

COLORADO



Comprehensive Annual Financial Report

*For the Fiscal Year
Ended June 30, 2020*

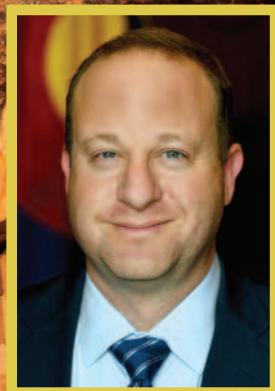


COLORADO
Office of the State Controller
Department of Personnel & Administration





Comprehensive Annual Financial Report



Jared S. Polis
Governor

*For the Fiscal Year
Ended June 30, 2020*

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

<https://www.colorado.gov/osc/cafr>

STATE OF COLORADO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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Introductory Section



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020



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

March 5, 2021

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

I am pleased to submit the State of Colorado's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. The State Controller is responsible for the contents of the CAFR and is committed to sound financial management and governmental accountability.

We believe the Basic Financial Statements contained in the CAFR 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 CAFR 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 CAFR 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 CAFR and has issued unmodified opinions on all opinion units except for the Unemployment Insurance Fund and the related Business-Type Activities, on which disclaimers of opinion were issued. The State of Colorado experienced a significant increase in Unemployment Insurance claims related to the COVID-19 pandemic, and could not establish reliable estimated accruals related to the unprecedented number of claims. 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 5,814,000 Coloradans. The services provided are categorized by function of government on the government-wide *Statement of Activities*. The largest of these are education, higher education, and social assistance.

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 CAFR as prescribed by GAAP. The financial information for these component units are either discretely presented, or blended within the Higher Education Fund. 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
 - HLC @ Metro, Inc.
 - Statewide Internet Portal Authority
- Blended Component Units:
 - University Physicians Inc., d/b/a CU Medicine
 - University of Colorado Property Construction, Inc.

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.

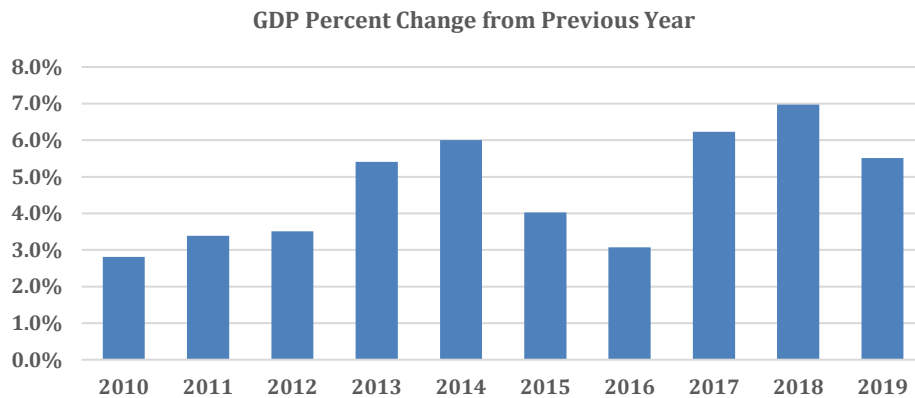
For the most part, operating appropriations lapse at the end of the fiscal year unless the State Controller approves, at a line item level, an appropriation roll-forward based on express legislative direction or extenuating circumstances. The State Controller may also, at a line item level and with the 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 2020; General Fund revenues increased by \$619 million (5.0 percent) from the prior year. Historically, Colorado economic activity and in-migration have been interdependent. Net migration has averaged approximately 55,000 from 2015 to 2019. Net migration has decreased over this period from approximately 71,600 (2015) to 43,300 (2019) and is projected to be 35,100 and 30,000 for 2020 and 2021, respectively.

The chart below shows the percent change from the previous year of Colorado's gross domestic product (GDP) for the years 2010 to 2019. According to the Bureau of Economic Analysis (BEA), the GDP has consistently increased over the last ten years. Colorado's 2019 GDP of \$392,986 million is a 5.5 percent increase from 2018 and a 58.0 percent increase from 2009.



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 2009 and 2019. Over this ten-year period, the industry profile of the State's GDP has been stable, with growth across most industries.

Industry	2009 GDP (millions)	2009 Percent of Total	2019 GDP (millions)	2019 Percent of Total
Finance, Insurance, Real Estate, Rental, and Leasing	\$ 47,501.4	19.2 %	\$ 80,882.0	20.5 %
Professional and Business Services	34,876.1	14.0	59,286.6	15.1
Government and Government Enterprises	32,865.2	13.2	47,449.2	12.1
Educational Services, Health Care, and Social Assistance	17,690.1	7.1	27,816.4	7.1
Manufacturing	19,855.2	8.0	26,523.7	6.7
Information	18,633.8	7.5	22,844.8	5.8
Wholesale Trade	13,403.3	5.4	21,936.9	5.6
Construction	11,463.6	4.6	22,845.1	5.8
Retail Trade	13,617.8	5.5	20,433.4	5.2
Arts, Entertainment, Recreation, Accommodation, and Food Services	10,404.6	4.2	20,168.3	5.1
Transportation and Warehousing	6,537.2	2.6	14,574.6	3.7
Mining, Quarrying, and Oil and Gas Extraction	10,666.4	4.3	12,074.8	3.1
Other Services (Except Government and Government Enterprises)	5,815.1	2.3	8,954.5	2.3
Utilities	3,297.9	1.3	4,225.3	1.1
Agriculture, Forestry, Fishing and Hunting	2,041.4	0.8	2,970.4	0.8
All Industry Total	<u>\$ 248,669.1</u>		<u>\$ 392,986.0</u>	

The Governor's Office of State Planning and Budgeting (OSPB) described Colorado's economic outlook in the December 2020 *Colorado Economic and Fiscal Outlook*:

"Despite improvement over the fall, Colorado's economic activity remains below pre-COVID levels. The outlook for the winter months has weakened as higher COVID caseloads have resulted in more public health restrictions on businesses, while winter weather limits outdoor dining. Though weekly initial unemployment claims remain far below the levels of March and April, they have more than tripled since September and are expected to remain elevated through the winter months. Despite this, the outlook for 2021 has improved due to high savings and wealth and the distribution of the vaccine."

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

- Unemployment will average 7.0 percent for 2020 compared with 2.8 and 3.2 percent in 2019 and 2018, respectively, and is expected to decrease to 5.7 percent in 2021.
- Wages and salary income will decrease by 0.3 percent in 2020, but will increase by 3.7 percent and 4.4 percent in 2021 and 2022, respectively.
- Total personal income will increase by 6.2 percent in 2020 and will increase by 1.6 percent 3.6 percent in 2021 and 2022, respectively.
- Inflation, measured by the Denver-Aurora-Lakewood Consumer Price Index, will be 2.3 percent in 2020 and 2.5 percent in 2021.

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

House Bill 20-1383, enacted in 2020, temporarily reduces the State's General Fund reserve percentage. For Fiscal Year 2020, the reserve requirement was reduced from 7.25 percent to 3.07 percent. For Fiscal Years 2021 and 2022, the bill reduces the reserve requirement to 2.86 percent and restores the reserve requirement to 7.25 percent for Fiscal Year 2023 and subsequent years. The temporary reductions were enacted to increase General Fund discretionary appropriations in response to budgetary challenges related to the COVID-19 emergency.

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. House Bill 20-1379 suspended the direct distribution for Fiscal Year 2021, but the direct distribution will resume in fiscal years thereafter.

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 received about \$2.9 billion in federal funds from four different bills passed by Congress since March 2020 including the Coronavirus Preparedness and Response Supplemental Appropriations Act, the Families First Coronavirus Response Act, the CARES Act, and the Paycheck Protection Program and Health Care Enhancement Act. The largest of these was the CARES Act, under which the State received \$2.3 billion, including \$1.7 billion to the State and \$0.6 billion directly to the State's largest counties with population over 500,000 (the counties of Adams, Arapahoe, Denver, El Paso, and Jefferson). The Governor also signed Executive Order D 2020 070 which allocated the \$1.7 billion to address the COVID-19 pandemic. These funds must be used in compliance with federal Treasury guidance and must be spent between March 1, 2020, and December 30, 2020.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Colorado for its CAFR for the fiscal year ended June 30, 2019. This was the twenty-third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We are evaluating whether our current CAFR continues to meet 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,

A handwritten signature in black ink that reads "Robert Jaros". The signature is written in a cursive, slightly slanted style.

Robert Jaros, CPA, MBA, JD
Colorado State Controller





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

State of Colorado

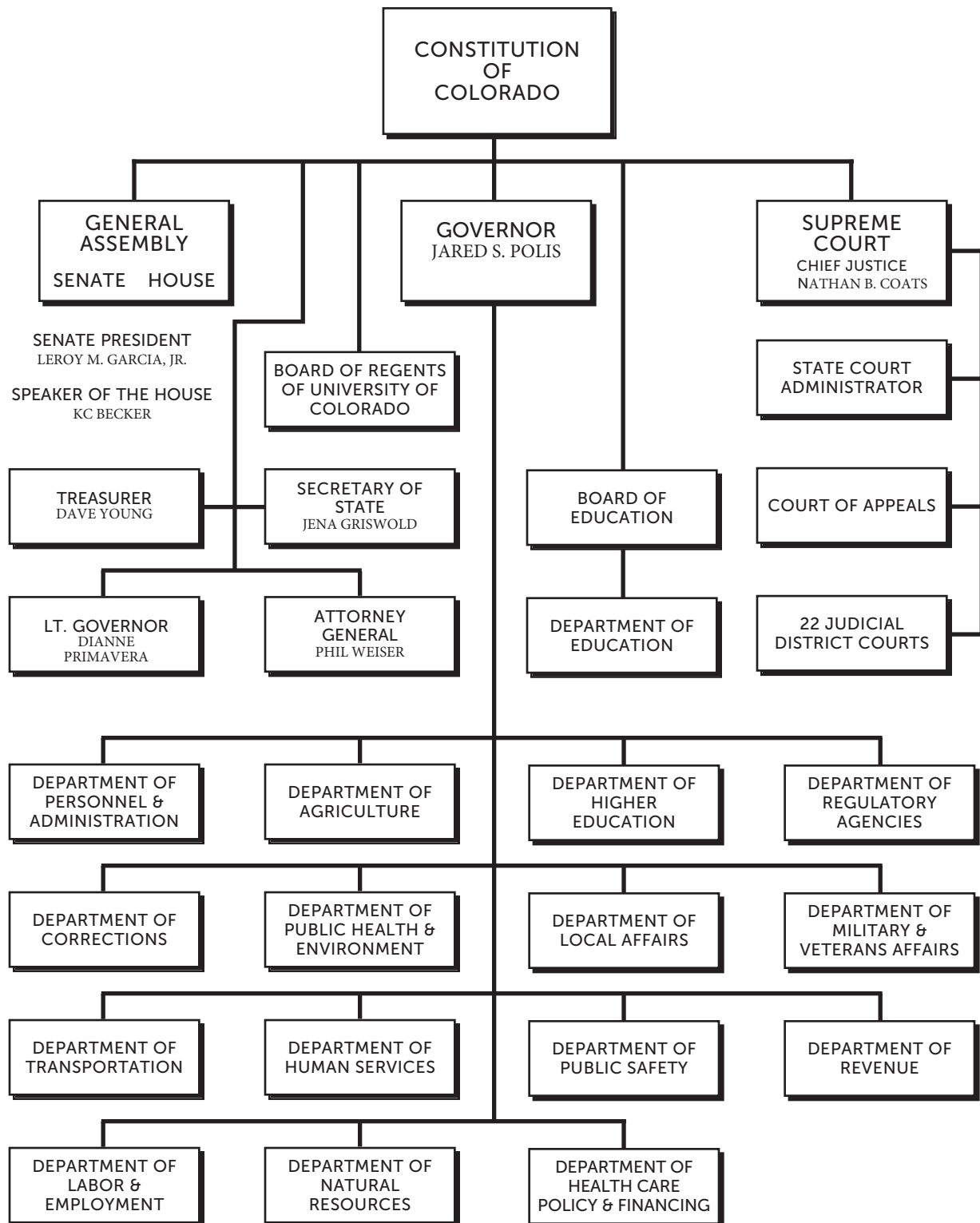
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

PRINCIPAL ORGANIZATIONS AND KEY OFFICIALS



Financial Section



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020



COLORADO
Office of the State Controller
Department of Personnel & Administration



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, 2020, 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, 2020, 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. Because of the matter described in the “Basis for Disclaimer of Opinion” paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Unemployment Insurance Fund and on Business-Type Activities.

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%	25%	2%
Government-wide statements			
Business-type activities			
CU Medicine	4%	15%	1%

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.

Except for the matter described in the Basis for Disclaimer of Opinion paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

SUMMARY OF OPINIONS

OPINION UNIT	TYPE OF OPINION
Governmental Activities	Unmodified
Business-Type Activities	Disclaimer
Aggregate Discretely Presented Component Units	Unmodified
General Fund	Unmodified
Federal Special Revenue Fund	Unmodified
Highway Users Tax Fund	Unmodified
Higher Education Institutions Fund	Unmodified
Healthcare Affordability Fund	Unmodified
Transportation Enterprise Fund	Unmodified
Unemployment Insurance Fund	Disclaimer
Aggregate Remaining Fund Information	Unmodified

BASIS FOR DISCLAIMER OF OPINION ON THE UNEMPLOYMENT INSURANCE FUND AND BUSINESS-TYPE ACTIVITIES

The State of Colorado did not have an adequate methodology to substantiate the estimated amount of receivables and payables within the Unemployment Insurance Fund of \$510 million and \$872 million, respectively, as of June 30, 2020. The receivable balance includes potential overpayments and comprises 54% of total assets of the Unemployment Insurance

Fund, and 3% of Business-Type Activities. The payable balance includes potential claims outstanding at year-end and comprises 92% of total liabilities of the Unemployment Insurance Fund and 7% of the Business-Type Activities. As of June 30, 2020, and as of the date of this report, a significant backlog of unprocessed and unadjudicated unemployment insurance claims existed which may represent overpayments due to errors and/or fraud. The State's records do not permit us, nor is it practical to extend or apply other auditing procedures, to obtain sufficient appropriate audit evidence to conclude that the receivable and payable balances in the Unemployment Insurance Fund and Business-Type Activities were free of material misstatement. As a result of these matters, we were unable to determine whether further audit adjustments may have been necessary in respect to the elements making up the statements of net position, statement of activities, the statement of revenues, expenses and changes in fund net position for proprietary funds, or the statement of cash flows for proprietary funds.

DISCLAIMER OF OPINIONS

Because of the significance of the matter described in the “Basis for Disclaimer of Opinion on the Unemployment Insurance Fund and Business-Type Activities” paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for audit opinions on the financial statements for the Unemployment Insurance Fund and Business-Type Activities of the State of Colorado. Accordingly, we do not express an opinion on these financial statements.

UNMODIFIED OPINIONS ON THE GOVERNMENTAL ACTIVITIES, MAJOR FUNDS EXCEPT THE UNEMPLOYMENT INSURANCE FUND, AGGREGATE DISCRETELY PRESENTED COMPONENT UNITS, AND AGGREGATE REMAINING FUND INFORMATION

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 aggregate discretely presented component units, each major fund except the Unemployment Insurance 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, 2020, 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 included the Statewide Internet Portal Authority in its reporting entity. 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.

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	27-44
Budgetary comparison schedules	170-175
Notes to required supplementary information	176-185
Budgetary comparison schedule-general fund component	186-188

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.

We were engaged for the purpose of forming an opinion on the basic financial statements as a whole. The combining nonmajor fund financial statements and schedule of TABOR revenue and computations are presented for the purposes of additional analysis and are not a required part of the financial statements. Based on the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, it is inappropriate to, and we do not, express an opinion on the supplementary information referred to above.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we will issue a separate report dated March 5, 2021, 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.



Denver, Colorado
March 5, 2021



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 Agency Funds. Agency 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

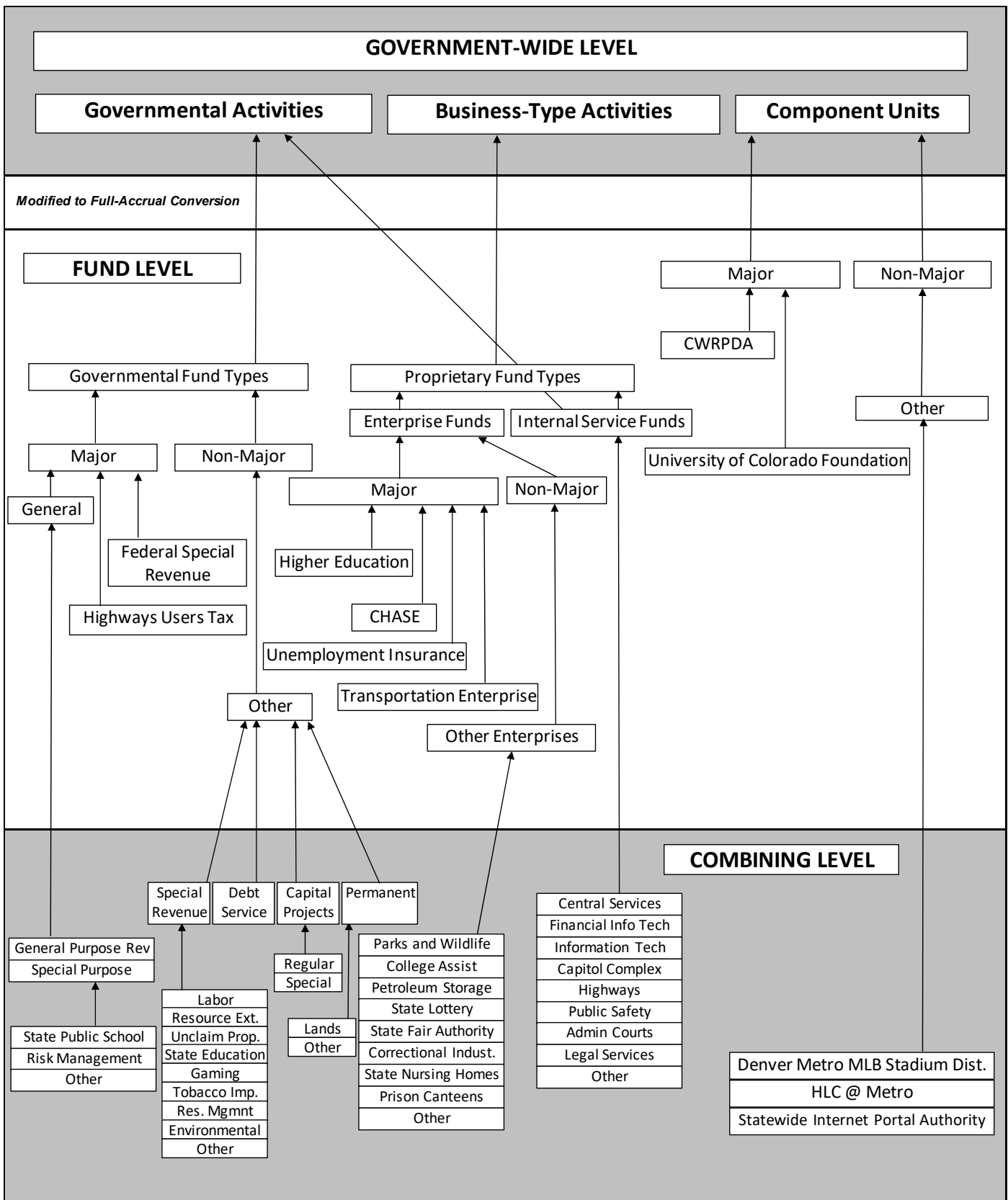
The notes to the financial statements are an integral part of the basic financial statements. They explain amounts shown in the financial statements and provide additional information that is essential to fair presentation.

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.



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 15.8 percent from the prior fiscal year by \$1,970.8 million from \$12,433.9 million in Fiscal Year 2019, to \$14,404.7 million in Fiscal Year 2020.

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 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Noncapital Assets	\$ 13,972,724	\$ 12,015,284	\$ 8,520,942	\$ 8,014,060	\$ 22,493,666	\$ 20,029,344
Capital Assets	12,596,264	12,222,923	10,821,616	10,294,533	23,417,880	22,517,456
Total Assets	26,568,988	24,238,207	19,342,558	18,308,593	45,911,546	42,546,800
Deferred Outflow of Resources	2,348,666	4,421,051	534,121	931,725	2,882,787	5,352,776
Current Liabilities	4,375,162	3,276,476	2,896,932	1,676,909	7,272,094	4,953,385
Noncurrent Liabilities	11,547,135	12,470,991	9,947,640	10,561,313	21,494,775	23,032,304
Total Liabilities	15,922,297	15,747,467	12,844,572	12,238,222	28,766,869	27,985,689
Deferred Inflow of Resources	3,704,384	4,997,905	1,918,407	2,482,076	5,622,791	7,479,981
Net Investment in Capital Assets	9,648,006	10,327,956	5,923,907	5,618,074	15,571,913	15,946,030
Restricted	3,900,541	3,797,509	1,301,620	2,619,832	5,202,161	6,417,341
Unrestricted	(4,257,574)	(6,211,579)	(2,111,827)	(3,717,886)	(6,369,401)	(9,929,465)
Total Net Position	\$ 9,290,973	\$ 7,913,886	\$ 5,113,700	\$ 4,520,020	\$ 14,404,673	\$ 12,433,906

The State's net investment in capital assets of \$15,571.9 million for the total primary government (governmental and business-type activities combined), represents a decrease of \$374.1 million 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 account for another \$5,202.2 million of total primary government net position. Restricted assets decreased by \$1,215.2 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 negative \$6,369.4 million for the fiscal year ended June 30, 2020, which represents an increase of \$3,560.1 million from the prior fiscal year. The increase is primarily due to increases in taxes receivable, and decreases of the net pension and other postemployment benefit liabilities during the fiscal year related to the State Division Trust and Health Care Trust Funds administered by PERA. The State reports a negative or deficit amount for the unrestricted component only on a government-wide basis, not at the level of any fund. The State's current liabilities reported on the Statement of Net Position increased by \$2,318.7 million over the prior fiscal year, primarily due to advances received from the federal government related to COVID-19 congressional response packages. Noncurrent liabilities decreased by \$1,537.5 million from the prior fiscal year. The decrease is primarily attributed to the decrease in the net pension liability as compared to the prior fiscal year, due to the effect of the portion of the annual \$225.0 million distribution attributable to the State and Judicial

Division Trust Funds, directly made to the Public Employee's Retirement Association as required by Senate Bill 18-200. Other 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 \$9,291.0 million, an increase in net position of \$1,377.1 million as compared to the prior fiscal year amount of \$7,913.9 million. Total cash (restricted and unrestricted) balances decreased by \$456.9 million. Taxes Receivable, net of refunds payable and Other Receivables, net, increased by \$902.2 million, while total investments (restricted and unrestricted) increased by \$501.5 million. Capital assets, net of accumulated depreciation, increased by \$373.3 million due to various capital projects throughout the State.

Governmental activities' liabilities for notes, bonds, and Certificates of Participation at June 30, 2020 were \$2,908.2 million as compared to the prior fiscal year amount of \$2,159.4 million – an increase of \$748.8 million. These liabilities represent 39.1 percent of unrestricted financial assets (cash, receivables, and investments), and 10.9 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 \$680.0 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 2020A, and \$230.5 million in Building Excellent Schools Today Series 2019P and 2019Q refunding Certificates of Participation. Restricted net position for governmental activities increased by \$103.0 million, and Unrestricted net position increased \$1,954.0 million from the prior year primarily due to the decrease in net pension liability.

