trust Fund, a nonmajor Fiduciary Fund.

OTHER SPECIAL REVENUE

This fund category represents a collection of active funds created in statute that have a wide variety of purposes. Funds in this category also have a broad diversity of revenue types.

COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2021

(DOLLARS IN THOUSANDS)

	LABOR	RESOURCE EXTRACTION	STATE EDUCATION	GAMING
ASSETS:				
Cash and Pooled Cash	$ 192,271	$ 697,992	$ -	$ 184,374
Taxes Receivable, net	17,816	465	-	18,673
Other Receivables, net	3,223	39,716	-	458
Due From Other Governments	1,337	2,774	-	14
Due From Other Funds	34,408	21,211	-	-
Inventories	102,391	76,558	-	-
Prepaids, Advances and Deposits	1,143	8,409	-	1,094
Restricted Cash and Pooled Cash	137,118	33,714	565,328	8,371
Restricted Investments	882	-	-	-
Investments	443	-	-	-
Other Long-Term Assets	-	498,879	-	-
TOTAL ASSETS	$ 491,032	$ 1,379,718	$ 565,328	$ 212,984
DEFERRED OUTFLOW OF RESOURCES:	-	-	-	-
LIABILITIES:				
Tax Refunds Payable	$ -	$ -	$ -	$ -
Accounts Payable and Accrued Liabilities	55,919	22,307	7,745	2,693
Due To Other Governments	-	23,757	-	19,664
Due To Other Funds	787	349	-	44,690
Unearned Revenue	74,876	1,460	-	1,181
Claims and Judgments Payable	77	-	-	-
Other Current Liabilities	591	-	-	-
Deposits Held In Custody For Others	-	-	-	5
TOTAL LIABILITIES	132,250	47,873	7,745	68,233
DEFERRED INFLOW OF RESOURCES:	-	465	-	-
FUND BALANCES:				
Nonspendable:				
Inventories	102,391	76,558	-	-
Prepaids	1,143	8,409	-	1,094
Restricted	138,000	46,799	557,583	49,098
Committed	117,248	1,199,614	-	94,559
TOTAL FUND BALANCES	358,782	1,331,380	557,583	144,751
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 491,032	$ 1,379,718	$ 565,328	$ 212,984

TOBACCO IMPACT MITIGATION	RESOURCE MANAGEMENT	ENVIRONMENT AND HEALTH PROTECTION	UNCLAIMED PROPERTY	OTHER SPECIAL REVENUE	TOTALS
$ 100,046	$ 35,801	$ 169,368	$ 327,270	$ 1,298,512	$ 3,005,634
16	-	-	-	24,851	61,821
58,634	30	7,807	1,132	40,065	151,065
1,441	-	34,716	-	19,212	59,494
-	750	-	-	361	56,730
-	-	697	-	-	179,646
10	-	36	3	35,542	46,237
-	-	-	-	416	744,947
-	-	-	-	-	882
-	-	-	143,199	42	143,684
-	-	-	-	24,520	523,399
$ 160,147	$ 36,581	$ 212,624	$ 471,604	$ 1,443,521	$ 4,973,539
-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ 9,693	$ 9,693
24,017	825	13,927	820	63,582	191,835
164	492	151	-	1,281	45,509
3,141	-	48	3	1,670	50,688
-	5	5,188	-	294,519	377,229
-	-	-	-	12	89
-	25	2,858	-	6,896	10,370
-	-	-	-	213	218
27,322	1,347	22,172	823	377,866	685,631
16	-	-	-	1,045	1,526
-	-	697	-	-	179,646
10	-	36	3	35,542	46,237
34,670	6,666	4,941	-	-	837,757
98,129	28,568	184,778	470,778	1,029,068	3,222,742
132,809	35,234	190,452	470,781	1,064,610	4,286,382
$ 160,147	$ 36,581	$ 212,624	$ 471,604	$ 1,443,521	$ 4,973,539

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)

	LABOR	RESOURCE EXTRACTION	STATE EDUCATION	GAMING
REVENUES:				
Taxes:				
Individual and Fiduciary Income	$ -	$ -	$ 808,701	$ -
Corporate Income	-	-	65,899	-
Sales and Use	-	-	-	-
Excise	-	-	-	-
Other Taxes	59,422	4,702	-	128,627
Licenses, Permits, and Fines	798	4,751	-	2,905
Charges for Goods and Services	88	16,588	-	235
Rents	-	44	-	-
Investment Income (Loss)	(1,759)	1,745	979	(714)
Federal Grants and Contracts	194,166	97,446	37,000	129
Additions to Permanent Funds	-	-	-	-
Unclaimed Property Receipts	-	-	-	-
Other	4,050	2,273	21	2,436
TOTAL REVENUES	256,765	127,549	912,600	133,618
EXPENDITURES:				
Current:				
General Government	31,228	-	-	-
Business, Community, and Consumer Affairs	221,860	17,821	-	23,601
Education	-	-	37,262	13,626
Health and Rehabilitation	52,254	470	-	-
Justice	42,258	-	-	-
Natural Resources	-	64,754	-	-
Social Assistance	2,824	-	-	-
Transportation	-	-	-	-
Capital Outlay	5,244	3,092	-	34
Intergovernmental:				
Cities	1,043	36,349	-	14,478
Counties	18,031	23,905	-	14,388
School Districts	13	1,924	584,663	143
Special Districts	86	19,768	-	214
Federal	25	1,170	-	-
Other	11,747	4,579	-	1,534
Debt Service	-	3	-	-
TOTAL EXPENDITURES	386,613	173,835	621,925	68,018
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(129,848)	(46,286)	290,675	65,600
OTHER FINANCING SOURCES (USES):				
Transfers-In	288,789	62,206	146,740	60,896
Transfers-Out	(265)	(90,832)	(54,590)	(61,332)
Issuance of Capital Leases	-	-	-	-
Sale of Capital Assets	-	488	-	-
Insurance Recoveries	-	-	-	52
TOTAL OTHER FINANCING SOURCES (USES)	288,524	(28,138)	92,150	(384)
NET CHANGE IN FUND BALANCES	158,676	(74,424)	382,825	65,216
FUND BALANCE, FISCAL YEAR BEGINNING	228,834	1,405,804	174,758	79,535
Prior Period Adjustment (See Note 15A)	(28,728)	-	-	-
Accounting Changes (See Note 15B)	-	-	-	-
FUND BALANCE, FISCAL YEAR BEGINNING (RESTATED)	200,106	1,405,804	174,758	79,535
FUND BALANCE, FISCAL YEAR END	$ 358,782	$ 1,331,380	$ 557,583	$ 144,751

TOBACCO IMPACT MITIGATION	RESOURCE MANAGEMENT	ENVIRONMENT AND HEALTH PROTECTION	UNCLAIMED PROPERTY	OTHER SPECIAL REVENUE	TOTALS
$ -	$ -	$ -	$ -	$ -	$ 808,701
-	-	-	-	-	65,899
-	-	-	-	30,226	30,226
128,530	-	-	-	191,926	320,456
-	-	-	-	32,746	225,497
84,766	95	52,985	-	294,445	440,745
13	1,865	84,549	-	70,476	173,814
-	-	-	-	5,515	5,559
(2,148)	(21)	(963)	(3,073)	(6,822)	(12,776)
2,375	-	82,981	-	170,938	585,035
-	-	-	-	139,560	139,560
-	-	-	143,231	-	143,231
1,593	1,431	19,052	14	23,741	54,611
215,129	3,370	238,604	140,172	952,751	2,980,558
139	-	82	3,235	32,892	67,576
-	153	2,379	1,325	253,086	520,225
3,276	-	-	-	166,408	220,572
25,224	-	71,417	-	38,262	187,627
288	-	72,941	-	155,274	270,761
-	1,243	-	-	86	66,083
127,744	-	61,610	-	34,789	226,967
-	-	279	-	5,321	5,600
21	68	981	218	9,638	19,296
984	700	2,902	-	38,980	95,436
23,975	522	2,592	-	54,581	137,994
26,858	-	11	-	49,085	662,697
2,066	-	1,289	100	2,962	26,485
-	-	877	80	129	2,281
8,675	-	11,690	28	28,859	67,112
-	-	-	118	2,266	2,387
219,250	2,686	229,050	5,104	872,618	2,579,099
(4,121)	684	9,554	135,068	80,133	401,459
39,681	25,361	54,298	-	606,055	1,284,026
(68,532)	(45)	(13,233)	(65,363)	(386,335)	(740,527)
-	-	-	-	4,206	4,206
-	-	-	-	-	488
-	6	-	-	100	158
(28,851)	25,322	41,065	(65,363)	224,026	548,351
(32,972)	26,006	50,619	69,705	304,159	949,810
165,781	9,228	139,786	401,076	755,714	3,360,516
-	-	-	-	-	(28,728)
-	-	47	-	4,737	4,784
165,781	9,228	139,833	401,076	760,451	3,336,572
$ 132,809	$ 35,234	$ 190,452	$ 470,781	$ 1,064,610	$ 4,286,382

PERMANENT FUNDS

STATE LANDS	This fund consists of the assets, liabilities, and operations related to lands granted to the State by the federal government for educational purposes. This fund also includes unclaimed assets from estates or trusts with unknown beneficiaries. Per statute, these assets become property of the State after 21 years.
OTHER PERMANENT TRUST	This fund category represents several minor permanent funds including Wildlife for Future Generations Fund and the Veterans Monument Preservation Fund.

COMBINING BALANCE SHEET
PERMANENT FUNDS
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	STATE LANDS	OTHER	TOTALS
ASSETS:			
Other Receivables, net	$ 11,870	$ -	$ 11,870
Prepaids, Advances and Deposits	5	-	5
Restricted Assets:			
Restricted Cash and Pooled Cash	80,686	19,559	100,245
Restricted Investments	1,323,593	-	1,323,593
Other Long-Term Assets	22,426	-	22,426
TOTAL ASSETS	$ 1,438,580	$ 19,559	$ 1,458,139
DEFERRED OUTFLOW OF RESOURCES:	4,847	-	4,847
LIABILITIES:			
Accounts Payable and Accrued Liabilities	$ 4,922	$ -	$ 4,922
Due To Other Governments	5	-	5
Due To Other Funds	203	-	203
TOTAL LIABILITIES	5,130	-	5,130
FUND BALANCES:			
Nonspendable:			
Permanent Fund Principal	1,438,292	-	1,438,292
Prepaids	5	-	5
Committed	-	19,559	19,559
TOTAL FUND BALANCES	1,438,297	19,559	1,457,856
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,443,427	$ 19,559	$ 1,462,986

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES PERMANENT FUNDS FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	STATE LANDS	OTHER	TOTALS
REVENUES:			
Rents	$ 122,192	$ 983	$ 123,175
Investment Income (Loss)	93,155	(307)	92,848
Additions to Permanent Funds	1,568	-	1,568
Other	14	-	14
TOTAL REVENUES	216,929	676	217,605
EXPENDITURES:			
Current:			
General Government	979	-	979
Natural Resources	13,270	-	13,270
Capital Outlay	23,208	-	23,208
Intergovernmental:			
Counties	49	-	49
Other	1	-	1
TOTAL EXPENDITURES	37,507	-	37,507
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	179,422	676	180,098
OTHER FINANCING SOURCES (USES):			
Transfers-In	2	-	2
Transfers-Out	(144,661)	(2,500)	(147,161)
Sale of Capital Assets	5,287	-	5,287
TOTAL OTHER FINANCING SOURCES (USES)	(139,372)	(2,500)	(141,872)
NET CHANGE IN FUND BALANCES	40,050	(1,824)	38,226
FUND BALANCE, FISCAL YEAR BEGINNING	1,398,247	21,383	1,419,630
FUND BALANCE, FISCAL YEAR END	$ 1,438,297	$ 19,559	$ 1,457,856

OTHER ENTERPRISE FUNDS

These funds account for operations of State agencies that provide a majority of their services to the public on a user charge basis; most of them have been designated by statute as enterprises. The major activities in these funds are:

PARKS AND WILDLIFE	Expenses of this fund are to preserve the State's parks, wildlife and promote outdoor recreational activities, while revenues are from hunting and fishing license fees as well as various fines.
COLLEGE ASSIST	This fund records the activities of College Assist, which guarantees Colorado and certain nationwide 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 that are not reinsured by the federal government.
LOTTERY	The State Lottery encompasses the various lottery and lotto games run under Colorado Revised Statutes. The primary revenue source is lottery ticket sales, and the net proceeds are primarily distributed to the Great Outdoors Colorado Program (a related organization), the Conservation Trust Fund, and when receipts are adequate, the General Purpose Revenue Fund. The funds are used primarily for open space purchases and recreational facilities throughout the State.
STATE FAIR AUTHORITY	The State Fair Authority operates the Colorado State Fair, and other events, at the State fairgrounds in Pueblo.
CORRECTIONAL INDUSTRIES	This activity reports the production and sale of manufactured goods and farm products that are produced by convicted criminals who are incarcerated in the State prison system.
STATE NURSING HOMES	This activity is for nursing home and retirement care provided to the elderly at the State facilities at Fitzsimons, Homelake, Walsenburg, Florence, and Rifle.
PRISON CANTEENS	This activity accounts for the various canteen operations in the State's prison system.
PETROLEUM STORAGE TANK	This activity accounts for grants, registration fees, environmental response surcharges, and penalties associated with the regulation and abatement of fire and safety issues related to above and underground petroleum storage tanks.

OTHER ENTERPRISE ACTIVITIES

The other enterprise activities includes the State and CollegeInvest. The State includes the Business Enterprise Program, which is staffed by the visually impaired and manages food vending operations in State buildings; the Enterprise Services Fund of the Colorado Historical Society, which sells goods at State museums; and various smaller enterprise operations.

COMBINING STATEMENT OF NET POSITION
OTHER ENTERPRISE FUNDS
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	PARKS AND WILDLIFE	COLLEGE ASSIST	STATE LOTTERY	STATE FAIR AUTHORITY
ASSETS:				
Current Assets:				
Cash and Pooled Cash	$ 296,008	$ 169,089	$ 63,697	$ 9,475
Premiums/Taxes Receivable, net	-	-	-	-
Student and Other Receivables, net	18,846	-	34,594	35
Due From Other Governments	15,265	735	-	-
Due From Other Funds	8,548	-	-	-
Inventories	1,544	-	2,592	-
Prepaids, Advances and Deposits	2,971	108	5,387	152
Total Current Assets	343,182	169,932	106,270	9,662
Noncurrent Assets:				
Restricted Cash and Pooled Cash	150	40,069	-	-
Restricted Receivables	-	20,808	-	-
Other Long-Term Assets	275	-	-	-
Depreciable Capital Assets and Infrastructure, net	252,149	831	271	10,322
Land and Nondepreciable Capital Assets	435,506	-	-	3,272
Total Noncurrent Assets	688,080	61,708	271	13,594
TOTAL ASSETS	1,031,262	231,640	106,541	23,256
DEFERRED OUTFLOW OF RESOURCES:	34,803	719	2,397	592
LIABILITIES:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	23,805	101	5,808	1,430
Due To Other Governments	-	19,167	70	-
Due To Other Funds	1,223	-	39,443	-
Unearned Revenue	54,691	-	-	588
Compensated Absences Payable	1,182	-	13	2
Leases Payable	-	-	-	-
Notes, Bonds, and COPs Payable	-	-	-	-
Other Current Liabilities	313	7,167	57,088	3
Total Current Liabilities	81,214	26,435	102,422	2,023
Noncurrent Liabilities:				
Due to Other Funds	15,544	-	-	-
Deposits Held In Custody For Others	25	-	-	-
Accrued Compensated Absences	8,900	221	777	126
Capital Lease Payable	-	-	-	-
Notes, Bonds, and COPs Payable	-	-	-	-
Net Pension Liability	200,968	2,920	18,450	3,817
Other Postemployment Benefits	6,765	80	650	129
Other Long-Term Liabilities	-	-	14	-
Total Noncurrent Liabilities	232,202	3,221	19,891	4,072
TOTAL LIABILITIES	313,416	29,656	122,313	6,095
DEFERRED INFLOW OF RESOURCES:	55,513	635	6,068	2,498
NET POSITION:				
Net investment in Capital Assets:	687,655	-	-	-
Restricted for:				
Other Purposes	31,961	-	2,533	-
Unrestricted	(22,480)	202,068	(21,976)	15,255
TOTAL NET POSITION	$ 697,136	$ 202,068	$ (19,443)	$ 15,255

CORRECTIONAL INDUSTRIES	STATE NURSING HOMES	PRISON CANTEENS	PETROLEUM STORAGE TANK	OTHER ENTERPRISE ACTIVITIES	TOTAL
$ -	$ 24,483	$ 7,192	$ 3,685	$ 178,112	$ 751,741
-	-	-	26	235	261
1,510	1,840	-	3,466	518	60,809
447	2,434	-	-	169,819	188,700
706	-	-	-	7	9,261
7,392	54	999	-	171	12,752
-	89	-	-	168	8,875
10,055	28,900	8,191	7,177	349,030	1,032,399
-	-	-	-	102	40,321
-	-	-	-	-	20,808
622	-	-	-	-	897
3,316	25,883	1,969	18	10,479	305,238
977	3,867	-	-	4,281	447,903
4,915	29,750	1,969	18	14,862	815,167
14,970	58,650	10,160	7,195	363,892	1,847,566
3,152	22,242	1,593	1,200	4,982	71,680
3,521	4,870	3,336	2,387	229,973	275,231
-	371	-	-	-	19,608
2,740	-	-	-	15,451	58,857
-	663	-	-	3,293	59,235
67	208	-	1	31	1,504
-	328	-	-	-	328
-	-	-	-	600	600
-	90	-	14	-	64,675
6,328	6,530	3,336	2,402	249,348	480,038
-	-	-	-	-	15,544
-	-	-	-	-	25
963	2,615	317	724	1,243	15,886
-	1,104	-	-	-	1,104
-	-	-	-	56	56
25,281	89,908	5,853	6,819	23,950	377,966
886	3,143	204	234	691	12,782
-	-	-	-	-	14
27,130	96,770	6,374	7,777	25,940	423,377
33,458	103,300	9,710	10,179	275,288	903,415
8,798	19,904	1,268	2,082	7,183	103,949
4,293	-	1,969	18	12,000	705,935
-	-	-	-	-	34,494
(28,427)	(42,312)	(1,194)	(3,884)	74,403	171,453
$ (24,134)	$ (42,312)	$ 775	$ (3,866)	$ 86,403	$ 911,882

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION OTHER ENTERPRISE FUNDS FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	PARKS AND WILDLIFE	COLLEGE ASSIST	STATE LOTTERY	STATE FAIR AUTHORITY
OPERATING REVENUES:				
License and Permits	$ 166,960	$ -	$ 60	$ -
Tuition and Fees	7	-	-	-
Sales of Goods and Services	10,482	-	794,932	580
Investment Income (Loss)	-	(5,094)	-	-
Rental Income	-	-	-	872
Federal Grants and Contracts	38,689	75,285	-	-
Intergovernmental Revenue	38,630	-	-	-
Other	1,035	-	853	-
TOTAL OPERATING REVENUES	255,803	70,191	795,845	1,452
OPERATING EXPENSES:				
Salaries and Fringe Benefits	46,765	17,401	2,709	415
Operating and Travel	95,972	57,965	81,351	2,554
Cost of Goods Sold	1,006	-	18,875	-
Depreciation and Amortization	18,104	158	92	876
Intergovernmental Distributions	9,560	-	-	-
Debt Service	-	2,867	-	-
Prizes and Awards	2	1,143	516,932	321
TOTAL OPERATING EXPENSES	171,409	79,534	619,959	4,166
OPERATING INCOME (LOSS)	84,394	(9,343)	175,886	(2,714)
NONOPERATING REVENUES AND (EXPENSES):				
Taxes	-	-	-	-
Fines and Settlements	532	-	-	-
Investment Income (Loss)	(1,487)	4,447	(135)	(63)
Rental Income	20,010	-	-	-
Gifts and Donations	11,781	-	-	393
Intergovernmental Distributions	-	-	(71,719)	-
Gain/(Loss) on Sale or Impairment of Capital Assets	(776)	-	-	10
Insurance Recoveries from Prior Year Impairments	(108)	-	-	-
Debt Service	(4)	-	-	-
Other Expenses	-	-	-	-
Other Revenues	11	-	-	1,671
TOTAL NONOPERATING REVENUES (EXPENSES)	29,959	4,447	(71,854)	2,011
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	114,353	(4,896)	104,032	(703)
CONTRIBUTIONS, TRANSFERS, AND OTHER ITEMS:				
Capital Contributions	84,137	-	-	2,041
Additions to Permanent Endowments	-	-	-	-
Transfers-In	43,243	-	-	6,025
Transfers-Out	(4,141)	(105)	(98,270)	(54)
TOTAL CONTRIBUTIONS AND TRANSFERS	123,239	(105)	(98,270)	8,012
CHANGE IN NET POSITION	237,592	(5,001)	5,762	7,309
NET POSITION - FISCAL YEAR BEGINNING	459,544	207,069	(25,205)	7,946
Prior Period Adjustments (See Note 15A)	-	-	-	-
Accounting Changes (See Note 15B)	-	-	-	-
NET POSITION - FISCAL YEAR BEGINNING (RESTATED)	459,544	207,069	(25,205)	7,946
NET POSITION - FISCAL YEAR ENDING	$ 697,136	$ 202,068	$ (19,443)	$ 15,255

CORRECTIONAL INDUSTRIES	STATE NURSING HOMES	PRISON CANTEENS	PETROLEUM STORAGE TANK	OTHER ENTERPRISE ACTIVITIES	TOTALS
$ -	$ -	$ -	$ 543	$ 13,815	$ 181,378
-	-	-	-	856	863
34,966	20,857	18,182	-	115,433	995,432
-	-	-	-	(450)	(5,544)
-	-	-	-	1,346	2,218
-	36,893	-	-	169,540	320,407
-	194	-	-	4	38,828
230	219	767	-	69	3,173
35,196	58,163	18,949	543	300,613	1,536,755
1,853	26,299	2,096	10,310	2,546	110,394
8,099	12,344	3,763	24,054	235,177	521,279
17,953	-	13,468	-	77	51,379
425	1,863	231	19	1,640	23,408
1	5,551	-	-	2,562	17,674
-	-	-	-	-	2,867
-	-	22	-	1	518,421
28,331	46,057	19,580	34,383	242,003	1,245,422
6,865	12,106	(631)	(33,840)	58,610	291,333
-	-	-	38,355	9,238	47,593
-	-	-	-	23	555
-	(464)	(63)	(262)	(124)	1,849
26	-	-	-	-	20,036
2	-	-	-	272	12,448
-	-	-	-	-	(71,719)
(33)	(4)	-	-	121	(682)
-	-	-	-	-	(108)
(62)	(50)	-	-	(65)	(181)
-	-	-	-	(14)	(14)
-	-	-	-	-	1,682
(67)	(518)	(63)	38,093	9,451	11,459
6,798	11,588	(694)	4,253	68,061	302,792
-	-	-	-	-	86,178
-	-	-	-	5	5
-	4,089	-	-	1,333	54,690
(39)	(2,658)	(79)	(966)	(661)	(106,973)
(39)	1,431	(79)	(966)	677	33,900
6,759	13,019	(773)	3,287	68,738	336,692
(30,893)	(55,331)	1,548	(7,153)	17,319	574,844
-	-	-	-	15	15
-	-	-	-	331	331
(30,893)	(55,331)	1,548	(7,153)	17,665	575,190
$ (24,134)	$ (42,312)	$ 775	$ (3,866)	$ 86,403	$ 911,882

COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	PARKS AND WILDLIFE	COLLEGE ASSIST	STATE LOTTERY	STATE FAIR AUTHORITY
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from:				
Tuition, Fees, and Student Loans	$ -	$ -	$ -	$ -
Fees for Service	176,929	-	-	861
Receipts for Interfund Services	-	-	-	-
Sales of Products	-	-	791,302	16
Gifts, Grants, and Contracts	42,376	78,396	-	-
Income from Property	20,010	-	-	872
Other Sources	41,495	3,994	942	172
Cash Payments to or for:				
Employees	(104,636)	(17,534)	(9,483)	(2,337)
Suppliers	(66,067)	-	(37,312)	(443)
Payments for Interfund Services	(3,779)	(130)	(382)	(54)
Sales Commissions and Lottery Prizes	(9,798)	-	(560,710)	-
Other Governments	(9,560)	-	-	-
Other	(12,735)	(66,632)	(59)	(1,472)
NET CASH PROVIDED BY OPERATING ACTIVITIES	74,235	(1,906)	184,298	(2,385)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers-In	43,243	-	-	8,066
Transfers-Out	(4,141)	(105)	(98,270)	(54)
Receipt of Deposits Held in Custody	1,479	-	-	-
Release of Deposits Held in Custody	(1,556)	-	-	-
Gifts and Grants for Other Than Capital Purposes	11,781	-	-	393
Intergovernmental Distributions	-	-	(70,895)	-
Unclaimed Property Fund Interest	-	-	-	1,671
NonCapital Debt Proceeds	-	-	-	-
NonCapital Debt Service Payments	-	-	-	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	50,806	(105)	(169,165)	10,076
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of Capital Assets	(143,659)	(517)	(555)	(4,177)
Proceeds from Sale of Capital Assets	111,036	436	490	2,062
Capital Debt Service Payments	-	-	-	-
Capital Lease Payments	-	-	-	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(32,623)	(81)	(65)	(2,115)

CORRECTIONAL INDUSTRIES	STATE NURSING HOMES	PRISON CANTEENS	PETROLEUM STORAGE TANK	OTHER ENTERPRISE ACTIVITIES	TOTALS
$ -	$ -	$ -	$ -	$ 849	$ 849
-	18,115	-	-	114,462	310,367
7,878	3	-	-	3,618	11,499
27,767	2,744	18,182	-	124	840,135
63	36,793	-	-	172	157,800
26	-	-	-	1,235	22,143
230	64	765	39,089	243,330	330,081
(11,690)	(46,526)	(3,205)	(12,389)	(8,673)	(216,473)
(23,177)	(9,483)	(15,894)	(455)	-	(152,831)
(161)	(86)	(55)	(4,122)	-	(8,769)
-	-	-	-	-	(570,508)
(706)	(5,621)	-	-	(2,562)	(18,449)
(82)	(85)	(22)	(23,431)	(227,735)	(332,253)
148	(4,082)	(229)	(1,308)	124,820	373,591
-	4,089	-	-	1,333	56,731
(39)	(2,658)	(79)	(966)	(661)	(106,973)
-	-	-	-	2	1,481
-	-	-	-	(2)	(1,558)
2	-	-	-	272	12,448
-	-	-	-	-	(70,895)
-	-	-	-	-	1,671
-	120	-	-	2	122
-	(120)	-	-	(2)	(122)
(37)	1,431	(79)	(966)	944	(107,095)
(259)	(1,648)	(626)	(31)	(902)	(152,374)
210	1,536	425	-	121	116,316
(62)	(1)	-	-	(654)	(717)
-	(378)	-	-	-	(378)
(111)	(491)	(201)	(31)	(1,435)	(37,153)

(Continued)

STATEMENT OF CASH FLOWS, CONTINUED
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	PARKS AND WILDLIFE	COLLEGE ASSIST	STATE LOTTERY	STATE FAIR AUTHORITY
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends on Investments	2,543	4,447	945	-
Increase(Decrease) from Unrealized Gain(Loss) on Investments	(4,030)	-	(1,080)	(63)
NET CASH FROM INVESTING ACTIVITIES	(1,487)	4,447	(135)	(63)
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	90,931	2,355	14,933	5,513
CASH AND POOLED CASH , FISCAL YEAR BEGINNING	205,227	206,803	48,764	3,962
CASH AND POOLED CASH, FISCAL YEAR END	$ 296,158	$ 209,158	$ 63,697	$ 9,475
RECONCILIATION OF OPERATING INCOME TO NET CASH				
PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ 84,394	$ (9,343)	$ 175,886	$ (2,714)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	18,104	158	92	876
Investment/Rental Income and Other Revenue in Operating Income	-	-	-	-
Rents, Fines, Donations, and Grants and Contracts in NonOperating	20,511	-	-	10
(Gain)/Loss on Disposal of Capital and Other Assets	-	1	-	-
Compensated Absences Expense	244	53	47	5
Interest and Other Expense in Operating Income	3,147	-	65	53
Net Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows Related to Operating Activities:				
(Increase) Decrease in Operating Receivables	(2,782)	1,997	(3,630)	(26)
(Increase) Decrease in Inventories	(131)	-	(860)	-
(Increase) Decrease in Other Operating Assets and Deferred Outflows	279	(44)	471	(134)
(Increase) Decrease in Pension Deferred Outflow	(15,096)	301	(927)	(37)
(Increase) Decrease in OPEB Deferred Outflow	(294)	4	10	1
Increase (Decrease) in Accounts Payable	2,210	4	1,736	998
Increase (Decrease) in Pension Liability	(6,628)	43	(2,140)	(1,963)
Increase (Decrease) in OPEB Liability	(1,299)	(12)	(180)	(96)
Increase (Decrease) in Other Operating Liabilities and Deferred Inflows	6,139	5,462	17,449	479
Increase (Decrease) in Pension Deferred Inflow	(35,552)	(535)	(3,820)	95
Increase (Decrease) in OPEB Deferred Inflow	989	5	99	68
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 74,235	$ (1,906)	$ 184,298	$ (2,385)
SUPPLEMENTARY INFORMATION - NONCASH TRANSACTIONS:				
Capital Assets Funded by the Capital Projects Fund	-	-	-	2,041
Capital Assets Acquired by Grants or Donations and Payable Increases	10,815	-	-	-
Loss on Disposal of Capital and Other Assets	842	-	-	-
Amortization of Debt Valuation Accounts and Interest Payable Accruals	-	-	-	-

CORRECTIONAL INDUSTRIES	STATE NURSING HOMES	PRISON CANTEENS	PETROLEUM STORAGE TANK	OTHER ENTERPRISE ACTIVITIES	TOTALS
-	241	136	65	617	8,994
-	(704)	(198)	(327)	(1,191)	(7,593)
-	(463)	(62)	(262)	(574)	1,401
-	(3,605)	(571)	(2,567)	123,755	230,744
-	28,088	7,763	6,252	54,459	561,318
$ -	$ 24,483	$ 7,192	$ 3,685	$ 178,214	$ 792,062
$ 6,865	$ 12,106	$ (631)	$ (33,840)	$ 58,610	$ 291,333
425	1,863	231	19	1,640	23,408
-	-	-	-	450	450
26	2	-	38,355	9,248	68,152
-	-	-	-	3	4
(357)	95	69	182	24	362
(156)	651	(98)	31	182	3,875
38	1,906	-	190	(167,516)	(169,823)
4,366	127	(327)	-	37	3,212
397	(43)	-	-	440	1,366
(615)	(12,785)	(1,073)	64	(1,978)	(32,146)
22	(421)	(33)	10	(58)	(759)
(1,745)	(308)	1,746	15	227,913	232,569
(2,610)	8,529	710	(807)	(52)	(4,918)
(245)	(114)	(4)	(67)	(93)	(2,110)
(424)	(714)	-	(4,000)	(63)	24,328
(5,968)	(15,353)	(846)	(1,496)	(4,076)	(67,551)
129	377	27	36	109	1,839
$ 148	$ (4,082)	$ (229)	$ (1,308)	$ 124,820	$ 373,591
-	-	-	-	-	2,041
-	-	-	-	-	10,815
33	6	-	-	(124)	757
-	(20)	-	-	(15)	(35)

INTERNAL SERVICE FUNDS

These funds account for operations of State agencies that provide a majority of their services to other State agencies on a user charge basis. The major activities in these funds are:

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, fleet, and motor pool.
STATEWIDE FINANCIAL INFORMATION TECHNOLOGY SYSTEMS CASH FUND	This fund accounts for information technology maintenance and upgrades as well as direct and indirect costs of the department in connection with Statewide financial and human resources information technology systems.
INFORMATION TECHNOLOGY	This fund accounts for computer and telecommunications services sold to other State agencies.
CAPITOL COMPLEX	This fund accounts for the cost and income related to maintaining State office space in the complex surrounding the State Capitol. Only certain capitol complex capital assets are reported in this fund, and other capitol complex capital assets are reported on the government-wide financial statements.
HIGHWAYS	This fund is used to account for the operations of the Department of Transportation print shop.
PUBLIC SAFETY	This fund accounts for aircraft rental to State agencies by the Department of Public Safety.
OFFICE OF ADMINISTRATIVE COURTS	This fund accounts for the operations of the Office of Administrative Courts in the Department of Personnel & Administration.
LEGAL SERVICES	This fund accounts for the Attorney General's services to State agencies in the Department of Law.
OTHER INTERNAL SERVICE ACTIVITIES	This fund primarily accounts for the activities of the Central Collections Unit within the Department of Personnel & Administration. The unit collects receivables due to State agencies on a straight commission basis.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

(DOLLARS IN THOUSANDS)

	CENTRAL SERVICES	FINANCIAL INFORMATION TECHNOLOGY	INFORMATION TECHNOLOGY	CAPITOL COMPLEX
ASSETS:				
Current Assets:				
Cash and Pooled Cash	$ 14,514	$ 2,296	$ 57,983	$ 7,079
Other Receivables, net	1,223	-	104	3
Due From Other Governments	-	-	81	-
Due From Other Funds	168	-	716	-
Inventories	640	-	-	93
Prepaids, Advances and Deposits	17	53	6,795	-
Total Current Assets	16,562	2,349	65,679	7,175
Noncurrent Assets:				
Restricted Cash and Pooled Cash	-	-	-	208
Depreciable Capital Assets and Infrastructure, net	84,099	12,749	11,396	8,483
Land and Nondepreciable Capital Assets	-	-	166	201
Total Noncurrent Assets	84,099	12,749	11,562	8,892
TOTAL ASSETS	100,661	15,098	77,241	16,067
DEFERRED OUTFLOW OF RESOURCES:	2,645	616	32,180	1,135
LIABILITIES:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	2,325	219	28,377	1,268
Due To Other Funds	124	-	-	-
Unearned Revenue	-	-	1,331	-
Compensated Absences Payable	38	-	942	-
Leases Payable	19,403	3,774	-	1,856
Other Current Liabilities	382	-	-	-
Total Current Liabilities	22,272	3,993	30,650	3,124
Noncurrent Liabilities:				
Accrued Compensated Absences	1,307	285	9,429	426
Capital Lease Payable	61,599	-	-	7,742
Notes, Bonds, and COPs Payable	-	-	-	1
Net Pension Liability	17,880	4,599	224,281	8,684
Other Postemployment Benefits	589	156	7,408	293
Total Noncurrent Liabilities	81,375	5,040	241,118	17,146
TOTAL LIABILITIES	103,647	9,033	271,768	20,270
DEFERRED INFLOW OF RESOURCES:	5,135	1,487	48,871	2,501
NET POSITION:				
Net investment in Capital Assets:	3,097	8,975	11,563	(913)
Unrestricted	(8,573)	(3,781)	(222,781)	(4,656)
TOTAL NET POSITION	$ (5,476)	$ 5,194	$ (211,218)	$ (5,569)

