

STATE OF COLORADO
DEPARTMENT OF THE TREASURY

Dave Young
State Treasurer



Eric Rothaus
Deputy Treasurer

To: Office of State Planning and Budgeting
Joint Budget Committee
Senate Education Committee
House Education Committee
Senate Finance Committee
House Finance Committee
State Board of Land Commissioners

From: Public School Fund Investment Board

Date: November 2, 2020

RE: Public School Permanent Fund Financial Report FY 2019-2020

Enclosed please find the Public School Permanent Fund Financial Report for FY 2019-2020. Pursuant to § 22-41-107, C.R.S., on November 1 of each fiscal year the Public School Fund Investment Board (PSFIB) shall submit financial statements to the State Treasurer, the State Board of Land Commissioners, the Governor's Office of State Planning and Budgeting, the Joint Budget Committee, and the Education and Finance Committees of the Colorado Senate and House of Representatives.

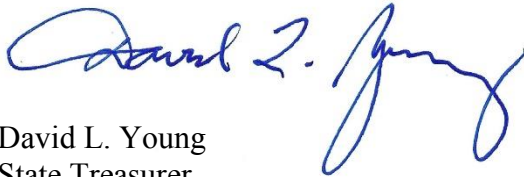
The Public School Fund Investment Board was created in 2016 under § 22-41-102.5, C.R.S. The public purpose for the creation of the PSFIB is to facilitate reasonable growth in the Public School Permanent Fund through lawful investments authorized under § 24-36-109, C.R.S. (time deposits under 2 years), § 24-36-112, C.R.S. (deposits in savings and loan associations under three years), § 24-36-113, C.R.S. (fixed income securities denominated in United States dollars), § 24-36-111.5, C.R.S. (real property owned by a school district), § 22-41-104, C.R.S. (stock mutual funds, index funds, other instruments that are not a direct investment in a corporation, and bonds issued by school districts), and other lawful financial assets as specified in the PSFIB's Investment Policy.

The State Constitution, article IX, § 3, states that this fund shall forever remain inviolate and intact. Interest and income are expended in the maintenance of the schools of the State and distributed amongst the several counties and school districts of the State in accordance with § 22-41-102, C.R.S. and related statutory provisions. Except as otherwise provided by law, no part of the PSPF, either principal or interest and income, can be transferred to any other fund or used or appropriated.

During FY 2019-2020, the Public School Permanent Fund generated over \$30 million in distributable net income. As required by § 22-41-102, C.R.S., \$21 million was distributed to the state public school fund and \$9.4 million to the public school capital construction assistance fund. The total market value of the Public School Permanent Fund grew to \$1.26 billion as of June 30, 2020.

Respectfully submitted on behalf of the Public School Fund Investment Board.

Sincerely,

A handwritten signature in blue ink, appearing to read "David L. Young". The signature is fluid and cursive, with a large, stylized "Y" at the end.

David L. Young
State Treasurer

**CO PUBLIC SCHOOL PERMANENT FUND
FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2020**

Fund Activity	12 Months Ended June 30, 2020	FY End June 30, 2019	FY End June 30, 2018
Beginning Fund Value (Cash + Investments)	1,148,213,997	1,033,797,716	979,128,404
Transfers to PSPF:			
State Land Board Rents, Royalties, & NSE Funds	61,534,527	65,778,937	55,526,608
Marijuana Excise Tax allocation	-	5,849,826	27,752,967
Escheats Fund	158,354	83,705	78,794
Realized Gains / (Losses)	8,891,469	256,256	1,008
Change in unrealized Market Gain/ (Loss)	42,133,704	42,447,558	(28,690,065)
Ending Fund Value	1,260,932,051	1,148,213,997	1,033,797,716

Asset Allocation at June 30, 2020			
	Market Value	Cost	Unrealized Gain / (Loss)
Total Fixed Income	929,216,294	867,726,841	61,489,454
Total Equity	246,662,167	244,537,614	2,124,553
Cash (held in Treasury Pool)	85,053,589	85,053,589	-
Total Fund Value	1,260,932,050	1,197,318,044	63,614,006

Income / Expense Summary	12 Months Ended June 30, 2020	FY End June 30, 2019	FY End June 30, 2018
Total Portfolio Earned Income	31,463,648	29,792,092	26,430,429
Total Expenses	(561,082)	(428,146)	(199,166)
change in income receivable	(507,951)	(194,801)	(893,681)
Net Income Available for Distribution	30,394,615	29,169,145	25,337,582

Distribution and Transfer of State Funds by Statute	
Distribution of funds received from Dept. of Natural Resources:	
Forest Funds Paid & payable to Counties	34,916
Net SLB Revenues & NSE Funds transferred to PSPF corpus	61,534,527
SLB revenues transferred to BEST	69,093,610
Total Funds Rec'd from Dept. of Natural Resources	130,663,053
Distribution to Education:	
SLB revenues transferred to BEST	69,093,610
PSPF distribution to BEST	9,394,615
PSPF distribution to Public School Fund	21,000,000
Total transfer to Education	99,488,226