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 \$5,113.7 million – an increase in net position of \$593.7 million as compared to the prior year amount of \$4,520.0 million. The increase is primarily attributed to increases in capital assets of \$527.1 million, and a decrease in the net pension liability of \$666.4 million as compared to the prior fiscal year. The decrease was due to the effect of the portion of the annual \$225.0 million distribution attributable to the State Division Trust Fund, directly made to the Public Employee's Retirement Association as required by Senate Bill 18-200.

The State's Enterprise Funds have notes, bonds, and Certificates of Participation outstanding that total \$5,096.8 million, as compared to the prior fiscal year amount of \$4,953.6 million – an increase of \$143.2 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, \$5,923.9 million was for investment in capital assets, and \$1,301.6 million is restricted for the purposes of various funds, which resulted in an unrestricted deficit of \$2,111.8 million. The deficit is primarily a result of the initial recognition of the net pension liability in Fiscal Year 2015, and the recognition of the net OPEB liability in Fiscal Year 2018. Business-type activities reported a \$305.8 million increase in net investment in capital assets, primarily due 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 \$1,318.2 million from the prior fiscal year due to decreases in restricted cash and investments.

Government-wide Statement of Activities

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

(Amounts in Thousands)

Programs/Functions	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Program Revenues:						
Charges for Services	\$ 1,555,332	\$ 1,606,484	\$ 8,039,922	\$ 7,933,992	\$ 9,595,254	\$ 9,540,476
Operating Grants and Contributions	7,788,096	6,822,479	8,374,699	5,119,323	16,162,795	11,941,802
Capital Grants and Contributions	617,224	428,332	123,273	62,609	740,497	490,941
General Revenues:						
Taxes	13,271,516	13,108,185	-	-	13,271,516	13,108,185
Restricted Taxes	1,271,553	1,348,050	-	-	1,271,553	1,348,050
Unrestricted Investment Earnings	37,599	30,196	-	-	37,599	30,196
Other General Revenues	95,460	95,051	-	-	95,460	95,051
Total Revenues	24,636,780	23,438,777	16,537,894	13,115,924	41,174,674	36,554,701
Expenses:						
General Government	1,214,677	1,493,871	-	-	1,214,677	1,493,871
Business, Community, and Consumer Affairs	713,827	734,786	-	-	713,827	734,786
Education	6,875,955	6,469,072	-	-	6,875,955	6,469,072
Health and Rehabilitation	836,872	935,044	-	-	836,872	935,044
Justice	1,734,902	1,970,515	-	-	1,734,902	1,970,515
Natural Resources	90,248	123,036	-	-	90,248	123,036
Social Assistance	9,430,179	8,589,168	-	-	9,430,179	8,589,168
Transportation	1,884,872	1,875,438	-	-	1,884,872	1,875,438
Payments to School Districts	-	-	-	-	-	-
Payments to Other Governments	-	-	-	-	-	-
Interest on Debt	103,339	109,075	-	-	103,339	109,075
Higher Education Institutions	-	-	6,993,311	7,111,041	6,993,311	7,111,041
Healthcare Affordability	-	-	3,515,207	3,414,018	-	3,414,018
Unemployment Insurance	-	-	4,765,139	385,192	4,765,139	385,192
Lottery	-	-	582,721	580,808	582,721	580,808
Parks and Wildlife	-	-	166,782	184,870	166,782	184,870
College Assist	-	-	201,200	222,726	201,200	222,726
Other Business-Type Activities	-	-	128,606	212,190	128,606	212,190
Total Expenses	22,884,871	22,300,005	16,352,966	12,110,845	39,237,837	34,410,850
Excess (Deficiency) Before Contributions, Transfers, and Other Items	1,751,909	1,138,772	184,928	1,005,079	1,936,837	2,143,851
Contributions, Transfers, and Other Items:						
Transfers (Out) In	(395,097)	(279,131)	395,097	279,131	-	-
Permanent Fund Additions	580	1,062	-	-	580	1,062
Internal Capital Contributions	-	-	-	57,541	-	57,541
Special Item	-	-	-	-	-	-
Total Contributions, Transfers, and Other Items	(394,517)	(278,069)	395,097	336,672	580	58,603
Total Changes in Net Position	1,357,392	860,703	580,025	1,341,751	1,937,417	2,202,454
Net Position - Beginning	7,913,886	7,029,957	4,520,020	3,170,907	12,433,906	10,200,864
Prior Period Adjustment (See Note 15A)	19,695	23,226	11,209	7,362	30,904	30,588
Accounting Changes	-	-	2,446	-	2,446	-
Net Position - Ending	\$ 9,290,973	\$ 7,913,886	\$ 5,113,700	\$ 4,520,020	\$ 14,404,673	\$ 12,433,906

For governmental activities, total revenues exceeded total expenses and transfers-out, which resulted in an increase to net position of \$1,357.4 million. Program revenues for governmental activities increased by \$1,103.4 million (12.5 percent), and General revenues for governmental activities increased by \$94.6 million (0.6 percent). Total expenses for governmental activities increased by \$584.9 million (2.6 percent) from the prior fiscal year, due to increases in education and social assistance activities – offset by decreases in spending for general government, health and rehabilitation, and natural resources.

Business-type activities' total revenues and transfers-in exceeded total expenses, and internal capital contributions by \$580.0 million, resulting in an increase in net position. From the prior year to the current year, program revenue from business-type activities increased by \$3,422.0 million (26.1 percent), and expenses also increased by \$4,242.1 million (35.0 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 \$9,491.7 million as compared to the prior fiscal year amount of \$8,578.9 million. The fund balance for all governmental funds increased from the prior fiscal year by \$912.8 million, which is comprised mainly of increases in the General Fund and Other Governmental Funds of \$338.7 million and \$617.1 million, respectively. In addition, the State reported a new fund in Fiscal Year 2020 – the Federal Special Revenue Fund – resulting from federal 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 2020.

General Fund

The ending total fund balance of the General Fund, as measured by generally accepted accounting principles (GAAP), was \$2,401.6 million. General Fund revenues increased overall by approximately \$1,403.3 million (7.6 percent) over the prior year, and expenditures increased overall by \$1,345.2 million (7.6 percent) relative to the prior fiscal year, resulting in \$739.6 million excess of revenues over expenditures for Fiscal Year 2020. The overall fund balance of the General Fund only increased by \$338.7 million due the offset of net transfers of (\$585.8 million). Individual and fiduciary income taxes of \$8,056.1 million, sales and use taxes of \$3,652.0 million, and federal grants and contracts of \$6,690.3 million are the largest sources of revenue comprising 92.5 percent of total revenue of \$19,899.5 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. 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, \$1,322.6 million (55.1 percent) was attributable to the General Purpose Revenue Fund, including non-spendable, committed, and assigned amounts. The General Purpose Revenue Fund increased by \$375.0 million from the prior fiscal year, which was attributable to increases in taxes and federal revenues during Fiscal Year 2020. The General Purpose Revenue Fund had a minimal unrestricted cash and pooled cash balance at the end of Fiscal Year 2020 due to the statewide income tax filing deadline extension to July 2020. This delay resulted in less 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 3.07 percent of the amount appropriated for expenditure from the general fund for Fiscal Year 2020. The reserve for Fiscal Year 2020 is \$361.3 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 CAFR. 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 is new for Fiscal Year 2020, which 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 \$21.4 million. The fund had \$597.3 million in cash and restricted cash, and \$413.6 million in prepaids, advances, and deposits from federal aid related to COVID-19 relief. The State did not expend these funds as of June 30, 2020; therefore, the State recorded \$926.1 million in unearned revenue. Fund revenues totaled \$221.4 million, and expenditures totaled \$200.0 million, resulting in an excess of revenues over expenditures for Fiscal Year 2020. The main sources of revenue for the fund were federal grants and contracts of \$200.0 million, and investment income of \$21.4 million; the main expenditures of the fund consist of outflows related to school districts and cities of \$113.1 million and \$56.7 million, respectively.

Highway Users Tax

The Highway Users Tax Fund qualified as a new major fund for Fiscal Year 2020. The ending total fund balance of the Highway Users Tax Fund was \$978.4 million, which represents a 6.2 percent decrease over the prior year fund balance of \$1,042.7 million. Total cash (restricted and unrestricted) decrease by 8.9 percent from \$906.2 million in the prior fiscal year to \$825.1 million in Fiscal Year 2020. Fund revenues totaled \$1,985.9 million, and expenditures totaled \$2,444.9 million, resulting in an excess of expenditures over revenues of \$459.0 million for Fiscal Year 2020. Fund revenues increased 5.8 percent, while fund expenditures also increased 12.5 percent from the prior fiscal year. The main sources of revenue for the fund were federal grants and contracts of \$660.7 million, and excise taxes of \$624.5 million; the main expenditures of the fund totaling \$1,548.9 million consist of transportation-related projects and highway maintenance.

Proprietary Funds:

Higher Education Institutions

The net position of the Higher Education Institutions fund increased from the prior fiscal year by \$1,418.8 million, or 84.2 percent, which generally resulted from increases in various operating revenue sources, reductions in overall spending, and increases in nonoperating revenues including investment income, federal grants and contracts, 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. Operating revenues increased by \$170.7 million mainly due to increases in tuition and fees, federal grants and contracts, and sales of goods and services. Overall, total operating revenues increased by 2.6 percent, while total operating expenses decreased by 1.7 percent. Higher Education Institutions received capital contributions of \$114.2 million and \$120.4 million in Fiscal Years 2020 and 2019, respectively. Transfers-in to the Higher Education Institutions fund totaled \$481.0 million for Fiscal Year 2020, an increase of \$105.4 million compared to the prior fiscal year. 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, 2020, net position was \$74.9 million, an increase of \$66.9 million from the prior fiscal year. Operating revenues of the fund totaled \$3,587.3 million, which mainly consists of federal grants and contracts of \$2,650.2 million, and fees charged to healthcare providers of \$936.4 million. Operating revenues increased 4.7 percent by approximately \$160.7 million from the prior year. Operating expenses of the fund totaled \$3,515.2 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 2020. 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 \$1,360.6 million, which was an increase of 18.0 percent from the prior year net position of \$1,153.1 million. Enterprise revenues totaled \$143.6 million, and expenditures totaled \$28.4 million, resulting in an excess of revenues over expenses for Fiscal Year 2020. 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 2020, 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 2020 was a deficit of \$1.5 million, which was a decrease of \$1,279.8 million from the prior year net position of \$1,278.3 million. Fund revenues totaled \$3,457.2 million, and expenditures totaled \$4,764.5 million, resulting in an excess of expenses over revenues for Fiscal Year 2020. The deficit fund balance was caused by significant increases to accrued expenses and bad debt expense, due to overpayments and suspected fraud related to unemployment benefit claims paid in July 2020 (Fiscal Year 2021) that were related to Fiscal Year 2020. 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 2020 is the twenty-seventh 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. In November 2005, voters approved a measure, commonly known as Referendum C, which was referred to the ballot by the legislature. Referendum C authorized the State to retain all revenues in excess of the TABOR limit for the five-year period from Fiscal Year 2006 through Fiscal Year 2010. Referendum C had additional provisions and effects that are discussed below.

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 original decision to pay TABOR refunds out of the General Fund continues to be important under Referendum C 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 by Referendum C.

In years when Referendum C was not in effect, the State's ability to retain revenues was also affected by a requirement in TABOR commonly referred to as the ratchet down effect. The ratchet down occurs because each year's revenue retention limit is calculated based on the lesser of the prior year's revenues or the prior year's limit. When revenues are below the limit, it results in a permanent loss of the State's ability to retain current and future revenues collected.

Referendum C effectively suspended the ratchet down effect during the five-year refund hiatus by authorizing the State to retain and spend any amount in excess of the TABOR limit.

After the Referendum C five-year excess revenue retention period that encompassed Fiscal Year 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 made changes to the calculation of the ESRC, and also revised the TABOR refunding mechanism. Section 11 of the bill permanently reduces the Referendum C cap by reducing the Fiscal Year 2018 cap by \$200 million, and specifying that the base amount for calculating the cap for all future state fiscal years is the reduced Fiscal Year 2018 cap. As is the case under current law, the reduced cap is annually adjusted for inflation, the percentage change in state population, the qualification or disqualification of enterprises, and debt service changes. 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 2020, State revenues subject to TABOR were \$14,873.8 million, which was \$82.6 million under the ESRC, and \$2,624.8 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 \$144.0 million. Absent Referendum C, the State would have been required to refund the amount exceeding the retention 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 CAFR.

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 CAFR. 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 \$5.0 million and the reasons for the change.

- Department of Education – the Department had a net increase of \$8.2 million, mainly resulting from various special and supplemental bills, and roll forwards.
- Office of the Governor – the Office had a net decrease of \$6.2 million resulting from Executive Order 2020 050 restrictions, and reducing budget to match revenue related to disaster recovery.
- Department of Health Care Policy and Financing – the Department had a net decrease of \$196.3 million mainly due to decreases in health services related to supplemental House Bills 20-1246, 20-1360, and 20-1385.
- Department of Higher Education – the Department had a net decrease of \$5.6 million resulting from Executive Order 2020 050, and other controller restrictions.
- Department of Human Services – the Department had a net decrease of \$37.7 million from the passage of House Bills 20-1248 and 20-1360, impacting various health and welfare programs.
- Judicial Department – the Judicial Department had a net decrease of \$10.0 million from the passage of House Bill 20-1249 and 20-1360 related to various activities including special projects, personal services, and legal representation.
- Department of Revenue – the Department had a net increase of \$219.2 million 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.
- Department of Treasury – the Department had a net decrease of \$36.7 million due to statutory transfers to other funds, along with collateralization of SB17-267 lease purchase agreements.

Differences Between Final Budget and Actual Expenditures

In total, state departments reported general-funded appropriations reversions of \$9.7 million for Merit Pay and \$3.7 million for Legislative reversions. In addition, departments reverted \$202.9 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 \$1.0 million of General Fund reversions.

- Department of Corrections – the Department reverted \$10.0 million, primarily comprised of payments to local jails, Hepatitis C treatment costs, pharmaceuticals purchases, and purchases of external medical services.
- Department of Education – the Department reverted \$2.6 million, primarily comprised of \$1.0 million related to the Grow Your Own Educator Program, and the remaining across multiple programs and budget lines.
- Governor’s Office – the Governor’s Office reverted \$1.9 million mainly related to applications administration.

- Department of Public Health and Environment – the Department reverted \$1.0 million across multiple programs and budget lines.
- Department of Human Services – the Department reverted \$8.8 million across multiple programs and budget lines.
- Judicial Department – the Department reverted \$12.1 million, primarily consisting of several appropriations including conflict of interest contracts, courthouse capital/infrastructure maintenance, mandated costs, and court-appointed counsel.
- Legislative Branch – the Legislative Branch reverted \$1.2 million mainly related to the general assembly and legislative council activities.
- Department of Local Affairs – the Department reverted \$1.1 million primarily related to Defense Counsel on first Appearance Grant Program, and Rural Economic Development Initiative Grants.
- Department of Public Safety – the Department reverted \$4.4 million primarily related to community corrections placements.
- Department of Revenue – the Department reverted \$22.0 million, primarily for old age pension.
- Department of Health Care Policy and Financing – the Department reverted \$3.8 million across multiple programs and budget lines.
- Department of Treasury - the Department reverted \$132.6 million, of which \$130.4 million was related to the senior citizen and disabled veteran property tax exemption, and \$2.2 million for reimbursements to county treasurers.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The State's net investment in capital assets at June 30, 2020 was \$15,571.9 million, as compared to \$15,946.0 million in Fiscal Year 2019. Included in this amount were \$18,328.4 million of net depreciable capital assets after reduction of \$14,240.6 million for accumulated depreciation. Non-depreciable capital assets totaled \$5,089.4 million – including land, construction in progress, non-depreciable infrastructure and other capital assets. The State added a net \$900.4 million and \$446.4 million of capital assets in Fiscal Years 2020 and 2019, respectively. Of the Fiscal Year 2020 additions, \$373.3 million was recorded in governmental activities, and \$527.1 million was recorded in business-type activities. General-purpose revenues funded \$112.7 million of capital and controlled maintenance expenditures during Fiscal Year 2020, 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, 2020 and 2019, were as follows (see Note 5 for additional detail):

(Amounts in Thousands)	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
	Capital Assets Not Being Depreciated					
Land and Land Improvements	\$ 126,974	\$ 125,737	\$ 673,831	\$ 647,585	\$ 800,805	\$ 773,322
Collections	11,213	11,213	33,148	32,180	44,361	43,393
Other Capital Assets	12,347	2,136	15,461	15,461	27,808	17,597
Construction in Progress	1,548,817	957,814	1,529,265	1,162,309	3,078,082	2,120,123
Infrastructure	1,040,339	1,024,706	98,042	95,441	1,138,381	1,120,147
Total Capital Assets Not Being Depreciated	2,739,690	2,121,606	2,349,747	1,952,976	5,089,437	4,074,582
Capital Assets Being Depreciated						
Buildings and Related Improvements	3,481,275	3,432,389	11,419,985	11,086,080	14,901,260	14,518,469
Software	578,925	541,439	240,501	220,640	819,426	762,079
Vehicles and Equipment	1,029,805	980,135	1,331,747	1,270,225	2,361,552	2,250,360
Library Books, Collections, and Other Capital Assets	42,638	42,815	632,974	612,387	675,612	655,202
Infrastructure	12,502,697	12,407,645	1,308,495	1,165,641	13,811,192	13,573,286
Total Capital Assets Being Depreciated	17,635,340	17,404,423	14,933,702	14,354,973	32,569,042	31,759,396
Accumulated Depreciation	(7,778,766)	(7,303,106)	(6,461,833)	(6,013,416)	(14,240,599)	(13,316,522)
Total	\$ 12,596,264	\$ 12,222,923	\$ 10,821,616	\$ 10,294,533	\$ 23,417,880	\$ 22,517,456

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.

Fiscal Year 2020								
(Amounts in Thousands)	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

Fiscal Year 2019								
(Amounts in Thousands)	Capital Leases		Revenue Bonds		Certificates of Participation		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Governmental Activities	\$ 123,600	\$ 13,449	\$ -	\$ -	\$ 2,055,104	\$ 1,135,147	\$ 2,178,704	\$ 1,148,596
Business-Type Activities	\$ 37,402	\$ 4,981	\$ 4,231,973	\$ 2,570,421	\$ 412,179	\$ 119,940	\$ 4,681,554	\$ 2,695,342
Total	\$ 161,002	\$ 18,430	\$ 4,231,973	\$ 2,570,421	\$ 2,467,283	\$ 1,255,087	\$ 6,860,258	\$ 3,843,938

For Fiscal Year 2020, the total principal amount of capital leases, revenue bonds, and COPs increased by 13.0 percent from the prior year to \$7,753.5 million. The Fiscal Year 2020 increase was related to two new COP issuances – \$500.0 million issuance of State of Colorado Rural Certificates of Participation, Series 2020A, and \$230.5 million in Building Excellent Schools Today Series 2019P and 2019Q refunding COPs.

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 well below normal levels. In response to the pandemic, the U.S. Congress passed several measures to assist with economic recovery and the resulting fallout.

- The \$8.3 billion Coronavirus Preparedness and Response Supplemental Appropriations Act provided emergency supplemental spending to help government health officials with research and purchases of medications for treatments and vaccines.
- The approximately \$190 billion Families First Coronavirus Response Act contained provisions to provide free COVID-19 testing, increased federal funds to support state Medicaid costs, increased nutrition assistance, expanded unemployment insurance (UI) compensation, and provided paid leave and sick days for millions of workers.
- The \$2.3 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act contained provisions to provide funding to health care providers and researchers. Included in the legislation was \$15.5 billion for SNAP to cover the projected increase in applications and the costs of relief authorized in the Families First Act, further expansion of UI compensation, \$3.5 billion for child care, \$150 billion in general grants for state, local, tribal and territorial aid, \$31 billion for education assistance, and \$400 million to facilitate voting by mail efforts.
- The \$483.0 billion Paycheck Protection Program and Health Care Enhancement Act provided funds to keep workers employed during the pandemic, additional funding for hospitals and health care providers, and expanded COVID-19 testing.

The U.S. economy slowly started to improve with the federal aid. Personal incomes and savings rates are above pre-pandemic levels due to major federal relief measures such as expanded unemployment insurance benefits. While higher incomes and savings are positive signs for the economic outlook, the recovery remains highly dependent on the course of the virus and the availability of a vaccine.

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 anticipates resuming the direct distribution in future fiscal years as the State recovers from the effect of the pandemic.
- 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. Departures from generally accepted accounting principles (GAAP) such as this could adversely affect the State’s credit rating. 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 \$0.0 million at June 30, 2020, providing no apparent liquidity. This is because the Fund had a deficit cash balance at the end of the fiscal year, and required transfers from other cash funds to cover the deficit. Due to the COVID-19 pandemic, the State delayed its statewide income tax filing deadline extension to July 2020, resulting in less overall cash collections than in normal fiscal years. From the prior fiscal year to the current fiscal year, General Purpose Revenue Fund taxes receivable increased by \$930.0 million to \$2,864.2 million, tax refunds payable increased by \$14.4 million to \$942.1 million, and deferred inflows related to the tax receivables not expected to be collected within the next year decreased by \$63.7 million down to \$181.4 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 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. The average debt service related to governmental activities over the next five years is \$195.1 million for these lease purchase agreements. The majority of the revenue streams to cover the debt service payments comprise cash sources, as there is no general obligation associated with these lease purchases 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 \$397.6 million.