HIGHWAYS	PUBLIC SAFETY	ADMINISTRATIVE COURTS	LEGAL SERVICES	OTHER INTERNAL SERVICE ACTIVITIES	TOTALS
$ -	$ 347	$ 2,390	$ 13,221	$ 278	$ 98,108
1	10	8	4	12	1,365
-	-	-	-	-	81
-	-	-	-	-	884
476	-	-	-	-	1,209
-	-	9	369	-	7,243
477	357	2,407	13,594	290	108,890
-	-	-	-	-	208
85	1,218	40	745	-	118,815
-	-	-	10	-	377
85	1,218	40	755	-	119,400
562	1,575	2,447	14,349	290	228,290
114	3	1,220	12,771	(27)	50,657
15	-	370	3,537	29	36,140
813	-	-	-	-	937
-	-	-	-	7	1,338
-	-	32	284	-	1,296
-	-	-	-	-	25,033
-	-	-	-	-	382
828	-	402	3,821	36	65,126
-	-	501	2,346	74	14,368
-	-	-	-	-	69,341
-	-	-	-	-	1
885	-	9,718	72,424	(423)	338,048
31	-	328	2,340	(15)	11,130
916	-	10,547	77,110	(364)	432,888
1,744	-	10,949	80,931	(328)	498,014
390	-	3,131	15,627	2,270	79,412
85	1,218	40	755	-	24,820
(1,543)	360	(10,453)	(70,193)	(1,679)	(323,299)
$ (1,458)	$ 1,578	$ (10,413)	$ (69,438)	$ (1,679)	$ (298,479)

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)

	CENTRAL SERVICES	FINANCIAL INFORMATION TECHNOLOGY	INFORMATION TECHNOLOGY	CAPITOL COMPLEX
OPERATING REVENUES:				
Sales of Goods and Services	$ 63,252	$ 12,255	$ 345,144	$ 20
Rental Income	-	-	-	15,630
Other	191	-	(100)	1
TOTAL OPERATING REVENUES	63,443	12,255	345,044	15,651
OPERATING EXPENSES:				
Salaries and Fringe Benefits	4,066	754	142,245	1,502
Operating and Travel	36,352	6,976	128,347	6,773
Cost of Goods Sold	1	-	-	-
Depreciation and Amortization	20,502	4,326	3,632	1,836
Prizes and Awards	-	-	1	1
TOTAL OPERATING EXPENSES	60,921	12,056	274,225	10,112
OPERATING INCOME (LOSS)	2,522	199	70,819	5,539
NONOPERATING REVENUES AND (EXPENSES):				
Investment Income (Loss)	-	(45)	(949)	-
Gain/(Loss) on Sale or Impairment of Capital Assets	3,043	(693)	(13)	12
Debt Service	(1,838)	(51)	-	(470)
TOTAL NONOPERATING REVENUES (EXPENSES)	1,205	(789)	(962)	(458)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	3,727	(590)	69,857	5,081
CONTRIBUTIONS, TRANSFERS, AND OTHER ITEMS:				
Capital Contributions	1,215	-	-	-
Transfers-In	401	944	-	-
Transfers-Out	(493)	(298)	(766)	(2,063)
TOTAL CONTRIBUTIONS AND TRANSFERS	1,123	646	(766)	(2,063)
CHANGE IN NET POSITION	4,850	56	69,091	3,018
NET POSITION - FISCAL YEAR BEGINNING	(10,326)	5,138	(280,309)	(8,587)
NET POSITION - FISCAL YEAR ENDING	$ (5,476)	$ 5,194	$ (211,218)	$ (5,569)

HIGHWAYS	PUBLIC SAFETY	ADMINISTRATIVE COURTS	LEGAL SERVICES	OTHER INTERNAL SERVICE ACTIVITIES	TOTALS
$ 1,030	$ 67	$ 6,435	$ 48,615	$ 353	$ 477,171
-	-	-	-	-	15,630
-	-	1	2	4	99
1,030	67	6,436	48,617	357	492,900
(346)	1	1,146	22,615	(2,113)	169,870
648	33	1,255	3,725	153	184,262
-	-	-	-	-	1
15	377	6	271	-	30,965
-	-	-	1	-	3
317	411	2,407	26,612	(1,960)	385,101
713	(344)	4,029	22,005	2,317	107,799
-	-	(20)	(138)	2	(1,150)
-	-	-	-	-	2,349
(7)	-	-	(6)	-	(2,372)
(7)	-	(20)	(144)	2	(1,173)
706	(344)	4,009	21,861	2,319	106,626
-	-	-	-	-	1,215
-	-	-	-	415	1,760
-	-	(270)	(3,917)	-	(7,807)
-	-	(270)	(3,917)	415	(4,832)
706	(344)	3,739	17,944	2,734	101,794
(2,164)	1,922	(14,152)	(87,382)	(4,413)	(400,273)
$ (1,458)	$ 1,578	$ (10,413)	$ (69,438)	$ (1,679)	$ (298,479)

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)

	CENTRAL SERVICES	FINANCIAL INFORMATION TECHNOLOGY	INFORMATION TECHNOLOGY	CAPITOL COMPLEX
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from:				
Fees for Service	$ 3,347	$ -	$ 1,246	$ 38
Receipts for Interfund Services	59,949	12,255	343,830	11
Sales of Products	5	-	-	-
Gifts, Grants, and Contracts	-	-	47	-
Income from Property	-	-	-	15,630
Other Sources	191	-	-	13
Cash Payments to or for:				
Employees	(9,443)	(2,162)	(202,999)	(4,287)
Suppliers	(31,987)	(154)	(73,546)	(5,460)
Payments for Interfund Services	(3,334)	(6,887)	(50,180)	(973)
Other Governments	(1)	-	-	-
Other	(48)	(2)	(6,248)	(3)
NET CASH PROVIDED BY OPERATING ACTIVITIES	18,679	3,050	12,150	4,969
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers-In	804	944	-	-
Transfers-Out	(493)	(298)	(766)	(2,063)
Receipt of Deposits Held in Custody	1,989	-	-	-
Release of Deposits Held in Custody	(2,306)	-	-	-
NonCapital Debt Proceeds	-	46	-	1
NonCapital Debt Service Payments	-	(46)	-	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	(6)	646	(766)	(2,062)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of Capital Assets	(26,614)	25	(2,243)	(169)
Proceeds from Sale of Capital Assets	28,631	-	1,147	52
Capital Debt Service Payments	-	(46)	-	-
Capital Lease Payments	(21,721)	(3,826)	-	(2,572)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(19,704)	(3,847)	(1,096)	(2,689)

HIGHWAYS	PUBLIC SAFETY	ADMINISTRATIVE COURTS	LEGAL SERVICES	OTHER INTERNAL SERVICE ACTIVITIES	TOTALS
$ -	$ 11	$ 49	$ 99	$ 9	$ 4,799
326	54	6,393	48,568	341	471,727
1,022	-	-	-	-	1,027
-	-	-	-	-	47
-	-	-	-	-	15,630
-	-	1	2	11	218
(462)	-	(4,423)	(38,933)	(259)	(262,968)
(829)	(25)	(464)	(2,980)	(86)	(115,531)
-	(2)	(769)	(639)	(154)	(62,938)
-	-	-	-	-	(1)
-	-	(1)	(1)	-	(6,303)
57	38	786	6,116	(138)	45,707
-	-	-	-	415	2,163
-	-	(270)	(3,917)	-	(7,807)
-	-	-	-	-	1,989
-	-	-	-	-	(2,306)
-	-	-	-	-	47
-	-	-	-	-	(46)
-	-	(270)	(3,917)	415	(5,960)
(100)	(57)	-	(295)	-	(29,453)
50	50	-	153	-	30,083
(7)	-	-	(6)	-	(59)
-	-	-	-	-	(28,119)
(57)	(7)	-	(148)	-	(27,548)

(Continued)

STATEMENT OF CASH FLOWS, CONTINUED
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)

	CENTRAL SERVICES	FINANCIAL INFORMATION TECHNOLOGY	INFORMATION TECHNOLOGY	CAPITOL COMPLEX
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends on Investments	-	16	185	-
Increase(Decrease) from Unrealized Gain(Loss) on Investments	-	(61)	(1,134)	-
NET CASH FROM INVESTING ACTIVITIES	-	(45)	(949)	-
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	(1,031)	(196)	9,339	218
CASH AND POOLED CASH , FISCAL YEAR BEGINNING	15,545	2,492	48,644	7,069
CASH AND POOLED CASH, FISCAL YEAR END	$ 14,514	$ 2,296	$ 57,983	$ 7,287
RECONCILIATION OF OPERATING INCOME TO NET CASH				
PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ 2,522	$ 199	$ 70,819	$ 5,539
Adjustments to Reconcile Operating Income (Loss)				
to Net Cash Provided by Operating Activities:				
Depreciation	20,502	4,326	3,632	1,836
Rents, Fines, Donations, and Grants and Contracts in NonOperating	-	-	-	12
Compensated Absences Expense	328	82	1,042	59
Interest and Other Expense in Operating Income	525	-	-	117
Net Changes in Assets, Deferred Outflows, Liabilities, and Deferred				
Inflows Related to Operating Activities:				
(Increase) Decrease in Operating Receivables	48	-	(194)	29
(Increase) Decrease in Inventories	163	-	-	2
(Increase) Decrease in Other Operating Assets and Deferred Outflows	2	21	1,517	-
(Increase) Decrease in Pension Deferred Outflow	(352)	(47)	(15,519)	(397)
(Increase) Decrease in OPEB Deferred Outflow	5	3	(96)	5
Increase (Decrease) in Accounts Payable	167	(109)	(1,358)	199
Increase (Decrease) in Pension Liability	(930)	(457)	(1,726)	(840)
Increase (Decrease) in OPEB Liability	(125)	(39)	(1,200)	(77)
Increase (Decrease) in Other Operating Liabilities and Deferred Inflows	124	-	(1,735)	-
Increase (Decrease) in Pension Deferred Inflow	(4,359)	(949)	(43,798)	(1,561)
Increase (Decrease) in OPEB Deferred Inflow	59	20	766	46
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 18,679	$ 3,050	$ 12,150	$ 4,969
SUPPLEMENTARY INFORMATION - NONCASH TRANSACTIONS:				
Capital Assets Funded by the Capital Projects Fund	812	-	-	-
Loss on Disposal of Capital and Other Assets	(3,043)	693	13	-
Assumption of Capital Lease Obligation or Mortgage	22,609	-	-	-

HIGHWAYS	PUBLIC SAFETY	ADMINISTRATIVE COURTS	LEGAL SERVICES	OTHER INTERNAL SERVICE ACTIVITIES	TOTALS
-	-	23	123	-	347
-	-	(42)	(261)	1	(1,497)
-	-	(19)	(138)	1	(1,150)
-	31	497	1,913	278	11,049
-	316	1,893	11,308	-	87,267
$ -	$ 347	$ 2,390	$ 13,221	$ 278	$ 98,316
$ 713	$ (344)	$ 4,029	$ 22,005	$ 2,317	$ 107,799
15	377	6	271	-	30,965
-	-	-	-	-	12
-	-	176	258	(38)	1,907
-	7	-	-	-	649
(1)	(3)	7	53	(1)	(62)
(90)	-	-	-	-	75
-	-	(2)	89	-	1,627
(46)	-	(483)	(4,676)	57	(21,463)
-	1	7	(82)	4	(153)
(91)	-	8	220	(37)	(1,001)
(115)	-	(1,167)	1,298	(1,912)	(5,849)
(9)	-	(95)	(336)	(81)	(1,962)
318	-	-	(2)	(63)	(1,358)
(633)	-	(1,756)	(13,234)	(431)	(66,721)
(4)	-	56	252	47	1,242
$ 57	$ 38	$ 786	$ 6,116	$ (138)	$ 45,707
-	-	-	-	-	812
-	-	-	-	-	(2,337)
-	-	-	-	-	22,609

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the State in its governmental capacity on behalf of local governments, citizens, and other external parties. Pension and Other Employee Benefits Trust Funds, Private Purpose Trust Funds and Custodial Funds are included in this category. The major components of the fiduciary funds are:

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

STATE EMPLOYEE BENEFIT PLANS	This fund was established for the purpose of risk financing employee and state-official medical claims. The fund includes several medical plan options ranging from provider of choice to managed care and wellness activity. The State uses a self-funded approach for certain employee and state-official medical claims.
INSTITUTIONS OF HIGHER EDUCATION OTHER POST-EMPLOYMENT BENEFITS TRUST	This fund consists of Colorado State University and University of Colorado. Colorado State University administers four employee defined benefit healthcare plans as part of a single qualifying trust. The plans provide post-employment subsidies for medical premiums, supplemental subscription benefits and income replacement benefits for long-term disability. University of Colorado participates in two types of OPEB plans – a single-employer plan administered by the University and a cost-sharing plan administered by PERA.

PRIVATE-PURPOSE TRUST FUNDS

TREASURER'S	This fund comprises a portion of the escheats funds managed by the State Treasurer. The receipts of the fund are from bank accounts, investment accounts, and insurance proceeds that are placed with the State when the owners of the assets cannot be located. The owner's legal rights to the asset are protected in perpetuity. The fund reports Net Position Held in Trust for the amount ultimately expected to be claimed and paid based on analysis of the history of claims paid versus collections.
COLLEGE SAVINGS PLAN	The College Savings Plan (commonly referred to as the Scholars Choice Fund) authorized in statute is used to record the deposits, withdrawals, and investment returns of participants in the college savings program. The moneys in the fund are neither insured nor guaranteed by the State.
OTHER	This fund primarily accounts for receipts collected from racetracks and simulcast facilities for distribution to horse breeders and associations who participate in state-regulated parimutuel horse racing.

CUSTODIAL FUNDS

These funds are held in custody for others. Major items include sales taxes collected for cities and counties; litigation settlement escrow accounts; contractor's performance escrow accounts; deposits held to ensure land restoration by mining and oil exploration companies; amounts held for the trustee related to Certificates of Participation or revenue Bonds for Higher Education Institutions, Building Excellent Schools Today (BEST), the Bridge Enterprise program; and assets invested for the Colorado Water Resources and Power Development Authority (a discretely presented component unit).

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	STATE EMPLOYMENT BENEFIT PLANS	INSTITUTIONS OF HIGHER EDUCATION OTHER POST-EMPLOYMENT BENEFITS TRUST	TOTAL
ASSETS:			
Cash and Pooled Cash	$ 106,212	$ 1,162	$ 107,374
Other Receivables, net	3,681	7,669	11,350
Due From Other Funds	1,618	-	1,618
Prepaids, Advances and Deposits	771	228	999
Investments:			
Government Securities	-	6,002	6,002
Corporate Bonds	-	13,135	13,135
Asset Backed Securities	-	374	374
Mortgages	-	6,917	6,917
Mutual Funds	-	99,523	99,523
Other Investments	-	29,613	29,613
TOTAL ASSETS	112,282	164,623	276,905
LIABILITIES:			
Accounts Payable and Accrued Liabilities	21,793	4,189	25,982
Claims and Judgments Payable	21,061	-	21,061
Other Current Liabilities	-	31,282	31,282
Accrued Compensated Absences	215	-	215
TOTAL LIABILITIES	43,069	35,471	78,540
NET POSITION:			
Restricted for:			
OPEB	-	129,152	129,152
Held in Trust for:			
Pension/Benefit Plan Participants	69,213	-	69,213
TOTAL NET POSITION	$ 69,213	$ 129,152	$ 198,365

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	STATE EMPLOYMENT BENEFIT PLANS	INSTITUTIONS OF HIGHER EDUCATION OTHER POST-EMPLOYMENT BENEFITS TRUST	TOTAL
ADDITIONS:			
Member Contributions	$ 78,637	$ 1,950	$ 80,587
Employer Contributions	407,706	136	407,842
Investment Income/(Loss)	(1,456)	14,258	12,802
Other Additions	5,133	284,639	289,772
Transfers-In	1,247	-	1,247
TOTAL ADDITIONS	491,267	300,983	792,250
DEDUCTIONS:			
Distributions to Participants	-	3,354	3,354
Health Insurance Premiums Paid	278,343	-	278,343
Health Insurance Claims Paid	162,294	-	162,294
Other Benefits Plan Expense	29,990	-	29,990
Administrative Expense	17,929	-	17,929
Other Deductions	382	311,946	312,328
Transfers-Out	89	-	89
TOTAL DEDUCTIONS	489,027	315,300	804,327
CHANGE IN NET POSITION	2,240	(14,317)	(12,077)
NET POSITION - FISCAL YEAR BEGINNING	66,973	84,527	151,500
Accounting Changes (See Note 15B)	-	58,942	58,942
NET POSITION - FISCAL YEAR BEGINNING (RESTATED)	66,973	143,469	210,442
NET POSITION - FISCAL YEAR ENDING	$ 69,213	$ 129,152	$ 198,365

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	TREASURER'S	COLLEGE SAVINGS PLAN	OTHER	TOTAL
ASSETS:				
Cash and Pooled Cash	$ 226,401	$ 84,870	$ 12,056	$ 323,327
Other Receivables, net	40	26,138	971	27,149
Due From Other Funds	-	15,194	-	15,194
Investments:				
Government Securities	-	-	4,914	4,914
Corporate Bonds	-	-	7,871	7,871
Mortgages	22,983	-	-	22,983
Mutual Funds	-	11,127,906	164	11,128,070
Guaranteed Investment Contracts	-	172,727	-	172,727
Other Investments	-	622	-	622
TOTAL ASSETS	249,424	11,427,457	25,976	11,702,857
LIABILITIES:				
Accounts Payable and Accrued Liabilities	-	24,859	6,934	31,793
Due To Other Funds	-	7	-	7
Unearned Revenue	-	19,289	4,435	23,724
Other Long-Term Liabilities	-	8,274	-	8,274
TOTAL LIABILITIES	-	52,429	11,369	63,798
NET POSITION:				
Held in Trust for:				
Individuals, Organizations, and Other Entities	249,424	11,375,028	14,607	11,639,059
TOTAL NET POSITION	$ 249,424	$ 11,375,028	$ 14,607	$ 11,639,059

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	TREASURER'S	COLLEGE SAVINGS PLAN	OTHER	TOTAL
ADDITIONS:				
Investment Income/(Loss)	$ (4,757)	$ 1,882,858	$ 1,861	$ 1,879,962
Gifts and Bequests	694	-	-	694
Unclaimed Property Receipts	91,631	1,152,698	10,977	1,255,306
Other Additions	-	1,316	1,455	2,771
TOTAL ADDITIONS	87,568	3,036,872	14,293	3,138,733
DEDUCTIONS:				
Distributions to Participants	42,593	933,664	7,086	983,343
Distributions - Intergovernmental Entities	700	-	-	700
Administrative Expense	-	-	279	279
Other Deductions	-	35,677	4,669	40,346
Transfers-Out	-	-	19	19
TOTAL DEDUCTIONS	43,293	969,341	12,053	1,024,687
CHANGE IN NET POSITION	44,275	2,067,531	2,240	2,114,046
NET POSITION - FISCAL YEAR BEGINNING	220,227	9,307,716	1,329	9,529,272
Prior Period Adjustments (Note 15A)	-	(15)		(15)
Accounting Changes (See Note 15B)	(15,078)	(204)	11,038	(4,244)
NET POSITION - FISCAL YEAR BEGINNING (RESTATED)	205,149	9,307,497	12,367	9,525,013
NET POSITION - FISCAL YEAR ENDING	$ 249,424	$ 11,375,028	$ 14,607	$ 11,639,059

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	TAX COLLECTIONS AND DISBURSEMENTS	TREASURY INVESTMENT POOL	OTHER	TOTAL
ASSETS:				
Cash and Pooled Cash	$ 220,058	$ 114,451	$ 170,087	$ 504,596
Taxes Receivable, net	225,566	-	-	225,566
Other Receivables, net	131	-	1,166	1,297
Due From Other Governments	-	-	67	67
Due From Other Funds	-	6,764	-	6,764
Prepaids, Advances and Deposits	-	-	19	19
Other Long-Term Assets	-	-	8,900	8,900
TOTAL ASSETS	445,755	121,215	180,239	747,209
LIABILITIES:				
Tax Refunds Payable	2,132	-	-	2,132
Accounts Payable and Accrued Liabilities	-	-	1,360	1,360
Due To Other Governments	-	-	198	198
Due To Other Funds	120	-	-	120
Unearned Revenue	-	-	226	226
Other Current Liabilities	-	5	205	210
Other Long-Term Liabilities	539	-	-	539
TOTAL LIABILITIES	2,791	5	1,989	4,785
NET POSITION:				
Held in Trust for:				
Individuals, Organizations, and Other Entities	442,964	121,210	178,250	742,424
TOTAL NET POSITION	$ 442,964	$ 121,210	$ 178,250	$ 742,424

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	TAX COLLECTIONS AND DISBURSEMENTS	TREASURY INVESTMENT POOL	OTHER	TOTAL
ADDITIONS:				
Investment Income/(Loss)	$ (1,171)	$ (48,965)	$ (2,390)	$ (52,526)
Court Awards and Restitution Receipts	-	-	115,242	115,242
Collections of Sales Tax for Other Governments	2,244,966	162,257	94,148	2,501,371
Other Additions	-	-	92,983	92,983
TOTAL ADDITIONS	2,243,795	113,292	299,983	2,657,070
DEDUCTIONS:				
Distributions to Participants	-	-	-	-
Payments of Sales Tax to Other Governments	2,203,125	169,670	115,543	2,488,338
Administrative Expense	1,335	-	6,171	7,506
Other Deductions	-	-	181,693	181,693
TOTAL DEDUCTIONS	2,204,460	169,670	303,407	2,677,537
CHANGE IN NET POSITION	39,335	(56,378)	(3,424)	(20,467)
NET POSITION - FISCAL YEAR BEGINNING	-	-	-	-
Accounting Changes (See Note 15B)	403,629	177,588	181,674	762,891
NET POSITION - FISCAL YEAR ENDING	$ 442,964	$ 121,210	$ 178,250	$ 742,424

COMPONENT UNITS

The following statements present the Other Component Units (Nonmajor) aggregated in the combined component unit statements. Descriptions of each of the component units presented can be found in Note 1.

COMBINING STATEMENT OF NET POSITION
OTHER COMPONENT UNITS (NONMAJOR)
JUNE 30, 2021

(DOLLARS IN THOUSANDS)	DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	STATEWIDE INTERNET PORTAL AUTHORITY	TOTAL
ASSETS:			
Current Assets:			
Cash and Pooled Cash	$ 1,347	$ 5,102	$ 6,449
Restricted Cash and Pooled Cash	1,406	5,000	6,406
Other Receivables, net	3,000	3,784	6,784
Prepaids, Advances and Deposits	-	201	201
Other Current Assets	-	3,917	3,917
Total Current Assets	5,753	18,004	23,757
Noncurrent Assets:			
Other Long-Term Assets	219	-	219
Depreciable Capital Assets and Infrastructure, net	151,754	7	151,761
Land and Nondepreciable Capital Assets	20,747	-	20,747
Total Noncurrent Assets	172,720	7	172,727
TOTAL ASSETS	178,473	18,011	196,484
DEFERRED OUTFLOW OF RESOURCES:	-	341	341
LIABILITIES:			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	179	4,228	4,407
Unearned Revenue	-	4,019	4,019
Other Current Liabilities	6,000	166	6,166
Total Current Liabilities	6,179	8,413	14,592
Noncurrent Liabilities:			
Net Pension Liability	-	458	458
Other Postemployment Benefits	-	58	58
Total Noncurrent Liabilities	-	516	516
TOTAL LIABILITIES	6,179	8,929	15,108
DEFERRED INFLOW OF RESOURCES:	-	743	743
NET POSITION:			
Net investment in Capital Assets:	172,720	7	172,727
Restricted for:			
Other Purposes	1,707	-	1,707
Unrestricted	(2,133)	8,673	6,540
TOTAL NET POSITION	$ 172,294	$ 8,680	$ 180,974

COMBINING STATEMENT OF ACTIVITIES
OTHER COMPONENT UNITS (NONMAJOR)
FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	HLC @ METRO	STATEWIDE INTERNET PORTAL AUTHORITY	TOTAL
EXPENSES	$ 8,348	$ -	$ 40,691	$ 49,039
PROGRAM REVENUES:				
Charges for Services	8,500	-	42,211	50,711
Capital Grants and Contributions	2,266	-	-	2,266
TOTAL PROGRAM REVENUES:	10,766	-	42,211	52,977
NET (EXPENSE) REVENUE	2,418	-	1,520	3,938
GENERAL REVENUES:				
Unrestricted Investment Earnings (Losses)	10	-	9	19
TOTAL GENERAL REVENUES	10	-	9	19
CHANGE IN NET POSITION	2,428	-	1,529	3,957
NET POSITION - FISCAL YEAR BEGINNING	169,866	(467)	7,151	176,550
Accounting Changes (See Note 15B)	-	467	-	467
NET POSITION - FISCAL YEAR BEGINNING (Restated)	169,866	-	7,151	177,017
NET POSITION - FISCAL YEAR ENDING	$ 172,294	$ -	$ 8,680	$ 180,974

NON-APPROPRIATED BUDGET SCHEDULES

The schedules on the following pages provide, by department, nonappropriated budget-to-actual activity. The budgets are based on a variety of sources that are not subject to appropriation by the General Assembly that generally include most federal awards, custodial agreements, and Colorado statutes. In Higher Education Institutions informational only appropriations for tuition and certain fees contained in the State's legislative appropriations act are not controlling. Therefore, expenditures may exceed recorded budgets in these appropriations.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS BUDGET AND ACTUAL - NON-APPROPRIATED GENERAL FUNDED FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Sales and Other Excise Taxes			$ 554,558	
Income Taxes			1,295,737	
Other Taxes			46,288	
Sales and Services			205	
Interest Earnings			6,880	
Other Revenues			3,682	
Transfers-In			49,290	
TOTAL REVENUES AND TRANSFERS-IN			1,956,640	
EXPENDITURES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Corrections	-	40	40	-
Education	10,000	10,000	10,000	-
Governor	$ -	$ 87	87	$ -
Health Care Policy and Financing	409,630	421,184	420,406	778
Judicial Branch	1,000	1,000	1,000	-
Local Affairs	63,375	63,375	63,339	36
Personnel & Administration	-	1,088	1,088	-
Revenue	278,411	361,243	357,333	3,910
Treasury	897,329	897,329	891,561	5,768
Transfers Not Appropriated by Department	23,989	23,989	23,989	-
SUB-TOTAL OPERATING BUDGETS	1,683,734	1,779,335	1,768,843	10,492
TOTAL EXPENDITURES AND TRANSFERS-OUT	$ 1,683,734	$ 1,779,335	$ 1,768,843	$ 10,492
EXCESS OF REVENUES AND TRANSFERS-IN OVER (UNDER) EXPENDITURES AND TRANSFERS-OUT			$ 187,797	

The notes to the required supplementary information are an integral part of this schedule.

SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES IN FUND BALANCES/NET POSITION - BUDGETARY BASIS BUDGET AND ACTUAL - NON-APPROPRIATED CASH FUNDED FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Sales and Other Excise Taxes			$ 928,942	
Other Taxes			847,347	
Tuition and Fees			404,826	
Sales and Services			1,967,158	
Interest Earnings			2,011,001	
Other Revenues			6,574,676	
Transfers-In			7,721,135	
TOTAL REVENUES AND TRANSFERS-IN			20,455,085	
EXPENDITURES/EXPENSES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Agriculture	$ 3,576	$ 4,638	$ 2,444	$ 2,194
Corrections	29,783	103,472	93,995	9,477
Education	4,117,162	4,109,562	4,102,993	6,569
Governor	894,614	998,558	333,290	665,268
Health Care Policy and Financing	41,578	45,000	27,346	17,654
Higher Education	1,534,573	1,697,161	1,758,498	(61,337)
Human Services	358,762	229,357	194,970	34,387
Judicial Branch	47,745	166,891	154,556	12,335
Labor and Employment	2,376,400	3,177,939	3,261,142	(83,203)
Law	27,271	27,391	10,273	17,118
Legislative Branch	18,867	18,867	4,618	14,249
Local Affairs	426,590	449,201	263,312	185,889
Military and Veterans Affairs	11,620	11,620	11,038	582
Natural Resources	910,670	974,047	412,060	561,987
Personnel & Administration	607,811	612,123	587,699	24,424
Public Health and Environment	302,832	371,068	113,913	257,155
Public Safety	247,381	261,852	156,014	105,838
Regulatory Agencies	82,298	82,713	62,347	20,366
Revenue	956,753	3,427,920	3,415,841	12,079
State	8,558	8,558	5,146	3,412
Transportation	4,702,240	4,702,515	1,329,980	3,372,535
Treasury	3,078,929	3,468,503	2,764,172	704,331
Budgets/Transfers Not Recorded by Department	7,369	10,553	10,570	(17)
SUB-TOTAL OPERATING BUDGETS	20,793,382	24,959,509	19,076,217	5,883,292
Capital and Multi-Year Budgets:				
Departmental:				
Agriculture	$ -	$ 2,046	$ 1,685	$ 361
Corrections	-	3,068	2,551	517
Education	-	888	793	95
Governor	-	194	-	194
Higher Education	254,713	289,271	145,195	144,076
Human Services	-	22,974	12,636	10,338
Military and Veterans Affairs	-	605	240	365
Natural Resources	(2,232)	4,123	4,150	(27)
Personnel & Administration	-	10,482	5,753	4,729
Public Health and Environment	-	85	-	85
Public Safety	-	221	195	26
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	252,481	333,957	173,198	160,759
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS-OUT	$ 21,045,863	$ 25,293,466	$ 19,249,415	$ 6,044,051
EXCESS OF REVENUES AND TRANSFERS-IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS-OUT			$ 1,205,670	

The notes to the required supplementary information are an integral part of this schedule.

SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES, AND CHANGES IN FUND BALANCES/NET POSITION - BUDGETARY BASIS BUDGET AND ACTUAL - NON-APPROPRIATED FEDERALLY FUNDED FOR THE YEAR ENDED JUNE 30, 2021

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Federal Grants and Contracts			$ 15,118,784	
TOTAL REVENUES AND TRANSFERS-IN			15,118,784	
EXPENDITURES/EXPENSES AND TRANSFERS-OUT:				
Capital and Multi-Year Budgets:				
Departmental:				
Agriculture	$ 5,638	$ 12,455	$ 7,253	$ 5,202
Corrections	76,098	73,489	67,584	5,905
Education	732,581	2,521,259	806,079	1,715,180
Governor	7,068,257	7,696,312	4,172,968	3,523,344
Health Care Policy and Financing	304,282	465,308	305,720	159,588
Higher Education	33,978	1,352,805	587,968	764,837
Human Services	329,923	2,504,275	2,090,110	414,165
Judicial Branch	15,400	30,087	17,482	12,605
Labor and Employment	6,289,415	8,723,099	6,685,421	2,037,678
Law	2,370	2,490	2,329	161
Local Affairs	81,957	985,120	525,694	459,426
Military and Veterans Affairs	122,174	46,368	25,470	20,898
Natural Resources	26,592	111,778	53,551	58,227
Personnel & Administration	1,470	2,422	1,415	1,007
Public Health and Environment	307,072	2,079,847	991,348	1,088,499
Public Safety	69,918	1,244,133	715,655	528,478
Regulatory Agencies	1,443	181,480	175,439	6,041
Revenue	1,037	3,220	-	3,220
State	-	20,217	7,231	12,986
Transportation	629,978	1,334,018	569,348	764,670
Treasury	92,071	92,071	92,071	-
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	16,191,654	29,482,253	17,900,136	11,582,117
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS-OUT	$ 16,191,654	$ 29,482,253	$ 17,900,136	$ 11,582,117
EXCESS OF REVENUES AND TRANSFERS-IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS-OUT			$ (2,781,352)	

The notes to the required supplementary information are an integral part of this schedule.

SCHEDULE OF TABOR REVENUE AND COMPUTATIONS

STATE OF COLORADO
OFFICE OF THE STATE CONTROLLER
COMPARISON OF NONEXEMPT TABOR REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Fiscal Year 2021	Fiscal Year 2020	Increase (Decrease)	Percent Change
GENERAL REVENUES				
Individual Income Tax, Net	$ 8,552,154,048	$ 8,032,399,506	$ 519,754,542	6.5%
Sales and Use Tax, Net	3,632,266,905	3,406,516,314	225,750,591	6.6%
Corporate Income Tax, Net	1,117,777,059	670,434,333	447,342,726	66.7%
Insurance Taxes	336,301,330	337,417,807	(1,116,477)	-0.3%
Fiduciary Income Tax, Net	117,201,679	24,275,951	92,925,728	382.8%
Tobacco Products Tax, Net	59,176,733	56,910,411	2,266,322	4.0%
Alcoholic Beverages Tax, Net	53,362,690	50,069,739	3,292,951	6.6%
Interest and Investment Income	46,783,615	29,238,671	17,544,944	60.0%
Court and Other Fines	7,578,922	10,172,014	(2,593,092)	-25.5%
Business Licenses and Permits	3,834,353	7,352,054	(3,517,701)	-47.8%
Miscellaneous Revenue	1,595,493	2,014,974	(419,481)	-20.8%
General Government Service Fees	1,420,418	2,371,028	(950,610)	-40.1%
Gaming and Other Taxes	327,147	348,916	(21,769)	-6.2%
Welfare Service Fees	22,599	19,130	3,469	18.1%
Other Charges For Services	10,384	6,349	4,035	63.6%
TOTAL GENERAL-FUNDED REVENUES	13,929,813,375	12,629,547,197	1,300,266,178	10.3%
PROGRAM REVENUES				
Fuel and Transportation Taxes, Net	595,714,024	626,572,328	(30,858,304)	-4.9%
Motor Vehicle Registrations	273,590,137	274,372,225	(782,088)	-0.3%
Business Licenses and Permits	199,840,438	189,101,472	10,738,966	5.7%
Court and Other Fines	168,529,288	161,582,265	6,947,023	4.3%
Other Charges For Services	162,567,299	165,603,803	(3,036,504)	-1.8%
Miscellaneous Revenue	146,565,097	91,856,173	54,708,924	59.6%
Gaming and Other Taxes	101,142,250	68,201,119	32,941,131	48.3%
General Government Service Fees	101,275,075	69,097,425	32,177,650	46.6%
Health Service Fees	83,596,966	87,432,522	(3,835,556)	-4.4%
Rents and Royalties	67,427,964	60,701,670	6,726,294	11.1%
Insurance Taxes	51,506,197	22,336,255	29,169,942	130.6%
Interest and Investment Income	50,839,615	87,609,855	(36,770,240)	-42.0%
Driver's Licenses	44,191,549	40,293,015	3,898,534	9.7%
Employment Taxes	40,153,832	38,075,619	2,078,213	5.5%
Public Safety Service Fees	34,196,635	20,531,842	13,664,793	66.6%
Nonbusiness Licenses and Permits	33,158,813	30,163,475	2,995,338	9.9%
Sales and Use Tax, Net	30,226,241	37,220,152	(6,993,911)	-18.8%
Certifications and Inspections	24,691,511	24,125,659	565,852	2.3%
Local Governments and Authorities	13,027,169	10,489,500	2,537,669	24.2%
Educational Fees	5,833,650	8,572,913	(2,739,263)	-32.0%
Severance Taxes	4,701,881	116,842,809	(112,140,928)	-96.0%
Higher Education Auxiliary Sales and Services	2,997,390	10,508,869	(7,511,479)	-71.5%
Welfare Service Fees	1,914,821	2,434,777	(519,956)	-21.4%
Sales of Products	1,138,495	2,046,193	(907,698)	-44.4%
Alcoholic Beverages Tax, Net	833,360	830,922	2,438	0.3%
Other Excise Taxes, Net	306,011	374,075	(68,064)	-18.2%
Tobacco Products Tax, Net	210	415	(205)	-49.4%
TOTAL PROGRAM REVENUES	2,239,965,918	2,246,977,347	(7,011,429)	-0.3%
Prior Year Errors		(7,152)	7,152	
Disqualification of Enterprises		(2,762,957)	2,762,957	
TOTAL CASH-FUNDED REVENUE	2,239,965,918	2,244,207,238	(4,241,320)	-0.2%
TOTAL NONEXEMPT REVENUE	$ 16,169,779,293	$ 14,873,754,435	$ 1,296,024,858	8.7%

STATE OF COLORADO
SCHEDULE OF COMPUTATIONS REQUIRED
UNDER ARTICLE X, SECTION 20
AS OF JUNE 30, 2021

	FISCAL YEAR 2020	FISCAL YEAR 2021
COMPUTATION OF NONEXEMPT REVENUES		
Total State Expenditures	$ 55,162,985,473	$ 67,186,300,966
Less Exempt Enterprises Expenses:		
Higher Education Enterprises	10,047,487,619	10,829,105,780
Unemployment Compensation Section	4,767,292,851	9,425,795,063
Colorado Healthcare Affordability and Sustainability Enterprise	3,531,659,327	4,235,144,603
CollegeInvest	926,156,300	969,557,285
State Lottery	654,964,236	789,947,824
College Assist	554,338,534	231,396,176
Health Insurance Affordability Enterprise	8,000	227,865,139
Parks and Wildlife	208,898,106	205,850,333
Correctional Industries	56,530,274	48,200,138
State Nursing Homes	46,527,686	47,158,027
Statewide Transportation Enterprise	23,618,477	46,887,142
Petroleum Storage Tank Fund	35,304,621	35,349,070
Statewide Bridge Enterprise	14,731,470	12,523,883
Clean Screen Authority	3,608,601	3,493,861
Brand Board	3,020,702	3,079,539
Electronic Recording Technology Fund	4,349,354	2,618,441
Capitol Parking Authority	1,167,736	1,126,708
Front Range Waste Diversion Enterprise	84,895	940,162
Subtotal Enterprise Expenses	20,879,748,789	27,116,039,174
Total District Expenditures	34,283,236,684	40,070,261,792
Less Exempt District Revenues:		
Federal Funds	7,868,739,443	10,810,509,802
Interfund Transfers	9,290,193,069	10,344,684,227
Amounts Held for Others (Note 11)	-	2,640,927,335
Other Sources and Additions (Note 7)	1,573,852,250	1,909,637,478
Voter Approved Revenue Changes (Note 8)	1,143,007,792	1,682,649,539
Damage Awards	100,284,626	125,329,963
Gifts	77,822,991	106,274,759
Property Sales	185,838,027	101,696,506
Exempt Investment Income	283,817,453	60,934,960
Subtotal Exempt District Revenues	20,523,555,651	27,782,644,569
Nonexempt District Expenditures	13,759,681,033	12,287,617,223
District Reserve/Fund Balance Increase (Decrease)	1,196,691,779	3,356,706,390
Excess TABOR Revenues	(82,618,377)	525,455,680
Total Nonexempt District Revenues	$ 14,873,754,435	$ 16,169,779,293
COMPUTATION OF DISTRICT FUND BALANCE CHANGES		
Beginning District Fund Balance	$ 8,751,906,735	$ 9,860,230,346
Prior Period District Fund Balance Adjustments (Note 11)	(5,749,791)	78,650,105
(Qualification)/Disqualification of Enterprises (Note 14)	-	2,694,417
District Reserve/Fund Balance Increase (Decrease)	1,196,691,779	3,356,706,390
Retention of Revenues in Excess of the Limit C.R.S. 24-77-103.6(1)(a)	(82,618,377)	525,455,680
Ending District Fund Balance	$ 9,860,230,346	$ 13,823,736,938

FISCAL YEAR 2021 COMPUTATION OF SPENDING LIMITATIONS	FISCAL YEAR SPENDING	EXCESS STATE REVENUES CAP
FY 2020 Limit	$ 12,249,003,600	$ 14,956,372,812
Other Agency Revenues From Disqualified Enterprises (Note 14)	(3,314,564)	(3,314,564)
FY 2020 Adjusted Limit	$ 12,245,689,036	$ 14,953,058,248
Allowable TABOR Growth Rate (Note 12)	3.1%	3.1%
FY 2021 Unadjusted Limit	$ 12,625,305,396	$ 15,416,603,054
Disqualification of Enterprises (Note 14)	2,762,957	2,762,957
C.R.S. 24-77-103.6(6)(b)(I)(F)		224,957,602
FY 2021 Adjusted Limit	$ 12,628,068,353	$ 15,644,323,613
Less Fiscal Year 2020 Nonexempt District Revenues	(16,169,779,293)	(16,169,779,293)
Amount (Over)Under Adjusted Limit FY 2021	$ (3,541,710,940)	$ (525,455,680)

Amounts remaining in excess of the limit to be refunded in future years (by fiscal year of excess revenue)	
FY 2015	$ 282,032
FY 2018	3,146,147
FY 2019	18,988,267
FY 2021	525,455,680
Total amount to be refunded in future years	$ 547,872,126
FY 2021 retention of revenues in excess of the limit (not refundable) C.R.S. 24-77-103.6(1)(b)	$ (3,016,255,260)

NOTES TO THE TABOR SCHEDULE OF REQUIRED COMPUTATIONS

NOTE 1. PURPOSE OF THE SCHEDULE OF REQUIRED COMPUTATIONS

The purpose of the Schedule of Required Computations is to determine and document compliance with Title 24 Article 77 of the Colorado Revised Statutes, which is the implementing statute for Article X Section 20 of the State Constitution (TABOR). The report is required to include at a minimum State fiscal year spending, reserves, revenues, and debt. The schedule also includes a calculation of the limit on fiscal year spending, a calculation of the excess State revenues cap under Referendum C (see Note 9), and the amount required to be refunded or the amount of excess revenue retained by law, as well as all related adjustments.

TABOR has many provisions including a requirement for a vote of the people for new taxes or tax rate increases and a limit on the amount of fiscal year spending. Fiscal year spending is defined as District expenditures and reserve increases except those expended from exempt sources, such as gifts, federal funds, damage awards, property sales, reserves, and other items. This definition, while focused on spending is essentially a limitation on revenue retention because reserve increases are unspent revenues. Therefore, the terms fiscal year spending and nonexempt revenue are used interchangeably throughout these notes.

The limit on revenue retention is based on an allowable growth percentage (see Note 12) applied to the lesser of the prior year's revenues or the prior year's limit. Revenues in excess of the limit are required to be refunded to taxpayers unless voters approve retention of the excess. In the 2005 general election, voters approved Referendum C, which allowed the State to retain revenues in excess of the limit for a five-year period. Beginning in Fiscal Year 2011, under Referendum C provisions, revenues are refunded only when they exceed the excess State revenues cap (see Note 9).

NOTE 2. BASIS OF ACCOUNTING

Pursuant to Article 77 of Title 24, Colorado Revised Statutes, this report is prepared in accordance with generally accepted accounting principles (GAAP) for governmental entities except where an irreconcilable difference exists between GAAP, and State statute or the provisions of Article X Section 20 of the State Constitution (TABOR). The accounting principles used by the State are more fully described in Note 1 to the Financial Statements.

NOTE 3. DEFINITION OF THE DISTRICT

TABOR defines the District as "the State or any local government, excluding enterprises." It further defines an enterprise as "a government-owned business authorized to issue its own revenue bonds and receiving under 10 percent of annual revenue in grants from all Colorado state and local governments combined."

The General Assembly, for the purpose of implementing TABOR, stated in Section 24-77-102(16) C.R.S.:

(a) that "State" means the central civil government of the State of Colorado, which consists of the following:

(I) the legislative, executive, and judicial branches of government established by Article III of the State Constitution;

(II) all organs of the branches of government specified in subparagraph (I) of paragraph (a) of this subsection (16), including the departments of the executive branch; the legislative houses and agencies; and the appellate and trial courts and court personnel; and

(III) State institutions of higher education.

(b) "State" does not include:

(I) any enterprise [including an institution or group of institutions of higher education that has been designated as an enterprise];

(II) any special purpose authority;

(III) any organization declared to be a joint governmental entity.

The General Assembly has designated the following as enterprises excluded from the District:

- State Lottery,
- College Assist,
- CollegeInvest,
- Division of Parks and Wildlife,
- State Nursing Homes,
- Division of Correctional Industries,
- Petroleum Storage Tank Fund,
- State Fair Authority,
- Division of Brand Inspection,
- Clean Screen Authority,
- Capitol Parking Authority,
- Statewide Transportation Enterprise,
- Statewide Bridge Enterprise,
- Unemployment Insurance Enterprise,
- Electronic Recording Technology Fund,
- Colorado Healthcare Affordability and Sustainability Enterprise,
- Front Range Waste Diversion Enterprise,
- Health Insurance Affordability Enterprise,

- Clean Motor Vehicle Fleet Enterprise,
- Clean Transit Enterprise,
- Air Pollution Mitigation Enterprise,
- Air Quality Enterprise,
- Community Access Enterprise,
- Natural Disaster Mitigation Enterprise,
- 988 Crisis Hotline Enterprise.

It further established a statutory mechanism that allows the governing boards of institutions of higher education to designate certain auxiliary operations as enterprises, which are also exempt from TABOR. Senate Bill 04-189 expanded the authority for each governing board of State institutions of higher education to designate the entire institution as a TABOR exempt enterprise. The Board of Regents of the University of Colorado designated the entire University of Colorado as an enterprise during Fiscal Year 2005, and the remaining boards designated their institutions as enterprises in Fiscal Year 2006. The Auraria Higher Education Center Board of Directors did not designate all of its activities as a TABOR enterprise, but it continues to have selected activities designated as a TABOR enterprise.

Although the General Assembly and governing boards have designated certain enterprises as exempt from TABOR, those enterprises must continue to meet the criteria of a government-owned business authorized to issue its own revenue bonds and to receive less than 10 percent of its revenue in grants from all Colorado state and local governments combined. The State Fair Authority remained disqualified as an enterprise for Fiscal Year 2021.

NOTE 4. DEBT

Certificates of Participation, which are used by the State for long-term lease purchases, are not considered debt of the State for purposes of this report as provided by Section 24-30-202(5.5) C.R.S.

In interrogatories submitted by the General Assembly regarding House Bill 99-1325, the Colorado Supreme Court ruled that Transportation Revenue Anticipation Notes (TRANS) issued by the Colorado Department of Transportation do not constitute debt of the State as defined in Article XI Section 3 of the State Constitution. However, the Supreme Court ruled that the TRANS are a multiple-fiscal year obligation as defined by Article X Section 20 of the State Constitution, thus requiring an approving election before issuance.

NOTE 5. EMERGENCY RESERVES

TABOR requires the reservation, for declared emergencies, of three percent or more of fiscal year spending, excluding bonded debt service payments. This requirement for Fiscal Year 2021 totals $485.1 million.

At June 30, 2021, the net assets of the following funds were designated as the reserve, up to the limits set in the Long Appropriations Act (HB 20-1360):

- Major Medical Insurance Fund – $63.0 million.
- Colorado Water Conservation Board Construction Fund – $33.0 million.
- Controlled Maintenance Trust Fund – $73.0 million
- Disaster Emergency Fund - $75.0 million.
- Unclaimed Property Tourism Promotion Trust Fund - $5.0 million.

The 2020 legislative session Long Appropriations Act also designated up to $160.0 million of State properties as the remainder of the emergency reserve.

Based on actual fiscal year nonexempt revenues in Fiscal Year 2021, the required reserve was $485.1 million. Because the actual reserve requirement was more than the amount set in HB 20-1360, the total amount restricted for the reserve was $76.1 million less than the combined maximums allowable in the designated funds detailed above. There is no process by which the General Assembly can adjust the designated reserve after the end of the legislative session when the total TABOR revenues are finally known.

During Fiscal Year 2021, nine executive orders called for a net amount of $65.9 million to be transferred from the funds constituting the TABOR reserve, to the Disaster Emergency Fund (DEF), in response to the costs of dealing with the COVID-19 pandemic. Another $9.8 million was transferred to the DEF through six executive orders for the costs of fighting wildfires across the State.

NOTE 6. STATUS OF REFUNDING

There are three TABOR refund mechanisms in current state law – the property tax exemption reimbursement, the temporary income tax rate reduction and the six-tiered sales tax refund. A summary of each is noted below:

1. Property tax exemption reimbursement – with the enactment of Senate Bill 17-267, excess revenue is first refunded via reimbursements to local governments equal to the amount of property tax revenue they lose as a result of the property tax exemptions for seniors and disabled veterans. The amount refunded via this mechanism is the lesser of actual reimbursements or the total refund obligation in accordance with Section 39-3-209(2) C.R.S. If the amount of excess revenue is less than the amount required to reimburse local governments for property tax exemptions for seniors and disabled veterans, then only the portion of the reimbursement equal to the refund obligation is accounted as a TABOR refund. This portion is paid from General Fund revenue set aside in the year when the TABOR surplus was collected. This is considered an under-distribution and is carried forward until the reimbursement is paid. The remaining portion of the reimbursement is financed from revenue collected in the fiscal year when the reimbursement is paid.

2. Temporary income tax rate reduction – under Section 39-22-627 C.R.S., the temporary income tax rate reduction refunds revenue via a temporary reduction in the state income tax rate from 4.63 percent to 4.50 percent for individual and corporate income taxpayers. The income tax rate reduction is triggered if and only if the refund obligation exceeds the amount of the property tax reimbursement mechanism by at least the amount of the reduction in revenue expected to result from the reduction in the income tax rate. When triggered, the income tax rate is reduced in the tax year following the fiscal year in which excess revenue is collected. If the refund obligation is less than the reduction in revenue expected to result from the reduction in the income tax rate, then the refund in excess of the property tax reimbursement mechanism is refunded via the third mechanism.

3. Six-tier sales tax refund mechanism – under Section 39-22-2001 through 2003 C.R.S., the six-tier sales tax refund refunds any excess amount outstanding after the payment of refunds via the property tax reimbursement mechanism and, if triggered, the temporary income tax rate reduction. Despite being called a sales tax refund, the refund appears on income tax forms as a means of returning sale tax revenue paid by individuals. The mechanism grants taxpayers a refund according to where their adjusted gross income falls among six adjusted gross income tiers. When the amount to be refunded via this mechanism is large enough to support at least $15 per taxpayer, the Department of Revenue is required to distribute the amount among the tiers as it was distributed for the sales tax refund in the tax year 1999. If the amount to be refunded is less than $15 per taxpayer, an equal refund is provided to each taxpayer regardless of income. Because the number of qualifying taxpayers and their adjusted gross incomes are estimates, the use of the second and third refund mechanisms can result in over or under distribution of the required refund throughout the four-year period allowed for amended tax returns.

Regardless of the refund mechanism, Section 24-77-103.8 C.R.S. requires that under-distributions of refunds be carried forward to subsequent years and added to the required refund in a future year when revenue is over the spending limit. Over-distributions of refunds, pursuant to Section 24-77-103.7 C.R.S., are also carried forward to subsequent years and are used to offset any future refund liability. The amount of the over/under carry forward is to be applied in the year following the year in which the refund is required to be made, which results in a two-year lag between the recording of the excess revenue and the adjustment for over or under refunds of those excess revenues.

At the beginning of Fiscal Year 2021, the State had an outstanding TABOR refund liability of $144.0 million. During the year, $22.3 thousand was refunded from the Fiscal Year 2015 liability and $120.7 million from the Fiscal Year 2019 liability (through the property tax reimbursement mechanism). Refund liabilities for Fiscal Years 2018 and 2019 were each decreased by $0.4 million to adjust for prior-year revenue recording errors. Excess revenue over the ESRC in Fiscal Year 2021 added $525.5 million to the total liability. At June 30, 2021, the amount of refunds payable is $547.9 million (See Note 15 for more detail).

NOTE 7. OTHER SOURCES AND ADDITIONS

The $1,909.6 million reported in this line item primarily comprises: $485.2 million of pension and other employee benefit trust fund investment earnings and additions by the State and participants; $975.7 million of proceeds from the issuance of certificates of participation; $247.4 million of revenue to permanent funds and trusts; $58.0 million of local government expenditures recorded by the State as revenues and expenditures to meet grant matching-funds requirements; and $127.1 million of other miscellaneous revenue.

NOTE 8. VOTER APPROVED REVENUE CHANGES

When State voters approve a revenue change, the resulting revenues are exempt from the TABOR limit on fiscal year spending. The following revenue changes were approved by voters:

- In the 1998 general election, voters approved a citizen-initiated law, Section 25-8-501.1 C.R.S. – Regulation of Commercial Hog Facilities – which instituted a permit fee. The State collected $56,439 and $56,881 from this exempt source in Fiscal Year 2021 and Fiscal Year 2020, respectively.

- In the 2000 general election, voters approved a citizen-initiated amendment that added Section 14 to Article XVIII of the State Constitution. This amendment allowed the use of marijuana for medical purposes and authorized the Department of Public Health and Environment to charge a fee for the issuance of a permit for such purpose. The State recorded $2.3 million and $2.1 million including interest and unrealized gains/losses from this revenue source in Fiscal Year 2021 and Fiscal Year 2020, respectively.

- In the 2000 general election, voters approved a citizen-initiated amendment that added Section 17 to Article IX of the State Constitution. This amendment created the State Education Fund and diverted the revenues from a tax of one-third of one percent on taxable income of individuals, corporations, estates, and trusts from the General Fund to the State Education Fund. It also exempted the revenue from TABOR. The amendment was effective January 1, 2001, and resulted in $1,037.3 million and $655.9 million of tax revenues, interest, operating transfers and unrealized gains/losses, as exclusions from fiscal year spending in Fiscal Year 2021 and Fiscal Year 2020, respectively.

- In the 2004 general election, voters approved a citizen-initiated amendment that added Section 21 to Article X of the State Constitution. The amendment authorized additional cigarette and tobacco taxes (3.2 cents per cigarette and 20 percent of manufacturer's list price for other tobacco products) effective January 1, 2005. The amendment specified the use of the tax revenue generated for specific health related programs, and it exempted the revenue from the TABOR limitations. The State recorded $137.9 million and $137.7 million of tax revenues, interest, transfers, and unrealized gains/losses from this exempt source in Fiscal Year 2021 and Fiscal Year 2020, respectively.

- In the 2005 general election, Colorado voters approved Referendum C – a measure referred to the voters by the Legislature. The referendum allowed the State to retain revenues in excess of the TABOR limit for a period of five years, and it stated that the excess revenue retained qualified as a voter approved revenue change. However, in order to determine the amount retained, the Schedule of Required Computations includes the retained amount as nonexempt revenue. Therefore, the retained amount is not reported in this note as a voter approved revenue change (see Note 9).

- In the 2008 general election, voters approved an amendment required to implement locally approved changes to the parameters for Limited Gaming under Section 9(7) of Article XVIII of the Colorado Constitution. This amendment allowed the residents of Central City, Black Hawk, and Cripple Creek to vote to extend casino hours, approve additional games and increase the maximum single bet limit. It required distribution of most of the gaming tax revenue that resulted from the new gaming limits to Colorado community colleges and to gaming cities and counties, and it exempted the new revenue from state and local revenue and spending limits. The State collected $19.8 million and $13.0 million of extended limited gaming revenue in Fiscal Year 2021 and Fiscal Year 2020, respectively.

- In the 2013 general election, Colorado voters approved Proposition AA, a measure referred to the voters by the Legislature. The proposition authorized a 15 percent state excise tax on the average wholesale price of retail marijuana, and, in addition to the existing 2.9 percent state sales tax, an additional 10 percent state sales tax on retail marijuana and retail marijuana products, effective January 1, 2014. The amendment specified the use of the excise tax revenue generated for public school construction (for the first $40.0 million collected) with any additional excise revenue generated to be used for marijuana regulation.

  With the enactment of Senate Bill 267 in the 2017 legislative session, the retail marijuana sales tax rate increased from 10 percent to 15 percent and exempted the 2.9 percent sales tax. The State's share of the retail tax increased from 85 percent to 90 percent. These changes took effect on July 1, 2017. The 15 percent excise tax on the wholesale price of retail marijuana still applies.

  The State recorded $120.8 million of state excise tax and $288.2 million of retail marijuana state sales tax revenues from these exempt sources in Fiscal Year 2021. In the prior fiscal year, the State recorded $88.5 million and $245.5 million respectively, from these two sources.

- In the 2019 statewide election, Colorado voters approved Proposition DD – a measure referred to voters by the Legislature in HB 19-1327. The proposition allowed the State to tax the proceeds of sports betting activity and to use the revenue for implementing the State water plan and for other purposes. The State recorded $8.1 million and $0.3 million from this revenue source in Fiscal Year 2021 and Fiscal Year 2020, respectively.

- In the 2020 statewide election, voters approved Proposition EE – a measure referred to voters by the Legislature in HB 20-1427. The "yes" vote on the proposition allowed the State to impose a tax on nicotine liquids and other vaping products, and to increase existing cigarette and tobacco taxes. The revenue is to provide funding for schools, housing development and rental assistance, health care programs, tobacco education programs and other state and local general spending. In Fiscal Year 2021, the State recorded $68.0 million in Proposition EE revenue.

NOTE 9. REFERENDUM C

Referendum C was placed on the ballot by the General Assembly and was approved by voters in the November 2005 election. It contained the following provisions:

- The State was authorized to retain and spend all revenues in excess of the limit on fiscal year spending after July 1, 2005, and before July 1, 2010 (five fiscal years). The authorization constituted a voter approved revenue change.

- After July 1, 2010, the State is allowed to retain revenues in excess of the limit on fiscal year spending up to a newly defined excess State revenues cap (ESRC). The excess State revenues cap is the highest population and inflation-adjusted nonexempt revenue amount in the period from July 1, 2005, to June 30, 2010, also adjusted for qualification and disqualification of enterprises. This provision effectively disabled the ratchet down provision of TABOR during the five-year period. (The term "ratchet down" is used to describe the TABOR provision that requires each year's base for calculating the limit to be the lesser of the prior year's revenues or the prior year's limit.)

- In the 2017 legislative session, enactment of Senate Bill 17-267 lowered the ESRC base by $200 million. This one-time change took effect in Fiscal Year 2018 and permanently modified future year calculations of the amount over or under the ESRC. The revised ESRC in Fiscal Year 2018 set a new base, which will continue to increase (or decrease) in future years by the combined percentage change in population and inflation.

- In the 2021 legislative session, enactment of Senate Bill 21-260 restored the ESRC base that had been lowered three years earlier by Senate Bill 17-267. The increase to the base was $225.0 million, which includes adjustments for population growth and inflation. The revised base will continue to increase (or decrease) in future years by the combined percentage change in population and inflation.

- A General Fund Exempt Account was created within the General Fund to consist of the retained revenues for each fiscal year of the retention period. The Legislature appropriates money in the account for health care, education (including related capital projects), firefighter and police pension funding (for local governments), and strategic transportation projects.

- The Director of Research of the Legislative Council is required to report the amount of revenues retained with a description of how the retained revenues were expended.

- The State Controller's annual report demonstrating compliance with the statutes implementing TABOR is required to include the amount of revenues that the State is authorized to retain and expend.

With the end of the Referendum C five-year excess revenue retention period, the State was subject to an ESRC starting in Fiscal Year 2011. Calculation of the original TABOR limit continues to apply, but the ESRC replaces the previous TABOR limit for triggering taxpayer refunds.

Since the inception of Referendum C in Fiscal Year 2006, the State has retained $27,457.0 million - $3.6 million during the initial five-year revenue retention period, and an additional $23,863.4 million due to the ESRC exceeding the Fiscal Year Spending limit in Fiscal Year 2011 through Fiscal Year 2021.

NOTE 10. DISTRICT RESERVES

District reserves are the cumulative fund balances of the State reported in the State's Annual Comprehensive Financial Report at the fund level rather than the government-wide level. District reserves therefore exclude capital assets, liabilities that are not recorded in governmental funds at the fund level (primarily long-term liabilities), as well as net assets of the TABOR enterprises. The majority of these funds include balances not available for general appropriation due to legal and contractual restrictions.

NOTE 11. PRIOR PERIOD DISTRICT FUND BALANCE ADJUSTMENTS AND ACCOUNTING CHANGES

In Fiscal Year 2021, the State completed its change in accounting for funds related to fiduciary activities in compliance with GASB Statement No. 84. The GASB standard requires certain funds having a fiduciary purpose, to recognize the receipt of funds held for other entities and parties, as revenue to the State. Before Fiscal Year 2021, these receipts were recorded as liabilities to be settled when the funds were used for their intended purposes. The implementation of GASB 84 was structured this year to create a new classification of exempt revenue called Amounts Held for Others. The implementation in Fiscal Year 2021 had no effect on TABOR, other than to create the new classification.

The University of Colorado – Denver increased the District's net assets by $107.4 million, due to a reclass of the Fitzsimons Trust Fund net assets to the General Full Accrual Accounting Group. The trust fund's net assets were in a deficit position at June 30, 2021. The General Full Accrual Accounting Group is not in the TABOR District.

The Colorado Department of Public Safety decreased the District's net assets by $28.7 million for the final reconciliation of Fiscal Year 2020 inventory receipt and disposition of personal protective equipment, related to COVID-19.

NOTE 12. SOURCES OF TABOR GROWTH LIMIT

The allowable percentage increase in State fiscal year spending equals the sum of inflation and the percentage change in State population in the calendar year ending six months prior to the start of the fiscal year. Inflation is defined in Section C.R.S. 24-77-102(8) C.R.S. as "the percentage change in the consumer price index for the Denver-Boulder Consolidated Metropolitan Statistical Area For All Urban Consumers, All Goods, as published by the U.S. Department of Labor, Bureau of Labor Statistics, or its successor index." The Bureau of Labor Statistics' successor index beginning with the Fiscal Year 2018 Schedule of Computations is the index for the Denver-Aurora-Lakewood area.

The 3.1 percent allowable growth rate comprises a 1.2 percent increase for population growth (census date population for 2019 compared to census date population for 2018) and a 1.9 percent increase for inflation.

NOTE 13. SPENDING LIMIT ADJUSTMENTS FOR PRIOR YEAR ERRORS

With the addition of the excess State revenues cap, spending limit adjustments only impact the calculation of the Fiscal Year Spending Limit. In Fiscal Year 2021 there were no prior year revenue recognition errors that were large enough to impact the prior year base, therefore there were no adjustments to the Fiscal Year 2020 Fiscal Year Spending Limit.

NOTE 14. ENTERPRISE QUALIFICATION AND DISQUALIFICATION

The TABOR amendment to the State Constitution specifies that qualification and disqualification of enterprises shall change the District base. In order to ensure comparability between the base and current year nonexempt revenue, when an activity qualifies as an enterprise the base is reduced by the activity's prior year nonexempt revenue offset by revenue that would have been counted as nonexempt due to the activity's interaction with other State agencies. When a TABOR enterprise becomes disqualified, its current year nonexempt revenue is added to the base after application of the population and inflation growth adjustment and its prior year payments to other State agencies are removed from the base (before application of the allowable growth rate).

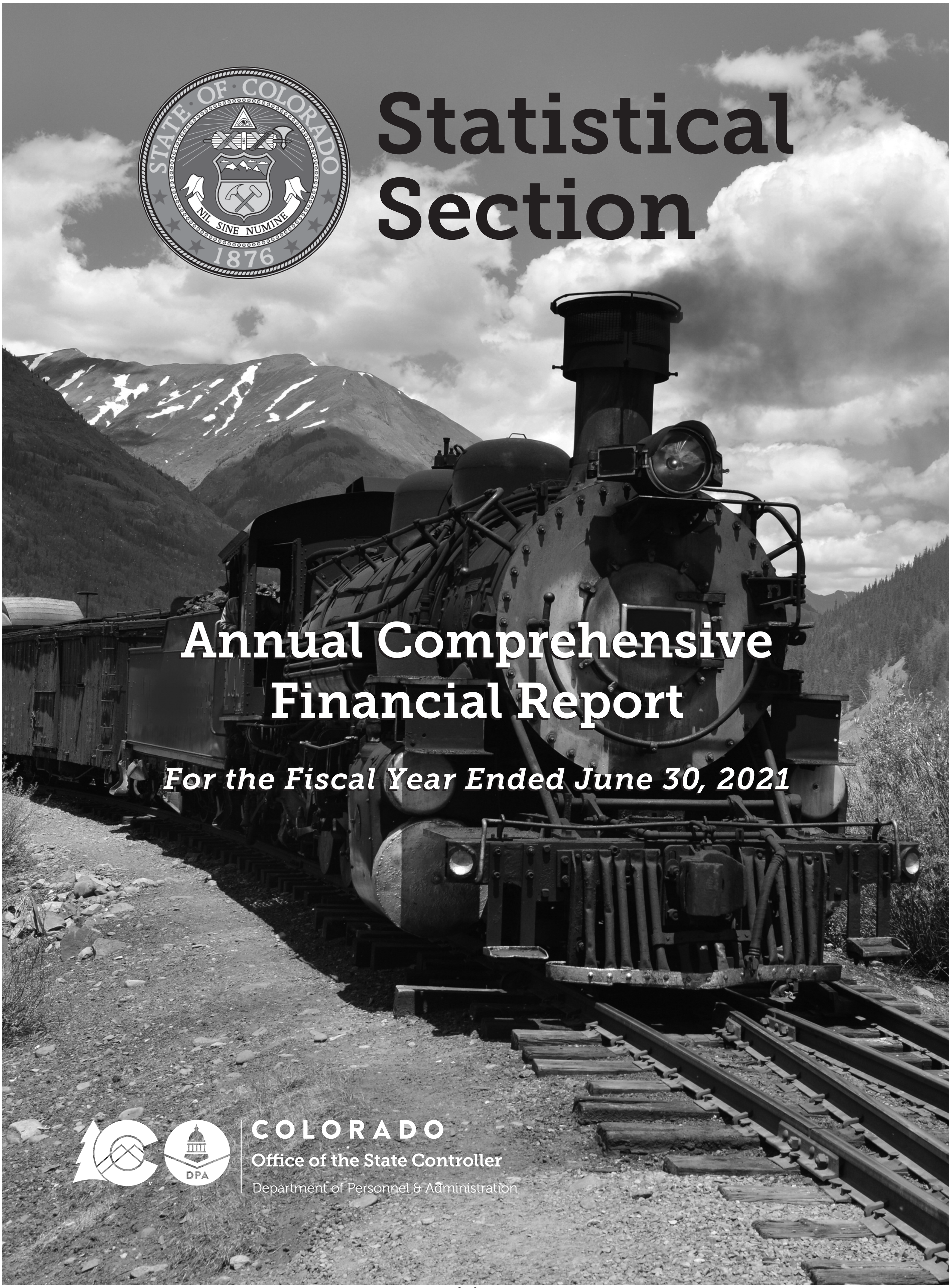
In Fiscal Year 2021, a part of the Auraria Higher Education Center's (AHEC) operations disqualified as a TABOR enterprise because it received an appropriation from the State that was more than ten percent of its total revenue. AHEC received $2.7 million of nonexempt revenue, which increased both the Fiscal Year Spending Limit and the Excess State Revenues Cap by that amount, after application of the 3.1% growth limit. In Fiscal Year 2020, AHEC expended $3.3 million to other non-TABOR enterprises, which lowered the two bases for the prior year, before application of the 3.1% growth limit.

NOTE 15. TREATMENT OF AMOUNTS HELD FOR FUTURE REFUND

Section 24-77-103.5 C.R.S. requires that errors in the amount to be refunded be corrected in the year they are discovered. In Fiscal Year 2021, the Water Conservation Board discovered prior year revenue recognition errors affecting TABOR refunds from Fiscal Years 2018 and 2019. The effect of these errors decreased both the Fiscal Year 2018 and 2019 refunds payable each by $0.4 million. At June 30, 2021, the amounts remaining in excess of the ESRC for Fiscal Years 2018 and 2019 were $3.1 million and $19.0 million respectively.