BASIC FINANCIAL STATEMENTS



**STATEMENT OF NET POSITION
JUNE 30, 2020**

PRIMARY GOVERNMENT

(DOLLARS IN THOUSANDS)	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS:				
Current Assets:				
Cash and Pooled Cash	\$ 2,521,649	\$ 2,023,015	\$ 4,544,664	\$ 294,386
Restricted Cash and Pooled Cash	611,626	391,766	1,003,392	-
Investments	-	1,926,752	1,926,752	-
Restricted Investments	-	123,303	123,303	-
Taxes Receivable, net	2,746,658	87,301	2,833,959	-
Contributions Receivable, net	-	-	-	40,748
Other Receivables, net	609,665	783,784	1,393,449	85,276
Due From Other Governments	803,219	970,990	1,774,209	2,967
Internal Balances	179,643	(179,643)	-	-
Due From Component Units	-	26,385	26,385	-
Inventories	142,367	57,124	199,491	-
Prepays, Advances and Deposits	544,537	37,686	582,223	969
Other Current Assets	-	-	-	4,300
Total Current Assets	8,159,364	6,248,463	14,407,827	428,646
Noncurrent Assets:				
Restricted Assets:				
Restricted Cash and Pooled Cash	1,810,813	511,559	2,322,372	97,322
Restricted Investments	1,212,311	172,683	1,384,994	67,989
Restricted Receivables	453,551	22,651	476,202	1,055
Investments	1,564,800	1,441,901	3,006,701	2,142,113
Contributions Receivable, net	-	-	-	82,952
Other Long- Term Assets	771,885	123,685	895,570	943,500
Depreciable Capital Assets and Infrastructure, net	9,856,574	8,471,869	18,328,443	152,831
Land and Nondepreciable Capital Assets	2,739,690	2,349,747	5,089,437	25,335
Total Noncurrent Assets	18,409,624	13,094,095	31,503,719	3,513,097
TOTAL ASSETS	26,568,988	19,342,558	45,911,546	3,941,743
DEFERRED OUTFLOW OF RESOURCES:				
	2,348,666	534,121	2,882,787	3,066
LIABILITIES:				
Current Liabilities:				
Tax Refunds Payable	951,302	-	951,302	-
Accounts Payable and Accrued Liabilities	1,428,804	705,641	2,134,445	33,469
TABOR Refund Liability (Note 2B)	143,993	-	143,993	-
Due To Other Governments	375,757	375,140	750,897	2,315
Due To Component Units	-	151	151	-
Unearned Revenue	1,291,503	770,398	2,061,901	4,816
Accrued Compensated Absences	15,719	28,747	44,466	-
Claims and Judgments Payable	46,660	1,273	47,933	-
Leases Payable	27,212	5,832	33,044	-
Notes, Bonds, and COPs Payable	70,565	179,765	250,330	33,960
Other Postemployment Benefits	-	16,448	16,448	-
Other Current Liabilities	23,647	813,537	837,184	186,363
Total Current Liabilities	4,375,162	2,896,932	7,272,094	260,923
Noncurrent Liabilities:				
Deposits Held In Custody For Others	598	25	623	447,774
Accrued Compensated Absences	197,457	397,622	595,079	-
Claims and Judgments Payable	151,757	45,168	196,925	-
Capital Lease Payable	92,610	29,813	122,423	-
Derivative Instrument Liability	-	46,864	46,864	-
Notes, Bonds, and COPs Payable	2,837,608	4,917,042	7,754,650	388,855
Due to Component Units	-	1,704	1,704	-
Net Pension Liability	7,804,791	3,570,647	11,375,438	4,713
Other Postemployment Benefits	233,180	835,859	1,069,039	278
Other Long- Term Liabilities	229,134	102,896	332,030	51,909
Total Noncurrent Liabilities	11,547,135	9,947,640	21,494,775	893,529
TOTAL LIABILITIES	15,922,297	12,844,572	28,766,869	1,154,452
DEFERRED INFLOW OF RESOURCES:				
	3,704,384	1,918,407	5,622,791	3,301
NET POSITION:				
Net investment in Capital Assets:	9,648,006	5,923,907	15,571,913	178,113
Restricted for:				
Construction and Highway Maintenance	874,840	-	874,840	-
Education	194,060	978,486	1,172,546	-
Unemployment Insurance	-	(18,877)	(18,877)	-
Debt Service	115,664	16,081	131,745	-
Emergencies	208,095	34,000	242,095	-
Permanent Funds and Endowments:				
Expendable	8,936	173,493	182,429	1,073,982
Nonexpendable	1,419,630	83,909	1,503,539	671,904
Other Purposes	1,079,316	34,528	1,113,844	756,369
Unrestricted	(4,257,574)	(2,111,827)	(6,369,401)	106,688
TOTAL NET POSITION	\$ 9,290,973	\$ 5,113,700	\$ 14,404,673	\$ 2,787,056

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

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

(DOLLARS IN THOUSANDS)	Expenses		Program Revenues		
	Expenses	Indirect Cost Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:					
Governmental Activities:					
General Government	\$ 1,237,461	\$ (22,784)	\$ 166,301	\$ 254,342	\$ 1,244
Business, Community, and Consumer Affairs	711,577	2,250	170,592	379,526	-
Education	6,873,987	1,968	38,261	769,918	121
Health and Rehabilitation	835,282	1,590	103,977	511,928	-
Justice	1,730,411	4,491	229,466	183,179	280
Natural Resources	89,421	827	170,834	142,070	-
Social Assistance	9,425,045	5,134	153,857	5,383,103	-
Transportation	1,883,253	1,619	522,044	164,030	615,579
Interest on Debt	103,339	-	-	-	-
Total Governmental Activities	22,889,776	(4,905)	1,555,332	7,788,096	617,224
Business- Type Activities:					
Higher Education	6,990,143	3,168	5,366,610	2,450,775	117,627
Healthcare Affordability	3,515,207	-	937,123	2,650,237	-
Unemployment Insurance	4,764,538	601	548,095	2,939,312	-
Lottery	582,051	670	659,791	2,599	-
Parks and Wildlife	166,656	126	231,980	47,207	5,497
College Assist	200,860	340	1	223,003	-
Other Business- Type Activities	128,606	-	296,322	61,566	149
Total Business- Type Activities	16,348,061	4,905	8,039,922	8,374,699	123,273
Total Primary Government	39,237,837	-	9,595,254	16,162,795	740,497
Total Component Units	\$ 290,542	\$ -	\$ 80,070	\$ 283,874	\$ 3,977

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			Component Units
Governmental Activities	Business-Type Activities	Total	
\$ (792,790)	\$ -	\$ (792,790)	
(163,709)	-	(163,709)	
(6,067,655)	-	(6,067,655)	
(220,967)	-	(220,967)	
(1,321,977)	-	(1,321,977)	
222,656	-	222,656	
(3,893,219)	-	(3,893,219)	
(583,219)	-	(583,219)	
(103,339)	-	(103,339)	
<u>(12,924,219)</u>	<u>-</u>	<u>(12,924,219)</u>	
-	941,701	941,701	
-	72,153	72,153	
-	(1,277,732)	(1,277,732)	
-	79,669	79,669	
-	117,902	117,902	
-	21,804	21,804	
-	229,431	229,431	
<u>-</u>	<u>184,928</u>	<u>184,928</u>	
<u>(12,924,219)</u>	<u>184,928</u>	<u>(12,739,291)</u>	
			<u>77,379</u>
3,703,217	-	3,703,217	-
330,600	-	330,600	-
8,037,272	-	8,037,272	-
638,303	-	638,303	-
562,124	-	562,124	-
586,445	-	586,445	-
60,255	-	60,255	-
624,521	-	624,521	-
332	-	332	-
37,599	-	37,599	25,383
95,460	-	95,460	-
(395,097)	395,097	-	-
580	-	580	-
<u>14,281,611</u>	<u>395,097</u>	<u>14,676,708</u>	<u>25,383</u>
1,357,392	580,025	1,937,417	102,762
7,913,886	4,520,020	12,433,906	2,678,125
19,695	11,209	30,904	-
-	2,446	2,446	6,169
<u>7,933,581</u>	<u>4,533,675</u>	<u>12,467,256</u>	<u>2,684,294</u>
<u>\$ 9,290,973</u>	<u>\$ 5,113,700</u>	<u>\$ 14,404,673</u>	<u>\$ 2,787,056</u>

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

(DOLLARS IN THOUSANDS)					
	GENERAL	FEDERAL SPECIAL REVENUE FUND	HIGHWAY USERS TAX	OTHER GOVERNMENTAL FUNDS	TOTAL
ASSETS:					
Cash and Pooled Cash	\$ 228,277	\$ 27,146	\$ 60,535	\$ 2,118,684	\$ 2,434,642
Taxes Receivable, net	2,864,172	-	2,272	68,796	2,935,240
Other Receivables, net	445,139	-	1,845	143,252	590,236
Due From Other Governments	768,000	-	-	35,117	803,117
Due From Other Funds	70,057	-	699	497,144	567,900
Inventories	14,343	-	20,946	105,795	141,084
Prepays, Advances and Deposits	69,544	413,617	5,032	35,781	523,974
Restricted Assets:					
Restricted Cash and Pooled Cash	550,634	570,104	764,565	536,876	2,422,179
Restricted Investments	-	-	2,290	1,210,021	1,212,311
Restricted Receivables	9,840	-	443,711	-	453,551
Investments	335,521	-	-	1,229,279	1,564,800
Other Long-Term Assets	18,606	-	20,685	543,151	582,442
TOTAL ASSETS	\$ 5,374,133	\$ 1,010,867	\$ 1,322,580	\$ 6,523,896	\$ 14,231,476
DEFERRED OUTFLOW OF RESOURCES:					
	-	-	-	3,027	3,027
LIABILITIES:					
Tax Refunds Payable	\$ 942,102	\$ -	\$ -	\$ 9,200	\$ 951,302
Accounts Payable and Accrued Liabilities	845,895	56,731	264,027	218,573	1,385,226
TABOR Refund Liability (Note 2B)	143,993	-	-	-	143,993
Due To Other Governments	294,017	-	44,558	37,182	375,757
Due To Other Funds	345,415	6,652	304	35,481	387,852
Unearned Revenue	204,567	926,134	34,077	123,742	1,288,520
Claims and Judgments Payable	726	-	137	89	952
Other Current Liabilities	13,776	-	42	5,386	19,204
Deposits Held In Custody For Others	470	-	-	128	598
TOTAL LIABILITIES	2,790,961	989,517	343,145	429,781	4,553,404
DEFERRED INFLOW OF RESOURCES:					
	181,578	-	1,082	6,718	189,378
FUND BALANCES:					
Nonspendable:					
Inventories	14,343	-	20,946	105,795	141,084
Permanent Fund Principal	-	-	-	1,398,247	1,398,247
Prepays	69,432	-	5,032	35,781	110,245
Restricted	823,528	21,350	900,962	558,485	2,304,325
Committed	616,483	-	51,413	3,992,116	4,660,012
Assigned	35,241	-	-	-	35,241
Unassigned	842,567	-	-	-	842,567
TOTAL FUND BALANCES	2,401,594	21,350	978,353	6,090,424	9,491,721
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,374,133	\$ 1,010,867	\$ 1,322,580	\$ 6,526,923	\$ 14,234,503

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, 2020**

	(A)	(B)	(C)	(D)	(E)	(F)		
(DOLLARS IN THOUSANDS)	TOTAL GOVERNMENTAL FUNDS	INTERNAL SERVICE FUNDS	CAPITAL ASSET BALANCES	DEBT RELATED BALANCES	CENTRALIZED RISK MANAGEMENT LIABILITIES	OTHER MEASUREMENT FOCUS ADJUSTMENTS	INTERNAL BALANCES ELIMINATION	STATEMENT OF NET POSITION TOTALS
ASSETS:								
Current Assets:								
Cash and Pooled Cash	\$ 2,434,642	\$ 87,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,521,649
Restricted Cash and Pooled Cash	611,626	-	-	-	-	-	-	611,626
Taxes Receivable, net	2,935,240	-	-	-	-	(188,582)	-	2,746,658
Other Receivables, net	590,236	1,903	-	-	-	17,390	136	609,665
Due From Other Governments	803,117	102	-	-	-	-	-	803,219
Due From Other Funds	567,900	263	-	-	-	-	(568,163)	-
Internal Balances	-	-	-	-	-	-	179,643	179,643
Inventories	141,084	1,283	-	-	-	-	-	142,367
Prepays, Advances and Deposits	523,974	8,870	-	-	-	11,693	-	544,537
Total Current Assets	8,607,819	99,428	-	-	-	(159,499)	(388,384)	8,159,364
Noncurrent Assets:								
Restricted Cash and Pooled Cash	1,810,553	260	-	-	-	-	-	1,810,813
Restricted Investments	1,212,311	-	-	-	-	-	-	1,212,311
Restricted Receivables	453,551	-	-	-	-	-	-	453,551
Investments	1,564,800	-	-	-	-	-	-	1,564,800
Other Long-Term Assets	582,442	-	-	-	-	189,443	-	771,885
Depreciable Capital Assets and Infrastructure, net	-	122,869	9,733,705	-	-	-	-	9,856,574
Land and Nondepreciable Capital Assets	-	523	2,739,167	-	-	-	-	2,739,690
Total Noncurrent Assets	5,623,657	123,652	12,472,872	-	-	189,443	-	18,409,624
TOTAL ASSETS	14,231,476	223,080	12,472,872	-	-	29,944	(388,384)	26,568,988
DEFERRED OUTFLOW OF RESOURCES:	3,027	29,041	-	2,316,598	-	-	-	2,348,666
LIABILITIES:								
Current Liabilities:								
Tax Refunds Payable	951,302	-	-	-	-	-	-	951,302
Accounts Payable and Accrued Liabilities	1,385,226	37,294	-	6,250	-	-	34	1,428,804
TABOR Refund Liability (Note 2B)	143,993	-	-	-	-	-	-	143,993
Due To Other Governments	375,757	-	-	-	-	-	-	375,757
Due To Other Funds	387,852	566	-	-	-	-	(388,418)	-
Unearned Revenue	1,288,520	3,066	-	-	-	(83)	-	1,291,503
Compensated Absences Payable	-	1,202	-	-	-	14,517	-	15,719
Claims and Judgments Payable	952	-	-	-	38,706	7,002	-	46,660
Leases Payable	-	22,644	-	4,568	-	-	-	27,212
Notes, Bonds, and COPs Payable	-	-	-	70,565	-	-	-	70,565
Other Current Liabilities	19,204	698	-	-	-	3,745	-	23,647
Total Current Liabilities	4,552,806	65,470	-	81,383	38,706	25,181	(388,384)	4,375,162
Noncurrent Liabilities:								
Deposits Held In Custody For Others	598	-	-	-	-	-	-	598
Accrued Compensated Absences	-	12,555	-	-	-	184,902	-	197,457
Claims and Judgments Payable	-	-	-	-	102,721	49,036	-	151,757
Capital Lease Payable	-	72,491	-	20,119	-	-	-	92,610
Notes, Bonds, and COPs Payable	-	-	-	2,837,608	-	-	-	2,837,608
Net Pension Liability	-	343,895	-	-	-	7,460,896	-	7,804,791
Other Postemployment Benefits	-	13,092	-	-	-	220,088	-	233,180
Other Long-Term Liabilities	-	-	-	-	-	229,134	-	229,134
Total Noncurrent Liabilities	598	442,033	-	2,857,727	102,721	8,144,056	-	11,547,135
TOTAL LIABILITIES	4,553,404	507,503	-	2,939,110	14,1427	8,169,237	(388,384)	15,922,297
DEFERRED INFLOW OF RESOURCES:	189,378	144,891	-	-	-	3,370,115	-	3,704,384
NET POSITION:								
Net investment in Capital Assets:	-	28,256	12,472,872	(2,853,122)	-	-	-	9,648,006
Restricted for:								
Construction and Highway Maintenance	874,840	-	-	-	-	-	-	874,840
Education	194,060	-	-	-	-	-	-	194,060
Debt Service	115,664	-	-	-	-	-	-	115,664
Emergencies	208,095	-	-	-	-	-	-	208,095
Permanent Funds and Endowments:								
Expendable	8,936	-	-	-	-	-	-	8,936
Nonexpendable	1,419,630	-	-	-	-	-	-	1,419,630
Other Purposes	1,079,316	-	-	-	-	-	-	1,079,316
Unrestricted	5,591,180	(428,529)	-	2,230,610	(14,1427)	(11,509,408)	-	(4,257,574)
TOTAL NET POSITION	\$ 9,491,721	\$ (400,273)	\$ 12,472,872	\$ (622,512)	\$ (14,1427)	\$ (11,509,408)	\$ -	\$ 9,290,973

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, 2020**

(DOLLARS IN THOUSANDS)					
	GENERAL	FEDERAL SPECIAL REVENUE FUND	HIGHWAY USERS TAX	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES:					
Taxes:					
Individual and Fiduciary Income	\$ 8,056,100	\$ -	\$ -	\$ 588,830	\$ 8,644,930
Corporate Income	670,434	-	-	57,870	728,304
Sales and Use	3,651,976	-	-	37,220	3,689,196
Excise	106,980	-	624,521	225,139	956,640
Other Taxes	337,766	-	332	258,742	596,840
Licenses, Permits, and Fines	20,589	-	394,963	416,265	831,817
Charges for Goods and Services	81,519	-	187,260	157,028	425,807
Rents	166	-	4,013	152,117	156,296
Investment Income (Loss)	85,550	21,350	39,470	250,393	396,763
Federal Grants and Contracts	6,690,332	200,015	660,650	286,229	7,837,226
Additions to Permanent Funds	-	-	-	580	580
Unclaimed Property Receipts	-	-	-	55,137	55,137
Other	198,117	-	74,647	80,492	353,256
TOTAL REVENUES	19,899,529	221,365	1,985,856	2,566,042	24,672,792
EXPENDITURES:					
Current:					
General Government	267,068	-	71,564	62,618	401,250
Business, Community, and Consumer Affairs	183,086	8	-	343,289	526,383
Education	902,949	219	-	79,162	982,330
Health and Rehabilitation	737,567	13,224	12,435	147,430	910,656
Justice	1,723,738	10,221	143,052	225,870	2,102,881
Natural Resources	42,583	-	-	88,437	131,020
Social Assistance	8,111,939	3,751	-	228,871	8,344,561
Transportation	-	-	1,548,895	5,903	1,554,798
Capital Outlay	247,565	-	74,765	95,401	417,731
Intergovernmental:					
Cities	106,646	56,706	241,472	117,773	522,597
Counties	1,333,749	2,000	268,809	146,466	1,751,024
School Districts	5,165,131	113,061	-	683,110	5,961,302
Special Districts	70,131	-	79,133	28,677	177,941
Federal	14	-	14	31,773	31,801
Other	180,630	822	4,744	55,158	241,354
Debt Service	87,130	-	-	76,362	163,492
TOTAL EXPENDITURES	19,159,926	200,012	2,444,883	2,416,300	24,221,121
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	739,603	21,353	(459,027)	149,742	451,671
OTHER FINANCING SOURCES (USES):					
Transfers- In	566,097	-	459,130	677,014	1,702,241
Transfers- Out	(1,151,901)	(3)	(65,298)	(877,028)	(2,094,230)
Face Amount of Bond/COP Issuance	165,805	-	-	500,000	665,805
Bond/COP Premium/Discount	25,833	-	-	111,009	136,842
Issuance of Capital Leases	515	-	-	-	515
Sale of Capital Assets	-	-	-	54,740	54,740
Insurance Recoveries	930	-	894	1,599	3,423
TOTAL OTHER FINANCING SOURCES (USES)	(392,721)	(3)	394,726	467,334	469,336
NET CHANGE IN FUND BALANCES	346,882	21,350	(64,301)	617,076	921,007
FUND BALANCE, FISCAL YEAR BEGINNING	2,062,907	-	1,042,654	5,473,348	8,578,909
Prior Period Adjustment (See Note 15A)	(8,195)	-	-	-	(8,195)
FUND BALANCE, FISCAL YEAR BEGINNING (RESTATED)	2,054,712	-	1,042,654	5,473,348	8,570,714
FUND BALANCE, FISCAL YEAR END	\$ 2,401,594	\$ 21,350	\$ 978,353	\$ 6,090,424	\$ 9,491,721

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, 2020**

	(A)	(B)	(C)	(D)		
(DOLLARS IN THOUSANDS)	TOTAL GOVERNMENTAL FUNDS	INTERNAL SERVICE FUNDS	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	OTHER MEASUREMENT FOCUS ADJUSTMENTS	STATEMENT OF ACTIVITIES TOTALS
REVENUES:						
Taxes:						
Individual and Fiduciary Income	\$ 8,644,930	\$ -	\$ -	\$ -	\$ (18,828)	\$ 8,626,102
Corporate Income	728,304	-	-	-	(32,131)	696,173
Sales and Use	3,689,196	-	-	-	14,022	3,703,218
Excise	956,640	-	-	-	(1,519)	955,121
Other Taxes	596,840	-	-	-	3,692	600,532
Licenses, Permits, and Fines	831,817	-	-	-	51	831,868
Charges for Goods and Services	425,807	-	-	-	(1)	425,806
Rents	156,296	-	-	-	-	156,296
Investment Income (Loss)	396,763	2,004	-	-	6	398,773
Federal Grants and Contracts	7,837,226	-	-	-	-	7,837,226
Additions to Permanent Funds	580	-	-	-	-	580
Unclaimed Property Receipts	55,137	-	-	-	-	55,137
Other	353,256	-	-	-	(546)	352,710
TOTAL REVENUES	24,672,792	2,004	-	-	(35,254)	24,639,542
EXPENDITURES:						
Current:						
General Government	401,250	(18,657)	29,301	-	(83,050)	328,844
Business, Community, and Consumer Affairs	526,383	(17,839)	3,227	-	(136,544)	375,227
Education	982,330	(1,002)	36,699	-	(43,949)	974,078
Health and Rehabilitation	910,656	(5,329)	(202)	-	(207,814)	697,311
Justice	2,102,881	(14,700)	53,263	-	(68,1634)	1,459,810
Natural Resources	131,020	(7,111)	672	-	(3,1988)	92,593
Social Assistance	8,344,561	(33,100)	19,828	-	(62,709)	8,268,580
Transportation	1,554,798	(7,281)	330,381	-	(158,795)	1,719,103
Capital Outlay	417,731	-	(920,210)	-	-	(502,479)
Intergovernmental:						
Cities	522,597	-	-	-	-	522,597
Counties	1,751,024	-	-	-	-	1,751,024
School Districts	5,961,302	-	-	-	655,400	6,616,702
Special Districts	177,941	-	-	-	16,778	194,719
Federal	31,801	-	-	-	-	31,801
Other	241,354	-	-	-	-	241,354
Debt Service	163,492	2,430	-	(60,919)	-	105,003
TOTAL EXPENDITURES	24,221,121	(102,589)	(447,041)	(60,919)	(734,305)	22,876,267
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	451,671	104,593	447,041	60,919	699,051	1,763,275
OTHER FINANCING SOURCES (USES):						
Transfers- In	1,702,241	5,379	-	-	-	1,707,620
Transfers- Out	(2,094,230)	(7,363)	-	-	-	(2,101,593)
Face Amount of Bond/COP Issuance	665,805	-	-	(665,805)	-	-
Bond/COP Premium/Discount	136,842	-	-	(128,022)	-	8,820
Issuance of Capital Leases	515	-	-	(515)	-	-
Sale of Capital Assets	54,740	-	(82,495)	-	-	(27,755)
Insurance Recoveries	3,423	-	-	-	-	3,423
TOTAL OTHER FINANCING SOURCES (USES)	469,336	(1,984)	(82,495)	(794,342)	-	(409,485)
Internal Service Fund Charges to BTAs	-	3,602	-	-	-	3,602
NET CHANGE FOR THE YEAR	921,007	106,211	364,546	(733,423)	699,051	1,357,392
Prior Period Adjustment (See Note 15A)	(8,195)	-	-	-	27,890	19,695
TOTAL CHANGE FOR THE CURRENT YEAR	\$ 912,812	\$ 106,211	\$ 364,546	\$ (733,423)	\$ 726,941	\$ 1,377,087