NOTE 16. FUTURE REFUNDS

Since Fiscal Year 2021 nonexempt District revenues were above the Excess State revenues cap by $525.5 million, this amount is added to the total refund liability making the balance at June 30, 2021 equal to $547.9 million. The refund liability will be paid in Fiscal Year 2022 and future years.



Statistical Section

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

COLORADO
Office of the State Controller
Department of Personnel & Administration

STATISTICAL SECTION

This section of the State of Colorado's Annual Comprehensive Financial Report presents detailed current and historical information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

FINANCIAL TRENDS	These schedules contain trend information to help the reader understand how the State's financial performance and fiscal health have changed over time at both the entity wide and fund-level perspectives.
REVENUE CAPACITY	These schedules contain information to help the reader assess the factors affecting the State's ability to generate and retain major revenue streams including income and sales taxes.
DEBT CAPACITY	These schedules present information to help the reader assess the sustainability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.
DEMOGRAPHIC AND ECONOMIC INFORMATION	These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.
OPERATING INFORMATION	These schedules contain information about the State's operations and resources to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs.

GOVERNMENT-WIDE
SCHEDULE OF NET POSITION
GOVERNMENTAL ACTIVITIES
Last Ten Fiscal Years

(DOLLARS IN THOUSANDS)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
ASSETS:										
Current Assets:										
Cash and Pooled Cash	$ 11,224,875	$ 2,521,649	$ 3,658,234	$ 3,107,217	$ 2,567,219	$ 2,703,416	$ 2,696,950	$ 2,302,356	$ 2,549,620	$ 1,969,331
Restricted Cash and Pooled Cash	122,403	611,626	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	8,460	3,497	1,726
Taxes Receivable, net	1,739,314	2,746,658	1,722,496	1,476,297	1,325,689	1,251,185	1,252,907	1,224,629	1,118,329	1,012,147
Other Receivables, net	663,412	609,665	708,209	654,761	717,660	572,655	450,805	210,062	189,937	156,126
Due From Other Governments	1,638,331	803,219	468,940	754,910	524,240	440,053	787,269	570,721	369,249	318,460
Internal Balances	48,657	179,643	43,557	38,459	26,262	28,967	28,022	19,336	23,801	15,964
Due From Component Units	-	-	19	18	154	347	135	54	119	137
Inventories	269,427	142,367	101,161	52,102	54,152	53,261	54,194	53,125	55,319	17,057
Prepaids, Advances and Deposits	122,230	544,537	90,371	84,277	72,047	67,468	67,917	73,025	57,465	53,961
Total Current Assets	15,828,649	8,159,364	6,792,987	6,168,041	5,287,423	5,117,352	5,338,199	4,461,768	4,367,336	3,544,909
Noncurrent Assets:										
Restricted Assets:										
Restricted Cash and Pooled Cash	2,971,240	1,810,813	1,742,791	1,589,926	1,493,996	1,923,920	2,140,729	2,554,938	1,798,432	1,779,413
Restricted Investments	1,324,475	1,212,311	1,098,543	847,587	867,572	732,662	761,140	657,772	598,209	591,083
Restricted Receivables	323,485	453,551	445,384	633,173	587,580	510,028	363,300	258,107	176,055	181,932
Investments	158,487	1,564,800	1,177,035	449,308	255,069	219,369	280,100	428,321	464,535	416,674
Other Long-Term Assets	763,849	771,885	758,544	613,249	614,932	675,809	636,260	686,349	740,735	712,736
Depreciable Capital Assets and Infrastructure	10,063,683	9,856,574	10,101,317	10,242,384	9,994,890	9,976,023	9,772,651	9,600,423	9,312,959	9,602,516
Land and Nondepreciable Capital Assets	3,005,913	2,739,690	2,121,606	1,914,285	2,041,812	1,851,910	1,968,227	1,931,832	2,170,769	1,903,604
Capital Assets Held as Investments	-	-	-	42,896	42,899	33,055	-	-	-	-
Total Noncurrent Assets	18,611,132	18,409,624	17,445,220	16,332,808	15,898,750	15,922,776	15,922,407	16,117,742	15,261,694	15,187,958
TOTAL ASSETS	34,439,781	26,568,988	24,238,207	22,500,849	21,186,173	21,040,128	21,260,606	20,579,510	19,629,030	18,732,867
DEFERRED OUTFLOW OF RESOURCES:	1,654,895	2,348,666	4,421,051	2,563,034	3,503,643	818,761	350,796	18,289	-	-
LIABILITIES:										
Current Liabilities:										
Tax Refunds Payable	1,154,442	951,302	927,857	918,688	886,992	856,076	669,992	718,211	718,077	661,829
Accounts Payable and Accrued Liabilities	1,756,431	1,428,804	1,318,548	1,369,262	1,165,137	1,166,681	1,367,263	1,043,961	742,225	677,471
TABOR Refund Liability (Note 2B)	547,872	143,993	431,685	39,837	21,807	31,358	173,346	706	706	706
Due To Other Governments	379,075	375,757	283,432	306,883	395,627	232,724	233,087	245,300	198,953	228,229
Due To Component Units	-	-	-	-	-	-	-	15	81	-
Unearned Revenue	4,513,916	1,291,503	150,512	185,677	126,307	123,769	100,467	92,674	95,026	125,174
Accrued Compensated Absences	15,331	15,719	14,097	12,758	11,865	11,522	12,185	10,470	10,955	9,859
Claims and Judgments Payable	45,135	46,660	42,298	42,812	46,369	46,343	47,682	61,623	46,873	44,858
Leases Payable	30,538	27,212	26,162	25,789	28,254	28,261	27,760	26,941	20,004	14,387
Notes, Bonds, and COPs Payable	110,285	70,565	50,865	55,515	46,990	171,835	200,975	187,910	174,340	162,670
Other Postemployment Benefits	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities	24,245	23,647	31,020	22,837	27,678	29,525	19,052	19,979	14,834	16,531
Total Current Liabilities	8,577,270	4,375,162	3,276,476	2,980,058	2,757,026	2,698,094	2,851,809	2,407,790	2,022,074	1,941,714
Noncurrent Liabilities:										
Deposits Held In Custody For Others	1,779	598	584	136	116	90	139	139	17	16
Accrued Compensated Absences	214,870	197,457	166,680	162,645	158,435	154,510	149,817	145,992	138,413	132,394
Claims and Judgments Payable	141,339	151,757	168,190	180,865	260,535	276,010	299,785	301,591	323,451	330,516
Capital Lease Payable	87,460	92,610	97,438	106,084	113,899	122,404	144,569	148,055	131,006	107,042
Notes, Bonds, and COPs Payable	3,881,964	2,837,608	2,108,495	1,379,778	1,266,507	1,174,467	1,331,892	1,541,225	1,611,220	1,614,293
Net Pension Liability	5,874,655	7,804,791	9,377,357	11,933,852	10,919,603	6,295,004	5,565,526	-	-	-
Other Postemployment Benefits	203,724	233,180	284,264	272,038	-	-	-	-	-	-
Other Long-Term Liabilities	228,926	229,134	267,983	457,567	407,912	415,669	423,809	402,954	444,118	427,828
Total Noncurrent Liabilities	10,634,717	11,547,135	12,470,991	14,492,965	13,127,007	8,438,154	7,915,537	2,539,956	2,648,225	2,612,089
TOTAL LIABILITIES	19,211,987	15,922,297	15,747,467	17,473,023	15,884,033	11,136,248	10,767,346	4,947,746	4,670,299	4,553,803
DEFERRED INFLOW OF RESOURCES:	3,531,733	3,704,384	4,997,905	560,903	98,746	133,375	47,262	338	-	-
Net investment in Capital Assets:	9,172,398	9,648,006	10,327,956	10,879,491	14,071,021	11,330,474	10,654,690	10,125,644	10,107,082	10,107,432
Restricted for:										
Construction and Highway Maintenance	671,488	874,840	954,461	885,775	915,033	966,743	936,535	1,080,201	1,145,997	1,176,269
Education	724,957	194,060	203,648	295,468	107,012	309,957	766,688	1,110,180	1,265,476	280,269
Debt Service	148,326	115,664	104,011	91,950	79,966	68,105	56,534	44,752	33,113	21,453
Emergencies	244,000	208,095	191,245	201,166	194,369	217,328	217,328	153,150	161,350	72,850
Permanent Funds and Endowments:										
Expendable	8,886	8,936	10,651	8,267	7,643	5,801	7,301	7,271	6,328	6,024
Nonexpendable	1,457,856	1,419,630	1,291,071	1,087,000	1,020,225	950,976	896,872	800,132	694,564	684,953
Other Purposes	839,781	1,079,316	1,042,422	831,995	671,306	717,185	626,649	358,694	349,811	340,818
Unrestricted	83,264	(4,257,574)	(6,211,579)	(7,251,155)	(8,359,538)	(3,977,303)	(3,365,803)	1,969,691	1,195,010	1,488,996
TOTAL NET POSITION	$ 13,350,956	$ 9,290,973	$ 7,913,886	$ 7,029,957	$ 8,707,037	$ 10,589,266	$ 10,796,794	$ 15,649,715	$ 14,958,731	$ 14,179,064

GOVERNMENT-WIDE
SCHEDULE OF NET POSITION
BUSINESS-TYPE ACTIVITIES
Last Ten Fiscal Years

(DOLLARS IN THOUSANDS)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
ASSETS:										
Current Assets:										
Cash and Pooled Cash	$ 2,662,612	$ 2,023,015	$ 1,841,335	$ 3,093,539	$ 2,846,015	$ 2,525,453	$ 2,454,684	$ 2,246,115	$ 2,169,314	$ 2,011,437
Restricted Cash and Pooled Cash	-	391,766	-	-	-	-	-	-	-	-
Investments	2,261,237	1,926,752	344,755	1,827,559	549,079	392,188	378,115	254,744	281,822	160,099
Restricted Investments	-	123,303	-	-	-	-	-	-	-	-
Taxes Receivable, net	125,713	87,301	115,535	111,099	125,258	123,638	142,241	135,207	137,970	159,303
Other Receivables, net	827,965	783,784	770,415	601,666	490,427	640,664	430,306	408,364	381,351	330,216
Due From Other Governments	2,550,350	970,990	172,251	145,051	136,231	94,860	134,455	150,697	155,190	218,667
Internal Balances	(48,657)	(179,643)	(43,557)	(38,459)	(26,262)	(28,967)	(28,022)	(19,336)	(23,801)	(15,964)
Due From Component Units	24,857	26,385	28,175	16,174	23,041	18,188	11,370	23,716	18,969	18,715
Inventories	50,406	57,124	58,481	54,944	59,196	54,748	57,950	54,015	52,826	53,318
Prepaids, Advances and Deposits	37,461	37,686	41,567	29,020	31,679	28,756	28,186	37,433	24,806	24,160
Total Current Assets	8,491,944	6,248,463	3,328,957	5,840,593	4,234,664	3,849,528	3,609,285	3,290,955	3,198,447	2,959,951
Noncurrent Assets:										
Restricted Assets:										
Restricted Cash and Pooled Cash	353,797	511,559	1,562,065	284,025	241,268	457,926	499,742	429,965	352,234	372,457
Restricted Investments	131,547	172,683	72,895	106,798	95,280	167,540	246,783	303,678	292,283	293,711
Restricted Receivables	20,808	22,651	39,570	35,362	38,605	40,009	31,609	45,477	45,264	80,975
Investments	2,109,357	1,441,901	2,900,742	995,987	2,097,484	1,941,040	1,969,155	1,896,811	1,746,078	1,769,909
Other Long-Term Assets	114,217	123,685	109,831	130,529	129,350	129,425	129,850	99,380	128,105	114,118
Depreciable Capital Assets and Infrastructure	9,042,147	8,471,869	8,341,557	8,028,339	7,502,858	7,050,226	6,190,355	5,876,698	5,463,065	5,250,256
Land and Nondepreciable Capital Assets	2,195,349	2,349,747	1,952,976	1,843,135	1,921,788	1,652,441	1,788,595	1,370,142	1,229,761	1,019,556
Total Noncurrent Assets	13,967,222	13,094,095	14,979,636	11,424,175	12,026,633	11,438,607	10,856,089	10,022,151	9,256,790	8,900,982
TOTAL ASSETS	22,459,166	19,342,558	18,308,593	17,264,768	16,261,297	15,288,135	14,465,374	13,313,106	12,455,237	11,860,933
DEFERRED OUTFLOW OF RESOURCES:	909,377	534,121	931,725	1,750,279	2,332,443	649,853	348,635	118,103	551	5,005
LIABILITIES:										
Current Liabilities:										
Accounts Payable and Accrued Liabilities	955,419	705,641	697,916	592,545	786,944	771,248	751,169	659,085	602,571	623,458
Due To Other Governments	1,693,848	375,140	73,297	64,474	46,765	38,615	22,048	30,805	34,169	53,622
Due To Component Units	240	151	206	44	1,249	645	623	528	343	123
Unearned Revenue	421,714	770,398	351,010	345,734	328,261	306,222	407,108	346,264	305,108	237,530
Accrued Compensated Absences	31,583	28,747	27,340	26,203	25,381	22,761	20,960	18,117	16,609	14,942
Claims and Judgments Payable	819	1,273	1,581	-	-	-	-	-	-	-
Leases Payable	5,984	5,832	5,474	6,529	7,292	9,132	8,618	6,610	6,575	5,853
Notes, Bonds, and COPs Payable	104,291	179,765	196,235	154,053	146,604	267,134	251,947	244,366	233,811	243,601
Other Postemployment Benefits	14,753	16,448	-	-	-	-	-	14,076	17,052	15,721
Other Current Liabilities	2,813,580	813,537	323,850	191,660	134,584	139,765	125,054	127,033	142,868	110,667
Total Current Liabilities	6,042,231	2,896,932	1,676,909	1,381,242	1,477,080	1,555,522	1,587,527	1,446,884	1,359,106	1,305,517
Noncurrent Liabilities:										
Deposits Held In Custody For Others	25	25	25	20	20	20	-	-	-	-
Accrued Compensated Absences	433,340	397,622	350,352	339,007	317,070	293,365	268,600	250,148	236,329	219,026
Claims and Judgments Payable	52,714	45,168	42,390	35,505	37,361	39,657	41,460	40,982	38,993	36,472
Capital Lease Payable	68,240	29,813	31,928	41,623	42,599	47,994	45,663	35,582	35,153	33,185
Derivative Instrument Liability	25,602	46,864	14,193	6,837	9,251	13,222	9,515	8,566	8,333	12,994
Notes, Bonds, and COPs Payable	5,082,716	4,917,042	4,757,334	4,970,288	4,638,363	4,480,091	4,418,327	4,131,227	3,898,265	3,938,320
Due to Component Units	1,458	1,704	1,798	1,692	1,678	1,631	1,661	1,743	1,755	1,758
Net Pension Liability	3,370,077	3,570,647	4,237,019	7,448,575	6,934,505	3,957,073	3,579,748	-	-	-
Other Postemployment Benefits	1,041,543	835,859	1,015,792	938,450	343,570	289,133	241,779	181,511	177,176	139,653
Other Long-Term Liabilities	138,497	102,896	110,482	59,956	15,863	28,569	83,521	44,768	11,972	39,015
Total Noncurrent Liabilities	10,214,212	9,947,640	10,561,313	13,841,953	12,340,280	9,150,755	8,690,274	4,694,527	4,407,976	4,420,423
TOTAL LIABILITIES	16,256,443	12,844,572	12,238,222	15,223,195	13,817,360	10,706,277	10,277,801	6,141,411	5,767,082	5,725,940
DEFERRED INFLOW OF RESOURCES:	1,260,085	1,918,407	2,482,076	620,945	206,047	250,058	38,380	-	-	-
Net investment in Capital Assets:	5,973,861	5,923,907	5,618,074	5,108,898	6,982,288	5,051,345	4,417,947	3,653,265	3,571,408	3,386,411
Restricted for:										
Education	632,230	978,486	870,941	470,363	504,096	462,636	439,535	642,611	-	-
Unemployment Insurance	-	(18,877)	1,258,552	1,070,082	911,183	740,049	620,575	402,770	218,076	64,433
Debt Service	36,346	16,081	80,693	219,248	28,429	85,617	75,666	39,862	8,439	7,464
Emergencies	-	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	10,005
Permanent Funds and Endowments:										
Expendable	232,960	173,493	173,553	173,406	165,637	157,611	150,270	7,901	11,716	6,975
Nonexpendable	89,102	83,909	83,198	84,480	91,878	83,274	87,679	64,712	61,159	38,798
Other Purposes	34,494	34,528	118,895	65,961	65,961	101,209	88,686	56,296	631,921	629,655
Unrestricted	(1,146,978)	(2,111,827)	(3,717,886)	(4,055,531)	(4,213,139)	(1,734,088)	(1,416,530)	2,388,381	2,151,987	1,996,257
TOTAL NET POSITION	$ 5,852,015	$ 5,113,700	$ 4,520,020	$ 3,170,907	$ 4,570,333	$ 4,981,653	$ 4,497,828	$ 7,289,798	$ 6,688,706	$ 6,139,998

GOVERNMENT-WIDE
SCHEDULE OF NET POSITION
TOTAL PRIMARY GOVERNMENT
Last Ten Fiscal Years

(DOLLARS IN THOUSANDS)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
ASSETS:										
Current Assets:										
Cash and Pooled Cash	$ 13,887,487	$ 4,544,664	$ 5,499,569	$ 6,200,756	$ 5,413,234	$ 5,228,869	$ 5,151,634	$ 4,548,471	$ 4,718,934	$ 3,980,768
Restricted Cash and Pooled Cash	122,403	1,003,392	-	-	-	-	-	-	-	-
Investments	2,261,237	1,926,752	344,755	1,827,559	549,079	392,188	378,115	263,204	285,319	161,825
Restricted Investments	-	123,303	-	-	-	-	-	-	-	-
Taxes Receivable, net	1,865,027	2,833,959	1,838,031	1,587,396	1,450,947	1,374,823	1,395,148	1,359,836	1,256,299	1,171,450
Other Receivables, net	1,491,377	1,393,449	1,478,624	1,256,427	1,208,087	1,213,319	881,111	618,426	571,288	486,342
Due From Other Governments	4,188,681	1,774,209	641,191	899,961	660,471	534,913	921,724	721,418	524,439	537,127
Due From Component Units	24,857	26,385	28,194	16,192	23,195	18,535	11,505	23,770	19,088	18,852
Inventories	319,833	199,491	159,642	107,046	113,348	108,009	112,144	107,140	108,145	70,375
Prepaids, Advances and Deposits	159,691	582,223	131,938	113,297	103,726	96,224	96,103	110,458	82,271	78,121
Total Current Assets	24,320,593	14,407,827	10,121,944	12,008,634	9,522,087	8,966,880	8,947,484	7,752,723	7,565,783	6,504,860
Noncurrent Assets:										
Restricted Assets:										
Restricted Cash and Pooled Cash	3,325,037	2,322,372	3,304,856	1,873,951	1,735,264	2,381,846	2,640,471	2,984,903	2,150,666	2,151,870
Restricted Investments	1,456,022	1,384,994	1,171,438	954,385	962,852	900,202	1,007,923	961,450	890,492	884,794
Restricted Receivables	344,293	476,202	484,954	668,535	626,185	550,037	394,909	303,584	221,319	262,907
Investments	2,267,844	3,006,701	4,077,777	1,445,295	2,352,553	2,160,409	2,249,255	2,325,132	2,210,613	2,186,583
Other Long-Term Assets	878,066	895,570	868,375	743,778	744,282	805,234	766,110	785,729	868,840	826,854
Depreciable Capital Assets and Infrastructure	19,105,830	18,328,443	18,442,874	18,270,723	17,497,748	17,026,249	15,963,006	15,477,121	14,776,024	14,852,772
Land and Nondepreciable Capital Assets	5,201,262	5,089,437	4,074,582	3,757,420	3,963,600	3,504,351	3,756,822	3,301,974	3,400,530	2,923,160
Capital Assets Held as Investments	-	-	-	42,896	42,899	33,055	-	-	-	-
Total Noncurrent Assets	32,578,354	31,503,719	32,424,856	27,756,983	27,925,383	27,361,383	26,778,496	26,139,893	24,518,484	24,088,940
TOTAL ASSETS	56,898,947	45,911,546	42,546,800	39,765,617	37,447,470	36,328,263	35,725,980	33,892,616	32,084,267	30,593,800
DEFERRED OUTFLOW OF RESOURCES:	2,564,272	2,882,787	5,352,776	4,313,313	5,836,086	1,468,614	699,431	136,392	551	5,005
LIABILITIES:										
Current Liabilities:										
Tax Refunds Payable	1,154,442	951,302	927,857	918,688	886,992	856,076	669,992	718,211	718,077	661,829
Accounts Payable and Accrued Liabilities	2,711,850	2,134,445	2,016,464	1,961,807	1,952,081	1,937,929	2,118,432	1,703,046	1,344,796	1,300,929
TABOR Refund Liability (Note 2B)	547,872	143,993	431,685	39,837	21,807	31,358	173,346	706	706	706
Due To Other Governments	2,072,923	750,897	356,729	371,357	442,392	271,339	255,135	276,105	233,122	281,851
Due To Component Units	240	151	206	44	1,249	645	623	543	424	123
Unearned Revenue	4,935,630	2,061,901	501,522	531,411	454,568	429,991	507,575	438,938	400,134	362,704
Accrued Compensated Absences	46,914	44,466	41,437	38,961	37,246	34,283	33,145	28,587	27,564	24,801
Claims and Judgments Payable	45,954	47,933	43,879	42,812	46,369	46,343	47,682	61,623	46,873	44,858
Leases Payable	36,522	33,044	31,636	32,318	35,546	37,393	36,378	33,551	26,579	20,240
Notes, Bonds, and COPs Payable	214,576	250,330	247,100	209,568	193,594	438,969	452,922	432,276	408,151	406,271
Other Postemployment Benefits	14,753	16,448	-	-	-	-	-	14,076	17,052	15,721
Other Current Liabilities	2,837,825	837,184	354,870	214,497	162,262	169,290	144,106	147,012	157,702	127,198
Total Current Liabilities	14,619,501	7,272,094	4,953,385	4,361,300	4,234,106	4,253,616	4,439,336	3,854,674	3,381,180	3,247,231
Noncurrent Liabilities:										
Deposits Held In Custody For Others	1,804	623	609	156	136	110	139	139	17	16
Accrued Compensated Absences	648,210	595,079	517,032	501,652	475,505	447,875	418,417	396,140	374,742	351,420
Claims and Judgments Payable	194,053	196,925	210,580	216,370	297,896	315,667	341,245	342,573	362,444	366,988
Capital Lease Payable	155,700	122,423	129,366	147,707	156,498	170,398	190,232	183,637	166,159	140,227
Derivative Instrument Liability	25,602	46,864	14,193	6,837	9,251	13,222	9,515	8,566	8,333	12,994
Notes, Bonds, and COPs Payable	8,964,680	7,754,650	6,865,829	6,350,066	5,904,870	5,654,558	5,750,219	5,672,452	5,509,485	5,552,613
Due to Component Units	1,458	1,704	1,798	1,692	1,678	1,631	1,661	1,743	1,755	1,758
Net Pension Liability	9,244,732	11,375,438	13,614,376	19,382,427	17,854,108	10,252,077	9,145,274	-	-	-
Other Postemployment Benefits	1,245,267	1,069,039	1,300,056	1,210,488	343,570	289,133	241,779	181,511	177,176	139,653
Other Long-Term Liabilities	367,423	332,030	378,465	517,523	423,775	444,238	507,330	447,722	456,090	466,843
Total Noncurrent Liabilities	20,848,929	21,494,775	23,032,304	28,334,918	25,467,287	17,588,909	16,605,811	7,234,483	7,056,201	7,032,512
TOTAL LIABILITIES	35,468,430	28,766,869	27,985,689	32,696,218	29,701,393	21,842,525	21,045,147	11,089,157	10,437,381	10,279,743
DEFERRED INFLOW OF RESOURCES:	4,791,818	5,622,791	7,479,981	1,181,848	304,793	383,433	85,642	338	-	-
Net investment in Capital Assets:	15,146,259	15,571,913	15,946,030	15,988,389	21,053,309	16,381,819	15,072,637	13,778,909	13,678,490	13,493,843
Restricted for:										
Construction and Highway Maintenance	671,488	874,840	954,461	885,775	915,033	966,743	936,535	1,080,201	1,145,997	1,176,269
Education	1,357,187	1,172,546	1,074,589	765,831	611,108	772,593	1,206,223	1,752,791	1,265,476	280,269
Unemployment Insurance	-	(18,877)	1,258,552	1,070,082	911,183	740,049	620,575	402,770	218,076	64,433
Debt Service	184,672	131,745	184,704	311,198	108,395	153,722	132,200	84,614	41,552	28,917
Emergencies	244,000	242,095	225,245	235,166	228,369	251,328	251,328	187,150	195,350	82,855
Permanent Funds and Endowments:										
Expendable	241,846	182,429	184,204	181,673	173,280	163,412	157,571	15,172	18,044	12,999
Nonexpendable	1,546,958	1,503,539	1,374,269	1,171,480	1,112,103	1,034,250	984,551	864,844	755,723	723,751
Other Purposes	874,275	1,113,844	1,161,317	897,956	737,267	818,394	715,335	414,990	981,732	970,473
Unrestricted	(1,063,714)	(6,369,401)	(9,929,465)	(11,306,686)	(12,572,677)	(5,711,391)	(4,782,333)	4,358,072	3,346,997	3,485,253
TOTAL NET POSITION	$ 19,202,971	$ 14,404,673	$ 12,433,906	$ 10,200,864	$ 13,277,370	$ 15,570,919	$ 15,294,622	$ 22,939,513	$ 21,647,437	$ 20,319,062

GOVERNMENT-WIDE
SCHEDULE OF CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES
Last Ten Fiscal Years

(DOLLARS IN THOUSANDS)

Functions/Programs	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
PROGRAM REVENUES:										
Charges for Services:										
Licenses and Permits	$ 598,900	$ 559,579	$ 559,093	$ 564,076	$ 541,936	$ 518,820	$ 501,319	$ 472,215	$ 447,232	$ 442,793
Service Fees	379,086	406,363	390,589	358,109	1,006,976	1,139,226	879,139	901,839	965,614	901,950
Fines and Forfeits	210,963	190,399	225,878	190,733	206,662	195,256	201,021	181,098	248,520	187,344
Rents and Royalties	131,454	156,296	175,085	147,310	132,310	142,752	199,067	182,893	133,901	147,946
Sales of Products	4,964	16,763	10,042	3,218	3,205	3,303	3,390	2,141	2,851	1,626
Unemployment Surcharge	40,154	38,076	34,091	34,245	32,507	30,768	29,381	28,635	25,724	19,307
Other	369,431	187,856	211,706	152,285	138,928	143,251	131,151	144,949	127,083	84,828
Operating Grants and Contributions	10,495,268	7,788,096	6,822,479	6,627,757	8,149,334	8,578,146	7,726,668	6,782,914	5,860,052	5,884,031
Capital Grants and Contributions	544,553	617,224	428,332	745,497	814,739	819,321	817,469	728,544	700,548	600,300
TOTAL PROGRAM REVENUES	12,774,773	9,960,652	8,857,295	8,823,230	11,026,597	11,570,843	10,488,605	9,425,228	8,511,525	8,270,125
EXPENSES:										
General Government	822,391	1,214,677	1,493,871	739,872	653,247	485,611	449,261	447,359	555,507	224,382
Business, Community, and Consumer Affairs	1,368,553	713,827	734,786	912,495	919,676	777,458	711,558	641,182	584,300	600,068
Education	6,656,947	6,875,955	6,469,072	6,086,573	6,045,204	5,859,964	5,687,573	5,472,563	5,187,481	5,205,123
Health and Rehabilitation	1,660,656	836,872	935,044	1,258,445	1,170,889	2,898,841	822,556	720,997	697,795	703,684
Justice	1,691,958	1,734,902	1,970,515	3,254,155	2,974,666	2,209,158	2,075,534	1,840,989	1,655,057	1,555,294
Natural Resources	99,053	90,248	123,036	219,659	169,528	135,491	120,374	92,383	77,934	93,900
Social Assistance	10,157,280	9,430,179	8,589,168	8,810,715	10,489,419	8,825,599	9,627,104	8,089,560	7,174,711	6,746,574
Transportation	1,632,855	1,884,872	1,875,438	2,179,299	2,105,462	1,830,368	1,896,904	1,872,441	1,769,013	1,777,488
Total Governmental Activities										
Interest on Debt	135,332	103,339	109,075	60,778	58,764	62,021	59,078	53,094	16,284	40,935
TOTAL EXPENSES	24,225,025	22,884,871	22,300,005	23,521,991	24,586,855	23,084,511	21,449,942	19,230,568	17,718,082	16,947,448
NET (EXPENSE) REVENUE	(11,450,252)	(12,924,219)	(13,442,710)	(14,698,761)	(13,560,258)	(11,513,668)	(10,961,337)	(9,805,340)	(9,206,557)	(8,677,323)
GENERAL REVENUES AND										
OTHER CHANGES IN NET POSITION:										
Sales and Use Taxes	3,954,846	3,703,217	3,632,282	3,449,844	3,151,679	2,940,839	2,762,222	2,754,977	2,498,006	2,333,644
Excise Taxes	433,686	330,600	301,292	311,625	321,419	290,276	267,858	236,761	240,895	244,624
Individual Income Tax	8,292,319	8,037,272	7,505,245	6,978,833	6,291,376	6,061,679	5,847,141	5,285,634	5,154,624	4,653,105
Corporate Income Tax	1,090,209	638,303	963,380	714,313	432,802	643,761	613,316	600,002	606,883	434,885
Other Taxes	517,762	562,124	705,986	577,961	452,042	410,277	673,275	617,612	453,305	519,870
Restricted Taxes	1,468,337	1,271,553	1,348,050	1,273,482	1,169,457	1,132,687	1,186,515	1,052,692	1,039,105	965,784
Unrestricted Investment Earnings (Losses)	50,931	37,599	30,196	21,798	16,987	15,705	11,992	17,312	16,842	15,015
Other General Revenues	104,683	95,460	95,051	199,934	103,476	107,005	96,613	112,958	97,402	96,213
Internal Capital Contributions	-	-	-	44	-	(1,583)	-	-	-	-
Permanent Fund Additions	141,128	580	1,062	277	766	80	401	397	741	595
TOTAL GENERAL REVENUES AND										
OTHER CHANGES IN NET POSITION:	15,686,939	14,281,611	14,303,413	13,273,787	11,586,357	11,247,993	11,202,595	10,505,903	9,979,268	9,128,328
TOTAL CHANGES IN NET POSITION	4,236,687	1,357,392	860,703	(1,424,974)	(1,973,901)	(265,675)	241,258	700,563	772,711	451,005
NET POSITION - BEGINNING	9,290,973	7,913,886	7,029,957	8,707,037	10,589,266	10,796,794	15,649,715	14,958,731	14,179,064	13,393,108
Prior Period Adjustment	(196,566)	19,695	23,226	8,583	91,672	58,147	(6,626)	1,718	6,956	334,951
Accounting Changes	19,862	-	-	(260,689)	-	-	(5,087,553)	(11,297)	-	0
NET POSITION, FISCAL YEAR BEGINNING (restated)	9,114,269	7,933,581	7,053,183	8,454,931	10,680,938	10,854,941	10,555,536	14,949,152	14,186,020	13,728,059
NET POSITION - ENDING	$ 13,350,956	$ 9,290,973	$ 7,913,886	$ 7,029,957	$ 8,707,037	$ 10,589,266	$ 10,796,794	$ 15,649,715	$ 14,958,731	$ 14,179,064

GOVERNMENT-WIDE
SCHEDULE OF CHANGES IN NET POSITION
BUSINESS-TYPE ACTIVITIES
Last Ten Fiscal Years

(DOLLARS IN THOUSANDS)

Functions/Programs	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
PROGRAM REVENUES:										
Charges for Services:										
Licenses and Permits	$ 219,820	$ 205,044	$ 179,382	$ 168,045	$ 165,182	$ 159,704	$ 157,971	$ 141,770	$ 133,315	$ 131,496
Service Fees	2,932,454	2,766,551	2,712,042	2,449,817	1,404,677	1,297,576	1,145,897	1,068,966	958,451	865,326
Education - Tuition, Fees, and Sales	3,055,836	3,483,570	3,484,740	3,404,969	3,239,887	3,005,967	2,881,240	2,672,136	2,512,026	2,406,696
Fines and Forfeits	3,336	3,648	3,493	4,630	5,769	4,101	3,968	15,470	12,860	9,561
Rents and Royalties	67,981	69,154	52,866	74,482	45,177	40,077	41,944	39,675	47,881	65,236
Sales of Products	847,369	722,152	747,732	686,196	622,179	661,084	605,101	607,744	636,115	624,407
Unemployment Surcharge	602,104	546,038	546,650	562,095	646,336	603,708	698,609	736,985	725,854	828,530
Other	202,739	243,765	207,087	164,008	188,112	165,237	155,707	154,424	159,162	152,448
Operating Grants and Contributions	14,095,372	8,374,699	5,119,323	5,082,655	2,556,915	2,449,163	2,281,931	2,569,038	2,730,519	3,165,718
Capital Grants and Contributions	183,207	123,273	62,609	89,542	43,873	42,996	78,304	56,899	96,655	132,067
TOTAL PROGRAM REVENUES	22,210,218	16,537,894	13,115,924	12,686,439	8,918,107	8,429,613	8,050,672	8,063,107	8,012,838	8,381,485
EXPENSES:										
Higher Education	6,900,408	6,993,311	7,111,041	8,612,196	7,829,889	6,446,902	6,004,484	5,618,507	5,258,665	5,068,481
Healthcare Affordability	4,198,822	3,515,207	3,414,018	3,294,611	-	-	-	-	-	-
Unemployment Insurance	9,465,001	4,765,139	385,192	444,181	518,891	531,607	530,130	756,484	1,055,148	1,571,321
Lottery	691,944	582,721	580,808	547,805	494,110	517,847	474,578	477,434	501,010	495,847
Parks and Wildlife	170,705	166,782	184,870	294,065	257,959	203,794	191,426	170,898	177,497	160,933
College Assist	79,637	201,200	222,726	247,361	315,478	320,774	338,631	341,684	407,229	403,023
Other Business-Type Activities	523,885	128,606	212,190	301,094	219,844	282,471	217,838	209,871	187,265	196,542
TOTAL EXPENSES	22,030,402	16,352,966	12,110,845	13,741,313	9,636,171	8,303,395	7,757,087	7,574,878	7,586,814	7,896,147
NET (EXPENSE) REVENUE	179,816	184,928	1,005,079	(1,054,874)	(718,064)	126,218	293,585	488,229	426,024	485,338
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Other Taxes	9,238	-	-	-	-	-	7	-	-	-
Special and/or Extraordinary Items	-	-	-	-	(808)	-	-	(22,186)	-	-
(Transfers-Out) / Transfers-In	366,962	395,097	279,131	254,324	353,647	352,733	256,738	172,442	128,535	135,407
Internal Capital Contributions	-	-	57,541	51,439	-	10,183	-	-	-	-
Permanent Fund Additions	5	-	-	-	-	-	-	-	-	-
TOTAL GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:	376,205	395,097	336,672	305,763	352,839	362,916	256,745	150,256	128,535	135,407
TOTAL CHANGES IN NET POSITION	556,021	580,025	1,341,751	(749,111)	(365,225)	489,134	550,330	638,485	554,559	620,745
NET POSITION - BEGINNING	5,113,700	4,520,020	3,170,907	4,570,333	4,981,653	4,497,828	7,289,798	6,688,706	6,139,998	5,264,683
Prior Period Adjustment	181,689	11,209	7,362	-	545	(5,309)	-	(6,922)	(5,851)	254,570
Accounting Changes	605	2,446	-	(650,315)	(46,640)	-	(3,342,300)	(30,471)	-	-
NET POSITION, FISCAL YEAR BEGINNING (restated)	5,295,994	4,533,675	3,178,269	3,920,018	4,935,558	4,492,519	3,947,498	6,651,313	6,134,147	5,519,253
NET POSITION - ENDING	$ 5,852,015	$ 5,113,700	$ 4,520,020	$ 3,170,907	$ 4,570,333	$ 4,981,653	$ 4,497,828	$ 7,289,798	$ 6,688,706	$ 6,139,998

GOVERNMENT-WIDE
SCHEDULE OF CHANGES IN NET POSITION
TOTAL PRIMARY GOVERNMENT
Last Ten Fiscal Years

(DOLLARS IN THOUSANDS)

Functions/Programs	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
PROGRAM REVENUES:										
Charges for Services:										
Licenses and Permits	$ 818,720	$ 764,623	$ 738,475	$ 732,121	$ 707,118	$ 678,524	$ 659,290	$ 613,985	$ 580,547	$ 574,289
Service Fees	3,311,540	3,172,914	3,102,631	2,807,926	2,411,653	2,436,802	2,025,036	1,970,805	1,924,065	1,767,276
Education - Tuition, Fees, and Sales	3,055,836	3,483,570	3,484,740	3,404,969	3,239,887	3,005,967	2,881,240	2,672,136	2,512,026	2,406,696
Fines and Forfeits	214,299	194,047	229,371	195,363	212,431	199,357	204,989	196,568	261,380	196,905
Rents and Royalties	199,435	225,450	227,951	221,792	177,487	182,829	241,011	222,568	181,782	213,182
Sales of Products	852,333	738,915	757,774	689,414	625,384	664,387	608,491	609,885	638,966	626,033
Unemployment Surcharge	642,258	584,114	580,741	596,340	678,843	634,476	727,990	765,620	751,578	847,837
Other	572,170	431,621	418,793	316,293	327,040	308,488	286,858	299,373	286,245	237,276
Operating Grants and Contributions	24,590,640	16,162,795	11,941,802	11,710,412	10,706,249	11,027,309	10,008,599	9,351,952	8,590,571	9,049,749
Capital Grants and Contributions	727,760	740,497	490,941	835,039	858,612	862,317	895,773	785,443	797,203	732,367
TOTAL PROGRAM REVENUES	34,984,991	26,498,546	21,973,219	21,509,669	19,944,704	20,000,456	18,539,277	17,488,335	16,524,363	16,651,610
EXPENSES:										
General Government	822,391	1,214,677	1,493,871	739,872	653,247	485,611	449,261	447,359	555,507	224,382
Business, Community, and Consumer Affairs	1,368,553	713,827	734,786	912,495	919,676	777,458	711,558	641,182	584,300	600,068
Education	6,656,947	6,875,955	6,469,072	6,086,573	6,045,204	5,859,964	5,687,573	5,472,563	5,187,481	5,205,123
Health and Rehabilitation	1,660,656	836,872	935,044	1,258,445	1,170,889	2,898,841	822,556	720,997	697,795	703,684
Justice	1,691,958	1,734,902	1,970,515	3,254,155	2,974,666	2,209,158	2,075,534	1,840,989	1,655,057	1,555,294
Natural Resources	99,053	90,248	123,036	219,659	169,528	135,491	120,374	92,383	77,934	93,900
Social Assistance	10,157,280	9,430,179	8,589,168	8,810,715	10,489,419	8,825,599	9,627,104	8,089,560	7,174,711	6,746,574
Transportation	1,632,855	1,884,872	1,875,438	2,179,299	2,105,462	1,830,368	1,896,904	1,872,441	1,769,013	1,777,488
Interest on Debt	135,332	103,339	109,075	60,778	58,764	62,021	59,078	53,094	16,284	40,935
Higher Education	6,900,408	6,993,311	7,111,041	8,612,196	7,829,889	6,446,902	6,004,484	5,618,507	5,258,665	5,068,481
Healthcare Affordability	4,198,822	3,515,207	3,414,018	3,294,611	-	-	-	-	-	-
Unemployment Insurance	9,465,001	4,765,139	385,192	444,181	518,891	531,607	530,130	756,484	1,055,148	1,571,321
Lottery	691,944	582,721	580,808	547,805	494,110	517,847	474,578	477,434	501,010	495,847
Parks and Wildlife	170,705	166,782	184,870	294,065	257,959	203,794	191,426	170,898	177,497	160,933
College Assist	79,637	201,200	222,726	247,361	315,478	320,774	338,631	341,684	407,229	403,023
Other Business-Type Activities	523,885	128,606	212,190	301,094	219,844	282,471	217,838	209,871	187,265	196,542
TOTAL EXPENSES	46,255,427	39,237,837	34,410,850	37,263,304	34,223,026	31,387,906	29,207,029	26,805,446	25,304,896	24,843,595
NET (EXPENSE) REVENUE	(11,270,436)	(12,739,291)	(12,437,631)	(15,753,635)	(14,278,322)	(11,387,450)	(10,667,752)	(9,317,111)	(8,780,533)	(8,191,985)
GENERAL REVENUES AND										
OTHER CHANGES IN NET POSITION:										
Sales and Use Taxes	3,954,846	3,703,217	3,632,282	3,449,844	3,151,679	2,940,839	2,762,222	2,754,977	2,498,006	2,333,644
Excise Taxes	433,686	330,600	301,292	311,625	321,419	290,276	267,858	236,761	240,895	244,624
Individual Income Tax	8,292,319	8,037,272	7,505,245	6,978,833	6,291,376	6,061,679	5,847,141	5,285,634	5,154,624	4,653,105
Corporate Income Tax	1,090,209	638,303	963,380	714,313	432,802	643,761	613,316	600,002	606,883	434,885
Other Taxes	527,000	562,124	705,986	577,961	452,042	410,277	673,282	617,612	453,305	519,870
Restricted Taxes	1,468,337	1,271,553	1,348,050	1,273,482	1,169,457	1,132,687	1,186,515	1,052,692	1,039,105	965,784
Unrestricted Investment Earnings (Losses)	50,931	37,599	30,196	21,798	16,987	15,705	11,992	17,312	16,842	15,015
Other General Revenues	104,683	95,460	95,051	199,934	103,476	107,005	96,613	112,958	97,402	96,213
Special and/or Extraordinary Items	-	-	-	-	(808)	-	-	(22,186)	0	0
Internal Capital Contributions	-	-	57,541	51,483	-	8,600	-	-	-	-
Permanent Fund Additions	141,133	580	1,062	277	766	80	401	397	741	595
TOTAL GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:	16,063,144	14,676,708	14,640,085	13,579,550	11,939,196	11,610,909	11,459,340	10,656,159	10,107,803	9,263,735
TOTAL CHANGES IN NET POSITION	4,792,708	1,937,417	2,202,454	(2,174,085)	(2,339,126)	223,459	791,588	1,339,048	1,327,270	1,071,750
NET POSITION - BEGINNING	14,404,673	12,433,906	10,200,864	13,277,370	15,570,919	15,294,622	22,939,513	21,647,437	20,319,062	18,657,791
Prior Period Adjustment	(14,877)	30,904	30,588	8,583	92,217	52,838	(6,626)	(5,204)	1,105	589,521
Accounting Changes	20,467	2,446	-	(911,004)	(46,640)	-	(8,429,853)	(41,768)	-	0
NET POSITION, FISCAL YEAR BEGINNING (restated)	14,410,263	12,467,256	10,231,452	12,374,949	15,616,496	15,347,460	14,503,034	21,600,465	20,320,167	19,247,312
NET POSITION - ENDING	$ 19,202,971	$ 14,404,673	$ 12,433,906	$ 10,200,864	$ 13,277,370	$ 15,570,919	$ 15,294,622	$ 22,939,513	$ 21,647,437	$ 20,319,062

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE ALL GOVERNMENTAL FUND TYPES
Last Ten Fiscal Years

(DOLLARS IN MILLIONS)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
REVENUES:										
Taxes	$ 15,837	$ 14,616	$ 14,199	$ 13,389	$ 11,835	$ 11,471	$ 11,205	$ 10,596	$ 10,018	$ 9,182
Less: Excess TABOR Revenues	-	-	-	-	-	-	170	-	-	-
Licenses, Permits, and Fines	895	832	869	940	838	810	801	758	789	724
Charges for Goods and Services	386	426	403	363	1,012	1,144	885	905	970	892
Rents	131	156	175	147	132	143	199	183	134	148
Investment Income	164	397	352	41	46	139	99	115	19	120
Federal Grants and Contracts	10,847	7,837	6,680	7,047	8,685	9,047	8,283	7,183	6,428	6,223
Unclaimed Property Receipts	143	55	47	78	64	65	61	53	37	43
Other	472	354	426	397	338	321	329	365	263	254
TOTAL REVENUES	28,875	24,673	23,151	22,402	22,950	23,140	22,032	20,158	18,658	17,586
EXPENDITURES:										
Current:										
General Government	467	401	377	381	344	324	305	331	325	359
Business, Community and Consumer Affairs	880	526	493	480	453	474	469	395	375	363
Education	698	982	911	832	869	852	785	730	674	661
Health and Rehabilitation	1,623	911	846	778	770	1,784	699	658	641	626
Justice	2,108	2,103	1,971	1,808	1,705	1,741	1,648	1,605	1,422	1,322
Natural Resources	120	131	129	128	113	107	103	107	99	90
Social Assistance	9,072	8,345	7,539	7,572	9,358	8,726	8,627	7,416	6,488	6,065
Transportation	1,485	1,555	1,298	1,348	1,364	1,331	1,282	1,203	1,065	982
Capital Outlay	393	418	265	272	189	191	325	298	299	459
Intergovernmental:										
Cities	587	523	503	471	491	425	421	412	297	287
Counties	2,205	1,751	1,916	1,759	1,740	1,656	1,627	1,573	1,504	1,371
School Districts	6,033	5,961	5,594	5,171	5,122	4,995	4,909	4,475	4,235	4,199
Other	393	451	410	244	255	227	205	202	323	177
Debt Service	229	163	179	128	239	280	270	261	247	236
TOTAL EXPENDITURES	26,293	24,221	22,431	21,372	23,012	23,113	21,675	19,666	17,994	17,197
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,582	452	720	1,030	(62)	27	357	492	664	389
OTHER FINANCING SOURCES (USES)										
Transfers-In	2,737	1,702	1,813	5,447	5,851	4,915	4,535	5,405	5,750	4,622
Transfers-Out:										
Higher Education	(284)	(284)	(376)	(230)	(230)	(181)	(181)	(143)	(135)	(133)
Other	(2,812)	(1,811)	(1,711)	(5,458)	(5,966)	(5,079)	(4,607)	(5,390)	(5,728)	(4,612)
Face Amount of Debt Issued	775	666	740	156	129	11	-	97	196	156
Bond Premium/Discount	178	137	57	21	14	-	-	6	9	13
Capital Lease Debt Issuance	5	1	1	4	1	-	-	25	1	17
Sale of Capital Assets	7	55	24	10	15	7	3	27	31	14
Insurance Recoveries	6	3	2	7	8	5	13	2	1	6
Debt Refunding Issuance	19	-	-	-	-	-	-	112	31	126
Debt Refunding Premium Proceeds	4	-	-	-	-	-	-	-	-	19
Debt Refunding Payments	(23)	-	-	-	-	-	-	-	(31)	(144)
TOTAL OTHER FINANCING SOURCES (USES)	612	469	550	(43)	(178)	(322)	(237)	141	125	84
NET CHANGE IN FUND BALANCE	3,194	921	1,270	987	(240)	(295)	120	633	789	473
FUND BALANCE - BEGINNING	9,492	8,579	7,349	6,364	6,609	6,847	6,734	6,100	5,293	4,842
Prior Period Adjustments	40	(8)	(40)	(2)	(5)	58	(7)	-	18	(22)
Accounting Changes	20	-	-	-	-	-	-	1	-	-
FUND BALANCE, FISCAL YEAR BEGINNING (restated)	9,552	8,571	7,309	6,362	6,604	6,905	6,727	6,101	5,311	4,820
FUND BALANCE - ENDING	$ 12,746	$ 9,492	$ 8,579	$ 7,349	$ 6,364	$ 6,609	$ 6,847	$ 6,734	$ 6,100	$ 5,293

GENERAL PURPOSE REVENUE (AFTER TABOR REFUNDS)
GENERAL FUND
IN DOLLARS AND AS A PERCENT OF TOTAL
Last Ten Fiscal Years

(DOLLARS IN MILLIONS)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Income Tax:										
Individual	$ 8,306	$ 8,056	$ 7,328	$ 7,006	$ 6,209	$ 5,993	$ 5,888	$ 5,273	$ 5,149	$ 4,633
Corporate	1,118	670	856	736	467	606	635	665	597	457
(Refunds)										
Net Income Tax	$ 9,424	8,726	8,184	7,742	$ 6,676	6,599	6,523	5,938	5,746	5,090
Sales, Use, and Excise Taxes	4,033	3,759	3,695	3,501	3,188	2,996	2,990	2,763	2,549	2,387
Less: Excess TABOR Revenues	-	-	-	-	-	-	(170)	-	-	-
Net Sales, Use, and Excise Taxes	4,033	3,759	3,695	3,501	3,188	2,996	2,820	2,763	2,549	2,387
Estate Taxes	-	-	-	-	-	-	-	-	-	-
Insurance Tax	336	337	315	304	291	280	257	239	210	197
Gaming and Other Taxes	45	40	53	156	-	16	14	12	12	20
Investment Income	50	31	27	20	15	13	9	15	17	14
Severence Taxes to be Refunded	-	-	-	-	54	-	-	-	-	-
Other	-	-	-	-	40	26	19	25	21	26
TOTAL GENERAL REVENUES	$ 13,888	$ 12,893	$ 12,274	$ 11,723	$ 10,264	$ 9,930	$ 9,642	$ 8,992	$ 8,555	$ 7,734
Percent Change From Previous Year	7.7%	5.0%	4.7%	14.2%	3.4%	3.0%	7.2%	5.1%	10.6%	9.1%
(AS PERCENT OF TOTAL EXCLUDING TABOR REFUND)										
Net Income Tax	67.9%	67.7%	66.7%	66.0%	65.0%	66.5%	66.5%	66.0%	67.2%	65.8%
Sales, Use, and Excise Taxes	29.0	29.2	30.1	29.9	31.2	30.1	30.5	30.7	29.8	30.9
Estate Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance Tax	2.4	2.6	2.6	2.6	2.8	2.8	2.6	2.7	2.5	2.5
Other Taxes	0.3	0.3	0.4	1.3	0.0	0.2	0.1	0.1	0.1	0.3
Interest	0.4	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.2
Fiscal Emergency Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Severence Taxes to be Refunded	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.4	0.3	0.2	0.3	0.2	0.3
TOTAL GENERAL REVENUES	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

EXPENDITURES BY DEPARTMENT[1] AND TRANSFERS
FUNDED BY GENERAL PURPOSE REVENUES
Last Ten Fiscal Years

(DOLLARS IN THOUSANDS)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Department:[1]										
Agriculture	$ (17)	$ 12,018	$ 11,346	$ 10,428	$ 10,639	$ 10,050	$ 8,633	$ 7,697	$ 6,975	$ 5,152
Corrections	2,841	876,905	837,497	773,788	748,559	758,545	717,579	675,706	652,394	647,313
Education	14,771	4,412,459	4,114,576	4,070,889	3,764,298	3,477,785	3,357,324	3,153,609	3,014,681	2,833,433
Governor	827,832	45,321	42,375	36,283	39,615	34,609	30,267	22,819	18,555	9,699
Health Care Policy and Financing	4,079,836	3,021,536	2,923,196	2,727,717	2,468,392	2,446,338	2,274,875	2,100,771	1,829,776	1,685,679
Higher Education	84,070	1,110,841	1,001,121	894,450	870,664	856,849	761,306	658,901	628,565	623,963
Human Services	3,179,655	1,088,434	1,055,818	984,291	918,130	936,071	877,162	812,603	753,225	703,676
Judicial Branch	611,554	597,673	561,799	514,874	487,636	481,550	441,700	386,870	354,119	337,039
Labor and Employment	1,003,256	24,341	20,539	21,302	21,579	7,754	660	50	-	-
Law	558,991	17,553	16,396	15,722	14,774	14,525	13,457	12,127	10,355	9,341
Legislative Branch	18,334	54,052	51,082	48,202	44,880	43,410	41,132	38,712	35,957	34,672
Local Affairs	13,694	46,290	37,125	29,184	25,235	25,481	22,244	17,540	10,976	10,448
Military and Veterans Affairs	53,583	10,924	10,983	30,814	8,253	7,907	7,792	7,094	6,576	5,355
Natural Resources	114,198	34,282	32,307	30,882	28,711	27,519	26,216	25,141	23,620	23,400
Personnel & Administration	9,917	16,229	13,971	12,088	12,273	11,034	7,601	31,407	6,588	3,935
Public Health and Environment	33,469	60,841	53,492	46,506	48,448	49,964	59,383	53,588	31,199	27,742
Public Safety	30,679	163,721	185,018	124,204	122,404	113,976	126,747	165,240	85,595	81,993
Regulatory Agencies	63,890	2,334	6,224	5,964	5,742	6,073	6,007	1,730	1,674	1,597
Revenue	39,138	327,633	260,583	250,438	90,957	149,361	97,249	73,626	55,078	55,596
Transportation	-	-	-	-	392	102	-	-	-	-
Treasury	(10,375)	660,126	774,821	190,457	15,908	12,522	5,684	108,870	27,650	4,914
Transfer to Capital Construction Fund	1,286,711	112,692	90,382	92,084	84,484	271,130	248,502	186,715	61,411	49,298
Transfer to Various Cash Funds	361,300	361,300	814,200	674,900	194,735	90,196	67,555	260,272	1,086,051	72,000
Transfer to the Highway Users Tax Fund	-	-	-	-	79,000	199,200	-	-	-	-
Other Transfers and Nonoperating Disbursements	25,125	25,125	278,999	181,151	153,379	143,492	127,795	126,263	262,406	25,479
TOTALS	$ 12,402,452	$ 13,082,630	$ 13,193,850	$ 11,766,618	$ 10,259,087	$ 10,175,443	$ 9,326,870	$ 8,927,351	$ 8,963,426	$ 7,251,724
Percent Change	-5.2%	-0.8%	12.1%	14.7%	0.8%	9.1%	4.5%	-0.4%	23.6%	0.3%
(AS PERCENT OF TOTAL)										
Education	0.1%	33.7%	31.2%	34.6%	36.7%	34.2%	36.0%	35.3%	33.6%	39.1%
Health Care Policy and Financing	32.9	23.1	22.2	23.2	24.1	24.0	24.4	23.5	20.4	23.2
Higher Education	0.7	8.5	7.6	7.6	8.5	8.4	8.2	7.4	7.0	8.6
Human Services	25.6	8.3	8.0	8.4	8.9	9.2	9.4	9.1	8.4	9.7
Corrections	0.0	6.7	6.3	6.6	7.3	7.5	7.7	7.6	7.3	8.9
Transfer to Capital Construction Fund	10.4	0.9	0.7	0.8	0.8	2.7	2.7	2.1	0.7	0.7
Transfer to Various Cash Funds	2.9	2.8	6.2	5.7	1.9	0.9	0.7	2.9	12.1	1.0
Transfers to the Highway Users Tax Fund	0.0	0.0	0.0	0.0	0.8	2.0	0.0	0.0	0.0	0.0
Judicial	4.9	4.6	4.3	4.4	4.8	4.7	4.7	4.3	4.0	4.6
Revenue	0.3	2.5	2.0	2.1	0.9	1.5	1.0	0.8	0.6	0.8
All Others	22.2	8.9	11.5	6.6	5.3	4.9	5.2	7.0	5.9	3.4
TOTALS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

[1] Expenditures in this schedule are reported on the modified accrual basis (GAAP basis) rather than the budgetary basis, which defers certain payroll, Medicaid costs and related revenues, and other statutorily defined expenditures to the following fiscal year. Certain expenditures are shown in the department that makes the external payment rather than being shown in the department that receives the original general-funded appropriation.

FUND BALANCE
GOVERNMENTAL FUND TYPES
Last Ten Fiscal Years

(DOLLARS IN THOUSANDS)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GENERAL:										
Nonspendable:										
Inventories	70,664	14,343	9,944	7,975	8,503	7,522	8,894	8,721	9,931	6,942
Prepaids	50,702	69,432	38,547	38,173	39,348	37,977	40,971	38,535	22,654	24,175
Restricted	609,779	823,528	814,658	626,068	442,249	497,814	398,948	468,758	487,161	503,449
Committed	1,287,662	616,483	1,114,406	970,235	646,700	513,986	705,844	411,362	279,352	331,419
Assigned	123,036	35,241	33,264	29,641	17,218	19,283	20,731	7,651	7	20
Unassigned	2,403,821	842,567	52,088	334,660	-	-	-	-	-	359,421
TOTAL FUND BALANCE	4,545,664	2,401,594	2,062,907	2,006,752	1,154,018	1,076,582	1,175,388	935,027	799,105	1,225,426
FEDERAL SPECIAL REVENUE:										
Restricted	11,373	21,350	-	-	-	-	-	-	-	-
TOTAL FUND BALANCE	11,373	21,350	-	-	-	-	-	-	-	-
HIGHWAY USERS TAX:										
Nonspendable:										
Long-term Portion of Interfund Loans Receivable	-	-	-	-	-	30	-	-	-	-
Inventories	17,908	20,946	18,012	8,281	9,334	8,860	8,377	7,673	8,249	8,406
Prepaids	6,077	5,032	3,717	3,729	679	1,252	1,908	1,481	4,210	64
Restricted	679,412	900,962	961,284	882,113	917,778	975,001	942,510	1,080,201	1,145,997	1,176,269
Committed	49,045	51,413	59,641	58,076	52,929	46,278	35,765	41,017	39,087	38,254
TOTAL FUND BALANCE	752,442	978,353	1,042,654	952,199	980,720	1,031,421	988,560	1,130,372	1,197,543	1,222,993
ALL OTHER GOVERNMENTAL FUNDS:										
Nonspendable:										
Long-term Portion of Interfund Loans Receivable	-	-	13	12	-	19,141	-	-	-	-
Inventories	179,646	105,795	72,311	35,171	35,445	36,166	36,059	36,008	36,013	284
Permanent Fund Principal	1,438,292	1,398,247	1,274,846	1,186,138	1,122,480	1,043,619	971,676	868,383	760,160	737,239
Prepaids	46,242	35,781	39,324	38,387	27,007	24,046	23,941	27,884	28,487	28,601
Restricted	986,088	558,485	503,018	516,128	418,847	607,618	1,000,463	1,466,516	1,637,012	497,221
Committed	4,785,759	3,992,116	3,583,836	2,614,577	2,624,986	2,770,832	2,650,703	2,269,885	1,641,899	1,581,143
TOTAL FUND BALANCE	7,436,027	6,090,424	5,473,348	4,390,413	4,228,765	4,501,422	4,682,842	4,668,676	4,103,571	2,844,488
TOTAL FUND BALANCE	$ 12,745,506	$ 9,491,721	$ 8,578,909	$ 7,349,364	$ 6,363,503	$ 6,609,425	$ 6,846,790	$ 6,734,075	$ 6,100,219	$ 5,292,907

TABOR REVENUES, EXPENDITURES,
FISCAL YEAR SPENDING LIMITATIONS,
AND REFUNDS
Last Ten Fiscal Years

(DOLLARS IN THOUSANDS)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
DISTRICT REVENUES:										
Exempt District Revenues	$ 27,782,645	$ 20,523,556	$ 18,613,345	$ 17,388,665	$ 17,784,588	$ 18,170,415	$ 16,980,420	$ 17,076,305	$ 16,446,833	$ 15,017,772
Nonexempt District Revenues	16,169,779	14,873,754	14,788,420	13,720,881	12,891,657	12,824,408	12,530,772	11,691,905	11,107,341	10,273,184
TOTAL DISTRICT REVENUES	43,952,424	35,397,310	33,401,765	31,109,546	30,676,245	30,994,823	29,511,192	28,768,210	27,554,174	25,290,956
Percent Change In Nonexempt District Revenues	8.7%	0.6%	7.8%	6.4%	0.5%	2.3%	7.2%	5.3%	8.1%	9.0%
DISTRICT EXPENDITURES:										
Exempt District Expenditures	27,782,645	20,523,556	18,613,345	17,388,666	17,784,588	18,170,415	16,980,420	17,076,305	16,446,833	15,017,772
Nonexempt District Expenditures	12,287,617	13,759,681	13,001,752	12,852,870	13,251,437	13,076,457	12,237,753	11,016,588	10,263,972	9,791,616
TOTAL DISTRICT EXPENDITURES	40,070,262	34,283,237	31,615,097	30,241,536	31,036,025	31,246,872	29,218,173	28,092,893	26,710,805	24,809,388
Percent Change In Nonexempt District Expenditures	-10.7%	5.8%	1.2%	-3.0%	1.3%	6.9%	11.1%	7.3%	4.8%	4.9%
TOTAL DISTRICT RESERVE/FUND BALANCE INCREASE (DECREASE)	$ 3,882,162	$ 1,114,073	$ 1,786,668	$ 868,010	$ (359,780)	$ (252,049)	$ 293,019	$ 675,317	$ 843,369	$ 481,568
FISCAL YEAR SPENDING LIMIT										
Prior Fiscal Year Spending Limitation	$ 12,249,004	$ 11,759,345	$ 11,220,749	$ 10,761,667	$ 10,427,606	$ 9,976,946	$ 9,566,586	$ 9,247,466	$ 8,799,754	$ 8,654,192
Adjustments To Prior Year Limit[1]	(3,315)	-	-	(24,108)	10,480	(45,595)	(962)	(152)	(27,952)	(26,982)
ADJUSTED PRIOR YEAR FISCAL SPENDING LIMITATION	12,245,689	11,759,345	11,220,749	10,737,559	10,438,086	9,931,351	9,565,624	9,247,314	8,771,802	8,627,210
Allowable Growth Rate (Population Plus Inflation)	3.1%	4.1%	4.8%	4.5%	3.1%	4.4%	4.3%	3.3%	5.4%	2.0%
Current Fiscal Year Spending Limitation	12,625,305	12,241,478	11,759,345	11,220,749	10,761,667	10,368,330	9,976,946	9,552,475	9,245,479	8,799,754
Adjustments To Current Year Limit	2,763	7,525	-	-	-	59,276	0	14,111	1,987	-
ADJUSTED CURRENT YEAR FISCAL SPENDING LIMITATION	12,628,068	12,249,003	11,759,345	11,220,749	10,761,667	10,427,606	9,976,946	9,566,586	9,247,466	8,799,754
EXCESS STATE REVENUE CAP (ESRC)[2]	15,644,324	14,956,372	14,360,084	13,702,371	13,327,811	12,946,499	12,361,032	11,852,383	11,460,242	10,871,425
NONEXEMPT DISTRICT REVENUES	16,169,779	14,873,754	14,788,420	13,720,881	12,891,657	12,824,408	12,530,772	11,691,905	11,107,341	10,273,184
Amount Over(Under) Adjusted Fiscal Year Spending Limitation	3,541,711	2,624,751	3,029,075	2,500,132	2,129,990	2,396,802	2,553,826	2,125,319	1,859,875	1,473,430
Amount Over(Under) Excess State Revenue Cap	525,455	(82,618)	428,336	18,510	(436,154)	(122,091)	169,740	(160,478)	(352,901)	(598,242)
Correction Of Prior Years' Refunds	-	575	3,207	-	(346)	(13,899)	-	-	-	-
Voter Approved or Statutory Retention of Excess Revenue		-	-	-	-	-	-	-	-	-
FISCAL YEAR REFUND	$ 525,455	$ -	$ 431,685	$ 18,510	$ -	$ -	$ 173,346	$ -	$ -	$ -

[1] - Large adjustments to the prior year limit are primarily related to activities qualifying as TABOR enterprises, after which the activity's revenues and expenditures are no longer shown in the district amounts.
[2] - Beginning in Fiscal Year 2011, with the expiration of the Referendum C retention period, Fiscal Year Refunds are based on the Excess State Revenue Cap rather than the Fiscal Year Spending Limit.

DEBT SERVICE EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
Last Ten Fiscal Years

(DOLLARS IN THOUSANDS)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
DEBT SERVICE EXPENDITURES:										
Principal	$ 98,582	$ 61,201	$ 85,722	$ 62,203	$ 177,925	$ 210,390	$ 194,818	$ 184,106	$ 163,939	$ 150,690
Interest	130,554	102,291	94,654	65,566	60,781	69,729	74,689	77,005	82,660	85,586
TOTAL DEBT SERVICE EXPENDITURES	$ 229,136	$ 163,492	$ 180,376	$ 127,769	$ 238,706	$ 280,119	$ 269,507	$ 261,111	$ 246,599	$ 236,276
Percent Change Over Previous Year	40.2%	-9.4%	41.2%	-46.5%	-14.8%	3.9%	3.2%	5.9%	4.4%	13.7%
TOTAL NONCAPITAL EXPENDITURES	24,893,602	22,859,536	21,394,396	20,293,035	21,788,949	22,034,812	20,480,883	19,001,514	17,329,054	16,470,142
TOTAL CAPITAL EXPENDITURES	1,399,666	1,361,585	1,036,687	1,079,152	1,222,662	1,078,383	1,194,596	664,762	653,157	726,501
TOTAL GOVERNMENTAL EXPENDITURES	26,293,268	24,221,121	22,431,083	21,372,187	23,011,611	23,113,195	21,675,479	19,666,276	17,982,211	17,196,643
DEBT SERVICE EXPENDITURES AS PERCENT OF TOTAL NONCAPITAL EXPENDITURES:										
Principal	0.4%	0.3%	0.4%	0.3%	0.8%	1.0%	1.0%	1.0%	0.9%	0.9%
Interest	0.5%	0.4%	0.4%	0.3%	0.3%	0.3%	0.4%	0.4%	0.5%	0.5%
Total Debt Service Expenditures	0.9%	0.7%	0.8%	0.6%	1.1%	1.3%	1.3%	1.4%	1.4%	1.4%

TOTAL OUTSTANDING DEBT[1,2,3]
PRIMARY GOVERNMENT
Last Ten Fiscal Years

(DOLLARS IN THOUSANDS)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Revenue Backed Debt	$ -	$ -	$ -	$ -	$ -	$ 127,925	$ 289,789	$ 443,881	$ 574,147	$ 739,138
Certificates of Participation	3,989,933	2,903,588	2,152,555	1,426,314	1,302,382	1,205,172	1,227,828	1,267,869	1,192,193	1,018,456
Capital Leases	117,998	119,822	123,600	131,873	142,153	150,665	172,329	174,996	151,010	121,429
Notes and Mortgages	2,315	4,585	6,805	8,979	11,115	13,205	15,250	17,385	19,220	19,369
TOTAL GOVERNMENTAL OUTSTANDING DEBT	4,110,246	3,027,995	2,282,960	1,567,166	1,455,650	1,496,967	1,705,196	1,904,131	1,936,570	1,898,392
Business-Type Activities:										
Revenue Backed Debt	4,938,280	4,637,188	4,452,563	4,602,833	4,391,057	4,320,596	4,242,726	3,967,023	3,724,951	3,753,617
Certificates of Participation	132,403	393,248	433,021	461,461	346,769	372,661	399,231	403,761	403,603	420,951
Capital Leases	74,224	35,645	37,402	48,152	49,891	57,126	54,281	42,192	41,728	39,038
Notes and Mortgages	116,325	66,371	67,985	60,047	61,396	53,968	28,317	4,810	3,522	7,353
TOTAL BUSINESS-TYPE OUTSTANDING DEBT	5,261,232	5,132,452	4,990,971	5,172,493	4,849,113	4,804,351	4,724,555	4,417,786	4,173,804	4,220,959
Total Primary Government:										
Revenue Backed Debt	4,938,280	4,637,188	4,452,563	4,602,833	4,391,057	4,448,521	4,532,515	4,410,904	4,299,098	4,492,755
Certificates of Participation	4,122,336	3,296,836	2,585,576	1,887,775	1,649,151	1,577,833	1,627,059	1,671,630	1,595,796	1,439,407
Capital Leases	192,222	155,467	161,002	180,025	192,044	207,791	226,610	217,188	192,738	160,467
Notes and Mortgages	118,640	70,956	74,790	69,026	72,511	67,173	43,567	22,195	22,742	26,722
TOTAL OUTSTANDING DEBT[1]	$ 9,371,478	$ 8,160,447	$ 7,273,931	$ 6,739,659	$ 6,304,763	$ 6,301,318	$ 6,429,751	$ 6,321,917	$ 6,110,374	$ 6,119,351
Percent Change Over Previous Year	14.8%	12.2%	7.9%	6.9%	0.1%	-2.0%	1.7%	3.5%	-0.1%	19.5%
Colorado Population (In Thousands) Restated for Census	5,736	5,759	5,772	5,672	5,594	5,524	5,438	5,350	5,271	5,186
Per Capita Debt (Dollars Per Person) Restated for Census	$1,634	$1,417	$1,260	$1,188	$1,127	$1,141	$1,182	$1,182	$1,159	$1,180
Per Capita Income (Thousands Per Person)	$61.4	$61.3	$59.0	$59.1	$55.8	$52.6	$52.4	$50.7	$47.2	$45.6
Per Capita Debt as a Percent of Per Capita Income	2.7%	2.3%	2.1%	2.0%	2.0%	2.2%	2.3%	2.3%	2.5%	2.6%

[1] - General Obligation Debt is prohibited by the State Constitution except to fund buildings for state use, to defend the state or the U.S. (in time of war), or to provide for unforseen revenue deficiencies.
[2] - Colorado State Constitution requires multi-years obligations to be approved by voters therefore there is no specific legal debt limitation.
[3] - Beginning in Fiscal Year 2014 debt liabilities are not offset by unamortized refunding gains or losses. With GASB Statement No. 65, these balances became deferred inflows and or outflows.