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, 2020**

(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	\$ 1,166,183	\$ -	\$ 350,092	\$ 31,242	\$ 475,498	\$ 2,023,015	\$ 87,007
Restricted Cash and Pooled Cash	391,766	-	-	-	-	391,766	-
Investments	1,926,752	-	-	-	-	1,926,752	-
Restricted Investments	123,303	-	-	-	-	123,303	-
Premiums/Taxes Receivable, net	-	-	-	86,916	385	87,301	-
Student and Other Receivables, net	543,083	107,217	13,191	59,842	60,135	783,468	1,903
Due From Other Governments	178,026	318,647	4,842	449,698	19,777	970,990	102
Due From Other Funds	15,396	-	-	-	7,069	22,465	263
Due From Component Units	26,385	-	-	-	-	26,385	-
Inventories	41,161	-	-	-	15,963	57,124	1,283
Prepays, Advances and Deposits	27,208	-	633	-	9,845	37,686	8,870
Total Current Assets	4,439,263	425,864	368,758	627,698	588,672	6,450,255	99,428
Noncurrent Assets:							
Restricted Cash and Pooled Cash	105,160	-	16,795	303,784	85,820	511,559	260
Restricted Investments	172,683	-	-	-	-	172,683	-
Restricted Receivables	-	-	-	-	22,651	22,651	-
Investments	1,426,234	-	15,667	-	-	1,441,901	-
Other Long-Term Assets	122,315	-	-	-	1,370	123,685	-
Depreciable Capital Assets and Infrastructure, net	7,089,262	14,074	1,135,165	618	232,750	8,471,869	122,869
Land and Nondepreciable Capital Assets	1,308,795	14,773	581,254	16,729	428,196	2,349,747	523
Total Noncurrent Assets	10,224,449	28,847	1,748,881	321,131	770,787	13,094,095	123,652
TOTAL ASSETS	14,663,712	454,711	2,117,639	948,829	1,359,459	19,544,350	223,080
DEFERRED OUTFLOW OF RESOURCES:							
	485,921	5,400	3,279	749	38,772	534,121	29,041
LIABILITIES:							
Current Liabilities:							
Accounts Payable and Accrued Liabilities	429,386	121,708	37,043	42,102	43,081	673,320	37,294
Due To Other Governments	-	87,924	-	267,321	19,895	375,140	-
Due To Other Funds	2,671	156,435	-	-	58,796	217,902	566
Due To Component Units	151	-	-	-	-	151	-
Unearned Revenue	692,537	-	1,300	20,255	56,306	770,398	3,066
Compensated Absences Payable	27,364	5	-	-	1,378	28,747	1,202
Claims and Judgments Payable	1,273	-	-	-	-	1,273	-
Leases Payable	5,563	-	-	-	269	5,832	22,644
Notes, Bonds, and COPs Payable	179,190	-	-	-	575	179,765	-
Other Postemployment Benefits	16,448	-	-	-	-	16,448	-
Other Current Liabilities	167,072	-	-	604,807	41,658	813,537	698
Total Current Liabilities	1,521,655	366,072	38,343	934,485	221,958	3,082,513	65,470
Noncurrent Liabilities:							
Due to Other Funds	-	-	-	-	16,211	16,211	-
Deposits Held in Custody For Others	-	-	-	-	25	25	-
Accrued Compensated Absences	381,804	102	67	-	15,649	397,622	12,555
Claims and Judgments Payable	45,168	-	-	-	-	45,168	-
Capital Lease Payable	28,381	-	-	-	1,432	29,813	72,491
Derivative Instrument Liability	46,864	-	-	-	-	46,864	-
Notes, Bonds, and COPs Payable	4,390,003	-	526,383	-	656	4,917,042	-
Due to Component Units	1,704	-	-	-	-	1,704	-
Net Pension Liability	3,158,150	13,183	6,605	9,826	382,883	3,570,647	343,895
Other Postemployment Benefits	819,815	507	259	387	14,891	835,859	13,092
Other Long-Term Liabilities	48,541	-	54,336	-	19	102,896	-
Total Noncurrent Liabilities	8,920,430	13,792	587,650	10,213	431,766	9,963,851	442,033
TOTAL LIABILITIES	10,442,085	379,864	625,993	944,698	653,724	13,046,364	507,503
DEFERRED INFLOW OF RESOURCES:							
	1,602,741	5,300	134,292	6,411	169,663	1,918,407	144,891
NET POSITION:							
Net investment in Capital Assets:	4,276,183	28,847	989,918	17,346	611,613	5,923,907	28,256
Restricted for:							
Construction and Highway Maintenance	-	-	-	-	-	-	-
Education	978,486	-	-	-	-	978,486	-
Unemployment Insurance	-	-	-	(18,877)	-	(18,877)	-
Debt Service	414	-	15,667	-	-	16,081	-
Emergencies	-	-	-	-	34,000	34,000	-
Permanent Funds and Endowments:							
Expendable	173,493	-	-	-	-	173,493	-
Nonexpendable	83,909	-	-	-	-	83,909	-
Other Purposes	-	-	-	-	34,528	34,528	-
Unrestricted	(2,407,678)	46,100	355,048	-	(105,297)	(2,111,827)	(428,529)
TOTAL NET POSITION	\$ 3,104,807	\$ 74,947	\$ 1,360,633	\$ (1,531)	\$ 574,844	\$ 5,113,700	\$ (400,273)

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, 2020**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS						GOVERNMENTAL ACTIVITIES
	HIGHER EDUCATION INSTITUTIONS	HEALTHCARE AFFORDABILITY	TRANSPORTATION ENTERPRISE	UNEMPLOYMENT INSURANCE	OTHER ENTERPRISES	TOTAL	INTERNAL SERVICE FUNDS
(DOLLARS IN THOUSANDS)							
OPERATING REVENUES:							
Unemployment Insurance Premiums	\$ -	\$ -	\$ -	\$ 546,038	\$ -	\$ 546,038	\$ -
License and Permits	-	-	-	125	170,292	170,417	-
Tuition and Fees	3,316,104	-	-	-	1,760	3,317,864	-
Scholarship Allowance for Tuition and Fees	(743,547)	-	-	-	-	(743,547)	-
Sales of Goods and Services	2,600,259	936,355	127,758	-	762,456	4,426,828	465,685
Scholarship Allowance for Sales of Goods & Services	(28,873)	-	-	-	-	(28,873)	-
Investment Income (Loss)	1,252	-	-	-	7,676	8,928	-
Rental Income	17,565	-	-	-	2,262	19,827	14,455
Gifts and Donations	44,495	-	-	-	-	44,495	-
Federal Grants and Contracts	1,229,875	2,650,210	14,659	2,911,035	283,408	7,089,187	-
Intergovernmental Revenue	6,883	-	-	-	49,858	56,741	-
Other	406,938	769	1,199	7	3,745	412,658	936
TOTAL OPERATING REVENUES	6,850,951	3,587,334	143,616	3,457,205	1,281,457	15,320,563	481,076
OPERATING EXPENSES:							
Salaries and Fringe Benefits	4,503,192	29,747	4,989	3,938	119,195	4,661,061	172,011
Operating and Travel	1,623,071	3,462,641	4,053	4,758,199	408,773	10,256,737	171,091
Cost of Goods Sold	136,468	-	-	-	50,256	186,724	-
Depreciation and Amortization	470,869	2,352	19,320	2,400	18,351	513,292	31,158
Intergovernmental Distributions	35,306	20,467	8	-	18,328	74,109	-
Debt Service	-	-	-	-	10,566	10,566	-
Prizes and Awards	287	-	-	-	425,950	426,237	21
TOTAL OPERATING EXPENSES	6,769,193	3,515,207	28,370	4,764,537	1,051,419	16,128,726	374,281
OPERATING INCOME (LOSS)	81,758	72,127	115,246	(1,307,332)	230,038	(808,163)	106,795
NONOPERATING REVENUES AND (EXPENSES):							
Taxes	-	-	-	-	34,626	34,626	-
Fines and Settlements	18	-	-	1,931	499	2,448	1
Investment Income (Loss)	260,823	26	16,921	28,270	20,728	326,768	2,004
Rental Income	33,988	-	-	1	15,339	49,328	-
Gifts and Donations	271,655	-	-	-	1,756	273,411	-
Intergovernmental Distributions	(33,574)	-	-	-	(70,365)	(103,939)	-
Federal Grants and Contracts	365,902	-	5,592	-	-	371,494	-
Gain/(Loss) on Sale or Impairment of Capital Assets	(10,302)	-	77,470	-	(26)	67,142	1,501
Insurance Recoveries from Prior Year Impairments	3,922	-	-	-	1,850	5,772	20
Debt Service	(174,751)	-	(7,473)	-	(187)	(182,411)	(2,443)
Other Expenses	(3,848)	-	(312)	-	-	(4,160)	-
Other Revenues	34,349	-	-	-	2,047	36,396	-
TOTAL NONOPERATING REVENUES (EXPENSES)	748,182	26	92,198	30,202	6,267	876,875	1,083
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	829,940	72,153	207,444	(1,277,130)	236,305	68,712	107,878
CONTRIBUTIONS, TRANSFERS, AND OTHER ITEMS:							
Capital Contributions	114,247	-	-	-	4,411	118,658	317
Additions to Permanent Endowments	20	-	-	-	-	20	-
Transfers-In	480,951	-	40	56	25,422	506,469	5,380
Transfers-Out	(6,336)	(16,453)	-	(2,755)	(88,290)	(113,834)	(7,363)
TOTAL CONTRIBUTIONS AND TRANSFERS	588,882	(16,453)	40	(2,699)	(58,457)	511,133	(1,666)
CHANGE IN NET POSITION	1,418,822	55,700	207,484	(1,279,829)	177,848	580,025	106,212
NET POSITION - FISCAL YEAR BEGINNING	1,683,539	8,038	1,153,149	1,278,298	396,996	4,520,020	(506,485)
Prior Period Adjustments (See Note 15A)	-	11,209	-	-	-	11,209	-
Accounting Changes (See Note 15B)	2,446	-	-	-	-	2,446	-
NET POSITION - FISCAL YEAR BEGINNING (RESTATED)	1,685,985	19,247	1,153,149	1,278,298	396,996	4,533,675	(506,485)
NET POSITION - FISCAL YEAR ENDING	\$ 3,104,807	\$ 74,947	\$ 1,360,633	\$ (1,531)	\$ 574,844	\$ 5,113,700	\$ (400,273)

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, 2020**

**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	\$ 2,589,415	\$ -	\$ -
Fees for Service	2,531,702	1,128,988	123,560
Receipts for Interfund Services	-	-	1,633
Sales of Products	-	-	-
Gifts, Grants, and Contracts	1,669,286	2,359,186	24,587
Loan and Note Repayments	382,264	-	-
Unemployment Insurance Premiums	-	-	-
Income from Property	51,552	-	-
Other Sources	468,254	769	3,342
Cash Payments to or for:			
Employees	(5,364,757)	(30,734)	(8,507)
Suppliers	(1,487,315)	(3,454,410)	(25,760)
Payments for Interfund Services	-	-	(640)
Sales Commissions and Lottery Prizes	-	-	-
Unemployment Benefits	-	-	-
Scholarships	(145,966)	-	-
Others for Student Loans and Loan Losses	(397,779)	-	-
Other Governments	(35,306)	-	(8)
Other	(208,398)	(4,147)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	52,952	(348)	118,207
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers- In	361,967	-	40
Transfers- Out	(6,336)	(16,453)	-
Receipt of Deposits Held in Custody	226,195	36	-
Release of Deposits Held in Custody	(228,667)	(36)	-
Gifts and Grants for Other Than Capital Purposes	630,566	-	-
Intergovernmental Distributions	(33,574)	-	-
Unclaimed Property Fund Interest	-	-	-
NonCapital Debt Proceeds	-	-	6,368
NonCapital Debt Service Payments	(754)	-	(6,368)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	949,397	(16,453)	40
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of Capital Assets	(829,538)	(79,265)	(194,209)
Capital Contributions	192,922	-	-
Capital Gifts, Grants, and Contracts	27,429	-	-
Proceeds from Sale of Capital Assets	30,493	59,274	127,097
Capital Debt Proceeds	1,071,891	-	-
Capital Debt Service Payments	(1,098,661)	-	(5,395)
Capital Lease Payments	(17,997)	-	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(623,461)	(19,991)	(72,507)

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

			GOVERNMENTAL ACTIVITIES
UNEMPLOYMENT INSURANCE	OTHER ENTERPRISES	TOTALS	INTERNAL SERVICE FUNDS
\$ -	\$ 1,726	\$ 2,591,141	\$ -
-	191,064	3,975,314	2,657
-	5,285	6,918	460,891
7	712,442	712,449	1,619
2,075,682	283,332	6,412,073	-
-	-	382,264	-
548,094	-	548,094	-
1	17,587	69,140	14,400
28,347	110,234	610,946	805
-	(221,945)	(5,625,943)	(261,067)
-	(179,528)	(5,147,013)	(97,241)
(9,449)	(4,880)	(14,969)	(64,473)
-	(480,722)	(480,722)	-
(3,501,479)	-	(3,501,479)	-
-	-	(145,966)	-
-	-	(397,779)	-
-	(18,736)	(54,050)	(1)
-	(218,081)	(430,626)	(864)
(858,797)	197,778	(490,208)	56,726
56	26,037	388,100	5,404
(2,755)	(88,290)	(113,834)	(7,363)
-	1,044	227,275	731
-	(692)	(229,395)	(275)
-	1,756	632,322	-
-	(68,095)	(101,669)	-
-	2,036	2,036	-
-	129	6,497	87
-	(129)	(7,251)	(87)
(2,699)	(126,204)	804,081	(1,503)
-	(122,532)	(1,225,544)	(37,965)
-	-	192,922	-
-	-	27,429	-
-	65,390	282,254	35,037
-	-	1,071,891	-
-	(682)	(1,104,738)	(64)
-	(369)	(18,366)	(23,779)
-	(58,193)	(774,152)	(26,771)

(Continued)

**STATEMENT OF CASH FLOWS, CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

**BUSINESS - TYPE ACTIVITIES
ENTERPRISE FUNDS**

(DOLLARS IN THOUSANDS)	HIGHER EDUCATION INSTITUTIONS	HEALTHCARE AFFORDABILITY	TRANSPORTATION ENTERPRISE
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends on Investments	113,010	198	7,515
Proceeds from Sale/Maturity of Investments	8,986,685	-	17,734
Purchases of Investments	(9,284,724)	-	(15,095)
Increase(Decrease) from Unrealized Gain(Loss) on Investments	84,404	(171)	9,325
NET CASH FROM INVESTING ACTIVITIES	(100,625)	27	19,479
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	278,263	(36,765)	65,219
CASH AND POOLED CASH, FISCAL YEAR BEGINNING	1,384,846	36,765	301,668
CASH AND POOLED CASH, FISCAL YEAR END	\$ 1,663,109	\$ -	\$ 366,887
RECONCILIATION OF OPERATING INCOME TO NET CASH			
PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 81,758	\$ 72,127	\$ 115,246
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	470,869	2,352	19,320
Investment/Rental Income and Other Revenue in Operating Income	-	-	-
Rents, Fines, Donations, and Grants and Contracts in NonOperating	81,501	-	5,592
(Gain)/Loss on Disposal of Capital and Other Assets	837	-	-
Compensated Absences Expense	46,998	64	26
Interest and Other Expense in Operating Income	1,933	-	(7,450)
Net Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows Related to Operating Activities:			
(Increase) Decrease in Operating Receivables	(23,257)	(270,666)	1,770
(Increase) Decrease in Inventories	2,330	-	-
(Increase) Decrease in Other Operating Assets and Deferred Outflows	(8,965)	-	(588)
(Increase) Decrease in Pension Deferred Outflow	363,677	6,761	1,926
(Increase) Decrease in OPEB Deferred Outflow	2,688	(186)	15
Increase (Decrease) in Accounts Payable	(25,572)	(2,062)	(12,428)
Increase (Decrease) in Pension Liability	(587,090)	(1,550)	(1,823)
Increase (Decrease) in OPEB Liability	(176,002)	179	(95)
Increase (Decrease) in Other Operating Liabilities and Deferred Inflows	297,667	194,949	230
Increase (Decrease) in Pension Deferred Inflow	(662,723)	(2,409)	(3,563)
Increase (Decrease) in OPEB Deferred Inflow	186,303	93	29
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 52,952	\$ (348)	\$ 118,207
SUPPLEMENTARY INFORMATION - NONCASH TRANSACTIONS:			
Capital Assets Funded by the Capital Projects Fund	(8,534)	-	-
Capital Assets Acquired by Grants or Donations and Payable Increases	36,813	-	124,116
Unrealized Gain/Loss on Investments and Interest Receivable Accruals	70,362	-	8,697
Loss on Disposal of Capital and Other Assets	132	-	-
Disposal of Capital Assets	2,345	-	-
Amortization of Debt Valuation Accounts and Interest Payable Accruals	38,792	-	-
Assumption of Capital Lease Obligation or Mortgage	2,350	-	-
Financed Debt Issuance Costs	813	-	(48)
Gain on Debt Defeasance	5,118	-	-
Bad Debt Expense	6,543	-	-
Fair Value Change in Derivative Instrument	3,675	-	-
State Support for PERA Pensions	24,372	(37)	40
Noncapital Gifts	1,078	-	-
Loss on Debt Defeasance	(668)	-	-
Additions to Investments held by Foundation	344	-	-
Federal Receivables (BABS & CARES)	896	-	-
Proceeds from 2019A refunding Bonds	-	-	44,645
Payment of 2010A bonds	-	-	(42,820)

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

**GOVERNMENTAL
ACTIVITIES**

UNEMPLOYMENT INSURANCE	OTHER ENTERPRISES	TOTALS	INTERNAL SERVICE FUNDS
28,254	13,906	162,883	208
-	13,848	9,018,267	-
-	(292)	(9,300,111)	-
16	8,610	102,184	1,796
<u>28,270</u>	<u>36,072</u>	<u>(16,777)</u>	<u>2,004</u>
(833,226)	49,453	(477,056)	30,456
1,168,252	511,865	3,403,396	56,811
<u>\$ 335,026</u>	<u>\$ 561,318</u>	<u>\$ 2,926,340</u>	<u>\$ 87,267</u>

\$ (1,307,332) 230,038 \$ (808,163) \$ 106,795

2,400	18,351	513,292	31,158
-	(2,191)	(2,191)	-
1,932	52,353	141,378	50
-	-	837	-
-	1,592	48,680	2,251
-	13,812	8,295	1,006
(473,005)	(1,957)	(767,115)	(558)
-	(971)	1,359	(390)
-	(70)	(9,623)	(199)
1,500	46,396	420,260	41,790
7	65	2,589	91
41,455	(4,401)	(3,008)	9,682
(3,717)	(72,193)	(666,373)	(61,824)
(182)	(3,830)	(179,930)	(3,054)
880,592	(3,270)	1,370,168	(939)
(2,579)	(79,231)	(750,505)	(71,750)
132	3,285	189,842	2,617
<u>\$ (858,797)</u>	<u>\$ 197,778</u>	<u>\$ (490,208)</u>	<u>\$ 56,726</u>

-	615	(7,919)	292
-	3,796	164,725	-
-	1,078	80,137	-
-	55	187	(1,472)
-	-	2,345	-
-	(616)	38,176	(452)
-	-	2,350	20,773
-	-	765	-
-	-	5,118	-
-	-	6,543	-
-	-	3,675	-
56	545	24,976	(417)
-	-	1,078	-
-	-	(668)	-
-	-	344	-
-	-	896	-
-	-	44,645	-
-	-	(42,820)	-

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

(DOLLARS IN THOUSANDS)	PENSION AND OTHER EMPLOYEE BENEFIT TRUST	PRIVATE PURPOSE TRUST	AGENCY
ASSETS:			
Cash and Pooled Cash	\$ 110,152	\$ 214,231	\$ 2,007,534
Taxes Receivable, net	-	-	229,801
Other Receivables, net	1,789	17,978	1,749
Due From Other Funds	1,860	12,022	18,476
Due From Component Units	-	-	113
Restricted Cash and Pooled Cash	-	76,643	-
Investments:			
Government Securities	6,049	480	-
Corporate Bonds	10,820	-	-
Asset Backed Securities	1,013	-	-
Mortgages	6,270	19,407	-
Mutual Funds	34,839	9,081,666	-
Guaranteed Investment Contracts	-	159,686	-
Other Investments	25,471	943	-
Other Long- Term Assets	-	-	8,739
TOTAL ASSETS	<u>198,263</u>	<u>9,583,056</u>	<u>2,266,412</u>
LIABILITIES:			
Tax Refunds Payable	-	-	1,696
Accounts Payable and Accrued Liabilities	23,691	23,632	4,748
Due To Other Governments	-	-	401,352
Due To Other Funds	4	317	134
Intrafund Payables	1	-	-
Unearned Revenue	-	23,471	-
Claims and Judgments Payable	22,928	-	58
Other Current Liabilities	-	-	1,854,145
Deposits Held In Custody For Others	-	6,364	4,247
Accrued Compensated Absences	139	-	-
Other Long- Term Liabilities	-	-	32
TOTAL LIABILITIES	<u>46,763</u>	<u>53,784</u>	<u>\$ 2,266,412</u>
NET POSITION:			
Restricted for:			
OPEB	84,527	-	
Pension/Benefit Plan Participants	66,973	-	
Individuals, Organizations, and Other Entities	-	9,529,272	
TOTAL NET POSITION	<u>\$ 151,500</u>	<u>\$ 9,529,272</u>	

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, 2020**

(DOLLARS IN THOUSANDS)	PENSION AND OTHER EMPLOYEE BENEFIT TRUST	PRIVATE PURPOSE TRUST
ADDITIONS:		
Additions By Participants	\$ -	\$ 1,432,866
Member Contributions	92,386	-
Employer Contributions	380,817	-
Investment Income/(Loss)	6,674	363,511
Unclaimed Property Receipts	-	59,218
Other Additions	4,927	3,322
Transfers- In	1,576	1
TOTAL ADDITIONS	486,380	1,858,918
DEDUCTIONS:		
Distributions to Participants	3,250	352,835
Health Insurance Premiums Paid	159,672	-
Health Insurance Claims Paid	244,489	-
Other Benefits Plan Expense	32,270	-
Payments in Accordance with Trust Agreements	-	976,362
Other Deductions	21,802	-
Transfers- Out	205	35
TOTAL DEDUCTIONS	461,688	1,329,232
CHANGE IN NET POSITION	24,692	529,686
NET POSITION - FISCAL YEAR BEGINNING	126,808	8,999,586
NET POSITION - FISCAL YEAR ENDING	\$ 151,500	\$ 9,529,272

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

**STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2020**

(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	\$ 245,559	\$ 44,845	\$ 3,982	\$ 294,386	
Contributions Receivable, net	-	40,748	-	40,748	
Other Receivables, net	78,538	-	6,738	85,276	
Due From Other Governments	2,967	-	-	2,967	
Prepays, Advances and Deposits	-	-	969	969	
Other Current Assets	74	405	3,821	4,300	
Total Current Assets	327,138	85,998	15,510	428,646	
Noncurrent Assets:					
Restricted Cash and Pooled Cash	91,438	-	5,884	97,322	
Restricted Investments	67,989	-	-	67,989	
Restricted Receivables	1,055	-	-	1,055	
Investments	-	2,142,113	-	2,142,113	
Contributions Receivable, net	-	82,952	-	82,952	
Other Long- Term Assets	943,282	-	218	943,500	
Depreciable Capital Assets and Infrastructure, net	30	1,332	151,469	152,831	
Land and Nondepreciable Capital Assets	-	-	25,335	25,335	
Total Noncurrent Assets	1,103,794	2,226,397	182,906	3,513,097	
TOTAL ASSETS	1,430,932	2,312,395	198,416	3,941,743	
DEFERRED OUTFLOW OF RESOURCES:	2,951	-	115	3,066	
LIABILITIES:					
Current Liabilities:					
Accounts Payable and Accrued Liabilities	11,043	14,646	7,780	33,469	
Due To Other Governments	2,315	-	-	2,315	
Unearned Revenue	-	-	4,816	4,816	
Notes, Bonds, and COPs Payable	33,960	-	-	33,960	
Other Current Liabilities	163,330	20,950	2,083	186,363	
Total Current Liabilities	210,648	35,596	14,679	260,923	
Noncurrent Liabilities:					
Deposits Held In Custody For Others	-	447,774	-	447,774	
Notes, Bonds, and COPs Payable	388,855	-	-	388,855	
Net Pension Liability	3,997	-	716	4,713	
Other Postemployment Benefits	195	-	83	278	
Other Long- Term Liabilities	26,474	19,240	6,195	51,909	
Total Noncurrent Liabilities	419,521	467,014	6,994	893,529	
TOTAL LIABILITIES	630,169	502,610	21,673	1,154,452	
DEFERRED INFLOW OF RESOURCES:	2,993	-	308	3,301	
NET POSITION:					
Net investment in Capital Assets:	(23)	1,332	176,804	178,113	
Permanent Funds and Endowments:					
Expendable	-	1,073,982	-	1,073,982	
Nonexpendable	-	671,904	-	671,904	
Other Purposes	755,148	-	1,221	756,369	
Unrestricted	45,596	62,567	(1,475)	106,688	
TOTAL NET POSITION	\$ 800,721	\$ 1,809,785	\$ 176,550	\$ 2,787,056	

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

**STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2020**

(DOLLARS IN THOUSANDS)	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	UNIVERSITY OF COLORADO FOUNDATION	OTHER COMPONENT UNITS	TOTAL
EXPENSES	\$ 33,706	\$ 214,070	\$ 42,766	\$ 290,542
PROGRAM REVENUES:				
Charges for Services	25,685	4,741	49,644	80,070
Operating Grants and Contributions	35,552	248,290	32	283,874
Capital Grants and Contributions	-	-	3,977	3,977
TOTAL PROGRAM REVENUES:	61,237	253,031	53,653	367,921
NET (EXPENSE) REVENUE	27,531	38,961	10,887	77,379
GENERAL REVENUES:				
Unrestricted Investment Earnings (Losses)	10,212	15,043	128	25,383
TOTAL GENERAL REVENUES	10,212	15,043	128	25,383
CHANGE IN NET POSITION	37,743	54,004	11,015	102,762
NET POSITION - FISCAL YEAR BEGINNING	762,978	1,755,781	159,366	2,678,125
Accounting Changes (See Note 15B)	-	-	6,169	6,169
NET POSITION - FISCAL YEAR BEGINNING (Restated)	762,978	1,755,781	165,535	2,684,294
NET POSITION - FISCAL YEAR ENDING	\$ 800,721	\$ 1,809,785	\$ 176,550	\$ 2,787,056

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 2020:

GASB Statement No. 84- Fiduciary Activities. In 2020, the Auraria Higher Education Center early implemented GASB Statement No.84. The standard was not implemented at a statewide level. This Statement seeks to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

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.
- SBCCOE Employee Benefit Trust Fund
- 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.