REVENUE BOND COVERAGE[1]
Last Ten Fiscal Years
(DOLLARS IN THOUSANDS)

Fiscal Year	Gross Revenue	Direct Operating Expense	Net Revenue Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
Governmental Funds: Transportation Revenue Anticipation Notes (TRANs)							
2021	$ -	$ -	$ -	$ -	$ -	$ -	0.00
2020	-	-	-	-	-	-	0.00
2019	-	-	-	-	-	-	0.00
2018	-	-	-	-	-	-	0.00
2017	-	-	-	-	-	-	0.00
2016	1,566,285	1,437,505	128,780	126,100	2,680	128,780	1.00
2015	1,358,950	1,191,461	167,489	157,220	10,269	167,489	1.00
2014	1,240,588	1,073,259	167,329	147,225	20,104	167,329	1.00
2013	1,204,153	1,037,025	167,128	132,105	35,023	167,128	1.00
2012	1,105,452	938,787	166,665	125,265	41,400	166,665	1.00
Enterprise Funds (Excluding Higher Education): State Fair, CollegeInvest, Statewide Bridge Enterprise, and Unemployment Insurance [2]							
2021	$ 114,451	$ -	$ 114,451	$ -	$ 25,271	$ 25,271	4.53
2020	112,362	-	112,362	-	17,699	17,699	6.35
2019	111,674	-	111,674	-	18,234	18,234	6.12
2018	106,022	-	106,022	-	18,234	18,234	5.81
2017	109,927	-	109,927	-	18,234	18,234	6.03
2016	231,775	-	231,775	124,965	20,546	145,511	1.59
2015	363,612	-	363,612	249,925	24,857	274,782	1.32
2014	486,250	-	486,250	374,885	30,620	405,505	1.20
2013	608,493	-	608,493	499,845	40,965	540,810	1.13
2012	240,822	-	240,822	-	18,234	18,234	13.21
Higher Education Institutions							
2021	$ 2,210,602	$ 586,621	$ 1,623,981	$ 84,250	$ 80,160	$ 164,410	9.88
2020	2,425,323	673,165	1,752,158	186,477	155,530	342,007	5.12
2019	2,419,403	685,793	1,733,610	132,929	159,090	292,019	5.94
2018	2,290,836	643,503	1,647,333	127,378	161,525	288,903	5.70
2017	2,170,616	618,649	1,551,967	117,118	160,835	277,953	5.58
2016	1,984,082	455,553	1,528,529	103,957	157,999	261,956	5.84
2015	1,250,735	579,200	671,535	107,878	152,923	260,801	2.57
2014	1,170,939	557,627	613,312	94,581	138,121	232,702	2.64
2013	1,122,003	537,630	584,373	80,330	131,356	211,686	2.76
2012	1,093,528	507,761	585,767	69,992	114,914	184,906	3.17

COLORADO DEMOGRAPHIC DATA
Last Ten Fiscal Years

Year	Population (000)	Percentage Share of U.S. Population	Total Personal Income (Billions)	Per Capita Personal Income (Dollars)	% of U.S. Per Capita Income	Employ-ment (000)	Unemploy-ment %
2021 est	5,828	1.76%	$ 392.7	$ 67,390	107.0%	3,024	5.4%
2020 Revised	5,782	1.75	369.5	63,904	107.27	2,895	7.3
2019 Revised	5,736	1.75	352.2	61,400	109.42	3,062	2.7
2018 Revised	5,672	1.74	335.2	59,097	109.1	2,983	3.0
2017 Revised	5,594	1.72	312.0	55,783	107.6	2,903	2.6
2016 Revised	5,524	1.71	290.7	52,624	105.6	2,797	3.1
2015 Revised	5,438	1.70	284.8	52,372	107.1	2,715	3.8
2014	5,350	1.68	271.3	50,711	107.7	2,662	5.0
2013	5,271	1.67	249.0	47,236	105.3	2,578	6.9
2012	5,186	1.65	236.7	45,637	102.3	2,540	7.9

Source: U.S. Department of Commerce, Bureau of Economic Analysis, U.S. Census Bureau, and Colorado Department of Labor and Employment

COLORADO EMPLOYMENT[1,2]
BY INDUSTRY
Last Ten Fiscal Years
(AMOUNTS IN THOUSANDS)

Industry	2021 est	Revised 2020	Revised 2019	Revised 2018	Revised 2017	Revised 2016	Revised 2015	Revised 2014	Revised 2013	Revised 2012
Natural Resources and Mining	22.4	22.0	28.9	28.6	25.8	23.7	30.7	34.1	30.6	30.3
Construction	175.0	175.0	178.8	173.2	163.7	155.3	148.8	142.2	127.5	115.8
Manufacturing	151.6	149.3	150.1	147.5	144.3	142.7	141.0	136.6	132.8	130.9
Transportation, Trade, and Utilities	481.5	466.8	477.4	470.4	461.3	454.0	445.7	432.7	420.2	409.5
Information	73.4	74.5	76.0	75.2	71.9	71.9	70.7	70.3	69.9	69.8
Financial Activities	173.0	170.5	173.9	171.6	168.1	163.9	159.0	153.9	151.0	146.7
Professional and Business Services	436.0	431.6	440.0	423.9	412.8	405.7	398.4	386.6	372.6	356.9
Educational and Health Services	338.8	334.3	347.6	340.7	334.1	325.8	313.3	298.0	285.9	281.8
Leisure and Hospitality	292.6	273.4	344.6	339.7	333.2	323.6	312.8	300.4	289.4	279.7
Other Services	106.5	106.0	113.1	110.9	108.6	107.3	104.2	100.9	97.7	96.0
Government	426.6	433.6	455.3	445.6	436.7	428.1	416.5	407.9	403.2	394.3
Total	2,677.4	2,637.0	2,785.7	2,727.3	2,660.5	2,602.0	2,541.1	2,463.6	2,380.8	2,311.7

Source: Colorado Department of Labor and Employment and the Colorado Business Economic Outlook Committee.

[1] Provided in lieu of information regarding Colorado's principal employers because employer data could not be obtained.

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

VALUE OF TOTAL CONSTRUCTION
IN COLORADO BY TYPE
Last Ten Years
(AMOUNTS IN MILLIONS)

Year	Residential	Non-Residential	Non-Building	Total
2021 est	$ 9,317	$ 4,000	$ 2,200	$ 15,517
2020	9,872	4,800	2,100	16,772
Revised 2019	10,643	5,038	2,861	18,542
Revised 2018	11,797	8,140	4,515	24,452
Revised 2017	10,362	6,160	2,975	19,496
Revised 2016	10,179	5,989	2,706	18,873
Revised 2015	8,659	4,991	3,036	16,686
Revised 2014	7,566	4,351	2,439	14,355
2013	7,089	3,610	3,680	14,379
2012	5,368	3,675	3,329	12,372

Source: Department of Census, F.W. Dodge Company, Division of McGraw-Hill, the Colorado Contractors Assoc., and Colorado Business Economic Outlook Committee.

COLORADO SALES AND GROSS FARMING REVENUES
Last Ten Years

(AMOUNTS IN BILLIONS)

Year	Retail Sales	Gross Farm Revenues
2021 est	$ 116.30	$ 8.61
2020	110.80	8.53
Revised 2019	99.80	8.71
Revised 2018	96.70	8.30
Revised 2017	91.70	8.25
Revised 2016	87.20	7.62
Revised 2015	83.40	8.92
Revised 2014	79.50	9.18
Revised 2013	74.10	8.61
2012	70.70	8.35

Includes only those sales reported on sales tax reports.

Source: Colorado Business Economic Outlook Agricultural Committee

DEMAND DRIVERS OF THE PRIMARY GOVERNMENT[1]
BY FUNCTIONS/PROGRAMS
Last Ten Years[2]

	2021	2020	2019	2018	2017
GOVERNMENTAL ACTIVITIES:					
General Government:					
Funds	1,020	901	883	874	848
Employees (calculated Average Employment)	78,990	79,974	78,213	76,578	74,252
Balance in Treasury Pool (in millions)	$9,358.1	$9,358.1	$9,055.2	$7,763.2	$6,852.0
Business, Community, and Consumer Affairs:					
Professional Licenses at Regulatory Agencies	972,910	949,632	865,914	853,163	829,350
Unemployment Rate (percent) [4]	5.4	6.7	2.8	3.3	2.7
Employment Level [4]	3,024,476	2,880,890	3,101,412	2,994,752	2,911,079
Education:					
Public Schools	1,875	1,864	1,861	1,889	1,833
Primary School Students		883,199	913,223	911,536	910,280
Health and Rehabilitation:					
Average Daily Population of Mental Health Institutes [3]	Not Available	709	595	581	543
Average Daily Population of Regional Centers [3]	Not Available	235	246	261	260
Justice:					
District Court Cases Filed [3]	Not Available	233,682	216,437	218,413	225,438
County Court Cases Filed [3]	Not Available	413,894	Not available	412,714	425,947
Inmate Admissions	Not Available	Not Available	9,691	9,972	8,851
Inmate Releases	Not Available	Not Available	9,897	9,947	9,844
Average Daily Inmate Population	Not Available	Not Available	20,223	20,003	20,000
Citations Issued by the State Patrol	113,777	128,806	136,086	138,772	141,949
Crashes Covered by the State Patrol	24,947	26,300	29,767	28,964	30,264
Natural Resources:					
Active Oil and Gas Wells [3]	Not Available	52,500	55,000	54,400	54,600
Oil and Gas Drilling Permits [3]	Not Available	7,000	6,200	4,460	4,620
Annual State Park Visitors [3]	Not Available	16,100,000	14,300,000	14,400,000	14,800,000
Water Loans		328	326	318	328
Social Assistance:					
Medicaid Recipients [3]	Not Available	1,292,797	1,350,445	1,420,267	1,385,945
Monthly Cases for Cash Assistance & Subsidy Payments [3]	Not available	Not available	Not available	Not available	Not available
Transportation:					
Lane Miles	Not Available	23,111,433	23,054,349	23,026,130	23,053,073
Bridges	3,466	3,467	3,462	3,451	3,455
BUSINESS-TYPE ACTIVITIES:					
Higher-Education:					
Resident Students [3]	Not Available	143,856	147,705	146,138	142,180
Nonresident Students [3]	Not Available	38,218	37,952	32,884	32,884
Unemployment Insurance:					
Individuals Served - Employment and Training [3]	202,869	493,731	366,130	360,911	425,253
Initial Unemployment Claims [3]	Not Available	504,839	101,599	107,471	129,887
Lottery:					
Scratch Tickets Sold	94,634,346	89,295,642	85,738,142	83,746,578	84,041,528
Lotto Tickets Sold	19,159,180	16,791,434	28,034,842	28,462,945	30,609,106
Powerball Tickets Sold	26,960,528	20,647,247	35,073,981	36,013,750	29,860,519
Other Lottery Tickets Sold	61,337,174	50,733,691	67,466,124	56,312,662	54,533,766
Wildlife:					
Hunting & Fishing Licenses Sold [3]	1,800,000	1,800,000	1,700,000	1,700,000	1,700,000

*Data not available.
[1]All amounts are counts except where dollars or percentages are indicated.
[2]Data presented by either fiscal year or calendar year based on availability of information.
[3]Data represents estimates from budgetary documents and is not adjusted to actuals.
[4]Data represents annual averages of monthly estimates from Department of Labor and Employment statistical information and is not adjusted to actuals
Source: JBC Budget in Brief and Various State Agencies' Self-Reported Statistical Information.

2016	2015	2014	2013	2012
815	719	638	634	626
72,483	72,369	70,823	68,898	67,871
$7,413.7	$7,683.2	$7,047.8	$7,106.9	$6,546.6
813,639	789,643	750,306	729,328	705,205
3.2	3.9	5.0	6.9	7.9
2,803,436	2,719,500	2,662,404	2,577,556	2,539,941
1,853	1,836	1,824	1,823	1,806
905,018	899,112	889,006	876,999	863,561
545	545	486	489	501
266	272	288	305	302
216,970	231,188	289,965	247,696	238,766
430,398	446,255	493,341	505,234	541,439
9,912	9,912	9,620	9,597	9,116
10,269	10,269	10,506	10,506	10,657
20,179	20,678	20,478	20,551	22,009
145,181	140,943	138,661	124,654	137,546
30,542	29,572	28,292	26,600	22,324
52,600	52,300	50,350	47,916	45,300
3,725	4,333	4,300	5,100	4,800
12,300,000	11,699,543	11,556,388	12,461,261	12,651,919
312	294	289	277	281
1,289,795	1,003,612	809,452	687,473	613,148
Not available	63,646	65,208	65,208	66,472
22,984,731	23,018,184	23,018,184	23,021,500	23,023,800
3,427	3,439	3,443	3,438	3,447
145,769	150,073	155,748	159,206	160,944
30,869	29,305	28,580	27,536	26,934
469,274	553,258	552,303	636,977	585,724
152,658	157,161	199,007	228,634	302,418
87,433,955	89,637,387	89,961,317	94,109,256	99,988,581
27,422,320	29,837,628	33,809,181	32,561,865	33,276,914
47,427,269	29,581,783	35,134,907	67,690,312	64,285,665
29,682,863	50,521,072	56,956,625	47,690,502	65,916,303
1,600,000	2,300,000	2,300,000	2,315,000	2,333,000

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AVERAGE COUNT OF STATE EMPLOYEES BY FUNCTION AND AVERAGE MONTHLY EMPLOYEE SALARY
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Government	3,486	3,437	3,340	3,320	3,238	3,102	3,005	3,092	2,958	3,042
Business, Community, and Consumer Affairs	2,859	2,696	2,723	2,741	2,756	2,451	2,441	2,482	2,420	2,404
Education	47,046	48,469	47,297	45,884	43,762	42,494	42,767	41,501	40,218	39,097
Health and Rehabilitation	4,376	4,232	4,117	4,147	4,122	4,023	4,007	3,990	3,931	3,953
Justice	14,576	14,601	14,380	14,192	14,076	13,974	13,760	13,416	13,123	13,149
Natural Resources	1,650	1,678	1,626	1,611	1,619	1,623	1,599	1,579	1,586	1,597
Social Assistance	1,871	1,794	1,711	1,672	1,661	1,810	1,766	1,731	1,633	1,605
Transportation	3,126	3,067	3,019	3,011	3,018	3,006	3,024	3,032	3,029	3,024
TOTAL AVERAGE EMPLOYMENT	78,990	79,974	78,213	76,578	74,252	72,483	72,369	70,823	68,898	67,871
TOTAL CLASSIFIED	30,586	30,777	30,999	31,133	31,159	31,102	31,246	31,284	31,504	32,449
AVERAGE MONTHLY SALARY	$ 5,056	$ 5,049	$ 4,826	$ 4,650	$ 4,554	$ 4,539	$ 4,502	$ 4,391	$ 4,283	$ 4,314
TOTAL NON-CLASSIFIED	48,404	49,197	47,214	45,445	43,093	41,381	41,123	39,539	37,394	35,422
AVERAGE MONTHLY SALARY	$ 7,466	$ 7,384	$ 7,181	$ 6,980	$ 6,872	$ 6,691	$ 6,306	$ 6,140	$ 5,953	$ 5,840

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

- For each State agency, the average salary for full-time employees was divided into the part-time employee payroll amount to determine the average employee count. Average salary was computed as total classified or nonclassified salary divided by related average employee count.

COLORADO STATE HIGHWAY SYSTEM
CENTERLINE AND LANE MILES
LAST TEN FISCAL YEARS

Mileage Type	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
CenterLine Miles[1]										
Urban	1,500	1,500	1,502	1,510	1,510	1,523	1,523	1,385	1,385	1,385
Rural	7,574	7,575	7,575	7,578	7,578	7,580	7,580	7,718	7,720	7,720
TOTAL CENTERLINE MILES	9,074	9,075	9,077	9,088	9,088	9,103	9,103	9,103	9,105	9,105
Percent Change	0.0%	0.0%	-0.1%	0.0%	-0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Lane Miles[2]										
Urban	5,860	5,803	5,789	5,808	5,742	5,771	5,771	5,326	5,330	5,330
Rural	17,250	17,251	17,237	17,245	17,242	17,247	17,247	17,688	17,694	17,693
TOTAL LANE MILES	23,110	23,054	23,026	23,053	22,984	23,018	23,018	23,014	23,024	23,023
Percent Change	0.2%	0.1%	-0.1%	0.3%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.2%
Roadways[3]										
Percent Rated Good/Fair			80	79	79	79	79	79	47	48
Percent Rated Poor			20	21	21	21	21	21	53	52
TOTAL PERCENTAGE	0	0	100	100	100	100	100	100	100	100

[1]Centerline miles measure roadway miles without accounting for the number of lanes.
[2]Lane miles measure the total distance of all roadway lanes, and are therfore a better indicator of actual maintentance requirements.
[3]In 2013 CDOT changed the overall metric by which pavement condition is measured. The new measure is based on Driveability Life, which identifies how long a pavement will last until the user experience becomes unacceptable.
Source: Department of Transportation

COLORADO STATE-OWNED BRIDGES
BY FUNCTIONAL CLASSIFICATION
LAST TEN FISCAL YEARS

Functional Classification	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Principal Arterial[1]	1,404	1,408	1,404	1,387	1,390	1,372	1,377	1,114	1,294	1,303
Other Principal Arterial	926	927	925	932	931	930	930	1,199	793	791
Minor Arterial	673	669	668	670	670	666	667	667	747	749
Collector	375	375	377	383	387	383	390	391	443	442
Local	88	88	88	79	77	76	75	72	161	162
TOTAL BRIDGES	3,466	3,467	3,462	3,451	3,455	3,427	3,439	3,443	3,438	3,447
Percent Change	0.0%	0.1%	0.3%	-0.1%	0.8%	-0.3%	-0.1%	0.1%	-0.3%	0.0%
Percent Rated Poor[2]	6.27	6.27	6.32	4.42	4.90	5.60	5.60	5.70	5.90	3.60

[1]Includes Interstate, Expressways, and Freeways.
[2]In 2013 CDOT changed the overall metric for assessing bridges due to Public Law 112-141. The focus is now on Structurally Deficient bridges.

Source: Department of Transportation

BUILDING SQUARE FOOTAGE
OWNED BY THE PRIMARY GOVERNMENT
BY FUNCTIONS/PROGRAMS

Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GOVERNMENTAL ACTIVITIES:										
General Government	4,184,192	4,221,513	3,732,465	3,975,641	4,110,351	4,091,577	3,630,949	3,898,443	3,449,893	3,197,325
Business, Community, and Consumer Affairs[1]	1,264,162	1,277,114	1,278,223	1,253,288	1,253,288	1,117,563	1,260,223	1,462,694	1,091,423	980,198
Education	322,302	322,484	322,484	322,484	322,484	322,484	322,484	327,394	327,394	327,394
Health and Rehabilitation	1,472,328	1,453,385	1,463,209	1,463,209	1,463,129	1,443,140	1,439,483	1,371,986	1,407,882	1,522,278
Justice	8,871,568	8,815,718	8,880,526	8,852,530	8,763,302	8,743,419	8,633,069	8,797,346	8,170,861	8,428,687
Natural Resources	812,177	865,529	915,362	788,919	775,567	754,116	677,422	454,150	457,366	321,373
Social Assistance	1,802,173	1,799,516	1,833,377	1,834,497	1,834,815	1,828,335	1,821,873	1,794,333	1,791,521	1,787,266
Transportation	3,699,793	3,681,410	4,445,286	4,057,721	3,450,675	3,652,382	3,589,835	3,373,967	3,362,781	3,278,758
BUSINESS-TYPE ACTIVITIES:										
Higher Education	57,627,649	56,459,587	56,142,470	55,616,419	55,858,696	54,075,080	52,070,593	50,215,173	49,016,072	48,013,242
Parks and Wildlife	1,932,631	1,998,305	1,926,202	2,887,423	2,811,609	2,811,609	2,811,609	2,811,609	2,811,609	2,811,609
TOTAL	81,988,974	80,894,561	80,939,604	81,052,131	80,643,916	78,839,705	76,257,540	74,507,095	71,886,802	70,668,130

Source: Colorado Office of the State Architect

[1] - Building information for Unemployment Insurance (a business-type activity) cannot be segregated from the Colorado Department of Labor and Employment which is included in Business, Community, and Consumer Affairs.

BUILDING SQUARE FOOTAGE
LEASED BY THE PRIMARY GOVERNMENT
BY FUNCTIONS/PROGRAMS

Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GOVERNMENTAL ACTIVITIES:										
General Government	125,391	164,104	162,801	175,427	153,470	153,470	161,533	169,970	200,900	226,201
Business, Community, and Consumer Affairs[1]	612,312	612,459	632,311	635,899	640,803	623,742	597,583	604,185	597,182	575,591
Education	54,037	54,037	56,831	54,765	58,819	53,827	51,749	47,926	47,645	39,804
Health and Rehabilitation	500,208	508,207	478,241	470,748	477,717	473,440	498,721	475,010	473,230	465,649
Justice	670,604	617,670	567,155	473,032	525,493	453,320	343,665	412,286	310,551	321,920
Natural Resources	83,037	80,107	77,831	79,055	78,909	74,016	75,134	91,162	78,937	73,375
Social Assistance	103,706	103,706	103,706	96,465	99,256	99,256	110,867	74,451	61,001	51,404
BUSINESS-TYPE ACTIVITIES:										
Higher Education	1,560,761	1,506,511	1,506,925	1,436,583	1,404,972	1,309,490	1,303,315	1,613,516	1,530,285	1,536,160
CollegeInvest	9,126	9,126	9,126	9,126	9,164	9,597	9,642	11,397	11,397	7,517
Lottery	67,560	67,327	67,327	67,327	67,327	67,327	71,104	71,104	71,104	74,104
Parks and Wildlife	19,415	22,969	23,635	70,058	83,036	76,448	76,448	76,448	76,448	79,112
College Assist	9,126	9,126	9,126	9,126	9,396	10,164	10,246	8,825	8,825	8,825
TOTAL	3,815,283	3,755,349	3,695,015	3,577,611	3,608,362	3,404,097	3,310,007	3,656,280	3,467,505	3,459,662

Source: Colorado Office of the State Architect

[1] - Building information for Unemployment Insurance (a business-type activity) cannot be segregated from the Colorado Department of Labor and Employment which is included in Business, Community, and Consumer Affairs.

OTHER COLORADO FACTS

Important Dates

1803 The United States purchases land, including what is now most of eastern Colorado, from France in the Louisiana Purchase.

1806 Lt. Zebulon M. Pike and a small party of U.S. soldiers sent to explore the southwestern boundary of the Louisiana Purchase discover the peak that bears his name but fail in their effort to climb it. However, they do reach the headwaters of the Arkansas River near Leadville.

1848 By the Treaty of Guadalupe Hidalgo, Mexico cedes to the United States most of that part of Colorado not acquired by the Louisiana Purchase.

1858 Gold is discovered along Cherry Creek near present day Denver.

1861 Congress establishes the Colorado Territory with the boundaries of the present State and chooses its name from the Spanish word for "colored red." President Lincoln appoints William Gilpin as the first territorial governor. The State Supreme Court is organized. The first assembly meets and creates 17 counties, authorizes the University of Colorado, and selects Colorado City as the territorial capital.

1867 Denver is established as the permanent seat of the territorial government by the legislature meeting in Golden.

1870 The Denver Pacific Railroad is completed to Denver.

1876 Colorado is admitted to the Union as the 38th state. John L. Routt is elected the first governor.

1877 The University of Colorado opens classes at Boulder with two teachers and forty-four students.

1894 The State Capitol Building, designed by Elijah E. Meyers, is completed at a cost of $2.5 million. Colorado becomes the second state, after Wyoming, to extend suffrage to women.

1906 The U.S. Mint at Denver issues its first coins.

1958 The U.S. Air Force Academy's permanent campus opens near Colorado Springs.

1992 TABOR amendment is added to the State Constitution.

Geography

Area: 103,718 square miles.

Highest Elevation: Mt Elbert – 14,433 feet above sea level.

Lowest Elevation: Along the Arikaree River in Yuma County – 3,315 feet above sea level.

Colorado has the highest average elevation of all fifty states – 6,800 feet above sea level.

State Symbols and Emblems

State Motto – Nil Sine Numine –
Nothing Without the Deity

State Nickname – Centennial State

State Animal – Rocky Mountain Bighorn Sheep

State Bird – Lark Bunting

State Fish – Greenback Cutthroat Trout

State Flower – White and Lavender Columbine

State Folk Dance – Square Dance

State Fossil – Stegosaurus

State Pet – Shelter and Rescue Dog and Cat

State Songs – "Where the Columbines Grow" and
"Rocky Mountain High"

State Gemstone – Aquamarine

State Grass – Blue Grama Grass

State Insect – Colorado Hairstreak Butterfly

State Mineral – Rhodochrosite

State Reptile – Western Painted Turtle

State Amphibian – Western Tiger Salamander

State Rock – Yule Marble

State Tree – Colorado Blue Spruce

State Cactus – Claret Cup

COLORADO

Office of the State Controller

Department of Personnel & Administration

APPENDIX D

CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information was prepared and provided by Development Research Partners, Inc. to give prospective investors general information concerning selected economic and demographic conditions existing in Colorado as of the dates indicated. See also "INTRODUCTION – State Economic and Demographic Information." The statistics have been obtained from the referenced sources and represent the most current information available as of June 2022 from the sources indicated; however, since certain information is released with a significant time lag, the information in some cases will not be indicative of existing or future economic and demographic conditions. Further, the reported data has not been adjusted to reflect economic trends, notably inflation. Finally, other economic and demographic information concerning the State not presented herein may be available, and prospective investors may want to review such information prior to making their investment decision. *The following information is not to be relied upon as a representation or guarantee of the State or any officer or employee of or advisor to the State*. See "IMPACT OF COVID-19 ON THE STATE AND SCHOOL DISTRICTS," "APPENDIX A – THE STATE GENERAL FUND – Revenue Estimation; OSPB Revenue and Economic Forecasts" and "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST."

Overview

Colorado, the most populous state in the Rocky Mountain region, has three distinct geographic and economic areas. The eastern half of the State consists of the eastern plains, which are flat, open and largely devoted to agriculture. The Front Range lies along the eastern base of the Rocky Mountains and contains most of the State's metropolitan areas. The western half of the State – which includes the Rocky Mountains and the Western Slope – includes many acres of national park and forest land and significant reserves of minerals, natural gas and other resources.

The State's population and wealth are concentrated in the Front Range, principally in four major metropolitan areas: Denver/Boulder, Colorado Springs, Fort Collins/Greeley and Pueblo. Denver, the State's capital, is the economic center of the State and the Rocky Mountain region. About 56% of the State's population and 62% of its jobs are located in the Denver/Boulder metropolitan area, which is a hub for transportation, communication, financial activities and professional and business services. The aerospace, bioscience and energy industries are also key contributors to economic growth in the Denver/Boulder metropolitan area and the State as a whole.

The State's economic performance depends heavily on economic performance at the national level. See also "APPENDIX A – THE STATE GENERAL FUND – OSPB Revenue and Economic Forecasts" and "APPENDIX B – OSPB JUNE 2022 REVENUE FORECAST."

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Population and Age Distribution

The following table provides population figures for Colorado and the United States for the past 10 years.

Population Estimates (as of July 1)

	Colorado		United States	
	Population (millions)	% Change	Population (millions)	% Change
2011	5.1	1.4%	311.6	0.7%
2012	5.2	1.4%	313.8	0.7%
2013	5.3	1.5%	316.0	0.7%
2014	5.3	1.5%	318.3	0.7%
2015	5.4	1.9%	320.6	0.7%
2016	5.5	1.5%	322.9	0.7%
2017	5.6	1.3%	325.0	0.6%
2018	5.7	1.4%	326.7	0.5%
2019	5.7	1.0%	328.2	0.5%
2020	5.8	0.8%	331.5	1.0%
2021	5.8	0.8%	331.9	0.1%

Note: U.S. figures for 2011-2019 are estimates based on the 2010 Census. U.S. 2020-2021 figures are estimates based on the 2020 Census. Colorado figures for 2011-2020 are estimates and the 2021 count is a forecast.

Sources: Colorado Division of Local Government, State Demography Office; U.S. Census Bureau, Population Estimates Program.

The following table provides the age distribution for the most recent year available for the State's population and the population nationwide.

Age Distribution, July 1

	Colorado, 2021		United States, 2021	
	Population (millions)	% of total	Population (millions)	% of total
Under 18	1.24	21.3%	73.57	22.2%
18 to 24	0.57	9.7%	30.09	9.1%
25 to 44	1.69	29.0%	88.90	26.8%
45 to 64	1.43	24.6%	83.49	25.2%
65+	0.90	15.5%	55.85	16.8%
Total	5.83	100.0%	331.89	100.0%
Median Age[1]	37.5		38.5	

[1] U.S. median age is based on Census Estimates for 2020.

Note: Totals may not add due to rounding. The U.S. 2021 count is an estimate, and the Colorado 2021 count is a forecast.

Sources: Colorado Division of Local Government, State Demography Office; U.S. Census Bureau, Population Estimates Program.

Income

The following table provides annual per capita personal income figures for Colorado, the Rocky Mountain Region, and the United States.

Per Capita Personal Income in Current Dollars[1]

	Colorado		Rocky Mountain Region[2]		United States	
	Income	% Change	Income	% Change	Income	% Change
2016	$52,390	0.1%	$47,294	0.6%	$49,613	1.8%
2017	$55,294	5.5%	$49,534	4.7%	$51,573	4.0%
2018	$58,471	5.7%	$52,220	5.4%	$53,817	4.4%
2019	$61,087	4.5%	$54,605	4.6%	$55,724	3.5%
2020	$64,034	4.8%	$57,469	5.2%	$59,147	6.1%
2021	$69,016	7.8%	$61,587	7.2%	$63,444	7.3%

[1] Per capita personal income is total personal income divided by the July 1 population estimate.

[2] The Rocky Mountain Region includes Colorado, Idaho, Montana, Utah, and Wyoming.

Source: U.S. Bureau of Economic Analysis.

Employment

The following table provides labor force, total employment, and unemployment statistics for the State.

Civilian Labor Force, Total Employment, and Unemployment Rates, Not Seasonally Adjusted

	Colorado Civilian Labor Force (thousands)	% Change	Colorado Total Employment (thousands)[1]	% Change	Annual Average Unemployment Rate: Colorado	Annual Average Unemployment Rate: United States
2017	2,963.8		2,886.0		2.6%	4.4%
2018	3,049.6	2.9%	2,957.7	2.5%	3.0%	3.9%
2019	3,100.6	1.7%	3,019.9	2.1%	2.6%	3.7%
2020	3,087.3	-0.4%	2,874.9	-4.8%	6.9%	8.1%
2021	3,156.1	2.2%	2,986.7	3.9%	5.4%	5.3%
Year-to-date averages through April:						
2021	3,118.2		2,920.9		6.3%	6.3%
2022	3,212.9	3.0%	3,095.1	6.0%	3.7%	3.9%

[1] Includes the self-employed, unpaid family workers, and other groups not included in statistics that show employment by industry.

Sources: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics; Labor Force Statistics from the Current Population Survey.

The following table shows Colorado employment by industry for the past five years. Industry designations are based on the North American Industrial Classification System. Employment includes only those workers covered by unemployment insurance; most workers in the state are covered.

Average Annual Number of Employees by Industry

Industry	2017	2018	2019	2020	2021	Most Recent Quarter: 2021Q3	Most Recent Quarter: 2021Q4	Most Recent Quarter: % Change
Private Sector								
Agriculture, Forestry, Fishing, and Hunting	17,594	18,153	19,756	20,065	20,134	21,161	19,536	-7.7%
Mining	25,800	28,204	28,636	21,568	19,648	19,696	20,031	1.7%
Utilities	8,079	8,030	8,168	8,305	8,466	8,519	8,500	-0.2%
Construction	163,473	173,096	178,880	174,730	177,410	180,866	180,585	-0.2%
Manufacturing	144,067	147,285	150,109	146,473	148,599	149,064	150,573	1.0%
Wholesale Trade	106,721	108,350	110,256	107,358	109,892	110,351	112,111	1.6%
Retail Trade	270,792	272,773	272,173	261,742	272,160	270,345	277,107	2.5%
Transportation and Warehousing	72,583	77,449	83,414	88,481	92,872	91,467	101,161	10.6%
Information	71,641	75,076	76,292	74,867	76,303	77,001	77,961	1.2%
Finance and Insurance	111,298	112,657	112,749	113,206	116,002	115,943	117,145	1.0%
Real Estate and Rental and Leasing	50,572	52,144	54,523	52,064	54,905	55,369	57,048	3.0%
Professional and Technical Services	215,830	224,584	235,451	239,190	255,149	257,190	264,286	2.8%
Management of Companies and Enterprises	39,011	40,788	42,318	41,930	43,341	43,578	44,145	1.3%
Administrative and Waste Services	158,048	158,574	161,844	149,247	155,289	161,382	159,533	-1.1%
Educational Services	35,375	36,695	37,634	34,350	36,426	35,961	38,001	5.7%
Health Care and Social Assistance	293,468	298,580	303,863	297,859	305,070	304,502	305,886	0.5%
Arts, Entertainment, and Recreation	55,407	56,848	58,971	44,373	50,296	54,413	50,722	-6.8%
Accommodation and Food Services	277,783	282,559	285,965	227,307	254,892	273,331	268,707	-1.7%
Other Services	80,034	82,040	84,571	76,766	81,065	82,802	83,204	0.5%
Unclassified	167	1,818	2,562	2,118	1,290	2,322	526	-77.3%
Government	412,028	418,327	427,971	420,370	420,941	417,995	426,682	2.1%
Total*	**2,609,770**	**2,674,030**	**2,736,105**	**2,602,371**	**2,700,148**	**2,733,259**	**2,763,451**	**1.1%**

* Industry employment levels may not add to total due to rounding.