In August 2010, the Board of Trustees of the Metropolitan State College of Denver (now Metropolitan State University of Denver) established the HLC @ Metro, Inc. as a non-profit entity to provide for the financing, construction, operation, and management of the Hotel and Hospitality Learning Center at MSU Denver. The facility, which opened in August 2012, includes a fully functioning hotel and learning laboratory for the University's Hospitality, Tourism, and Events department. The Board is appointed by the State through the Metropolitan State University of Denver Board of Trustees.

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

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 Special Purpose Funds that 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:

The resources reported in fiduciary fund types are not available for use in the State's programs; therefore, none of the fiduciary funds are included in the government-wide financial statements.

Pension and Other Employee Benefit Trust Funds

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, Unclaimed Property, the College Savings Plan operated by CollegeInvest, the College Opportunity Fund (liquidated annually), and several smaller funds shown in the aggregate as Other.

Agency Funds

Agency funds are used to report resources held in a purely custodial capacity for other individuals, private organizations, or other governments. Agency 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 Comprehensive Annual 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 expensed at the time they are consumed. Immaterial consumable inventories are expensed 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 has 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	5,000	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. 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 and the Colorado Community College System, which early-implemented GASB Statement No. 89 in FY 2018, and the Metropolitan State University, which early-implemented GASB Statement No. 89 in FY 2019, 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 and Note RSI 4 for additional information.

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. A negative unassigned amount can be reported for governmental funds other than the general fund if total fund balance is not sufficient to classify restricted and committed amounts.

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 2017 and costs from the Fiscal Year 2019 Appropriations bill that were incorporated in State agency budgets for Fiscal Year 2020. 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.

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, 2020, were \$45.7 million as described in the following paragraphs.

Approved Medicaid Overexpenditures:

- Medical and L-T Care Services for Medicaid Eligible Individuals – The Department of Health Care Policy & Financing overspent this line item by \$22.5 million general funds. This line item covers expenditures for the majority of services rendered for Medicaid members. The Department collected much lower rebates and outpatient cost settlements than budgeted which resulted in less expenditures being offset.
- 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 Department under forecasted the cost per member in the CHP+ expansion population. As part of the forecast, the Department projects how much will be paid in retroactive capitations and more was paid on these retroactive capitations than projected.
- Behavioral Health Fee-for-Service Payments – The Department of Health Care Policy & Financing overspent this line item by \$0.3 million cash 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 \$1.3 million cash funds. The Department received recent guidance from its federal partner that it could not draw an enhanced 90% match for any portion of the incentive payments paid to the Regional Accountable Entities (RAEs). The Department budgeted for the 90% match for the amount allocated to the Affordable Care Act expansion populations with the 10% share coming from the CHASE fund, but could only claim 50% match for that amount with the 50% share coming from the HAS fee.
- DHS - Mental Health Institutes – The Department of Health Care Policy & Financing overspent this line item by \$0.06 million general funds. The overexpenditure is a result of higher than anticipated claims being billed to the Department by the Department of Human Services. The Department of Human Services (DHS) sets the spending authority for this appropriation. Each year, DHS submits an annual budget request to true up the Mental Health Institute (MHI) line item spending authority based on current MHI population mix. DHS underestimated the costs for this line item for Fiscal Year 2020.
- Division of Youth Corrections – Medicaid Funding – The Department of Health Care Policy & Financing overspent this line item by \$0.3 million general funds. The overexpenditure is a result of a larger than expected number of child welfare claims payments identified by the Department of Human Services to be associated with the Division of Youth Services. The Department of Human Services (DHS) requests funding for this appropriation based on anticipated Medicaid costs for the Division of Youth Services. DHS underestimated the costs for this line item.
- Medicare Modernization Act Contribution – The Department of Health Care Policy & Financing overspent this line item by \$1.7 million general funds. The overexpenditure occurred due to large increases in retroactive enrollment of dual eligible clients in the second half of the year, which resulted in higher-than-anticipated monthly invoice totals. This is a one-time problem and not expected to occur again in the future.
- Clinic Based Indigent Care – The Department of Health Care Policy & Financing overspent this line item by \$0.002 million general funds. The overexpenditure occurred due to a miscalculation of the amount of federal funds from the Families First Coronavirus Response Act available to supplant General Fund for this line item. The calculation used an incorrect figure to determine the revised spending authority and consequently over-reduced the General Fund spending authority.

Approved Department of Human Services Overexpenditures, Other Than Medicaid, subject to the \$1.0 million limit:

- None at June 30, 2020.

Approved State Departments Overexpenditures Subject to the \$3.0 Million Limit:

- Local Election Reimbursement – The Secretary of State overspent this line item by \$1.0 million general funds. Proposition 107, approved by voters in November 2016, restored the Presidential Primary and authorized participation by unaffiliated voters. SB17-305 codified in statute that counties will be reimbursed from the General Fund for their actual direct costs for the preparation and conduct of the Presidential Primary Election. Accurately estimating these costs was difficult for counties considering it had been many years since Colorado last conducted a presidential primary and the state had never conducted such an election that allowed for the participation of unaffiliated voters. When counties actually conducted this election on March

3, 2020, their actual expenses significantly exceeded this estimate due largely to greater than anticipated voter participation.

Approved Judicial Overexpenditures, subject to the \$1.0 million limit:

- None at June 30, 2020.

Overexpenditures Not Allowed to Be Approved (Deficit Fund Balances):

- Professional Development Cash Fund – The Department of Personnel and Administration had a deficit fund balance in this fund of \$0.4 million. The Center for Organizational Effectiveness (COE) had projected a small positive fund balance at fiscal year-end considering that many departments spend money on training toward the end of the fiscal year. Due to the COVID-19 pandemic, the significant economic downturn with projected budgetary shortfalls, and direction to cut spending in Fiscal Year 2020 (particularly spending on training), revenue from March - June 2020 was insufficient to cover fund expenditures.
- Colorado Office of Film, Television and Media Operational Account – The Governor’s Office of Economic Development and International Trade had a deficit balance in this fund of \$0.2 million. The transfer of Gaming revenues to this fund was repealed in with the passage of House Bill 20-1399. Historically, funds distributed in August were used to cover the prior year’s spending. The legislation was signed on June 30 resulting in the loss of the revenue stream to cover Fiscal Year 2020 expenditures.
- Highway Fund – The Department of Transportation had a deficit in this fund of \$0.2 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 now closed. The Sign Shop is working on reducing the deficit fund balance. The deficit fund balance has decreased from \$0.4 million in the prior year and it is forecasted that 24 months will be needed to cover this deficit fund balance.

Unemployment Insurance Fund – The Department of Labor and Employment had a deficit in this fund of \$15.3 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 2020. 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.

- Parks Internal Improvement Fund – The Department of Natural Resources had a deficit in the fund of \$0.009 million. The State Land Board (SLB) has investment properties that are managed by a commercial property management company. The investment company distributed \$16,719 over the net income for the fiscal year. As a trust fund, the transfer is not reversible. The SLB will hold funds to cover the deficit before final transfers are made to the Parks Cash Fund.

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, 2020:

- Medicaid Buy-In Cash Fund - \$0.2 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 exempted 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 2020, revenue subject to TABOR was \$14,873.8 million, which fell below the \$14,956.4 million ESRC by \$82.6 million, and by \$2,624.8 million over the original TABOR limit. Therefore, there is not a refund payable from Fiscal Year 2020 revenue. During the year, the State reimbursed \$94.8 thousand of the Fiscal Year 2015 refund payable through the sales tax and earned income tax credit mechanisms, \$140.8 million of the Fiscal Year 2019 refund payable through the property tax reimbursement mechanism, and \$147.4 million of the Fiscal Year 2019 refund payable through the income tax rate reduction mechanism. Total TABOR refunds in Fiscal Year 2020 were \$288.3 million. The State's liability for TABOR refunds was \$144.0 million at June 30, 2020, which includes prior-year revenue adjustments of \$575,228. Since the inception of Referendum C in Fiscal Year 2006, the State has retained \$24,440.8 million (unadjusted for prior year errors) – \$3,593.6 million during the initial five-year revenue retention period, and an additional \$20,847.2 million as a result of the higher ESRC limit in Fiscal Year 2011 through Fiscal Year 2020.

TABOR requires the State to reserve three percent of fiscal year nonexempt revenues for emergencies. The estimated reserve amount for Fiscal Year 2020 was based on the revenue projection prepared in March 2019 by the Legislative Council. In the Long Appropriations Act, the funds designated below and the maximum balances from each, constitute the reserve.

At June 30, 2020, the financial net positions, or fund balances of the following funds were restricted:

- Major Medical Fund, a portion of the nonmajor Labor Fund – \$70.0 million maximum set in the Long Appropriations Act. At June 30, 2020, the fund's net assets were less than \$70.0 million. Available cash and investments totaling \$66.6 million were restricted.
- Wildlife Cash Fund, a portion of the nonmajor Parks and Wildlife Enterprise Fund – \$34.0 million.

- Perpetual base account of the Severance Tax Fund, a portion of the major Resource Extraction Fund – \$33.0 million.
- 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 – \$96.0 million maximum set in the Long Appropriations Act. At June 30, 2020, the fund’s net assets were less than \$96.0 million. Operating cash totaling \$75.5 million was restricted. During the fiscal year, \$23.0 million was transferred from the Controlled Maintenance Trust Fund to the Disaster Emergency Fund, through Executive Order D 2020 032, in response to the COVID-19 pandemic.
- Unclaimed Property Tourism Promotion Trust Fund, a portion of the nonmajor Private Purpose Trust Fund – \$5.0 million.

The 2019 legislative session Long Appropriations Act also designated up to \$178.6 million of State properties as the remainder of the emergency reserve.

Based on actual fiscal year nonexempt revenues in Fiscal Year 2020, the required reserve was \$446.2 million. Because the actual reserve requirement was more than the net assets of the Major Medical and Controlled Maintenance Trust funds and the maximum amounts designated for the other funds – including the State properties – the total amount restricted for the reserve was less than the combined maximums allowable in the designated funds as detailed above.

The amount restricted for the reserve was \$20.5 million less than required by the State Constitution. In the event of an emergency that exceeded the financial assets in the reserve, the designated Wildlife Cash Fund capital assets and general capital assets would have to be liquidated to meet the constitutional requirement.

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 \$1,057.3 million as of June 30, 2020. Under the GASB Statement No. 40 definitions, \$58.0 million of the State's total bank balance of \$1,299.8 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 \$2,834.0 million shown on the government-wide *Statement of Net Position* in current assets net of long-term taxes receivable of \$188.6 million, primarily comprises the following:

- \$2,864.2 million in the General Purpose Revenue Fund, mainly self-assessed income and sales tax. This amount includes \$188.6 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*.
- \$86.9 million of unemployment insurance premiums receivable primarily recorded in the Unemployment Insurance Fund.
- \$68.8 million recorded in non-major special revenue funds that include approximately \$32.6 million from insurance premium tax and \$5.4 million from gaming tax.

The Restricted Receivables of \$453.6 million shown for Governmental Activities on the government-wide *Statement of Net Position* in non-current assets related primarily to \$1.1 million of taxes receivable, \$152.8 million of other

receivables, and \$289.8 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 \$1,393.4 million shown on the government-wide *Statement of Net Position* are net of \$718.5 million in allowance for doubtful accounts and primarily comprise the following:

- \$441.8 million of receivables recorded in the General Fund, of which \$34.1 million is from interest receivable on investments. The Department of Health Care Policy and Financing recorded receivables of \$381.6 million related primarily to rebates from drug companies and overpayments to healthcare providers, and the Colorado Mental Health Institutes recorded \$7.1 million of patient receivables.
- \$543.1 million of student and other receivables of Higher Education Institutions.
- \$107.2 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.
- \$59.7 million of receivables recorded by the Department of Labor and Employment for unemployment insurance overpayments.

INVENTORIES

Inventories of \$199.5 million shown on the government-wide *Statement of Net Position* at June 30, 2020, primarily comprise the following:

- \$78.8 million of resale inventories with the majority being reported by the Resource Extraction Fund - \$34.7 million, Higher Education Institutions - \$30.2 million, and the Highway Users Tax Fund - \$10.1 million.
- \$100.6 million of consumable supplies inventories, of which \$42.1 million was recorded by Resource Extraction Fund, \$11.0 million was recorded by the Higher Education Institutions, \$10.6 million was recorded by the Highway Users Tax Fund, and \$28.7 million was recorded in the Disaster Emergency Fund.
- \$11.7 million of manufacturing related inventories recorded by Correctional Industries, a nonmajor enterprise fund.

PREPAIDS, ADVANCES, AND DEPOSITS

Prepays, Advances, and Deposits of \$582.2 million shown on the government-wide *Statement of Net Position* are primarily general prepaid expenses. The significant items include:

- \$413.0 million advanced federal Coronavirus Relief Funds that remained unspent as of June 30, 2020, which primarily consisted of \$16.9 million advanced to area vocational schools and local district colleges, and \$396.0 million advanced to school districts and charter schools.
- \$46.5 million advanced to Colorado counties by the General Purpose Revenue Fund primarily related to emergency management and social assistance programs.
- \$21.2 million prepaid by Higher Educational Institutions, of which \$4.2 million primarily related to cash payments for library subscriptions at Colorado State University.

- \$16.1 million in advances to Colorado cities and special districts by the Division of Homeland Security and Emergency Management.
- \$10.6 million advanced to conservation organizations by the Department of Natural Resources from the Species Conservation Fund, a portion of the Resource Extraction Fund.
- \$8.3 million prepaid by the Governor’s Office of Information Technology primarily for multi-year maintenance and licensing agreements.
- \$6.2 million prepaid from the Marijuana Tax Cash Fund was to designated service organizations by the Department of Human Resources primarily for behavioral health.
- \$5.9 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 \$895.6 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 \$188.6 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 \$582.4 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 (\$20.7 million), a non-major special revenue fund, and the Resource Extraction Fund (\$490.8 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 \$123.7 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 into 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 an agency fund for the Great Outdoors Colorado Program (GOCO), a related organization. At June 30, 2020 and 2019, the treasurer had \$76.9 million and \$97.2 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 \$12.0 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)	\$ 1,057,253
Investments:	
Governmental Activities	12,394,968
Business-Type Activities	3,664,639
Fiduciary Activities	9,346,644
Total	<u>\$ 26,463,504</u>
Financial Statement Amounts	
Net Cash and Pooled Cash	\$ 6,876,581
Add: Warrants Payable Included in Cash	396,122
Total Cash and Pooled Cash	<u>7,272,703</u>
Add: Restricted Cash	3,402,407
Add: Restricted Investments	1,508,297
Add: Investments	14,280,097
Total	<u>\$ 26,463,504</u>

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 agency 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)				Total
	Governmental Activities				
	Treasurer's Pool	General Fund	Highway Users Tax	Other Governmental	
NOT SUBJECT TO CUSTODIAL CREDIT RISK					
U.S. Treasury Bills	\$ 572,969	\$ -	\$ -	\$ 5,199	\$ 578,168
U.S. Treasury Notes/Bonds	705,531	-	-	199,135	904,666
U.S. Agency Securities (Not Explicitly Guaranteed)	227,187	-	-	71,947	299,134
Commercial Paper	384,969	-	-	-	384,969
Corporate Bonds	3,424,098	-	-	486,599	3,910,697
Municipal Bonds	49,298	-	-	-	49,298
Money Market Mutual Funds	2,942,000	-	-	837	2,942,837
Asset-Backed Securities	659,868	-	-	32,235	692,103
Mortgage-Backed Securities	458,034	12,005	-	229,811	699,850
Sovereigns/Supranationals	193,903	-	-	21,368	215,271
Equity Mutual Funds	-	-	-	246,270	246,270
Other	-	323,516	2,290	1,144,982	1,470,788
SUBTOTAL	9,617,857	335,521	2,290	2,438,383	12,394,051
SUBJECT TO CUSTODIAL CREDIT RISK					
Money Market Mutual Funds	-	-	-	917	917
SUBTOTAL	-	-	-	917	917
TOTAL	\$ 9,617,857	\$ 335,521	\$ 2,290	\$ 2,439,300	\$ 12,394,968

The following table lists the investments of the major enterprise funds and fiduciary funds by investment type at fair value as of June 30, 2020. 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)			Fiduciary
	Business-Type Activities			
	Higher Education Institutions	Transportation Enterprise	Total	
NOT SUBJECT TO CUSTODIAL CREDIT RISK				
U.S. Treasury Bills	\$ 23,060	\$ -	\$ 23,060	\$ 480
U.S. Treasury Notes/Bonds	110,122	-	110,122	3,947
U.S. Agency Securities (Explicitly Guaranteed)	26	-	26	-
U.S. Agency Securities (Not Explicitly Guaranteed)	85,023	-	85,023	-
Commercial Paper	2,002	-	2,002	-
Corporate Bonds	296,593	-	296,593	10,820
Municipal Bonds	15,672	-	15,672	2,103
Money Market Mutual Funds	333,864	-	333,864	545
Bond Mutual Funds	185,582	-	185,582	9,244
Asset-Backed Securities	186,341	-	186,341	1,013
Investment in Foundation Pool	473,416	-	473,416	-
Mortgage-Backed Securities	99,928	-	99,928	25,677
Guaranteed Investment Contracts	13,251	-	13,251	-
Corporate Equities	2,769	-	2,769	-
Private Equities	-	-	-	4,340
Equity Mutual Funds	1,105,512	-	1,105,512	25,050
Other	246,898	15,667	262,565	21,129
SUBTOTAL	3,180,059	15,667	3,195,726	104,348
SUBJECT TO CUSTODIAL CREDIT RISK				
U.S. Treasury Notes/Bonds	63,329	-	63,329	-
U.S. Agency Securities (Explicitly Guaranteed)	10,402	-	10,402	-
U.S. Agency Securities (Not Explicitly Guaranteed)	30,007	-	30,007	-
Corporate Bonds	205,352	-	205,352	-
Municipal Bonds	29,860	-	29,860	-
Money Market Mutual Funds	659	-	659	1,106,464
Bond Mutual Funds	18,950	-	18,950	3,435,749
Mortgage-Backed Securities	35,792	-	35,792	-
Guaranteed Investment Contracts	-	-	-	159,686
Corporate Equities	6,284	-	6,284	-
Private Equities	2,675	-	2,675	-
Equity Mutual Funds	29,717	-	29,717	4,539,453
Balanced Mutual Funds	795	-	795	-
Other	35,091	-	35,091	944
SUBTOTAL	468,913	-	468,913	9,242,296
TOTAL	\$ 3,648,972	\$ 15,667	\$ 3,664,639	\$ 9,346,644

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		Sovereigns & Supranationals	Guaranteed Investment Contracts	Other	Total
						Mutual Funds	Mutual Funds				
Treasurer's Pool:											
Long-term Ratings											
Aaa/AAA/AAA	\$ -	\$ -	\$ 170,459	\$ 659,868	\$ -	\$ 2,942,000	\$ -	\$ 98,906	\$ -	\$ -	\$ 3,871,233
Aa/AA/AA	227,187	384,969	687,293	-	458,034	-	-	94,997	-	49,298	1,901,778
A/A/A	-	-	2,158,428	-	-	-	-	-	-	-	2,158,428
Baa/BBB/BBB	-	-	407,918	-	-	-	-	-	-	-	407,918
Total T-Pool	227,187	384,969	3,424,098	659,868	458,034	2,942,000	-	193,903	-	49,298	8,339,357
Higher Education Institutions:											
Long-term Ratings											
Aaa/AAA/AAA	35,681	-	61,733	121,273	1,528	369,068	18,616	-	-	9,376	617,275
Aa/AA/AA	29,639	-	35,532	14,959	-	-	120,305	-	-	27,980	228,415
A/A/A	-	-	174,972	7,786	31	-	-	-	-	1,731	184,520
Baa/BBB/BBB	3	-	207,130	4,184	-	-	-	409	-	791	212,517
Ba/BB/BB	-	-	13,194	121	-	-	-	-	-	-	13,315
B/B/B	-	-	577	225	-	-	-	-	-	-	802
Caa/CCC/CCC	-	-	-	1,428	-	-	-	-	-	-	1,428
Ca/D/DDD	-	-	-	245	-	-	-	-	-	-	245
C/DD	-	-	-	41	-	-	-	-	-	-	41
Short-term Ratings											
P1/MG1/A-1F-1	-	2,002	-	-	-	-	-	-	-	-	2,002
Unrated	49,517	-	4,551	36,080	1,481	659	52,017	-	86,446	19,588	250,339
Total Higher Ed	114,840	2,002	497,689	186,342	3,040	369,727	191,347	-	86,446	59,466	1,510,899
Fiduciary Funds:											
Long-term Ratings											
Aaa/AAA/AAA	-	-	343	468	6,270	545	-	-	-	570	8,196
Aa/AA/AA	-	-	869	227	19,407	-	-	-	-	1,257	21,760
A/A/A	-	-	5,883	129	-	-	-	-	-	276	6,288
Baa/BBB/BBB	-	-	3,725	-	-	-	-	-	-	-	3,725
Unrated	-	-	-	189	-	1,106,464	3,444,993	-	159,686	-	4,711,332
Total Fiduciary	-	-	10,820	1,013	25,677	1,107,009	3,444,993	-	159,686	2,103	4,751,301
All Other Funds:											
Long-term Ratings											
Aaa/AAA/AAA	-	-	14,061	25,721	549	-	-	11,294	-	-	51,625
Aa/AA/AA	71,947	-	69,275	1,690	228,199	-	-	10,075	-	-	381,885
A/A/A	-	-	203,763	1,127	-	-	-	-	-	-	204,890
Baa/BBB/BBB	-	-	188,035	2,968	805	-	-	-	-	-	191,808
Ba/BB/BB	-	-	10,545	-	60	-	-	-	-	-	10,604
B/B/B	-	-	609	-	-	-	-	-	-	-	609
Unrated	-	-	312	730	12,203	-	-	-	-	-	13,245
Total Other	71,947	-	486,600	32,236	241,816	-	-	21,369	-	-	853,966
Total	\$ 413,974	\$ 386,971	\$ 4,419,207	\$ 879,459	\$ 728,567	\$ 4,418,736	\$ 3,636,340	\$ 215,272	\$ 246,132	\$ 110,867	\$ 15,455,523

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		Higher Education Institutions		Fiduciary Funds		All Other Funds	
	Fair Value Amount	Weighted Average Maturity	Fair Value Amount	Weighted Average Maturity	Fair Value Amount	Weighted Average Maturity	Fair Value Amount	Weighted Average Maturity
U.S. Treasury Bills/Notes/Bo	\$ 1,279,689	8.443	\$ 191,967	7.466	\$ 3,947	1.600	\$ 197,946	11.006
U.S. Agency Securities	227,187	4.280	257,223	16.088	-	-	71,947	8.277
Bond Mutual Funds	-	-	187,086	5.802	9,244	4.280	-	-
Commercial Paper	384,969	0.060	2,002	0.109	-	-	-	-
Corporate Bonds	3,424,098	5.835	496,206	7.070	10,820	2.898	486,599	7.929
Repurchase Agreements	-	-	13,391	0.041	-	-	-	-
Certificates of Deposit	-	-	527	0.181	-	-	-	-
Asset-Backed Securities	659,868	2.183	186,341	15.856	1,013	0.080	32,235	5.088
Money Market Funds	2,942,000	-	61,900	0.109	1,107,009	0.136	-	-
Municipal Bonds	49,298	15.210	45,532	10.563	2,103	0.480	-	-
Mortgage-Backed Securities	458,581	6.782	3,040	0.480	25,677	4.264	229,264	5.614
Other	193,903	2.734	86,446	2.018	-	-	21,368	4.077
Total Investments	\$ 9,619,593		\$ 1,531,661		\$ 1,159,813		\$ 1,039,359	

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 \$339.4 million with a duration of 8.2 years and a short-term inflation protected securities index fund for \$82.0 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:		
Bond Mutual Funds	\$ 1,481	6.800
Private Purpose Trust Funds:		
CollegeInvest:		
Bond Mutual Fund-1	\$ 1,030,559	6.400
Bond Mutual Fund-2	635,513	7.020
Bond Mutual Fund-3	537,918	2.000
Bond Mutual Fund-4	476,391	8.400
Bond Mutual Fund-5	89,079	6.500
Bond Mutual Fund-6	244,901	8.400

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, 2020. 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 with inputs – quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other-than-quoted prices that are not observable. Example: Ownership of a corporate bond that trades on an exchange that is not active.