Sources: U.S. Bureau of Labor Statistics (2017-2020); Colorado Department of Labor and Employment (2021), Quarterly Census of Employment and Wages.

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The following table shows the largest private sector employers in Colorado based on the most current information available as of May 2022. No independent investigation has been made, and no representation is made herein as to the financial condition of the employers listed below or the likelihood that these employers will maintain their status as major employers in the state. Employment counts for these businesses may have changed since this table was compiled, and other large employers may exist in the State that are not included in the table.

Estimated Largest Private Sector Employers in Colorado

Employer	Type of Business	Estimated Employees[1]
Wal-Mart	General Merchandise	31,100
UCHealth	Healthcare, Research	28,400
The Kroger Co. (King Soopers/City Market)	Supermarkets	22,000
Amazon	Warehousing & Distribution Services	20,000
Centura Health	Healthcare	18,300
Intermountain Healthcare	Healthcare	12,400
HealthONE Corporation	Healthcare	12,200
Lockheed Martin Corporation	Aerospace & Defense Related Systems	11,100
Comcast	Telecommunications	9,000
Children's Hospital Colorado	Healthcare	8,100
Home Depot	Building Materials Retailer	8,000
Target Corporation	General Merchandise	7,900
Safeway Inc.	Supermarkets	7,300
Kaiser Permanente	Health Maintenance Organization	7,200
United Airlines	Airline	7,100
DISH Network	Satellite TV & Equipment	6,300
Ball Corporation	Aerospace, Containers	6,100
United Parcel Service	Logistics	6,100
Lumen Technologies	Telecommunications	6,100
Vail Resorts	Leisure & Hospitality	6,100
JBS Swift & Company	Beef Processing/Corporate Office	5,500
FedEx Corp.	Transportation, E-commerce	5,400
Banner Health	Healthcare	5,100
Wells Fargo	Banking/Financial Services	4,900
Southwest Airlines	Airline	4,700
Oracle	Software & Network Computer Systems	4,400
Lowe's Companies, Inc.	Building Materials Retailer	4,300
Charter Communications	Telecommunications	4,000
Progressive Casualty Insurance Company	Insurance	4,000
Xcel Energy	Utility	3,900
University of Denver	Private University	3,800
UnitedHealthcare	Insurance	3,600
Walgreen Company	General Merchandise	3,600
Charles Schwab	Financial Services	3,500
Hewlett Packard	Technology Product Design	3,500
Vestas	Wind Turbine Manufacturer	3,000
Empower Retirement	Insurance & Retirement Savings Services	3,000
Frontier Airlines	Airline	3,000
Raytheon Company	Aerospace Systems & Software	2,900
GMRI Inc	Restaurants	2,800

[1] Figures include both full- and part-time employees.

Source: Compiled by Development Research Partners from various sources, May 2022.

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The following table shows the largest public sector employers in Colorado based on the most current information available as of May 2022.

Estimated Largest Public Sector Employers in Colorado

Employer	Estimated Employees[1]
State of Colorado	59,200
Federal Government (except USPS)	45,200
University of Colorado System	37,000
Denver Public Schools	15,000
City & County of Denver	12,700
Jefferson County Public Schools	11,100
U.S. Postal Service	9,500
Douglas County School District RE-1	8,400
Denver Health	8,000
Colorado State University	7,600
Cherry Creek School District 5	7,400
Aurora Public Schools	5,600
Adams 12 Five Star Schools	4,900
Boulder Valley School District RE-2	4,300
Poudre School District R-1	4,300
St. Vrain Valley School District RE-1J	4,100
City of Aurora	4,000
Jefferson County	3,600
Colorado Springs School District 11	3,600
Academy Schools District 20	3,500
U.S. Department of Veterans Affairs	3,200
Mesa County Valley School District 51	3,000
Arapahoe County	3,000
El Paso County	2,900
City of Colorado Springs	2,800

[1] Includes both full- and part-time employees.

Source: Compiled by Development Research Partners from various sources, May 2022.

Retail Sales

The following table provides the most recent annual sales figures as reported for state sales tax purposes.

Colorado Sales and Use Tax Net Collections
Fiscal Years 2017 to 2021

	Sales Tax		Use Tax	
	Amount (thousands)	% Change	Amount (thousands)	% Change
2017	$2,719,778	4.8%	$258,604	6.1%
2018	$2,906,717	6.9%	$305,192	18.0%
2019	$3,031,974	4.3%	$343,489	12.5%
2020	$3,186,143	5.1%	$226,116	-34.2%
2021	$3,450,454	8.3%	$210,754	-6.8%

Source: Colorado Department of Revenue.

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The following table provides retail sales totals by industry for the State for the most recent five years.

Colorado Retail Sales by Industry (millions) and Percentage Change from Prior Year

											Year-to-date totals through March		
Industry	**2017**	**% Change**	**2018**	**% Change**	**2019**	**% Change**	**2020**	**% Change**	**2021**	**% Change**	**2021**	**2022**	**% Change**
Agriculture/Forestry/Fishing	417.9	-25.3%	587.2	40.5%	521.1	-11.3%	491.8	-5.6%	NR	--	NR	90.2	--
Mining	3,665.9	47.5%	4,411.7	20.3%	3,938.3	-10.7%	3,065.7	-22.2%	5,172.2	68.7%	607.4	932.0	53.4%
Utilities	7,570.4	3.7%	7,665.8	1.3%	8,031.0	4.8%	7,512.2	-6.5%	8,489.0	13.0%	2,227.3	2,686.9	20.6%
Construction	5,133.6	8.3%	5,758.0	12.2%	6,124.0	6.4%	6,148.5	0.4%	6,650.1	8.2%	1,313.3	1,586.2	20.8%
Manufacturing	16,217.9	10.5%	17,360.8	7.0%	15,992.7	-7.9%	16,906.4	5.7%	18,036.2	6.7%	3,718.7	4,492.9	20.8%
Wholesale Trade	14,530.3	-2.3%	15,407.4	6.0%	18,109.6	17.5%	20,374.5	12.5%	22,736.5	11.6%	4,396.5	5,747.9	30.7%
Retail Trade[1]													
Motor Vehicle and Parts Dealers	20,614.6	4.7%	21,190.4	2.8%	21,986.4	3.8%	21,918.4	-0.3%	26,480.5	20.8%	5,752.6	6,348.6	
Building Materials/Garden Equip/Supplies Dealers	7,283.2	3.5%	7,465.8	2.5%	7,413.9	-0.7%	8,891.0	19.9%	10,429.3	17.3%	2,016.5	2,307.9	
Food/Beverage Retailers	17,655.4	3.3%	18,794.5	6.5%	18,927.9	0.7%	20,189.0	6.7%	21,466.7	6.3%	4,697.7	5,173.2	
Furniture/Home Furnishings/Electronics/Appliance	5,743.2	7.1%	6,096.2	6.1%	6,328.4	3.8%	6,183.4	-2.3%	7,289.6	17.9%	1,554.9	1,792.6	
General Merchandise Retailers	13,758.0	5.1%	14,387.6	4.6%	14,788.7	2.8%	16,068.0	8.7%	17,976.8	11.9%	3,967.5	7,108.8	
Health and Personal Care Retailers	5,355.2	5.7%	5,672.5	5.9%	6,015.3	6.0%	6,734.3	12.0%	7,312.8	8.6%	1,686.5	1,678.0	
Gas Stations and Fuel Dealers	4,528.5	5.1%	4,863.8	7.4%	4,556.7	-6.3%	3,957.2	-13.2%	5,057.7	27.8%	995.6	1,455.7	
Clothing/Accessories/Shoes/ Jewelry Retailers	3,848.5	0.1%	3,999.7	3.9%	4,413.8	10.4%	3,623.6	-17.9%	5,116.4	41.2%	965.0	1,133.9	
Sporting/Hobby/Music/Books/ Misc Retailers	9,409.0	-4.7%	9,605.7	2.1%	10,289.8	7.1%	10,266.0	-0.2%	12,101.2	17.9%	2,639.4	3,079.2	
Non-Store Retailers[1]	2,921.3	27.8%	3,279.3	12.3%	5,054.7	54.1%	10,776.8	113.2%	12,153.8	12.8%	2,818.6	0.0	
Total Retail Trade	**91,117.0**	**5.6%**	**95,355.7**	4.7%	**99,775.5**	4.6%	**108,607.7**	8.9%	**125,384.8**	15.4%	**27,094.3**	**30,077.8**	**11.0%**
Transportation/Warehouse	944.6	9.2%	1,292.4	36.8%	1,096.3	-15.2%	1,222.5	11.5%	1,455.4	19.0%	303.8	421.5	38.8%
Information	5,382.5	2.7%	4,971.1	-7.6%	5,819.5	17.1%	4,250.2	-27.0%	5,140.8	21.0%	1,083.5	1,444.4	33.3%
Finance/Insurance	2,107.9	-21.7%	2,469.4	17.2%	2,761.9	11.8%	3,340.1	20.9%	NR	--	NR	NR	--
Real Estate/Rental/Lease	4,875.5	6.6%	5,423.2	11.2%	5,907.9	8.9%	5,140.4	-13.0%	5,859.7	14.0%	1,351.8	1,743.9	29.0%
Professional/Scientific/Technical	6,794.1	2.3%	7,753.2	14.1%	7,859.6	1.4%	8,634.4	9.9%	9,478.6	9.8%	1,937.2	2,248.9	16.1%
Admin/Support/Waste/Remediation	2,357.8	4.2%	2,384.4	1.1%	2,813.2	18.0%	3,237.8	15.1%	4,470.0	38.1%	922.1	1,190.4	29.1%
Education	486.3	-1.5%	500.3	2.9%	434.8	-13.1%	349.9	-19.5%	546.1	56.1%	113.7	126.9	11.6%
Health Care/Social Assistance	7,136.0	3.6%	7,044.5	-1.3%	16,093.3	128.5%	16,236.4	0.9%	17,823.9	9.8%	3,751.5	4,690.4	25.0%
Arts/Entertainment/Recreation	1,564.5	7.3%	1,650.0	5.5%	1,781.7	8.0%	1,342.6	-24.6%	1,840.4	37.1%	390.6	576.5	47.6%
Accommodation	4,773.3	10.0%	5,147.4	7.8%	5,771.3	12.1%	3,823.6	-33.7%	6,143.1	60.7%	1,141.7	1,914.6	67.7%
Food/Drinking Services	13,020.4	6.0%	13,798.6	6.0%	14,511.8	5.2%	11,308.6	-22.1%	14,929.5	32.0%	3,082.9	3,954.9	28.3%
Other Services	6,182.5	7.9%	6,751.4	9.2%	6,924.2	2.6%	6,438.5	-7.0%	8,096.2	25.7%	1,654.5	2,041.6	23.4%
Government	363.7	18.4%	388.6	6.8%	351.2	-9.6%	380.3	8.3%	NR	--	105.8	NR	--
Total All Industries	**194,642.0**	**5.4%**	**206,121.0**	**5.9%**	**224,618.9**	**9.0%**	**228,812.2**	**1.9%**	**268,328.8**	**17.3%**	**56,470.5**	**67,675.1**	**19.8%**

Source: Colorado Department of Revenue.

NR = Not Reportable.

Note from DOR on destination sourcing (2019 & future): Sales that were previously reported in one location may be reported in different locations from 2019 onward because the Colorado General Assembly adopted new sourcing rules in House Bill 19-1240. Prior to 2019, the location for which a return was filed by a retailer generally reflected the location the retailer's business had in common with the delivery point. Beginning in June 2019, most in-state retailers started filing returns based on the location in which the purchaser received the goods; however, some small retailers filed returns for all sales based on the retailer's business location. Additional out-of-state retailers were also required to collect and remit sales tax for goods delivered into Colorado based on the location in which the purchaser received the goods. These changes may cause variations in the data reported from previous years.

[1] The North American Industry Classification System (NAICS) codes are reviewed and revised every five years to keep the classification system current with changes in economic activities. The 2022 revisions to NAICS reflect a de-emphasis on the delivery method as an industry function used in NAICS classification, resulting in all sales previously categorized as 'Non-Store Retailers' being reallocated to specific retail trade categories starting in 2022. As a result, retail trade sales by category are not comparable between 2022 and prior years.

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Tourism

The following table provides visitor counts for the State's national parks and major recreation areas, Denver area convention attendance figures, and visitor counts for Colorado ski areas.

Colorado Tourism Statistics

	National Parks Visits[1]		Conventions[2]						Skier Visits[3]	
			Conventions		*Delegates*		*Spending*			
	Number (millions)	% Change	Number	% Change	Number (thousands)	% Change	Amount (millions)	% Change	Number (millions)	% Change
2017	7.62	2.1%	84	27.3%	235.6	-2.9%	$518.6	-4.6%	13.12	-2.0%
2018	7.57	-0.7%	67	-20.2%	269.4	14.4%	$560.6	8.1%	12.81	-2.4%
2019	7.76	2.6%	80	19.4%	254.1	-5.7%	$555.3	-0.9%	13.80	7.7%
2020	6.03	-22.2%	12	-85.0%	65.0	-74.4%	$131.0	-76.4%	11.15	-19.2%
2021	7.82	29.6%	26	116.7%	78.1	20.2%	$193.0	47.3%	12.00	7.6%

[1] Count of recreational visitors for the State's National Parks Service territories, which include national parks, monuments, historic sites, and recreation areas.

[2] Includes only those conventions booked by VISIT DENVER and held at the Colorado Convention Center.

[3,4] Count of skier visits for the season ending in the referenced year.

Sources: National Parks Service; VISIT DENVER, The Convention and Visitor's Bureau; Colorado Ski Country USA; Vail Resorts, Inc.

Residential Housing Starts

The following table provides a five-year history of the State's residential building permit issuance.

New Privately Owned Housing Units Authorized in Colorado

	1 Unit	2 Units	3 & 4 Units	5+ Units	Total Building Permits	% Change
2017	24,338	344	415	15,576	40,673	4.4%
2018	26,134	374	414	15,705	42,627	4.8%
2019	24,756	352	370	13,155	38,633	-9.4%
2020	26,636	728	397	12,708	40,469	4.8%
2021	30,246	1,260	736	24,282	56,524	39.7%
Year-to-date totals through April:						
2021	11,900	252	115	6,212	18,479	
2022	10,092	334	110	8,432	18,968	
% change	*-15.2%*	*32.5%*	*-4.3%*	*35.7%*	*2.6%*	

Source: U.S. Census Bureau.

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Residential Foreclosures

The following table provides a five-year history of foreclosure filings and sales in Colorado. The foreclosure filing is the event that begins the foreclosure process. In general, a borrower who is at least three months delinquent will receive a filing notice from the Public Trustee for the county in which the property is located. At this point, the property is in foreclosure.

Because a foreclosure filing can be cured or withdrawn before the home is sold at auction, not all filings result in foreclosure sales. Foreclosure sales at auction generally proceed between 110 and 125 days after the initial filing. Once a foreclosure sale is completed, the eviction process begins.

Foreclosure Filings and Sales in Colorado

	Foreclosure Filings[1]	% Change	Foreclosure Sales at Auction	% Change
2016	7,666	-7.0%	3,128	-25.7%
2017	6,680	-12.9%	2,100	-32.9%
2018	5,884	-11.9%	1,461	-30.4%
2019	5,610	-4.7%	1,316	-9.9%
2020	2,130	-62.0%	628	-52.3%
2021[2]	226	--	103	--

[1] Some filings may have been subsequently cured or withdrawn and may not have resulted in sales at auction.

[2] Filings and Sales through first quarter 2021.

Source: Colorado Division of Housing.

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APPENDIX E

STATE PENSION SYSTEM

The information included in this Appendix is based on information compiled and presented in the Public Employees' Retirement Association ("PERA") Annual Comprehensive Financial Report for the Plan Year ended December 31, 2021 (the "PERA 2021 ACFR"). The PERA 2021 ACFR was prepared by PERA staff employees and the firm of Segal Consulting, PERA's independent actuary, and audited by CliftonLarsonAllen LLP, PERA's independent public accounting firm. The valuations and other assessments of PERA constitute forward-looking information as described in the preliminary notice in this Official Statement because they are based on assumptions about future events. The assumptions underlying the valuations and assessments may prove to be inaccurate and may be changed by PERA and its representatives and consultants to reflect actual results and future projections as additional information becomes available. The State takes no responsibility for the accuracy, validity or completeness of such information, valuations and assessments. The PERA 2021 ACFR is not incorporated in this Official Statement by reference or otherwise, and the State makes no representations regarding the accuracy of the information in the PERA 2021 ACFR.

The information in the State Fiscal Year 2020-21 ACFR regarding PERA is derived from the PERA Comprehensive Annual Financial Report (as such report was then entitled) for the Plan Year ended December 31, 2020, while the information in this Official Statement regarding PERA is derived from the PERA 2021 ACFR.

General Description

Overview. The State of Colorado, like most other state and local governments, provides post-employment benefits to its employees based on their work tenure and earnings history. By statute, the State created PERA, which administers cost-sharing, multiple-employer defined benefit plans to provide retirement, death and disability benefits through the State Division Trust Fund (generally for State employees) (the "State Division"), the Judicial Division Trust Fund (for judges in the State), the School Division Trust Fund (for employees of school districts other than Denver County School District No. 1, commonly known as Denver Public Schools), the Denver Public Schools Division (for employees of Denver Public Schools) and the Local Government Division Trust Fund (for employees of numerous municipalities and other local governmental entities). The defined benefit plan for the State Division is referred to herein as the "State Division Plan."

As described in more detail under the caption "Funding of the State Division Plan" below, the State Division Plan is funded with payments made by the State and by each employee the amounts of which are determined and established by statute. Benefits provided through the State Division Plan are paid from the State Division Trust Fund. State employees hired after 2005 may, in lieu of participating in the State Division Plan, elect to participate in a defined contribution plan (the "State Division DC Plan") which is also administered by PERA. However, the majority of State employees participate in the State Division Plan. Except to the extent provided in SB 18-200 discussed in "Funding of the State Division Plan – *Statutorily Required Contributions*" hereafter in this Appendix E, the State has no obligation to make contributions or fund benefits in Divisions other than the State Division and Judicial Division of PERA. See Notes 1 and 8 to the financial statements in the PERA 2021 ACFR for a discussion of the membership in the State Division Plan and the State Division DC Plan, respectively. See also Management's Discussion and Analysis and Notes 6-8 to the financial statements in the State Fiscal Year 2020-21 ACFR appended to this Official Statement for a description of the State Division Plan and the State Division DC Plan.

Because the majority of State employees participate in the State Division Plan and not in the State Division DC Plan, and the number of judges employed by the State that participate in the Judicial Division is relatively small in comparison to the number of other State employees, the disclosure in "DEBT AND

CERTAIN OTHER FINANCIAL OBLIGATIONS – Pension and Other Post-Employment Benefits" in the body of this Official Statement and in this Appendix relates only to the State Division Plan.

The State does not participate in the federal Old-Age, Survivors and Disability Insurance (Social Security) program.

PERA. PERA is a legal entity created by statute in 1931 that is separate from the State as further described in Article 51 of Title 24, C.R.S. (the "PERA Act"). Management of PERA is vested in a 16-member Board of Trustees (the "PERA Board"). PERA has fiduciary responsibility for several separate divisions, including the State Division, the School Division, the Local Government Division, the Judicial Division and the Denver Public Schools Division. The State represents the majority, but not all, of the State Division employers and employees. Each Division operates as a separate legal trust. PERA also operates two cost-sharing, multiple-employer post-employment benefit plans through the Health Care Trust Fund and the Denver Public Schools Health Care Trust Fund that provide health care premium subsidies to participating PERA benefit recipients who choose to enroll in one of PERA's health care plans. PERA's financial statements, which include all of its Divisions and trusts, may be obtained by writing to PERA at P.O. Box 5800, Denver, Colorado 80217-5800, by calling the PERA Infoline at 1-800-759-7372 or by visiting http://www.copera.org. *The reference to PERA's website is included herein for informational purposes only, and information available on such website or in PERA's financial statements, or any other information provided by PERA, is not incorporated in this Official Statement by reference or otherwise, nor does the State make any representations regarding the accuracy of any such information.*

Basic Provisions of the State Division Plan

Members of the State Division Plan who meet minimum age and service requirements are eligible to receive a monthly retirement benefit based on their employment and earnings history with the State. Calculation of retirement benefits, and eligibility requirements, differ depending on the employee's original hire date. In response to funding challenges, the General Assembly has enacted changes to State Division Plan benefits at various times. Some of such changes have been applied prospectively to newly hired employees. As a result, there are several tiers of employee benefits and related provisions that are based on employee hire dates and other factors. See Notes 6-8 to the financial statements in the State Fiscal Year 2020-21 ACFR appended to this Official Statement, the PERA 2021 ACFR and the PERA Act for a discussion of eligibility requirements and the various tiers of benefits under the State Division Plan. See also the Statistical Section of the PERA 2021 ACFR for various statistics regarding members, retirees, survivors and benefit payments for the State Division Plan.

Implementation by PERA of GASB 67

In 2012, GASB issued Statement No. 67, "Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25" ("GASB 67"), which established new standards for financial reporting and note disclosure by defined benefit pension plans administered through qualified trusts, and note disclosure requirements for defined contribution pension plans administered through qualified trusts. GASB 67 is effective for accounting periods beginning after June 15, 2013, and, accordingly, PERA implemented GASB 67 beginning with its Annual Comprehensive Financial Report for the Plan Year ended December 31, 2014.

The objective of GASB 67 as stated therein is to improve financial reporting by state and local governmental pension plans. The requirements of GASB 67 are intended to improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information. A related statement, GASB Statement No. 68, "Accounting and Financial Reporting for Pensions," applies to governmental employers and was implemented by the State beginning with the State Fiscal Year 2014-15 ACFR. See "Implementation of Changes in Pension Accounting Standards Applicable to the State – GASB 68 and GASB 75" hereafter.

GASB 67 establishes a shift in financial disclosure requirements from a funding-based approach to an accounting-based approach. Implementation of GASB 67 requires the preparation of two actuarial valuations, one for funding purposes and one for accounting and financial disclosure purposes. The purpose of the funding valuation is to guide the PERA Board's actions necessary to ensure the long-term sustainability of PERA's trust funds. The funding valuation aids this action by allowing PERA to assess the sufficiency of the current statutory contribution rates and analyze the sufficiency of future contributions to meet current and future benefit obligations. The actuarial valuation for accounting purposes emphasizes the obligation an employer incurs to employees through the employment-exchange process. The primary purpose of the valuation for accounting purposes is to provide a consistent, standardized methodology that allows comparability of amounts and increased transparency of the pension liability across U.S. pension plans complying with this new reporting standard. To accomplish this, GASB 67 requires a different approach for determining net pension liability as compared to the previously disclosed unfunded actuarial accrued liability[1] ("UAAL"). Net pension liability is to be measured as the total pension liability[2] of the plan less the amount of the plan's fiduciary net position[3].

Another major change in the new standard is the rate used to discount projected benefit payments. The new standard states the long-term expected rate of return on the investments of the plan should be applied only to available plan assets that are expected to be invested using a strategy to achieve that return. If there comes a point in the projections when plan fiduciary net position and contributions related to active and inactive employees are no longer projected to be greater than or equal to projected benefit payments related to those employees and administrative expenses (crossover point), then from that point forward the plan will be required to discount the projected benefit payments after the crossover point using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

GASB 67 also enhances the standards for footnote disclosure and required supplementary information for pension plans, including, among other things, disclosing the plan's net pension liability, ratio of fiduciary net position to total pension liability and actuarial methods and assumptions.

Actuarial Valuations

Many of the measures used to determine and evaluate the financial condition and funding status of the State Division Plan are based on actuarial valuations. An actuarial valuation is the determination, as of the actuarial valuation date, of the service cost, total pension liability and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by GASB. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial valuations for each of PERA's defined benefit plans, including the State Division Plan, are prepared by PERA's actuaries based on a set of actuarial methods and assumptions that by State law are the responsibility of the PERA Board. The valuations for the State Division Plan examine the assets of the Plan compared to actuarial liabilities, compare past and future trends and determine the net pension liability of the Plan. The actuarial valuation for funding purposes applies an asset valuation

[1] Unfunded actuarial accrued liability is the difference between the actuarial accrued liability, or "AAL" (being the excess of the present value of a pension fund's total of future benefits (payable to the plan participants) and fund administration expenses over the present value of the future normal cost of those benefits), over the valuation assets of the fund.

[2] Total pension liability is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of plan member service in conformity with the requirements of GASB 67. **For purposes of application to the requirements of GASB 67, AAL is the equivalent of total pension liability.**

[3] Fiduciary net position equals assets plus deferred outflows of resources and less liabilities and deferred inflows of resources at the end of the plan's reporting period.

method that recognizes a four-year smoothed market value of assets for purposes of determining the UAAL, while the actuarial valuation for accounting and financial reporting purposes applies the fair value of assets (determined in conformity with GASB standards) to determine the net pension liability. See the Actuarial Section of the PERA 2021 ACFR for a discussion of other actuarial methods and assumptions used in the actuarial valuations of the State Division Plan.

The PERA 2021 ACFR states that the PERA Board studies all economic and demographic actuarial assumptions at least every five years and approves changes to those assumptions. Recently, the PERA Board has reviewed the economic assumptions on a more frequent basis. The PERA Board last completed an experience study in 2020, for the period January 1, 2016 to December 31, 2019, and on November 20, 2020, adopted various revisions to its economic and demographic assumptions effective for the December 31, 2020, actuarial valuations and measurement date.

No assurance can be given that any of the assumptions underlying the actuarial valuations of the State Division Plan will reflect the actual results experienced by the Plan. Variances between the assumptions and actual results may cause an increase or decrease in the actuarial value of Plan assets, the net pension liability of the Plan and other valuation and performance measures determined on the basis of such actuarial valuations.

Funding of the State Division Plan

Statutorily Required Contributions. The State Division Plan is funded with payments made by the State and by each eligible employee as provided in the PERA Act. The State's contributions to the Plan are based on percentages of employee wages and are set by statute. These contribution percentages are referred to herein as the statutorily required contribution, or "SRC," of the State. Plan participants are also required to contribute a portion of their wages to the Plan. SB 18-200 discussed hereafter increased the employer contribution rates effective July 1, 2019, and increased the member contribution rates effective July 1, 2019, July 1, 2020, and July 1, 2021. The statute also provides for automatic adjustments to such rates based on specified parameters so as to stay within the legislation's 30-year funding goal as discussed in "Funding Status of the State Division Plan" below (the "Automatic Adjustment Provision" or "AAP"). An adjustment (increase or decrease) to either the employer contribution rates or the member contribution rates cannot exceed 0.50% in any one year, nor can they exceed an aggregate of 2% above the base amount effective July 1, 2021, pursuant to SB 18-200, or fall below the contribution rates in effect prior the enactment of SB 18-200. As the result of the application of these provisions, (i) the current baseline SRC that is required to be made by the State for State Division Plan members other than "State Troopers"[1] is 10.90% of includable compensation, and the current baseline SRC that is required to be made by the State for State Troopers is 13.60% of includable compensation, and (ii) the current member contribution rate for State Division Plan members other than State Troopers is 10.50% of includable compensation, and current member contribution rate for State Troopers is 12.50% of includable compensation. See the PERA 2021 ACFR for additional information, as well as historical SRC and participant contribution rates.

The General Assembly enacted legislation in 2004, 2006 and 2010 to gradually increase employer contributions to the State Division Plan by authorizing the Amortization Equalization Disbursement ("AED") and the Supplemental Amortization Equalization Disbursement ("SAED") in order to shorten the amount of time over which the unfunded liability of the Plan is amortized. Both the AED and the SAED are paid by the State as contributions to the State Division Plan as a percentage of employee wages, but the SAED payment comes from moneys that would otherwise have been used to provide

[1] For PERA purposes, "State Troopers" includes (i) employees of the Colorado State Patrol or Colorado Bureau of Investigation vested with the powers of peace officers, (ii) beginning July 1, 2020, new or existing employees of the Division of Fire Prevention and Control in the Department of Public Safety classified as firefighter I through firefighter VII, (iii) new members hired on or after January 1, 2020, as a county sheriff, undersheriff, deputy sheriff, noncertified deputy sheriff or detention officer by a Local Government Division employer, and (iv) new members hired on or after January 1, 2020, as a corrections officer classified as I through IV by a State Division employer.

market-based salary increases to employees. The AED and the SAED applicable to the State Division Plan were effective as of January 1, 2006, and January 1, 2008, respectively, and were each initially payable at the rate of 0.5% of total covered payroll with annual increases in the contribution rate through 2017. The AED and SAED rates applicable to the State Division Plan are each currently 5.0%, and since July 1, 2020, the total SRC applicable to the State Division Plan (net of 1.02% apportioned to the Health Care Trust Fund per the PERA Act) has been 19.88% of employee wages (22.58% for State Troopers).

As discussed above, SB 18-200 includes an Automatic Adjustment Provision so as to stay within the legislation's 30-year funding goal as discussed in "Funding Status of the State Division Plan" below. Previously, such adjustments required action by the General Assembly. The AAP assessment commenced with the December 31, 2018, actuarial funding valuation and is performed annually. Based on the results of the AAP assessment which utilized the December 31, 2019, actuarial valuation performed for funding purposes, no adjustments to member and employer contribution rates were required. However, based on the results of the AAP assessment which utilized the December 31, 2020, actuarial valuation performed for funding purposes, the automatic adjustment ("AI") cap will be lowered from 1.25% to 1.00% effective July 1, 2022.

SB 18-200 also provides that effective January 1, 2021, and every year thereafter, employer contribution rates for the State Division Plan are to be adjusted to include a defined contribution supplement. See also Note 6 to the State Fiscal Year 2020-21 ACFR appended to this Official Statement, as well as Management's Discussion and Analysis and Note 4 to the financial statements in the PERA 2021 ACFR.

SB 18-200 further requires the State to make an annual direct distribution to PERA of $225 million (actual dollars) from State funds beginning in Fiscal Year 2020-21 and continuing annually on July 1 until there are no unfunded actuarial accrued liabilities in the trust fund of any Division that receives such distribution. PERA is to allocate the distribution to the State Division Trust Fund, the School Division Trust Fund, the Judicial Division Trust Fund and the Denver Public Schools Division Trust Fund based upon the covered payroll of each such Division. Under certain circumstances adjustments may be made to this distribution pursuant to the Automatic Adjustment Provision provided in SB 18-200. The July 1, 2020, distribution required by SB 18-200 was suspended per HB 20-1379 due to the actual and forecast impact of COVID-19 on the State's revenues. However, per HB 22-1029, in order to fully recompense PERA for the suspended distribution, the State Treasurer is directed to make a supplemental distribution to PERA in the amount of $380 million (in addition to the amount otherwise required to be distributed to PERA on July 1, 2022, pursuant to SB 18-200) on the effective date of HB 22-1379 (June 7, 2022) or as soon as possible thereafter. HB 22-1029 further provides that the amount to be distributed to PERA on July 1, 2023, pursuant to SB 18-200 is to be reduced by the sum of $155 million plus an amount equal to 7.25% multiplied by $380 million, provided that if the 2021 annual rate of return on investments as reported in PERA's annual report for 2021 exceeds 7.25%, then such reduction is to be the sum of $155 million plus an amount equal to PERA's rate of return on investments multiplied by $380 million, but not less than $155 million nor greater than $190 million. As reported in the PERA 2021 ACFR, the total fund investment return for 2021 was 16.1%. Therefore, per, HB 22-1029, the July 1, 2023, distribution is to be reduced by $190 million, resulting in a payment of $35 million. Per HB 22-1029, the amount to be distributed to PERA on July 1, 2024, pursuant to SB 18-200 is to be reduced by the lesser of an amount equal to 7.25% multiplied by $380 million or an amount equal to PERA's annual rate of return on investments as reported in PERA's annual report for 2022 multiplied by $380 million, except that there is to be no reduction if the rate of return is zero or less.

Changes to the statutorily required contributions to the State Division Plan by the State and its employees, or to other provisions of the Plan, could be made by the General Assembly through future legislative action, which changes could impact the SRC, the funding status and/or the financial condition of the Plan as described herein. The State cannot predict if or when any such legislative changes might be enacted or the impact that any such changes, if enacted, might have on the State Division Plan or the State's funding obligations with respect to the Plan.

The SRC is paid from the State General Fund as well as from certain federal funds and State cash funds and is typically paid from the same funding source as the employee's salary and other benefits. Although the rate of the SRC is set by statute, payment of the SRC nevertheless is subject to annual appropriation through the State budgeting process as described in "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations" in the body of this Official Statement. The State has consistently contributed the full amount of the SRC to the State Division Plan.

Actuarially Determined Contribution. As a result of the shift in financial disclosure requirements under GASB 67 from a funding-based approach to an accounting-based approach, the historical disclosure and use of the annual required contribution[1], or "ARC," as a funding benchmark by PERA was no longer required. Rather, this philosophical shift necessitated the development and use of a plan-specific actuarially determined contribution ("ADC") benchmark against which to gauge the adequacy of the SRC for the State Division Plan. The ADC represents the amount needed to fund benefits over time, and constitutes a target or recommended employer contribution for the reporting period determined in conformity with (i) Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted and (ii) the PERA Board's funding policies. The ADC for each trust fund is developed annually and reported by management to be used as a benchmark for contributions two years in the future. An ADC deficiency arises when actual employer contributions are less than the ADC, and interest accrues on the ADC deficiency at the plan's expected long-term rate of return. See "*Historical ADC and State Contributions*" below.