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, 2020:

(Amounts in Thousands)

Fair Value as of June 30, 2020	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	\$ 601,707	\$ 597,241	\$ 4,466	\$ -
U.S. Treasury Notes/Bonds	1,082,062	985,889	96,173	-
U.S. Agency Securities (Explicitly Guaranteed)	10,428	26	10,402	-
U.S. Agency Securities (Not Explicitly Guaranteed)	414,164	35,922	378,242	-
Commercial Paper	386,971	-	386,971	-
Corporate Bonds	4,423,462	5,749	4,417,713	-
Municipal Bonds	96,933	110	96,823	-
Money Market Mutual Funds	4,113,483	4,113,483	-	-
Bond Mutual Funds	3,649,525	3,649,508	17	-
Asset-Backed Securities	879,457	698	877,188	1,571
Mortgage-Backed Securities	861,246	2,142	846,901	12,203
Sovereigns/Supranationals	215,271	-	215,271	-
Guaranteed Investment Contracts	172,937	13,251	-	159,686
Investment in Foundation Pool	473,416	-	-	473,416
Corporate Equities	9,053	9,053	-	-
Private Equities	4,340	-	-	4,340
Equity Mutual Funds	5,946,002	5,946,002	-	-
Balanced Mutual Funds	795	795	-	-
Other	1,546,871	5,891	17,958	1,523,022
Total	\$ 24,888,123	\$ 15,365,760	\$ 7,348,125	\$ 2,174,238
Total investments measured at NAV	157,064			
Total other investments not valued at fair value	361,064			
Total	\$ 25,406,251			

On June 30, 2020, the University of Colorado held an investment in an equity trust valued at \$157.1 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 30 days and there were no unfunded commitments as of June 30, 2020.

The University of Colorado also held investments in a repurchase agreement with a contract value of \$13.4 million, guaranteed investment agreements with a contract value of \$73.2 million, and private equities measured at a cost of \$2.7 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, 2020, the University of Colorado held \$271.8 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 2020, the State capitalized \$26.7 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 \$12.2 million, the High Performance Transportation Enterprise of \$8.6 million, and Institutions of Higher Education of \$5.9 million.

On the government-wide *Statement of Activities*, depreciation charged to functional programs and business-type activities is as follows:

GOVERNMENTAL ACTIVITIES	(Amounts in Thousands)	Depreciation Amount
General Government		\$ 59,368
Business, Community and Consumer Affairs		4,099
Education		36,699
Health and Rehabilitation		13,414
Justice		54,455
Natural Resources		672
Social Assistance		19,834
Transportation		330,616
Total Depreciation Expense - Governmental Activities		<u>519,157</u>
BUSINESS-TYPE ACTIVITIES		
Higher Education		470,869
Parks and Wildlife		13,721
State Nursing Homes		1,941
Unemployment Insurance		2,400
Transportation		19,320
Social Assistance		2,807
Other Enterprise Funds		2,235
Total Depreciation Expense - Business-Type Activities		<u>513,293</u>
Total Depreciation Expense Primary Government		<u>\$ 1,032,450</u>

The schedule on the following page shows the capital asset activity during Fiscal Year 2020. The schedule shows that \$228.4 million of construction in progress projects were completed and added to capital assets for Governmental activities, and \$364.4 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	117,985	\$ 951	\$ -	\$ 286	\$ 119,222
Land Improvements	7,752	296	-	(296)	7,752
Collections	11,213	-	-	-	11,213
Other Capital Assets	2,136	300	9,911	-	12,347
Construction in Progress (CIP)	957,814	867,746	(253,881)	(22,862)	1,548,817
Infrastructure	1,024,706	63	15,570	-	1,040,339
Total Capital Assets Not Being Depreciated	2,121,606	869,356	(228,400)	(22,872)	2,739,690
Capital Assets Being Depreciated:					
Leasehold and Land Improvements	68,781	7,751	5,364	(35)	81,861
Buildings	3,363,608	11,305	30,804	(6,303)	3,399,414
Software	541,439	2,595	15,141	19,750	578,925
Vehicles and Equipment	980,135	77,935	4,461	(32,726)	1,029,805
Library Materials and Collections	5,607	333	-	(458)	5,482
Other Capital Assets	37,208	7	-	(59)	37,156
Infrastructure	12,407,645	44	172,630	(77,622)	12,502,697
Total Capital Assets Being Depreciated	17,404,423	99,970	228,400	(97,453)	17,635,340
Less Accumulated Depreciation:					
Leasehold and Land Improvements	(39,198)	(4,410)	-	35	(43,573)
Buildings	(1,200,950)	(82,291)	-	10,503	(1,272,738)
Software	(312,745)	(61,354)	-	2,940	(371,159)
Vehicles and Equipment	(602,110)	(68,059)	-	30,647	(639,522)
Library Materials and Collections	(4,063)	(379)	-	458	(3,984)
Other Capital Assets	(36,645)	(48)	-	58	(36,635)
Infrastructure	(5,107,395)	(303,913)	-	153	(5,411,155)
Total Accumulated Depreciation	(7,303,106)	(520,454)	-	44,794	(7,778,766)
Total Capital Assets Being Depreciated, net	10,101,317	(420,484)	228,400	(52,659)	9,856,574
TOTAL GOVERNMENTAL ACTIVITIES	12,222,923	448,872	-	(75,531)	12,596,264
BUSINESS- TYPE ACTIVITIES:					
Capital Assets Not Being Depreciated:					
Land	630,724	34,140	1,952	(10,026)	656,790
Land Improvements	16,861	180	-	-	17,041
Collections	32,180	968	-	-	33,148
Construction in Progress (CIP)	1,162,309	733,398	(368,936)	2,494	1,529,265
Other Capital Assets	15,461	-	-	-	15,461
Infrastructure	95,441	-	2,601	-	98,042
Total Capital Assets Not Being Depreciated	1,952,976	768,686	(364,383)	(7,532)	2,349,747
Capital Assets Being Depreciated:					
Leasehold and Land Improvements	846,783	3,297	41,926	(1,025)	890,981
Buildings	10,239,297	85,960	249,185	(45,438)	10,529,004
Software	220,640	4,245	2,554	13,062	240,501
Vehicles and Equipment	1,270,225	95,784	5,334	(39,596)	1,331,747
Library Materials and Collections	608,617	22,136	-	(1,653)	629,100
Other Capital Assets	3,770	104	-	-	3,874
Infrastructure	1,165,641	77,470	65,384	-	1,308,495
Total Capital Assets Being Depreciated	14,354,973	288,996	364,383	(74,650)	14,933,702
Less Accumulated Depreciation:					
Leasehold and Land Improvements	(455,993)	(36,507)	-	958	(491,542)
Buildings	(3,843,863)	(328,530)	-	22,881	(4,149,512)
Software	(193,599)	(15,079)	-	4,768	(203,910)
Vehicles and Equipment	(936,022)	(91,283)	-	36,781	(990,524)
Library Materials and Collections	(474,373)	(23,232)	-	1,642	(495,963)
Other Capital Assets	(1,906)	(121)	-	-	(2,027)
Infrastructure	(107,660)	(20,695)	-	-	(128,355)
Total Accumulated Depreciation	(6,013,416)	(515,447)	-	67,030	(6,461,833)
Total Capital Assets Being Depreciated, net	8,341,557	(226,451)	364,383	(7,620)	8,471,869
TOTAL BUSINESS- TYPE ACTIVITIES	10,294,533	542,235	-	(15,152)	10,821,616
TOTAL CAPITAL ASSETS, NET	\$ 22,517,456	\$ 991,107	\$ -	\$ (90,683)	\$ 23,417,880

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. 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, and DPS Divisions 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.

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 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. The direct distribution for fiscal year 2020 is shown below.

(In Actual Dollars)			
PERA Division Trust	Additional Employer Contributions	Non-employer Contributions	Total Direct Distribution
State	\$ 73,608,735	\$ 3,479,747	\$ 77,088,482
Judicial	1,266,324	76,777	1,343,101
School	-	127,367,213	127,367,213
Denver Public Schools	-	19,201,204	19,201,204
	\$ 74,875,059	\$150,124,941	\$ 225,000,000

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 (C.R.S.), 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 Title 24, Article 51 of the C.R.S. PERA issues a publicly available comprehensive annual financial report (CAFR) 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 C.R.S. § 24-51-602, 604, 1713, and 1714.

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, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all 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 C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.25 percent or the average CPI-W 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 automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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 C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee and employer contribution rates for the period July 1, 2019 through June 30, 2020 are presented in the following tables:

State Division Trust Fund	July 1, 2019 Through June 30, 2020
Employee contribution (all employees except State Troopers)	8.75%
State Troopers Only	10.75%

Employee contribution rates for the SDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for all employees except State Troopers are summarized in the table below:

State Division Trust Fund	July 1, 2019 Through June 30, 2020
Employer contribution rate	10.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SDTF	9.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.00%
Total employer contribution rate to the SDTF	19.38%

Contribution rates for the SDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for State Troopers are summarized in the table below:

State Division Trust Fund	July 1, 2019 Through June 30, 2020
Employer contribution rate	13.10%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SDTF	12.08%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.00%
Total employer contribution rate to the SDTF	22.08%

Contribution rates for the SDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Eligible employees and the State are required to contribute to the JDTF at rates established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee and employer contribution rates for the period July 1, 2019 through June 30, 2020 are presented in the following tables:

Judicial Division Trust Fund	July 1, 2019 Through June 30, 2020
Employee contribution	8.75%

Contribution rates for the JDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Judicial Division Trust Fund	July 1, 2019 Through December 31, 2019	January 1, 2020 Through June 30, 2020
Employer contribution rate	13.91%	13.91%
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	12.89%	12.89%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	3.40%	3.8%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	3.40%	3.8%
Total employer contribution rate to the JDTF	19.69%	20.49%

Contribution rates for the JDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF, 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 is considered a nonemployer contribution for financial reporting purposes.

Subsequent to the SDTF's December 31, 2019, measurement date, HB 20-1379 Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

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 \$673.8 million and \$11.6 million, respectively, for the year ended June 30, 2020.

Net Pension Liability

The net pension liability for the SDTF and for the JDTF were measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. 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 2019 relative to the total contributions of all participating employers and the nonemployer contributions made by the State to the SDTF and to the JDTF.

At June 30, 2020, the State reported a total liability of \$11.3 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				
	State	Judicial	School	DPS	Total
Proportionate share of the net pension liability attributable to:					
State's own employees	\$ 9,265,778	\$ 85,727	-	-	\$ 9,351,505
Employees of other governments	49,203	582	1,681,628	202,321	1,933,734
Total	\$ 9,314,981	\$ 86,309	\$ 1,681,628	\$ 202,321	\$ 11,285,239

Proportionate Share

The State's proportions at December 31, 2018, December 31, 2019, and how the proportions increased or decreased are presented in the following table:

PERA Division	As a Participating Employer		
	Proportionate Share		Increase
	12/31/2018	12/31/2019	
State	95.40%	95.49%	0.08%
Judicial	94.06%	94.28%	0.22%
PERA Division	As a Governmental Nonemployer Contributing Entity		
	Proportionate Share		Decrease
	12/31/2018	12/31/2019	
State	0.55%	0.51%	-0.04%
Judicial	0.85%	0.64%	-0.21%
School	12.03%	11.26%	-0.77%
DPS	34.13%	30.71%	-3.42%

Pension Expense & Aid to Other Governments

For the year ended June 30, 2020, 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:

(Amounts in thousands)	PERA Division Trust Fund				Total
	State	Judicial	School	DPS	
Pension expense	\$ (1,810,827)	\$ (6,904)	-	-	\$ (1,817,731)
Aid to other governments	20,123	211	722,841	79,128	822,303
Total	\$ (1,790,704)	\$ (6,693)	\$ 722,841	\$ 79,128	\$ (995,428)

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, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

State 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	\$ 346,189	\$ 1,838	\$ -
Changes of assumptions or other inputs	-	-	2,657,625	14,112
Net difference between projected and actual earnings on pension plan investments	-	-	998,278	5,301
Changes in proportion and differences between contributions recognized and proportionate share of contributions	164,687	28,855	157,803	4,065
Contributions subsequent to the measurement date	300,777	-	-	-
Total	\$ 811,653	\$ 30,693	\$ 3,813,706	\$ 23,478

Deferred outflows of resources of \$300.8 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, 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 ended June 30:	(Amounts in thousands)
2021	(2,708,120)
2022	(206,588)
2023	(39,390)
2024	(341,518)
2025	-
Thereafter	-

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	State's Own Employees	Employees of Other
		Governments		Governments
Difference between expected and actual experience	\$ 12,368	\$ 84	\$ -	\$ -
Changes of assumptions or other inputs	5,359	36	61,799	420
Net difference between projected and actual earnings on pension plan investments	-	-	21,787	148
Changes in proportion and differences between contributions recognized and proportionate share of contributions	492	1,014	338	297
Contributions subsequent to the measurement date	5,322	-	-	-
Total	\$ 23,541	\$ 1,134	\$ 83,924	\$ 865

Deferred outflows of resources of \$5.3 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, 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 ended June 30:	(Amounts in thousands)
2021	(15,605)
2022	(24,092)
2023	(18,582)
2024	(7,158)
2025	-
Thereafter	-

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.

(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	\$ 91,650	\$ 31,274	\$ -	\$ 119
Changes of assumptions or other inputs	48,008	8,593	762,770	70
Net difference between projected and actual earnings on pension plan investments	-	-	199,206	73,845
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,326,427	183,762	131,337	20,619
Total	\$ 1,466,085	\$ 223,629	\$ 1,093,313	\$ 94,653

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)
2021	393,313
2022	179,459
2023	21,801
2024	(92,825)
2025	-
Thereafter	-

Actuarial Assumptions

The total pension liability in the December 31, 2018 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 percent	3.50 percent	3.50 percent	3.50 percent
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.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

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.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
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 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including scheduled increases in SB 18-200 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. 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 and the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. 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 provides an annual direct distribution of \$225 million, which commenced 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.
- 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 fiduciary net position, 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 fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- 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%) Liability	1% Increase (8.25%)
State Division Trust Fund	\$ 11,983,436	\$ 9,314,981	\$ 7,056,810
Judicial Division Trust Fund	130,240	86,309	48,430
School Division Trust Fund	2,230,199	1,681,628	1,221,055
DPS Division Trust Fund	358,890	202,321	72,084

Pension plan fiduciary net position. Detailed information about the SDTF’s fiduciary net position is available in PERA’s CAFR 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, 2020 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.

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 a Comprehensive Annual 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 \$31.7 million for the year ended June 30, 2020.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

At June 30, 2020 the State reported a liability of \$368.1 million for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The State’s proportion of the net OPEB liability is based on contributions to the HCTF from the State for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the State’s proportion was 32.75 percent, which was a decrease of 0.65 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the State recognized OPEB expense of \$21.0 million. At June 30, 2020, 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
Difference between expected and actual experience	\$ 1,222	\$ 61,854
Changes of assumptions or other inputs	3,054	-
Net difference between projected and actual earnings on pension plan investments	-	6,144
Changes in proportion and differences between contributions recognized and proportionate share of contributions	8,052	17,509
Contributions subsequent to the measurement date	15,836	-
Total	<u>\$ 28,164</u>	<u>\$ 85,507</u>

\$15.8 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, 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 June 30:	(Amounts in thousands)
2021	\$ (15,106)
2022	(15,106)
2023	(13,327)
2024	(15,517)
2025	(13,327)
Thereafter	(796)

Actuarial Assumptions

The total OPEB liability in the December 31, 2018 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	5.60 percent in 2019, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent in 2019, 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.

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as discussed below.

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 2019 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	\$601	\$240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 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	\$562
Kaiser Permanente Medicare Advantage HMO	571

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, 2018, 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
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
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 following health care costs assumptions were updated and used in the measurement of the obligations 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 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- 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.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, 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.

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
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:

(Amounts in thousands)	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
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	\$359,354	\$368,098	\$378,202

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, 2019, 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 3.50 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.
- 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:

(Amount in thousands)	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 416,208	\$ 368,098	\$ 326,953

OPEB plan fiduciary net position. Detailed information about the HCTF’s fiduciary net position is available in PERA’s CAFR 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 \$304.2 thousand existed at June 30, 2020 for employer and employee contributions due to PERA. C.R.S. 24-51-401(1.7)(a)(I) 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 \$562 per month to \$1,567 per month depending on the number of individuals covered. For Medicare retirees, the subsidy ranges from \$406 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 \$16.1 million for the fiscal year ended June 30, 2020.

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.

Employees Covered by University OPEB's Benefit Terms

	Healthcare		Life Insurance	
	ORP	PERA	ORP	PERA
Active employees	13,619	4,798	14,979	5,533
Retirees and beneficiaries	1,826	646	1,910	3,060
Total	15,445	5,444	16,889	8,593

Total OPEB Liability. The University OPEB's total OPEB liability at June 30, 2020 of \$712.9 million was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019 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
Inflation	2.40%
Salary increases	PERA's 12/31/2019 assumption for the State Division (Non-Troopers)
Discount rate	3.50%

Healthcare Cost Trend Rates:

Year	Non-Medicare			Medicare		
	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%	4.5%	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-2019.

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).

The beginning liability at June 30, 2019 was measured at June 30, 2018 using the entry age normal actuarial cost method. The discount rate used in the valuation is 3.85 percent as of the June 30, 2018 measurement and is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index. The healthcare trend assumption reflects healthcare cost inflation expected to impact the plan based on forecast information in published papers from industry experts (actuaries, health economists, etc.). This research suggests a 7.00 percent long-term average increase for medical benefits, and an 11 percent increase for prescriptions, both trending down to a 4.50 percent increase for 2027 and later years. The dental trend rate is 4.00 percent, and the administrative expenses trend rate is 3.00 percent. The June 30, 2018 measurement date used the PUB-2010 Teachers Classification Table with generational projection using Scale MP-2018.

Changes in the Total OPEB Liability. The following table details the changes in the University’s total OPEB plan liability during fiscal year 2020.

<u>Reconciliation of University OPEB's Total OPEB Liability (in thousands)</u>	
	Total OPEB Liability
Balance recognized at June 30, 2019	\$ 843,959
Changes recognized for the fiscal year:	
Services cost	53,400
Interest on total OPEB liability	34,254
Differences between expected and actual experience	(206,938)
Changes of assumption	3,678
Benefit payments	(15,461)
Net changes	(131,067)
Balance recognized at June 30, 2020	\$ 712,892

Changes of assumptions and other inputs reflect:

- Discount rate changed from 3.85 percent to 3.50 percent.
- Mortality table was updated from PubT.H-2010 – Healthy Retiree Table with generational projection using Scale MP-2018 to PubT.H-2010 – Healthy Retiree Table with generational projection using Scale MP-2019.
- Healthcare trend rates were updated.
- Healthcare claims costs and retiree contributions were updated based upon recent experience.

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, 2020.

<u>Sensitivity of University OPEB's Total OPEB Liability to Changes in the Discount Rate (in thousands)</u>			
	1% Decrease	Discount Rate	1% Increase
<u>Fiscal year ended</u>	<u>2.50%</u>	<u>3.50%</u>	<u>4.50%</u>
June 30, 2020	839,627	712,892	612,579

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, 2020.

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, 2020	597,522	712,892	863,922

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. The University recognized \$47.0 million in OPEB expense for the University OPEB Plan in fiscal year 2020. 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, 2020.

University's OPEB Deferred Outflows and Inflows (in thousands)		
	2020	
	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	-	232,733
Changes in Assumptions	29,529	27,593
Contributions subsequent to the measurement date	16,062	-
Total	45,591	260,326

The \$16.1 million reported as deferred outflows of resources as of June 30, 2020, 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, 2021.

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:	
2021	\$ (40,659)
2022	(40,659)
2023	(40,659)
2024	(40,659)
2025	(29,791)
2026-2027	(38,370)
Total	\$ (230,797)

Amortization bases included in the University's OPEB deferred outflows and inflows of resources as of June 30, 2020 are presented in the following table.

Amortization of University OPEB's Deferred Outflows of Resources and Deferred Inflows of Resources (*in thousands*)

Date Established	Type of Base	Period		Balance		Annual Amortization
		Original	Remaining	Original	Remaining	
July 1, 2017	Differences between expected and actual experience	7.4	4.4	\$ (87,654)	(52,119)	(11,845)
July 1, 2017	Changes in assumptions	7.4	4.4	(46,406)	(27,593)	(6,271)
July 1, 2018	Differences between expected and actual experience	7.5	5.5	(1,728)	(1,268)	(230)
July 1, 2018	Changes in assumptions	7.5	5.5	35,919	26,341	4,789
July 1, 2019	Differences between expected and actual experience	7.5	6.5	(209,938)	(179,346)	(27,592)
July 1, 2019	Changes in assumptions	7.5	6.5	3,678	3,188	490
				Total	\$ (230,797)	\$ (40,659)

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, 2020, the State offered two statewide, self-funded PPO options administered by United Healthcare 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

PERAPlus 401(k) Plan

Plan Description - Employees of the State of Colorado that are also members of the SDTF may voluntarily contribute to the PERAPlus 401(k) Program (a voluntary investment program), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The annual contribution limit for employees who participate in the 401(k) Plan is the lesser of \$19,000 or

100 percent of compensation less PERA member contributions. Catch-up contributions up to \$6,000 were allowed for participants who had attained age 50 before the close of the plan year. Employees vest immediately in their own contributions.

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 CAFR as referred to above.

Funding Policy – All participating employees in the PERA DC Plan, with the exception of State Troopers, are required to contribute 8.75 percent of their PERA-includable salary, and the State of Colorado is required to contribute 10.40 percent of PERA-includable salary on behalf of these employees. All participating State Troopers are required to contribute 10.75 percent of their PERA-includable salary, and the State of Colorado is required to contribute 13.10 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:

	<i>As of June 30, 2020</i>
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	5.00%
Total employer contribution rate to the SDTF¹	10.00%

¹Rates 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 16.08 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. Participating employees contributed approximately \$10.7 million and the State of Colorado recognized pension expense of \$13.7 million for the PERA DC Plan.

University of Colorado - Optional Retirement Plan

Under the University’s optional retirement plan (ORP), 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, 2020, 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 \$166.9 million during the year ended June 30, 2020. The employees' contribution under the ORP approximated \$83.2 million during the year ended June 30, 2020. 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 10.8 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 \$54.4 million during the year ended June 30, 2020.

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; \$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, Broadspire Services, to administer its plan. The State reimburses Broadspire 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 2020, the State recovered approximately \$4.3 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 \$15.3 million of insurance recoveries during Fiscal Year 2020. Of that amount approximately \$7.8 million was related to asset impairments that occurred in prior years. The remaining \$7.5 million relates to the current year and was primarily recorded by Group Benefits Plans (including the \$4.3 million, as noted above), a Pension and Other Employee Benefits Fund, and \$1.8 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. An actuarial projection is performed to estimate the self-insured plan's undiscounted liabilities. The University purchases excess insurance for losses over its self-insured retention of \$500,000 per property claim, \$1.5 million per worker's compensation claim, and \$1.25 million per general liability claim. There were no significant reductions in insurance coverage in Fiscal Year 2020 and settlements have not exceeded insurance coverage in any of the prior three fiscal years.

University of Colorado tort claims are subject to the governmental immunity act, and damages are capped for specified waived areas at \$350,000 per person and \$990,000 per occurrence. In October 2018, the University of Colorado formed a captive insurance company, Altitude West. A captive is a limited purpose, licensed insurance company; the main business purpose of which is to insure the risks of the captive's owner, who is also its principal beneficiary. The captive insurance company owner has direct involvement in and influence over the captive's major operations, including underwriting, claims management, policy form, and investments. Altitude West operates by and for the University of Colorado. The advantages offered by Altitude West as a captive insurer are significant. It gives the University the ability to provide customized coverage specific policy forms that will allow CU to address its unique risks and exposures. There were no reductions of insurance coverage in Fiscal Year 2020, and settlements did not exceed insurance coverage in any of the three prior fiscal years.

The University of Colorado Graduate Medical Education Health Benefits Program is a comprehensive self-insurance health and dental benefits program for physicians in training at the University of Colorado Anschutz Medical Campus. The University manages excess risk exposure for staff medical claims by purchasing stop-loss insurance of \$325,000 per person. There were no reductions of insurance coverage in Fiscal Year 2020 for this program. There have been no claims against the aggregate stop-loss insurance in the previous three years; however, the University collected \$5,575,792 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 \$8.0 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 2020, however, the University collected \$63,217 from the stop-loss insurance carrier for individual claims in excess of the threshold over the previous three years.

Colorado State University is self-insured for employee medical and dental plans, but purchases re-insurance for healthcare claims over \$275,000. The related liability is based on underwriting review of claims history and current data. The University is self-insured for worker's compensation up to \$500,000 per occurrence and has purchased reinsurance for individual claims up to statutory limits. There was no significant reduction in insurance coverage in Fiscal Year 2020 and settlements have not exceeded insurance coverage in any of the prior three fiscal years.

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 \$25,000,000 per occurrence in two layers: the first layer of \$10,000,000 with Brit (Lloyds of London), with a sexual abuse sublimit of \$5,000,000, and an additional layer of \$10,000,000 with Munich RE, and Brit providing an additional layer of \$5,000,000. 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 \$1,000,000,000 per occurrence after CSU covers the first \$100,000. CSU purchases a standalone Fine Arts/Special Collections policy with limits of \$30,000,000. CSU carries Cyber Risk Liability Insurance with Lloyds of London with a liability limit of \$10,000,000 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 \$1,000,000. CSU carries Non-Owned Aviation Liability Insurance (Non-Owned) with Starr Aviation with a liability limit of \$50,000,000 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 \$1,000,000 per occurrence. Insurance policies are reviewed regularly for gaps in coverage, and where appropriate additional coverage may be purchased. For FY19, additional limits of \$1,000,000 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 \$2,000,000 aggregate, an umbrella layer of \$5,000,000, and an excess layer of \$5,000,000. Effective October 2017 CSU purchased additional limits of \$50,000,000 for CEMML operations, including additional responsibility for prescribed burning. There were no significant reductions in insurance coverage in Fiscal Year 2020, 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 worker's compensation insurance (\$1,000 deductible), \$2.0 million umbrella liability (\$10,000 self-insured retention), Fidelity (employee dishonesty) covered by Travelers for \$3.0 million (\$25,000 deductible), and other property covered by Midwestern Higher Education Compact for \$500.0 million (\$50,000 deductible). There were no significant reductions in insurance coverage in Fiscal Year 2020, 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 (\$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 2020, 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 (\$25,000 deductible), \$3.0 million of umbrella liability (\$10,000 self-insured retention), \$1.0 million of employee dishonesty (\$25,000 deductible), \$1.0 billion of property (\$50,000 deductible), \$750,000 of inland marine (\$5,000 deductible), and \$1.0 million of aviation (\$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 2020, 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 2020, 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 \$541.2 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 2020 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 2020, 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 2020 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 2020 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 2020, 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). 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 2020 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 2020 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					
2019-20	22,076	12,695	6,817	27,954	
2018-19	22,399	4,007	4,330	22,076	
2017-18	23,885	2,816	4,302	22,399	
Workers' Compensation					
2019-20	118,210	16,170	30,350	104,030	
2018-19	126,908	22,011	30,709	118,210	
2017-18	134,393	23,503	30,988	126,908	
Group Benefit Plans:					
2019-20	20,935	262,537	260,544	22,928	
2018-19	18,459	246,177	243,701	20,935	
2017-18	16,077	233,694	231,312	18,459	
University of Colorado:					
General Liability, Property, and Workers' Compensation					
2019-20	19,308	5,520	7,587	17,241	
2018-19	16,769	9,512	6,973	19,308	
2017-18	16,119	7,913	7,263	16,769	
University of Colorado Denver:					
Graduate Medical Education Health Benefits Program					
2019-20	2,832	10,470	10,800	2,502	
2018-19	2,689	13,856	13,713	2,832	
2017-18	2,309	13,012	12,632	2,689	
Medical Malpractice					
2019-20	10,710	943	1,208	10,445	
2018-19	9,767	4,377	3,434	10,710	
2017-18	9,428	1,451	1,112	9,767	

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					
	2019-20	34,975	62,265	60,166	37,074
	2018-19	30,548	62,504	58,077	34,975
	2017-18	29,917	57,038	56,407	30,548
University of Northern Colorado:					
General Liability, Property, and Workers' Compensation					
	2019-20	55	56	59	52
	2018-19	78	36	59	55
	2017-18	135	(25)	32	78
Colorado School of Mines:					
General Liability, Property, and Workers' Compensation					
	2019-20	256	-	256	-
	2018-19	295	-	39	256
	2017-18	-	321	26	295
Fort Lewis College:					
Workers' Compensation					
	2019-20	6	4	6	4
	2018-19	2	4	-	6
	2017-18	2	3	3	2
General Liability					
	2019-20	11	(1)	-	10
	2018-19	-	11	-	11
	2017-18	3	(3)	-	-
Colorado Mesa University:					
Workers' Compensation					
	2019-20	52	36	56	32
	2018-19	29	42	19	52
	2017-18	36	27	34	29
General Liability					
	2019-20	182	673	536	319
	2018-19	36	238	92	182
	2017-18	-	18	(18)	36

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, 2020, the State had the following amounts of assets under capital lease:

	(Amounts in Thousands)		
	Governmental Activities	Business-Type Activities	Total
Gross Capital Assets Under Lease:			
Buildings	\$ 54,936	\$ 20,379	\$ 75,315
Equipment and Other	48,694	35,731	84,425
Total Capital Assets Under Lease, Gross	103,630	56,110	159,740
Less Accumulated Depreciation:			
Buildings	(20,383)	(8,232)	(28,615)
Equipment and Other	(29,491)	(11,853)	(41,344)
Total Accumulated Depreciation	(49,874)	(20,085)	(69,959)
Total Capital Assets Under Lease, Net	\$ 53,756	\$ 36,025	\$ 89,781

At June 30, 2020, the State expected future minimum sublease rentals relating to operating leases of \$2.4 million for business-type activities and \$292,224 for governmental activities. No future minimum sublease rentals related to capital leases are expected.

During the year ended June 30, 2020, the State incurred no contingent rentals related to capital and operating leases.

For Fiscal Year 2020, the State recorded building and land rent of \$76.3 million for governmental-type activities, \$23.1 million for business-type activities, and \$30,873 for fiduciary activities. The State also recorded equipment and vehicle rental expenditures of \$25.0 million and \$54.1 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 \$3.2 million of capital lease interest costs for governmental activities and \$1.2 million for business-type activities in Fiscal Year 2020.

In Fiscal Year 2020, the State entered into approximately \$20.7 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, 2020, for existing leases were as follows:

(Amounts in Thousands)

Fiscal Year(s)	Operating Leases		Capital Leases			
	Governmental	Business-Type	Governmental		Business-Type	
	Activities	Activities	Activities		Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 52,008	\$ 31,497	\$ 27,212	\$ 3,544	\$ 5,832	\$ 1,033
2022	47,743	29,423	26,044	2,852	5,231	871
2023	42,011	22,886	17,888	1,848	4,895	713
2024	39,508	19,646	13,578	1,259	3,482	563
2025	35,071	16,752	10,133	939	10,189	461
2026 to 2030	68,089	55,106	23,854	1,494	5,601	421
2031 to 2035	3,977	6,899	1,113	44	415	4
2036 to 2040	714	950	-	-	-	-
2041 to 2045	61	927	-	-	-	-
2046 to 2050	61	388	-	-	-	-
2051 to 2055	61	108	-	-	-	-
2056 to 2060	61	114	-	-	-	-
Thereafter	553	-	-	-	-	-
Total	\$ 289,918	\$ 184,696	\$ 119,822	\$ 11,980	\$ 35,645	\$ 4,066

SHORT-TERM DEBT

On July 24, 2019, the State Treasurer issued \$600.0 million of General Fund Tax Revenue Anticipation Notes (GTRAN), Series 2019A. The notes were due and payable on June 26, 2020, at a coupon rate of 4.033 percent. The total interest related to this issuance was \$22.3 million; however, the notes were issued at a premium of \$15.8 million, resulting in net interest costs (including the cost of issuance) of \$6.7 million and a yield of 1.144 percent. The notes were issued for cash management purposes and were repaid by June 26, 2020, 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 July 18, 2019, the State Treasurer issued \$400.0 million of Education Loan Program Tax and Revenue Anticipation Notes, Series 2019A. The notes were due and payable on June 29, 2020, at a coupon rate of 3.000 percent. The total interest related to this issuance was \$11.4 million; however, the notes were issued at a premium of \$6.9 million, resulting in net interest costs (including cost of issuance) of \$4.7 million or 1.150 percent. The notes matured on June 29, 2020, and were repaid.

On January 16, 2020, the State Treasurer issued \$400.0 million of Education Loan Program Tax and Revenue Anticipation Notes, Series 2019B. The notes were due and payable on June 29, 2020, at a coupon rate of 3.344 percent. The total interest related to this issuance was \$6.1 million; however, the notes were issued at a premium of \$4.4 million, resulting in net interest costs (including cost of issuance) of \$1.8 million or 0.908 percent. The notes matured on June 29, 2020, and were repaid.

On June 5, 2018, the Board of Regents of the University of Colorado issued the first tranche of Commercial Paper in the amount of \$40.0 million with a maturity of September 6, 2018. In Fiscal Year 2019, the University issued the second through eleventh tranches of commercial paper, totaling \$430.5 million and retired \$335.0 million. 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 while \$280.4 million of commercial paper was retired with the issuance of additional commercial paper.

On June 20, 2018, the Board of Governors of the Colorado State University System was authorized to issue Commercial Paper Notes in the aggregate principal amount not to exceed \$50.0 million as part of the Series A and

Taxable Series B 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, as defined. The notes are being used to finance certain projects, as determined by the Board, including but not limited to: the construction, acquisition, renovation, improvement, and equipping of the Richardson Design Center in Fort Collins; the Institute for Biological and Translational Therapies in Fort Collins; the JBS Global Food Innovation Center in Honor of Gary and Kay Smith in Fort Collins; the Semester at Sea Building in Fort Collins; the Western Colorado Research Center Orchard Mesa Research Station; Alumni Furniture; any other improvements to any of the campuses for which the Board has spending authority; and such other capital projects as may be designated by the Board (collectively the "Commercial Paper Improvement Projects").

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, 2020, 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, 2020:

	(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	184,700	350,627	(452,827)	82,500
Total Business Type Activities Short-Term Financing	184,700	350,627	(452,827)	82,500
Total Short-Term Financing	\$ 184,700	\$ 1,750,627	\$ (1,852,827)	\$ 82,500

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 \$1,860.6 million in available net revenue after operating expenses to meet the \$359.6 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 2020, the State recorded \$306.2 million of interest costs, of which \$105.8 million was recorded by governmental activities and \$200.4 million was recorded by business-type activities. The governmental activities interest cost primarily comprises \$6.1 million of Highway Users Tax Fund interest on Transportation Revenue Anticipation Notes issued by the Department of Transportation, \$16.9 million of interest on Certificates of Participation issued by the Judicial Branch, \$47.5 million of interest on Certificates of Participation issued by the State Treasurer for the Building Excellent Schools Today program and \$6.5 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 \$181.8 million of interest on revenue bonds issued by institutions of higher education, \$10.6 million of interest paid to lending institutions that made loans to students under the College Assist loan guarantee program, and \$7.9 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, 2020, are as follows:

(Amounts in Thousands)

Governmental Activities (Non-Direct Borrowings and Non-Direct Placements)					
Fiscal Year	Certificates of Participation		Totals		
	Principal	Interest	Principal	Interest	
2021	\$ 64,560	\$ 112,836	\$ 64,560	\$ 112,836	
2022	68,480	107,975	68,480	107,975	
2023	72,430	103,902	72,430	103,902	
2024	163,125	100,224	163,125	100,224	
2025	85,925	96,123	85,925	96,123	
2026 to 2030	605,065	408,622	605,065	408,622	
2031 to 2035	608,045	271,045	608,045	271,045	
2036 to 2040	616,655	137,601	616,655	137,601	
2041 to 2045	260,995	31,591	260,995	31,591	
2046 to 2050	4,745	158	4,745	158	
Subtotals	2,550,025	1,370,077	2,550,025	1,370,077	
Unamortized Prem/Discount	259,774	-	259,774	-	
Totals	\$ 2,809,799	\$ 1,370,077	\$ 2,809,799	\$ 1,370,077	

(Amounts in Thousands)

Governmental Activities (Direct Borrowings and Direct Placements)

Fiscal Year	Notes Payable		Certificates of Participation		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 2,270	\$ 95	\$ 3,735	\$ 2,541	\$ 6,005	\$ 2,636
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 to 2030	-	-	17,835	12,548	17,835	12,548
2031 to 2035	-	-	19,340	8,984	19,340	8,984
2036 to 2040	-	-	17,725	7,537	17,725	7,537
2041 to 2045	-	-	21,925	4,715	21,925	4,715
Subtotals	4,585	143	93,535	48,045	98,120	48,188
Unamortized Prem/Discount	-	-	254	-	254	-
Totals	\$ 4,585	\$ 143	\$ 93,789	\$ 48,045	\$ 98,374	\$ 48,188

(Amounts in Thousands)

Business-Type Activities (Non-Direct Borrowings and Non-Direct Placements)

Fiscal Year	Revenue Bonds		Mortgages Payable		Certificates of Participation		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 136,518	\$ 176,526	\$ 387	\$ 414	\$ 33,025	\$ 15,272	\$ 169,930	\$ 192,212
2022	141,707	171,249	404	397	34,455	13,829	176,566	185,475
2023	145,092	165,828	421	380	29,905	12,386	175,418	178,594
2024	146,214	159,828	439	362	31,175	10,950	177,828	171,140
2025	368,378	151,523	457	344	30,830	9,430	399,665	161,297
2026 to 2030	816,112	634,648	2,593	1,413	109,585	28,508	928,290	664,569
2031 to 2035	856,228	450,720	5,445	569	45,185	10,372	906,858	461,661
2036 to 2040	767,695	262,226	-	-	31,474	2,612	799,169	264,838
2041 to 2045	413,500	115,584	-	-	-	-	413,500	115,584
2046 to 2050	181,487	49,286	-	-	-	-	181,487	49,286
2051 to 2055	126,235	21,513	-	-	-	-	126,235	21,513
2056 to 2060	34,505	1,747	-	-	-	-	34,505	1,747
Subtotals	4,133,671	2,360,678	10,146	3,879	345,634	103,359	4,489,451	2,467,916
Unamortized Prem/Discount	283,421	-	-	-	29,243	-	312,664	-
Unaccrued Interest	(3,696)	-	-	-	-	-	(3,696)	-
Totals	\$ 4,413,396	\$ 2,360,678	\$ 10,146	\$ 3,879	\$ 374,877	\$ 103,359	\$ 4,798,419	\$ 2,467,916

(Amounts in Thousands)

Business-Type Activities (Direct Borrowings and Direct Placements)

Fiscal Year	Revenue Bonds		Notes Payable		Certificates of Participation		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 8,149	\$ 7,024	\$ 1,111	\$ 1,396	\$ 575	\$ 405	\$ 9,835	\$ 8,825
2022	9,359	6,853	1,097	1,362	2,570	451	13,026	8,666
2023	9,439	6,564	7,391	2,382	2,090	372	18,920	9,318
2024	10,674	6,241	17,044	3,081	2,065	323	29,783	9,645
2025	9,403	5,893	18,950	1,924	2,125	272	30,478	8,089
2026 to 2030	46,175	24,805	10,448	769	8,960	556	65,583	26,130
2031 to 2035	57,675	15,491	184	6	-	-	57,859	15,497
2036 to 2040	36,735	7,909	-	-	-	-	36,735	7,909
2041 to 2045	26,820	2,459	-	-	-	-	26,820	2,459
2046 to 2050	6,815	200	-	-	-	-	6,815	200
Subtotals	221,244	83,439	56,225	10,920	18,385	2,379	295,854	96,738
Unamortized Prem/Discount	2,548	-	-	-	(14)	-	2,534	-
Totals	\$ 223,792	\$ 83,439	\$ 56,225	\$ 10,920	\$ 18,371	\$ 2,379	\$ 298,388	\$ 96,738

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, 2020, 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
2021	\$ 575	\$ 202	\$ 1,288	\$ 2,065
2022	850	198	1,262	2,310
2023	925	194	1,230	2,349
2024	975	187	1,197	2,359
2025	1,000	181	1,162	2,343
2026 to 2030	9,675	784	5,009	15,468
2031 to 2035	14,125	435	2,771	17,331
2036 to 2040	8,635	70	449	9,154
Totals	\$ 36,760	\$ 2,251	\$ 14,368	\$ 53,379

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, 2020, 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
2021	-	\$ 420	\$ 1,189	\$ 1,609
2022	-	421	1,189	1,610
2023	-	421	1,189	1,610
2024	1,005	419	1,185	2,609
2025	1,005	412	1,167	2,584
2026 to 2030	9,040	1,918	5,432	16,390
2031 to 2035	20,385	1,417	4,015	25,817
2036 to 2040	13,105	929	2,630	16,664
2041 to 2045	15,300	486	1,376	17,162
2046 to 2050	6,815	52	148	7,015
Totals	\$ 66,655	\$ 6,895	\$ 19,520	\$ 93,070

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, 2020, 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
2021	-	\$ 4,511	-	\$ 4,511
2022	-	4,511	-	4,511
2023	-	4,511	-	4,511
2024	-	4,511	-	4,511
2025	-	4,511	-	4,511
2026 to 2030	1,950	22,554	(9,907)	14,597
2031 to 2035	7,755	22,443	(10,100)	20,098
2036 to 2040	8,875	21,255	(9,822)	20,308
2041 to 2045	4,415	18,892	(8,722)	14,585
2046 to 2050	36,910	16,242	(7,641)	45,511
2051 to 2055	48,835	6,865	(3,384)	52,316
Totals	\$ 108,740	\$ 130,806	\$ (49,576)	\$ 189,970

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, 2020, 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
2021	\$ -	\$ 1,097	\$ 922	\$ 2,020
2022	1,365	1,066	1,075	3,506
2023	1,415	1,033	1,042	3,491
2024	1,465	1,000	1,008	3,473
2025	1,535	964	973	3,472
2026 to 2030	8,590	4,244	4,281	17,115
2031 to 2035	10,405	3,135	3,162	16,702
2036 to 2040	12,615	1,790	1,805	16,210
2041 to 2045	10,320	277	279	10,876
Totals	\$ 47,710	\$ 14,606	\$ 14,549	\$ 76,865

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	\$ -	\$ -	\$ 2,789,320	\$ 2,789,320
Business Type Activities	5,681,025	12,450	560,263	\$ 6,253,738
Total	\$ 5,681,025	\$ 12,450	\$ 3,349,583	\$ 9,043,058

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	252,310	62,932	34,080	\$ 349,322
Total	\$ 252,310	\$ 84,007	\$ 151,500	\$ 487,817

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 \$36,760,000 and \$37,335,000 and a fair value of (\$12,838,000) and (\$9,164,000) at June 30, 2020 and 2019, 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, .166 percent and 1.601 percent at June 30, 2020 and 2019, 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, 2020 and 2019. On the date of the refunding of the Series 2010A Bonds, the fair market value of the swap was (\$6,999,000) 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, 2020 and 2019 was \$2,395,000 and \$1,853,000, respectively. Morgan Stanley, counterparty to the Swap Agreement, determined the fair value as of June 30, 2020 and 2019, 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, 2020, Morgan Stanley's credit rating is A3 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, 2020 and 2019 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, 2020 and 2019. 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 \$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 had a notional value of \$66.7 million and a negative fair value of \$5.0 million as of June 28, 2019. 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, 2019. 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, 2020 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 \$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, 2020 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, 2020, 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 Royal Bank of Canada (RBC) to the University. This was a part of the University's acquisition of most of the HLC's assets and liabilities discussed more in note 20. Because it was the intent of University management to attach the interest rate swap with the Series 2020 bonds that were issued on April 17, 2020 and all other intended assets and liabilities were transferred in fiscal year 2020, the University is reflecting the interest rate swap on the fiscal 2020 financial statements. 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 \$11.5 million as of June 30, 2020. 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, 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 (with a 1% floor) plus 150 basis points. This arrangement will produce an interest rate on the Series 2020 Bonds equal to approximately 4.612% and helps ensure the University can leverage a low interest rate in an otherwise unpredictable market. RBC, counterparty to the Swap Agreement, determined the fair value as of June 30, 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, 2020, 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 2020:

	(Amount in Thousands)				
	Beginning Balance July 1	Changes		Ending Balance June 30	Due Within One Year
		Additions	Reductions		
Governmental Activities					
Deposits Held In Custody For Others	\$ 9,556	\$ 79	\$ (8,231)	\$ 1,404	\$ 806
Accrued Compensated Absences	180,777	46,264	(13,865)	213,176	15,719
Claims and Judgments Payable	210,488	-	(12,071)	198,417	46,660
Capital Lease Obligations	123,600	20,962	(24,740)	119,822	27,212
Certificates of Participation from Direct Borrowings and Direct Placements	97,451	-	225,373	322,824	3,735
Certificates of Participation from Non-Direct Borrowings and Non-Direct Placements	2,055,104	802,647	(276,987)	2,580,764	64,560
Notes, Anticipation Warrants, Mortgages from Direct Borrowings and Direct Placements	6,805	-	(2,220)	4,585	2,270
Net Pension Liability	9,377,357	-	(1,572,566)	7,804,791	-
Other Postemployment Benefits	284,264	-	(51,084)	233,180	-
Other Long-Term Liabilities	267,983	8,596	(47,445)	229,134	-
Total Governmental Activities Long-Term Liabilities	12,613,385	878,548	(1,783,836)	11,708,097	160,962
Business-Type Activities					
Deposits Held In Custody For Others	48,946	-	(2,121)	46,825	46,800
Accrued Compensated Absences	377,692	79,937	(31,260)	426,369	28,747
Claims and Judgments Payable	43,971	8,311	(5,841)	46,441	1,273
Capital Lease Obligations	37,402	4,307	(6,064)	35,645	5,832
Derivative Instrument Liabilities	14,193	32,671	-	46,864	-
Bonds Payable from Direct Borrowings and Direct Placements	220,589	59,045	(57,250)	222,384	8,149
Bonds Payable from Non-Direct Borrowings and Non-Direct Placements	4,231,974	739,315	(556,485)	4,414,804	136,517
Certificates of Participation from Direct Borrowings and Direct Placements	20,842	-	(2,471)	18,371	575
Certificates of Participation from Non-Direct Borrowings and Non-Direct Placements	412,179	-	(37,302)	374,877	33,025
Notes, Anticipation Warrants, Mortgages from Direct Borrowings and Direct Placements	57,471	41	(1,286)	56,226	1,111
Notes, Anticipation Warrants, Mortgages from Non-Direct Borrowings and Non-Direct Placements	10,514	-	(369)	10,145	388
Net Pension Liability	4,237,019	-	(666,372)	3,570,647	-
Other Postemployment Benefits	1,015,792	-	(179,933)	835,859	-
Other Long-Term Liabilities	112,280	16,055	(23,735)	104,600	-
Total Business-Type Activities Long-Term Liabilities	10,840,864	939,682	(1,570,489)	10,210,057	262,417
Fiduciary Activities					
Deposits Held In Custody For Others	1,371,617	1,853,855	(1,362,222)	1,863,250	1,852,639
Accrued Compensated Absences	46	107	(14)	139	-
Claims and Judgments Payable	21,004	22,986	(21,004)	22,986	22,986
Other Long-Term Liabilities	614	32	(614)	32	-
Total Fiduciary Activities Long-Term Liabilities	1,393,281	1,876,980	(1,383,854)	1,886,407	1,875,625
Total Primary Government Long-Term Liabilities	\$ 24,847,530	\$ 3,695,210	\$ (4,738,179)	\$ 23,804,561	\$ 2,299,004

Accrued compensated absences and net pension liabilities 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 and net pension liabilities.