Change in PERA Funding Policy. In response to the new GASB 67 standards, the PERA Board adopted a revised pension funding policy in March 2015 (and last revised in November 2018) with regard to its trust funds. The purpose of the revised funding policy, as stated in the PERA 2021 ACFR, is to: (i) define the overall funding benchmarks of PERA's defined benefit pension trust funds; (ii) assess the adequacy of the contribution rates which are set by the General Assembly by comparing these rates to an ADC rate; and (iii) define the annual actuarial metrics that will assist the PERA Board in assessing the sustainability of the plan. The results of these three items are intended to guide the PERA Board when considering whether to pursue or support proposed legislation pertaining to changes in plan contribution and/or benefit provisions. See "*Statutorily Required Contributions*" above.

Historical ADC and State Contributions. The following table sets forth for each of the past ten years (i) the ADC for the State Division Plan, (ii) the annual contribution deficiency and (iii) the actual contribution as a percentage of covered employee payroll. The State annually contributes the full amount of the SRC to the State Division Plan; however, these amounts have been less than the applicable ARC or ADC. During this period the State has not made any contributions to the State Division Plan in excess of the SRC.

The ADC rates, as a percentage of covered payroll, used to determine the ADC amounts in Table 1 below are calculated as of December 31 two years prior to the end of the year in which the ADC amounts are reported. The following actuarial methods and assumptions from the December 31, 2019, actuarial valuation were used to determine contribution rates reported in the table for the year ended December 31, 2021: (i) the actuarial cost method is based on the entry age of participants; (ii) the Plan's amortization period is based on a level percent of payroll over a 30-year closed period layered 26 years; (iii) for valuation purposes the actuarial value of assets is based on gains and losses smoothed in over a four-year period as

[1] Prior to 2014, PERA used the ARC as a funding benchmark against which to gauge the adequacy of the SRC for the State Division Plan. The ARC is the actuarially determined amount that would be required if the State were to fund each year's normal cost (*i.e.*, the present value of the benefits that the State Division Plan projects to become payable in the future that are attributable to a valuation year's payroll) in the State Division Plan plus an annual amortization of the UAAL assuming that the UAAL will be fully funded over a maximum 30-year period. The difference between the ARC and the SRC constitutes either a contribution deficiency or excess contributions. For historical information regarding the ARC, see PERA's ACFR for calendar year 2013.

permitted by GASB standards; (iv) price inflation is assumed to be 2.40%; (v) real wage growth is assumed to be 1.10%; (vi) salary increases (including assumed wage inflation of 3.50%) are projected to range from 3.50% to 10.45%; (vii) the long-term investment rate of return (net of pension plan investment expense, including price inflation) is assumed to be 7.25%; and (viii) post-retirement benefit increases for pre-2007 hires are assumed to be 1.50% compounded annually and post-retirement benefit increases for post-2006 hires are assumed to be financed by the Annual Increase Reserve described in footnote 2 to the table. Other assumptions include, without limitation, future retiree participation and contribution rates and mortality rates. For further information, see Note 3 to the required supplementary information for the Division trust funds and the Actuarial Section in the PERA 2021 ACFR.

Table 1
Employer Contributions
State Division
(Dollar Amounts in Thousands)

Calendar Year	ADC Rate[1]	Covered Employee Payroll	Annual Increase Reserve Contribution[2]	ADC Contribution[3]	Contributions in Relation to the ADC	Annual Contribution Deficiency	Actual Contribution as a Percentage of Covered Employee Payroll
2012	16.52%	$2,384,934	$ --	$393,991	$328,055	$ 65,936	13.76%
2013	20.01	2,474,965	--	495,241	393,218	102,023	15.89
2014	20.45	2,564,670	9,984	534,459	444,372	90,087	17.33
2015	22.35	2,641,867	11,400	601,857	484,005	117,852	18.32
2016	22.31	2,710,651	12,838	617,584	521,804	95,780	19.25
2017	22.71	2,774,207	14,355	644,377	563,977	80,400	20.33
2018	26.30	2,898,827	15,919	778,311	661,653	116,658	22.82
2019	23.28	2,995,453	17,663	715,004	689,370	25,634	23.01
2020	23.69	3,089,161	19,442	751,264	646,386	104,878	20.92
2021	21.05	3,092,509	20,606	671,579	741,010	($69,431)	23.96

1 See the discussion preceding this table regarding the actuarial methods and assumptions used in determining the ADC rates.

2 The Annual Increase Reserve, or "AIR," was established in 2007 and is used to provide post-retirement benefit increases for members hired on or after January 1, 2007. The AIR is financed by an allocation from employer statutory contributions made on behalf of such members equal to 100% of pensionable payroll and through an allocation of purchase of service dollars. For further information see the PERA 2021 ACFR.

3 The ADC contribution equals the sum of (i) the ADC rate times the covered employee payroll, plus (ii) the AIR.

Source: PERA 2021 ACFR

For historical information regarding employer contributions based on the ARC, see PERA's Annual Comprehensive Financial Report for calendar year 2013 and Note 6 to the State Fiscal Year 2020-21 ACFR appended to this Official Statement.

Funding Status of the State Division Plan

The State Division Plan currently is significantly underfunded. As discussed in "Funding of the State Division Plan – *Statutorily Required Contributions*" above, the AED and SAED were implemented in 2006 and 2008, respectively, and other changes were made to the Plan design by SB 10-001, all in an effort to improve the funding status of the State Division Plan. However, investment returns on Plan assets declined following the global economic downturn that began in 2008. As a result, the actuarial assumptions as to the investment rate of return on Plan assets and the discount rate on actuarially accrued liabilities were lowered by the PERA Board from 8.50% to 8.00% in 2009, to 7.50% at the end of 2013 and to 7.25% as of December 31, 2017, and other economic assumptions, including the amortization period, were changed over this period as well, to reflect actual results and new estimates about the future. Despite these changes, PERA reported that at December 31, 2016, the State Division Plan a UAAL of approximately $11.644 billion and a funded ratio (*i.e.*, the actuarial value of Plan assets divided by the AAL) of only 54.6%, which UAAL would have amortized over a 65-year period based on contribution rates as of the date of calculation.

In order to address the funding status of PERA's defined benefit plans, including the State Division Plan, in 2018 the General Assembly enacted SB 18-200 which made changes to the defined benefit plans administered by PERA with the goal of eliminating the UAAL of such plans, and thereby reach a 100% funded ratio for each of such plans, within a 30-year period. Among other things, SB 18-200 phases-in a 2% increase in contribution rates for most employees, suspended the cost of living adjustment for retirees through 2019, changes the definition of salary and highest average salary, reduces maximum annual cost of living adjustments, adjusts employee and employer contribution rates, funds unfunded PERA liability from political subdivisions that terminate their affiliation with PERA and provides for a direct annual distribution to PERA from the State General Fund of $225 million (actual dollars) beginning with Fiscal Year 2020-21. Due to the actual and forecast impact of COVID-19 on the State's revenues in Fiscal Years 2019-20 and 2020-21, this distribution was suspended for Fiscal Year 2020-21 per HB 20-1379, but was subsequently been restored per HB 22-1029, as discussed in "Funding of the State Division Plan – *Statutorily Required Contributions*" above. SB 18-200 also provides for automatic adjustments to employee and employer contribution rates, annual cost of living increases and the State's annual direct contribution to PERA within certain statutory parameters so as to stay within the 30-year funding goal. Previously, such adjustments required action by the General Assembly. For further information regarding SB 18-200, see Note 6 to the State Fiscal Year 2020-21 ACFR appended to this Official Statement, as well as the PERA 2021 ACFR.

The PERA 2021 ACFR reports that at December 31, 2021, the actuarial value of assets of the State Division Plan was approximately $17.380 billion and the AAL of the Plan was approximately $27.160 billion, resulting in a UAAL of approximately $9.780 billion, a funded ratio of 64.0% and an amortization period (including consideration of the AAP adjustments effective July 1, 2022), of 23 years[1]. The actuarial value of assets of the State Division Plan is determined by using an asset valuation method of smoothing the difference between the market value of assets and the actuarial value of assets over a four-year period to prevent extreme fluctuations that may result from short-term or cyclical economic and market conditions. Based on the market value of assets of the State Division Plan, the PERA 2021 ACFR reports that at December 31, 2021, the UAAL of the Plan was approximately $7.449 billion and the funded ratio was 72.6%.

For further information, see Management's Discussion and Analysis in the State Fiscal Year 2020-21 ACFR appended to this Official Statement, as well as Management's Discussion and Analysis, Notes 10 and 12 to the financial statements, Note 2 to the required supplementary information for the Division trust funds and the Actuarial Section in the PERA 2021 ACFR.

Table 2 below sets forth for each of the past ten years the UAAL, the funded ratio and related information for the State Division Plan based on the actuarial value of Plan assets, and Table 3 below sets forth such information based on the market value of Plan assets.

The actuarial valuation for funding purposes in the PERA 2021 ACFR was performed as of December 31, 2021. The actuarial valuation for accounting and financial reporting purposes in the PERA 2021 ACFR was performed as of December 31, 2020, and the total pension liability was rolled forward to the measurement date of December 31, 2021, utilizing generally accepted actuarial techniques and taking into consideration the revised economic and demographic assumptions adopted by the PERA Board on November 20, 2020, and effective for the December 31, 2020, actuarial valuation. See "Actuarial Valuations" above in this Appendix. The following assumptions, among others, were used to determine the actuarial valuation of the State Division Plan as of December 31, 2020: (i) price inflation is assumed to be 2.30%; (ii) real wage growth is assumed to be 0.70%; (iii) salary increases (including assumed wage inflation of 3.00%) are projected to range from 3.30% to 10.90% for members other than State Troopers

[1] The PERA 2021 ACFR states that: (i) this amortization period does not include the full effect of legislation enacted in 2006, 2010 and 2018, which includes plan changes designed to lower the normal cost over time as new members are added to the Plan, to allow a greater proportion of the State's contribution to the Plan to be used to amortize the unfunded liability and to increase future contributions to the Plan in order to further accelerate the amortization of the UAAL; and (ii) the decrease in amortization period from 2020 to 2021 is primarily due to favorable investment experience during 2021 and recognition of the reduction in the AI cap from 1.25% to 1.00% per annum.

and from 3.20% to 12.40% for State Troopers; (iv) the long-term investment rate of return (net of pension plan investment expense, including price inflation) and discount rate are assumed to be 7.25%; (v) post-retirement benefit increases for pre-2007 hires are assumed to be 1.00% compounded annually; and (vi) post-retirement benefit increases for post-2006 hires are assumed to be financed by the AIR. The total pension liability as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Other assumptions include, without limitation, future retiree participation and contribution rates and mortality rates. For further information, see Note 10 to the financial statements and the Actuarial Section in the PERA 2021 ACFR.

Table 2
Historical Funding Progress of State Division Plan
Actuarial Value of Plan Assets
(Dollar Amounts in Thousands)

Valuation Date (December 31)	Actuarial Value of Plan Assets[1]	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Employer Payroll	UAAL as Percentage of Employer Payroll
2012	$12,538,675	$21,191,495	$ 8,652,820	59.2%	$2,384,934	362.8%
2013	13,129,460	22,843,725	9,714,265	57.5	2,474,965	392.5
2014	13,523,488	23,408,321	9,884,833	57.8	2,564,670	385.4
2015	13,882,820	24,085,671	10,202,851	57.6	2,641,867	386.2
2016	14,026,332	25,669,916	11,643,584	54.6	2,710,651	429.5
2017	14,256,410	24,782,085	10,525,675	57.5	2,774,207	379.4
2018	14,303,726	25,509,852	11,206,126	56.1	2,898,827	386.6
2019	14,922,050	25,717,648	10,795,598	58.0	2,995,453	360.4
2020	16,039,287	27,116,805	11,077,518	59.1	3,089,161	358.6
2021	17,379,516	27,159,846	9,780,330	64.0	3,092,509	316.3

[1] The actuarial value of Plan assets is based on gains and losses smoothed in over a four-year period as permitted by GASB standards.

Source: PERA 2021 ACFR

Table 3
Historical Funding Progress of State Division Plan
Market Value of Plan Assets
(Dollar Amounts in Thousands)

Valuation Date (December 31)	Market Value of Plan Assets[1]	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Employer Payroll	UAAL as Percentage of Employer Payroll
2012	$12,766,459	$21,191,495	$ 8,425,036	60.2%	$2,384,934	353.3%
2013	13,935,754	22,843,725	8,907,971	61.0	2,474,965	359.9
2014	13,956,630	23,408,321	9,451,691	59.6	2,564,670	368.5
2015	13,391,398	24,085,671	10,694,273	55.6	2,641,867	404.8
2016	13,538,772	25,669,916	12,131,144	52.7	2,710,651	447.5
2017	15,105,378	24,782,085	9,676,707	61.0	2,774,207	348.8
2018	13,837,863	25,509,852	11,671,989	54.2	2,898,827	402.6
2019	15,819,843	25,717,648	9,897,805	61.5	2,995,453	330.4
2020	17,660,157	27,116,805	9,456,648	65.1	3,089,161	306.1
2021	19,710,492	27,159,846	7,449,354	72.6	3,092,509	316.3

[1] The market value of Plan assets is the fair value of the assets determined in conformity with GASB standards. See the Investment Section of the PERA 2021 ACFR.

Source: PERA Annual Comprehensive Financial Reports for calendar years 2012-2021

Since contribution rates to the State Division Plan are fixed by statute, unless changes are made to such rates or changes are made to Plan provisions to reduce benefit payments, improvements in the funding status of the State Division Plan are expected to come primarily from increases in investment returns on Plan assets or changes in the actuarial assumptions used to determine the value of Plan assets and the AAL. Changes to contribution rates or other Plan provisions, or the use of alternative Plan funding strategies, would require legislative action by the General Assembly, of which there can be no assurance.

Fiduciary Net Position of the State Division Plan

The Statement of Fiduciary Net Position of the State Division Plan as of December 31, 2021, is included in PERA's basic financial statements set forth in the Financial Section of the PERA 2021 ACFR. The following table sets forth for each of the past ten years the changes in fiduciary net position of the State Division Plan.

Table 4
Changes in Fiduciary Net Position
State Division
(Cash Basis; Dollar Amounts in Thousands)

	For the Year Ended December 31,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Additions										
Employer contributions	$ 335,073	$ 401,658	$ 444,372	$ 484,005	$ 521,804	$ 563,977	$ 583,164	$ 612,282	$ 646,386	$ 664,304
Nonemployer contributions	--	--	--	--	--	--	78,489	77,088	--	76,706
Member contributions	227,058	202,799	211,610	217,980	223,005	228,978	236,313	257,803	298,264	329,652
Purchased service	16,358	22,241	22,446	26,946	24,528	27,442	25,227	29,494	28,522	39,514
Net investment income (loss)	1,511,244	1,931,658	780,762	210,337	947,981	2,391,683	(497,562)	2,764,719	2,652,870	2,806,442
Other	150	4,869	3,289	5,023	8,708	15,860	7,888	22	9,390	6,038
Total additions	2,089,883	2,563,225	1,462,479	944,291	1,726,026	3,227,940	433,519	3,741,408	3,635,432	3,922,656
Deductions										
Benefit payments	1,231,922	1,295,780	1,352,293	1,417,862	1,483,828	1,554,290	1,608,534	1,637,168	1,675,048	1,726,503
Refunds	69,221	68,735	61,152	63,567	60,137	58,696	65,253	61,832	57,921	74,520
Disability insurance premiums	1,570	2,229	2,309	2,088	2,106	2,035	2,093	1,965	1,360	1,013
Administrative expenses	8,568	9,780	10,067	10,779	11,271	11,745	11,903	11,294	11,385	12,051
Other	3,911	3,593	3,171	3,406	3,040	3,652	3,017	2,707	2,634	2,950
Total deductions	1,315,192	1,380,117	1,428,992	1,497,702	1,560,382	1,630,418	1,690,800	1,714,966	1,748,348	1,817,037
Change in fiduciary net position	774,691	1,183,108	33,487	(553,411)	165,644	1,597,522	(1,257,281)	2,026,442	1,887,084	2,105,619
Fiduciary net position held at beginning of year	12,022,661	12,797,352	13,980,460	14,013,947	13,460,536	13,626,180	15,223,702	13,966,421	15,992,863	17,879,947
Fiduciary net position held at end of year	$12,797,352	$13,980,460	$14,013,947	$13,460,536	$13,626,180	$15,223,702	$13,966,421	$15,992,863	$17,879,947	$19,985,566

Source: PERA 2021 ACFR

Net Pension Liability of the State Division Plan

As noted above, GASB 67 requires a different approach for determining net pension liability as compared to the previously disclosed UAAL, and also requires disclosing the plan's net pension liability and ratio of fiduciary net position to total pension liability. The schedule of net pension liability presents multi-year trend information about whether the fiduciary net position is increasing or decreasing over time relative to total pension liability.

The following table sets forth for the years 2013-2020 (the only years for which information is available) the net pension liability and related information regarding the State Division Plan. The required supplemental information in the PERA 2021 ACFR includes a schedule showing the sources of the changes in net pension liability for 2014-2020 (information for 2013 is not available). See also "Implementation of Changes in Pension Accounting Standards Applicable to the State – GASB 68 and GASB 75" hereafter.

Table 5
Net Pension Liability
State Division[1,2]
(Dollar Amounts in Thousands)

	For the Year Ended December 31,								
	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total pension liability[3,4]	$22,888,431	$23,420,461	$23,991,569	$31,994,311	$35,241,684	$25,345,094	$25,696,667	$27,364,740	$27,360,605
Plan fiduciary net position	13,980,460	14,013,947	13,460,536	13,626,180	15,223,702	13,966,421	15,992,863	17,879,947	19,985,566
Net pension liability	$ 8,907,971	$ 9,406,514	$10,531,033	$18,368,131	$20,017,982	$11,378,673	$ 9,703,804	$ 9,484,793	$ 7,375,039
Net pension liability as a percentage of total pension liability	61.08%	59.84%	56.11%	42.59%	43.20%	55.11%	62.24%	65.34%	73.05%
Covered employee payroll	$ 2,474,965	$ 2,564,670	$ 2,641,867	$ 2,710,651	$ 2,774,207	$ 2,898,827	$ 2,995,453	$ 3,089,161	$ 3,092,509
Net pension liability as a percentage of covered employee payroll	359.92%	366.77%	398.62%	677.63%	721.57%	392.53%	323.95%	307.03%	238.48%

1 Information for years prior to 2013 is not available.

2 Government accounting standards require that pension liabilities for financial reporting purposes be measured using the plan provisions in effect at the pension plan's year-end. Therefore, unlike the tables in "Funding Status of the State Division Plan" above, the changes made by SB 18-200 are not reflected in this table for years 2013-2017.

3 The total pension liability as of December 31, 2021, was determined by actuarial valuations as of December 31, 2020, and accepted actuarial procedures were applied to roll forward the total pension liability to December 31, 2021 (measurement date). The actuarial valuations as of December 31, 2020, used the key actuarial methods, assumptions or other inputs discussed in "Funding Status of the State Division Plan" above. Note that the actuarial valuation for funding purposes applies an asset valuation method that recognizes a four-year smoothed fair (market) value of assets for purposes of determining the UAAL, while the actuarial valuation for accounting and financial reporting purposes applies the fair value of assets to determine the net pension liability.

4 The decrease in the total pension liability at December 31, 2018, is primarily due to changing from a blended discount rate to a discount rate equal to the long-term assumed rate of return in accordance with GASB 67.

Source: PERA 2021 ACFR

Investment of State Division Plan Assets

State law authorizes the investment of PERA's funds by the PERA Board, subject to the following limitations:

- The aggregate amount of investment trust shares, corporate stocks, corporate bonds and convertible debentures cannot exceed 65% of the book value of the fund.
- Neither common nor preferred stock of a single corporation can exceed 5% of the book value of the fund.
- The fund cannot acquire more than 12% of the outstanding stocks or bonds of a single corporation.

See Note 5 to the financial statements and the Investment Section of the PERA 2021 ACFR for additional discussion of PERA's investment responsibilities and investment policies.

Implementation of Changes in Pension Accounting Standards Applicable to the State – GASB 68 and GASB 75

GASB 68. GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" ("GASB 68") is a GASB pronouncement that is a companion to GASB 67 and applicable to governmental entities, such as the State, that provide their employees with pension benefits. GASB 68 was effective for fiscal years beginning after June 15, 2014, and accordingly was implemented beginning with the State Fiscal Year 2014-15 ACFR. GASB 68 revised and established new financial reporting requirements for governmental entities, and, among other things, requires cost-sharing employers participating in defined benefit plans to record their proportionate share of the unfunded pension liability. See Table 2 in this Appendix for the UAAL of the State Division Plan for the past ten years as set forth in the PERA 2021 ACFR.

At June 30, 2021, the State reported a total net pension liability of approximately $9.245 billion, of which approximately $9.125 billion constitutes its proportionate share of the net pension liability with respect to the PERA administered defined benefit pension trusts determined as described in Note 6 to the Financial Statements in the State Fiscal Year 2020-21 ACFR appended to this Official Statement. The balance constitutes the net pension liability associated with a defined benefit pension plan administered by the University of Colorado for certain of its employees. This compares to a reported net pension liability at June 30, 2020, of approximately $11.375 billion, of which approximately $11.285 billion constituted the State's proportionate share of the net pension liability with respect to the PERA administered defined benefit pension trusts determined as described in Note 6 to the Financial Statements in the State Fiscal Year 2019-20 ACFR, and the balance constituted the net pension liability associated with the University of Colorado administered a defined benefit pension plan. The amounts presented for each Division were determined as of the calendar year-end that occurred within the Fiscal Year.

There is a difference between the net pension liability for the State reported by PERA and the State in their respective financial statements. The difference results from PERA's inclusion of employers in the State Division and the Judicial Division which are not included in the State's financial statement reporting entity. The PERA Board has statutory authority to assign employers to the State Division and Judicial Division that are not part of the State's financial statement reporting entity as defined by GASB Statement No. 14, as amended by GASB Statements No. 39 and 61. Examples of these employers in the State Division include Pinnacol Insurance, Fire and Police Pension Association and District Attorneys. Denver County Courts is the only Judicial Division employer that is not part of the State's financial statement reporting entity. The State includes in its financial statements a percentage of the net pension liability reported by PERA in its financial statements for each Division to determine the State's proportionate share in accordance with requirements of GASB 68. Additional information concerning the State's reporting entity can found in Note 1 to the State Fiscal Year 2020-21 ACFR appended to this Official Statement, and additional information concerning the proportionate share calculation can be found in Note 6 of the State Fiscal Year 2020-21 ACFR.

Set forth in the following table are the State's proportionate share of the net pension liability at the end of calendar years 2013-20 for the retirement trusts to which the State contributes presented in accordance with the requirements of GASB 68. Information for the State and Judicial Divisions is not available prior to calendar year 2013, and information for the other Divisions is not available prior to calendar year 2018.

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Table 6
State's (Primary Government's) Proportionate Share of the Net Pension Liability[1]
(Amounts in Thousands)

State Division

	Calendar Year							
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
State's proportion of the net pension liability	95.86%	95.85%	95.71%	95.49%	95.37%	95.40%	95.49%	95.60%
State's proportionate share of net pension liability	$8,539,181	$9,016,144	$10,079,252	$17,539,728	$19,091,149	$10,855,754	$9,265,778	$9,066,999
State's covered payroll	$2,570,286	$2,586,800	$ 2,687,152	$ 2,751,094	$ 2,796,014	$ 3,262,962	$3,376,294	$3,132,159
State's proportionate share of the net pension liability as a percentage of its covered payroll	332.23%	348.54%	375.09%	637.55%	682.80%	332.70%	274.44%	289.48%
Plan fiduciary net position as a percentage of the total pension liability	61.00%	59.84%	56.11%	42.59%	43.20%	55.11%	62.24%	65.34%

Judicial Division

	Calendar Year							
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
State's proportion of the net pension liability	93.44%	93.60%	93.98%	94.17%	93.99%	94.06%	94.28%	93.49%
State's proportionate share of net pension liability	$102,756	$129,499	$172,824	$239,423	$218,136	$132,873	$85,727	$57,929
State's covered payroll	$ 37,203	$ 40,114	$ 44,159	$ 46,320	$ 46,764	$ 55,706	$55,934	$52,027
State's proportionate share of the net pension liability as a percentage of its covered payroll	276.20%	322.83%	391.37%	516.89%	466.46%	238.52%	153.27%	111.34%
Plan fiduciary net position as a percentage of the total pension liability	77.41%	66.89%	60.13%	53.19%	58.70%	68.48%	80.02%	87.06%

Denver Public Schools Division

	Calendar Year		
	2018	**2019**	**2020[2]**
State's proportion of the net pension liability	34.13%	30.71%	0.00%
State's proportionate share of net pension liability	$349,095	$202,321	--
Plan fiduciary net position as a percentage of the total pension liability	75.69%	84.73%	90.48%

Schools Division

	Calendar Year		
	2018	**2019**	**2020[2]**
State's proportion of the net pension liability	12.03%	11.26%	0.00%
State's proportionate share of net pension liability	$2,129,952	$1,681,628	--
Plan fiduciary net position as a percentage of the total pension liability	57.01%	64.52%	66.99%

State Division as Non-Employer Contributing Entity

	Calendar Year		
	2018	**2019**	**2020[2]**
State's proportion of the net pension liability	0.55%	0.51%	0.00%
State's proportionate share of net pension liability	$349,095	$202,321	--

Judicial Division as Non-Employer Contributing Entity

	Calendar Year		
	2018	**2019**	**2020[2]**
State's proportion of the net pension liability	0.85%	0.64%	0.00%
State's proportionate share of net pension liability	$1,199	$582	--

[1] The amounts presented for each Division were determined as of the measurement date, which is the calendar year end that occurred within the State's Fiscal Year. See Note 6 to the Financial Statements and Note RSI-2 to the Required Supplementary Information in the State Fiscal Year 2020-21 ACFR appended to this Official Statement with respect to the calculation of the 2019 amounts. Prior year amounts were calculated in a similar manner.

[2] HB 20-1379 suspended contributions for Fiscal Year 2020-21 due to the COVID-19 pandemic, and therefore no liability was recognized. See Note 6 to the State Fiscal Year 2020-21 ACFR appended to this Official Statement.

Source: State Fiscal Year 2020-21 ACFR

A ten year history of the State's contribution to PERA for the State and Judicial Divisions is also included in Note RSI-2 to the Required Supplementary Information in the State Fiscal Year 2020-21 ACFR appended to this Official Statement. See also "Overall Financial Position and Results of Operations" in the Management's Discussion and Analysis, as well as Notes 1 and 6-8 to the Financial Statements, in the State Fiscal Year 2020-21 ACFR.

GASB 75. GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" ("GASB 75"), is effective for fiscal years beginning after June 15, 2017, and accordingly was first implemented in the State Fiscal Year 2018-19 ACFR. GASB 75 requires, for purposes of governmental financial reporting, that the State recognize a liability for its proportionate share of the net Other Post-Employment Benefits ("OPEB") liability (of all employers for benefits provided through the OPEB plan), *i.e.*, the collective net OPEB liability. The State is also required to recognize OPEB expense and report deferred outflows of resources and deferred inflows of resources related to OPEB for its proportionate shares of collective OPEB expense and collective deferred outflows of resources and deferred inflows of resources related to OPEB. GASB 75 also requires additional footnote disclosures about the pension trust fund in the financial statements. See "Overall Financial Position and Results of Operations" and "Conditions Expected to Affect Future Operations" in the Management's Discussion and Analysis, as well as Note 7 to the Financial Statements and Note RSI-3 to the Required Supplementary Information, in the State Fiscal Year 2020-21 ACFR appended to this Official Statement.

Effect of Pension Liability on the Series 2022A Notes

The Series 2022A Notes are short-term obligations maturing on June 29, 2023, and are payable from Pledged Revenues which are expected to consist primarily of amounts received by the State Treasurer from the Participating Districts on or before June 25, 2023, as repayment of their Program Loans and a portion of the proceeds of the Series 2022A Notes deposited to the ETRANS 2022-23 Repayment Account as discussed in "THE SERIES 2022A NOTES – Security and Sources of Payment." Therefore, the State's current pension liability and the State's current plans to address such liability are not expected to adversely affect the State's ability to pay the Series 2022A Notes. See also Management's Discussion and Analysis in the State Fiscal Year 2020-21 ACFR appended to this Official Statement, and particularly the section thereof captioned "CONDITIONS EXPECTED TO AFFECT FUTURE OPERATIONS – Pension Plan Contributions."

* * *

APPENDIX F

DTC BOOK-ENTRY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from DTC and contains statements that are believed to describe accurately DTC, the method of effecting book-entry transfers of securities distributed through DTC and certain related matters, but the State takes no responsibility for the accuracy or completeness of such statements. Beneficial Owners should confirm the following information with DTC or the DTC Participants.

None of the State, the State Treasurer, the Deputy Treasurer, the Chief Financial Officer of the Department of the Treasury, the State Controller, the Paying Agent, the Registrar or the Financial Advisor has any responsibility or obligation to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant, (ii) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the Owners of the Series 2022A Notes under the Authorizing Resolution, (iii) the payment by DTC or any DTC Participant of any amounts received under the Authorizing Resolution with respect to the Series 2022A Notes, (iv) any consent given or other action taken by DTC or its nominee as the owner of Series 2022A Notes or (v) any other related matter.

DTC will act as securities depository for the Series 2022A Notes. The Series 2022A Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2022A Note certificate, in the aggregate principal amount of the Series 2022A Notes, will be issued and deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at http://www.dtcc.com and http://www.dtc.org. The State undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on such websites as described in the preceding sentence, including, but not limited to, updates of such information or links to other internet sites accessed through the aforementioned websites.

Purchases of Series 2022A Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022A Notes on DTC's records. The ownership interest of each Beneficial Owner is in turn recorded on the records of Direct and Indirect Participants. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2022A Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2022A Notes except in the event that use of the book-entry system for the Series 2022A Notes is discontinued.

To facilitate subsequent transfers, all Series 2022A Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2022A Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022A Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022A Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2022A Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022A Notes, such as redemptions, defaults and proposed amendments to the Authorizing Resolution. For example, Beneficial Owners of Series 2022A Notes may wish to ascertain that the nominee holding the Series 2022A Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2022A Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2022A Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments with respect to the Series 2022A Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the State or the State Treasurer on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, the Paying Agent or the State, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments with respect to the Series 2022A Notes to Cede & Co., or to such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the State or the Paying Agent, disbursement of such payments to Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2022A Notes at any time by giving reasonable notice to the State. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2022A Note certificates are required to be printed and delivered to the appropriate Owners of the Series 2022A Notes.

The State may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository) with respect to the Series 2022A Notes. In that event, Series 2022A Note certificates will be printed and delivered to DTC.

APPENDIX G

FORM OF OPINION OF BOND COUNSEL

KUTAK ROCK LLP
DENVER, COLORADO

[Closing Date]

The Honorable David L. Young
Treasurer of the State of Colorado

Barclays Capital Inc.
Wells Fargo Bank, National Association

$350,000,000
State of Colorado
Education Loan Program Tax and Revenue Anticipation Notes
Series 2022A

Ladies and Gentlemen:

We have examined the laws of the State of Colorado (the "State"), the laws of the United States of America relevant to the opinions herein, and a certified transcript of the record of the proceedings taken preliminary to and simultaneously with the issuance by the State Treasurer (the "Treasurer") of the "State of Colorado, Education Loan Program, Tax and Revenue Anticipation Notes, Series 2022A," in the aggregate principal amount of $350,000,000 dated as of the date of their issuance (the "Notes").

The Notes mature, bear interest, are transferable and payable, as to principal and interest at the times, in the manner, and subject to the conditions and limitations, provided in the resolution of the State Treasurer, adopted and approved on July 12, 2022, authorizing the issuance of the Notes (the "Resolution"). Proceeds of the Notes will be used to, among other things, fund loans to participating State school districts (the "Participating Districts") pursuant to a loan program administered by the State Treasurer.

As to questions of fact material to our opinion, we have relied upon representations of the State and Participating Districts contained in the certified proceedings and other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon such examination and, for purposes of paragraph 3 below, assuming continuous compliance with the covenants and representations contained in such proceedings and other documents, it is our opinion as Bond Counsel that under existing laws, regulations, rulings and judicial decisions:

1. The State is duly created and validly existing as a body corporate and politic with the corporate power to issue the Notes and perform the agreements on its part contained therein.

2. The Notes have been duly authorized, executed and delivered by the State and are valid and binding obligations of the State, enforceable against the State in accordance with the terms of the Resolution. The "Series 2020-21 Education Loan Program Tax and Revenue Anticipation Notes Repayment Account", to be established pursuant to the terms of the Resolution, and the Pledged Revenues, as defined in the Resolution, are irrevocably pledged to the payment of the principal of and interest on the Notes when due. The owners of the Notes are equally and ratably secured by a first lien,

but not an exclusive first lien, on the Series 2020-21 Education Loan Program Tax and Revenue Anticipation Notes Repayment Account and the moneys credited thereto.

3. Interest on the Notes is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Notwithstanding Bond Counsel's opinion that interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax, such interest will be included in adjusted current earnings of certain corporations. The opinions expressed in the preceding sentences assume the accuracy of certain representations and compliance by the State and Participating Districts with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended, that must be met subsequent to the issuance of the Notes. Failure to comply with such requirements could cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes.

4. Interest on the Notes is not included in Colorado taxable income or Colorado alternative minimum taxable income under present Colorado income tax laws.

It is to be understood that the rights of the owners of the Notes and the enforceability of the Note may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the reasonable exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise of judicial discretion in appropriate cases in accordance with general principles of equity.

We express no opinion herein as to any matter not specifically set forth above. In particular, but without limitation, we express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes.

The scope of our engagement has not extended beyond the examinations and the rendering of the opinions expressed herein. Our engagement as Bond Counsel with respect to the transaction referred to herein terminates upon the date of this letter. We assume no obligation to review or supplement this letter subsequent to its date, whether by reason of a change in the current laws, by legislative or regulatory action, by judicial decision or for any other reason. No one other than the addressees hereof shall be entitled to rely upon this opinion without our prior written consent.

Very truly yours,

* * *