The amounts shown in the schedule above for the changes in Net Pension Liability are netted as increases for the governmental and business type activities because that information is not readily available. See Note 6 for additional pension information.

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 2020, debt was defeased in both governmental and business-type activities.

At June 30, 2020, 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	\$ 604,710
Business-Type Activities:	
University of Colorado	1,026,180
Colorado State University	421,885
Colorado School of Mines	34,000
Colorado Mesa University	10,000
Colorado Community College System	42,290
Department of Transportation	41,519
Total	<u>\$ 2,180,584</u>

The Department of Treasury issued \$230,530,000 of its State of Colorado Building Excellent Schools Today Certificates of Participation, Series 2019P and 2019Q to partially defease its State of Colorado Building Excellent Schools Today Certificates of Participation, Series 2012H and 2013I. The defeased debt had an interest rate of 3.95 percent, and the new debt had an interest rate of 2.35 percent. The remaining term of the debt was 16.2 years and the estimated debt service cash flows decreased by \$26,725,939. The defeasance resulted in an economic gain of \$22,789,732 and book loss of \$12,378,652 that will be amortized as an adjustment of interest expense over the remaining 16.2 years of the new debt.

The Board of Regents of the University of Colorado issued \$147,980,000 of its Enterprise Revenue Refunding Bonds, Series 2019A-1 to partially defease its Enterprise Revenue Refunding Bonds, Series 2010B, Series 2011A, Series 2012A-1, Series 2012A-2, Series 2012A-3, and Series 2013B. The defeased debt had an interest rate of 4.87 percent, and the new debt had an interest rate of 2.75 percent. The remaining term of the debt was 23 years and the estimated debt service cash flows decreased by \$17,034,461. The defeasance resulted in an economic gain of \$13,631,695 and book loss of \$6,980,625 that will be amortized as an adjustment of interest expense over the remaining 27 years of the new debt.

The Board of Regents of the University of Colorado issued \$101,885,000 of its Enterprise Revenue Refunding Bonds, Series 2019A-2 to partially defease its Enterprise Revenue Refunding Bonds, Series 2009C, Series 2010B, Series 2011A, Series 2012A-1, Series 2012A-3, Series 2014B-1, Series 2015A, Series 2015B, and Series 2016A. The defeased debt had an interest rate of 4.86 percent, and the new debt had an interest rate of 2.44 percent. The remaining term of the debt was 27 years and the estimated debt service cash flows decreased by \$10,263,193. The defeasance resulted in an economic gain of \$7,555,552 and book loss of \$5,987,320 that will be amortized as an adjustment of interest expense over the remaining 27 years of the new debt.

The Board of Governors of Colorado State University issued \$73,775,000 of its System Enterprise Revenue Refunding Bonds Taxable, Series 2019B to partially defease its System Enterprise Revenue Bonds Series 2012A, Series 2015E-1, and Series 2015E-2, and System Enterprise Revenue Refunding Bonds Series 2015-C and 2017-C. The defeased debt had an interest rate of 4.86 percent, and the new debt had an interest rate of 2.88 percent. The

remaining term of the debt was 23 years and the estimated debt service cash flows decreased by \$5,463,328. The defeasance resulted in an economic gain of \$4,186,622 and book loss of \$4,661,511 that will be amortized as an adjustment of interest expense over the remaining 23 years of the new debt.

The State Board of the Colorado Community College System issued \$25,150,000 of its Systemwide Revenue Refunding Bonds, Series 2019A to partially defease its Taxable Systemwide Revenue Bonds, Series 2010D. The defeased debt had an interest rate of 3.77-5.00 percent, and the new debt had an interest rate of 3.00-5.00 percent. The remaining term of the debt was 20 years and the estimated debt service cash flows did not change. The defeasance resulted in an economic gain of \$ 3,534,564 and book loss of \$ 1,093,144 that will be amortized as an adjustment of interest expense over the remaining 20 years of the new debt.

The Board of Trustees of the University of Northern Colorado issued \$32,855,000 of its Institutional Enterprise Revenue Refunding Bonds to partially defease its Institutional Enterprise Revenue Refunding Bonds, Series 2011A. The defeased debt had an interest rate of 4.82 percent, and the new debt had an interest rate of 2.48 percent. The remaining debt was defeased and the estimated debt service cash flows decreased by \$3,233,811. The defeasance resulted in an economic gain of \$2,822,220 and book loss of \$1,094,916 that will be amortized as an adjustment of interest expense over the remaining 12 years of the new debt.

The Board of Trustees of Colorado Mesa University issued \$11,250,000 of its Enterprise Revenue Refunding Bonds, Series 2020A to partially defease its Enterprise Revenue Refunding Bonds, Series 2012A and Series 2012B. The defeased debt had an interest rate of 3.27-3.60 percent, and the new debt had an interest rate of 2.56 percent. The remaining term of the debt was 14 years and the estimated debt service cash flows decreased by \$122,678. The defeasance resulted in an economic gain of \$1,029,542 and book loss of \$1,021,740 that will be amortized as an adjustment of interest expense over the remaining 14 years of the new debt.

The Colorado Bridge Enterprise issued \$38,740,000 of its Series 2019A Bonds to partially defease its Series 2010A Bonds. The defeased debt had an interest rate of 6.08 percent, and the new debt had an interest rate of 4.00 percent. The remaining term of the debt was 7.5 years and the estimated debt service cash flows decreased by \$10,368,958. The defeasance resulted in an economic gain of \$4,193,239 and book loss of \$1,939,666 that will be amortized as an adjustment of interest expense over the remaining 7.5 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 (DPHE).

The State's total amount of pollution remediation obligations as of June 30, 2020 was \$220.9 million (\$3.7 million of which was a current liability). Individually significant pollution remediation obligations are disclosed below:

- DPHE recorded a liability for remediation activities in the Clear Creek Basin of approximately \$107.1 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 2021, increasing to approximately \$3.3 million in 2028, with a projected annual increase of 2 percent thereafter. Beginning in 2018, 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, ending in 2028. 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.

- DPHE recorded a liability for remediation activities at the Summitville Mine of approximately \$88.1 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 2021. Beginning in Fiscal Year 2022, 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, 2020, the State has \$3.1 million in recoveries funded from other responsible parties.
- DPHE 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 \$9.3 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 \$90,000 in Fiscal Year 2021, approximately \$50,000 in Fiscal Year 2022, and approximately \$200,000 in Fiscal Year 2023 for the project's completion. Beginning in 2023, the State's share of operation and monitoring costs will be 10 percent and will continue through 2033. Annual ongoing projected costs for subsurface remedy average \$55K per year until 2034 when the State assumes 100% share of O&M and projected costs increase to \$400K per year. 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 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, 2020.

(Amounts in Thousands)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Deferred Outflows of Resources:		
Asset Retirement Obligations	\$ -	\$ 955
Refunding Losses	26,762	160,511
Derivatives	-	39,926
Other	3,026	41
Other Post Employment Benefits	19,760	59,408
Pensions	<u>2,299,118</u>	<u>273,280</u>
	<u>2,348,666</u>	<u>534,121</u>
Deferred Inflows of Resources:		
Refunding Gains	-	747
Nonexchange Transactions	-	2
Other	17,390	1,684
Unavailable Revenue	795	-
Service Concession Arrangements	-	130,739
Other Post Employment Benefits	49,592	304,124
Pensions	<u>3,636,607</u>	<u>1,481,111</u>
	<u>\$ 3,704,384</u>	<u>\$ 1,918,407</u>

NOTE 15 – NET POSITION AND FUND BALANCE

PRIOR PERIOD ADJUSTMENTS AND ACCOUNTING CHANGES TO NET POSITION

A. PRIOR PERIOD ADJUSTMENTS

Beginning net position was restated from the following prior period adjustments:

- Department of Natural Resources (Parks and Wildlife): Correct prior year depreciation.
- Department of Public Health and Environment: Correct federal revenues.
- Department of Health Care Policy and Financing: Correct software capitalization.
- History Colorado: Correction of completion dates and depreciation on the History Colorado Center.

<i>(Amounts in Thousands)</i>	Statement of Net Position	Governmental Funds	Proprietary Funds
	Other Measurement Focus Adjustments	General Fund	Health Care Affordability
Department			
Department of Natural Resources	9,301		
Department of Public Health and Environment		(8,195)	
Department of Health Care Policy and Financing	16,045		11,209
History Colorado	2,544		
	\$ 27,890	\$ (8,195)	\$ 11,209

B. ACCOUNTING CHANGES

During Fiscal Year 2020, the Auraria Higher Education Center adopted GASB Statement No. 84, *Fiduciary Activities*. The core objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported for all state and local governments. The adoption of Statement No. 84 increased the Higher Education Institution’s Fund beginning net position by \$2.4 million for Fiscal Year 2020 from \$82.5 million to \$84.9 million.

The State reevaluated thresholds used to determine when it reports component units for which the State is financially accountable. As a result, the Statewide Internet Portal Authority is included in this report. Beginning net position was increased \$6.2 million.

FUND BALANCE

On the *Balance Sheet – Governmental Funds*, the fund balance is comprised of the following (refer to Note 1 for additional information):

(Amounts in Thousands)

	<u>Restricted Purposes</u>	<u>Committed Purposes</u>	<u>Assigned Purposes</u>
GENERAL FUND			
General Government	\$ 399,148	\$ 432,921	\$ 35,241
Business, Community and Consumer Affairs	-	92,070	-
Education	424,380	22,652	-
Health and Rehabilitation	-	4,234	-
Justice	-	6,237	-
Natural Resources	-	405	-
Social Assistance	-	59,654	-
Transportation	-	-	-
TOTAL	<u><u>\$ 823,528</u></u>	<u><u>\$ 618,173</u></u>	<u><u>\$ 35,241</u></u>
FEDERAL SPECIAL REVENUE			
	21,350	-	-
TOTAL	<u><u>\$ 21,350</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Highway Users Tax			
General Government	\$ 80,857	\$ 36,979	\$ -
Health and Rehabilitation	300	-	-
Justice	2,238	703	-
Natural Resources	466	-	-
Transportation	817,101	13,731	-
TOTAL	<u><u>\$ 900,962</u></u>	<u><u>\$ 51,413</u></u>	<u><u>\$ -</u></u>
OTHER GOVERNMENTAL FUNDS			
General Government	\$ 264,702	\$ 1,869,271	\$ -
Business, Community and Consumer Affairs	81,306	489,991	-
Education	174,737	79,351	-
Health and Rehabilitation	16,410	84,845	-
Justice	5	187,770	-
Natural Resources	20,744	1,109,577	-
Social Assistance	581	64,602	-
Transportation	-	106,709	-
TOTAL	<u><u>\$ 558,485</u></u>	<u><u>\$ 3,992,116</u></u>	<u><u>\$ -</u></u>

STABILIZATION ARRANGEMENTS

In accordance with Section 24-75-201.1(1)(d) C.R.S., the State maintains a General Purpose Revenue Fund statutory reserve for purposes of budget stabilization. For Fiscal Year 2020, the reserve is calculated as three and seven 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. In Fiscal Year 2020 there was no use of the reserve for fiscal year 2020. As of June 30, 2020, on a legal budgetary basis the reserve was \$361.3 million. Refer to Note 1 and to Note RSI-4 for additional information.

Article XXIV Section 1 of the State Constitution created the Old Age Pension Stabilization Fund, which is reported as a component of the General Fund – Special Purpose Funds. The fund is maintained at \$5.0 million and is only accessible through appropriation for old age pension basic minimum awards. Historically, the reserves in the fund have not been accessed.

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 2020.

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 overexpenditures.

	(In Thousands)	
	Enterprise Funds	Internal Service Funds
State Lottery	\$ (25,205)	\$ -
Correctional Industries	(30,893)	-
State Nursing Homes	(55,331)	-
Petroleum storage Tank	(7,153)	-
Unemployment Insurance	(1,531)	-
Central Services	-	(10,326)
Information Technology	-	(280,309)
Capitol Complex	-	(8,587)
Highways	-	(2,164)
Administrative Courts	-	(14,152)
Legal Services	-	(87,382)
Other Internal Service Funds	-	(4,413)
	<u>\$ (120,113)</u>	<u>\$ (407,333)</u>

NOTE 16 – INTERFUND TRANSACTIONS

INTERFUND BALANCES

Interfund balances at June 30, 2020, consisted of the following:

DUE FROM						
(DOLLARS IN THOUSANDS)	General	Federal Special Revenue	Highway Users Tax Fund	Other Governmental Funds	Higher Education Institutions	Healthcare Affordability
DUE TO						
General	\$ -	\$ 4,129	\$ 18	\$ 31,501	\$ 702	\$ 16,903
Highway Users Tax Fund	-	-	-	699	-	-
Other Governmental Funds	330,630	2,523	-	207	6	139,532
Higher Education Institutions	11,940	-	100	3,061	-	-
Other Enterprises	2,728	-	33	-	126	-
Internal Service Funds	93	-	153	3	14	-
Pension and Other Employee Benefit Trust	24	-	-	10	1,823	-
Private Purpose Trust	-	-	-	-	-	-
Agency	-	-	-	-	-	-
Total	\$ 345,415	\$ 6,652	\$ 304	\$ 35,481	\$ 2,671	\$ 156,435

DUE FROM						
(DOLLARS IN THOUSANDS)	Other Enterprises	Internal Service Funds	Pension and Other Employee Benefit Trust	Private Purpose Trust	Agency	Total
DUE TO						
General	\$ 16,307	\$ 494	\$ 3	\$ -	\$ -	\$ 70,057
Highway Users Tax Fund	-	-	-	-	-	699
Other Governmental Funds	24,042	70	-	-	134	497,144
Higher Education Institutions	294	-	1	-	-	15,396
Other Enterprises	3,865	-	-	317	-	7,069
Internal Service Funds	-	-	-	-	-	263
Pension and Other Employee Benefit Trust	1	2	-	-	-	1,860
Private Purpose Trust	12,022	-	-	-	-	12,022
Agency	18,476	-	-	-	-	18,476
Total	\$ 75,007	\$ 566	\$ 4	\$ 317	\$ 134	\$ 622,986

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.

As part of the State's response to the COVID-19 emergency, the Governor extended the 2019 income tax payment deadline to July 15, 2020. This delay in income tax receipts caused temporary deficit cash balances in some funds. To address this timing issue, the State made temporary loans between funds. On June 30, 2020, these temporary loans account for \$322.7 million of the \$330.6 million reported as due from the General Fund to Other Governmental Funds and full amount of \$139.5 million reported as due from the Healthcare Affordability to Other Governmental Funds.

The balance of \$31.5 million due from Other Governmental Funds to the General Fund consists primarily of \$25.5 million due from the Gaming Fund.

Other Governmental Funds report an internal receivable of \$24.0 million from Other Enterprises. Most of this balance, \$16.9 million, reflects outstanding loans payable from the Parks and Wildlife Fund to the Resource Extraction Fund; \$16.2 million of these loans are not expected to be repaid within one year.

Other Enterprises owed Agency Funds \$18.5 million. This is the amount of fourth quarter State Lottery Fund revenues owed to the Great Outdoors Colorado Agency Fund, which is managed by the Department of Treasury.

The Healthcare Affordability Fund had a payable to the General Fund of \$16.9 million. This amount represents Medicaid payments to providers in Fiscal Year 2020 for which the State was reimbursed in Fiscal Year 2021 due to the timing of the receipt of federal monies into the Healthcare Affordability Fund.

The \$16.3 million due to the General Fund from Other Enterprises primarily consists of the amounts owed from the Lottery Fund to the Conservation Trust Fund, which is reported in the Other Special Purpose component of the General Fund.

The \$12.0 million due from Other Enterprise Funds to Private Purpose Trust Funds represents the amount owed from the CollegeInvest Administration Fund to the College Savings Plan Fund.

A majority of the \$11.9 million owed from the General Fund to Institutions of Higher Education, \$6.7 million, was due from the Department of Higher Education for various purposes.

INTERFUND TRANSFERS

Interfund transfers for Fiscal Year 2020, consisted of the following:

TRANSFER FROM						
(DOLLARS IN THOUSANDS)						
	General	Federal Special Revenue	Highway Users Tax Fund	Other Governmental Funds	Higher Education Institutions	Healthcare Affordability
TRANSFER TO						
General	\$ -	\$ 3	\$ 24,017	\$ 435,352	\$ 6,336	\$ 16,453
Highway Users Tax Fund	283,595	-	-	175,535	-	-
Other Governmental Funds	549,814	-	41,281	85,817	-	-
Higher Education Institutions	312,966	-	-	167,985	-	-
Transportation Enterprise	40	-	-	-	-	-
Unemployment Insurance	56	-	-	-	-	-
Other Enterprises	5,381	-	-	5,797	-	-
Internal Service Funds	48	-	-	4,966	-	-
Pension and Other Employee Benefit Trust	-	-	-	1,576	-	-
Private Purpose Trust	1	-	-	-	-	-
Total	\$ 1,151,901	\$ 3	\$ 65,298	\$ 877,028	\$ 6,336	\$ 16,453

TRANSFER FROM						
(DOLLARS IN THOUSANDS)						
	Unemployment Insurance	Other Enterprises	Internal Service Funds	Pension and Other Employee Benefit Trust	Private Purpose Trust	Total
TRANSFER TO						
General	\$ 2,755	\$ 74,025	\$ 6,916	\$ 205	\$ 35	\$ 566,097
Highway Users Tax Fund	-	-	-	-	-	459,130
Other Governmental Funds	-	21	81	-	-	677,014
Higher Education Institutions	-	-	-	-	-	480,951
Transportation Enterprise	-	-	-	-	-	40
Unemployment Insurance	-	-	-	-	-	56
Other Enterprises	-	14,244	-	-	-	25,422
Internal Service Funds	-	-	366	-	-	5,380
Pension and Other Employee Benefit Trust	-	-	-	-	-	1,576
Private Purpose Trust	-	-	-	-	-	1
Total	\$ 2,755	\$ 88,290	\$ 7,363	\$ 205	\$ 35	\$ 2,215,667

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 \$549.8 million transferred from the General Fund to Other Governmental Funds includes \$181.7 million to the Capital Projects Fund. Also, as directed by SB 17-267, \$146.2 million of Marijuana Sales Tax Revenues were transferred to the Marijuana Tax Cash Fund, which is reported in Other Special Revenue Funds.

Transfers from Other Governmental Funds to the General Fund totaled \$435.4 million. This includes transfers into the Public School Capital Construction Assistance Fund, an Other Special Purpose component of the General Fund, of \$89.8 million from the Retail Marijuana Excise Tax Fund, an Other Special Revenue Fund, and \$78.5 million from the State Lands Fund.

General Fund transfers to Higher Education Institutions totaled \$313.0 million. The majority of these transfers, \$173.0 million, were for student financial aid.

\$283.6 million was transferred from the General Fund to the Highway Users Tax Fund to fund state and local transportation needs.

There were \$175.5 million of transfers from Other Governmental Funds to the Highway Users Tax Fund. This primarily consist of \$173.2 million transferred from the Capital Projects.

\$168.0 million is reported as transfers from Other Governmental Funds to Higher Education Institutions. The largest of these transfers was a \$119.5 million transfer 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 2020, the following pledges were in place:

The Department of Transportation Statewide Bridge Enterprise pledged \$112.4 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 \$541.3 million of the pledge commitment remains outstanding.

The Department of Transportation High-Performance Transportation Enterprise (HTPE) C-470 Express Lanes Senior Revenue Bonds, Series 2017 was issued in the amount of \$161.0 million for the purpose of paying or reimbursing 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 future pledged revenue stream of \$417.7 million will be used to pay the interest and principal of the 2017 Series issue of these Senior Revenue Bonds. 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 \$417.7 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 \$1.7 billion. Individually significant Higher Education Institution pledges include:

- \$1.3 billion (net) pledged by the University of Colorado to secure \$135.3 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 2049. The pledged revenue represents approximately 76.2 percent of the revenue stream, and \$2.3 billion of the pledge (principal and interest) remains outstanding.
- \$169.5 million (net) pledged by Colorado State University to secure \$94.8 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 2010 and has a final maturity date of Fiscal Year 2055. The pledged revenue represents 54.5 percent of the total revenue stream, and \$1.8 billion of the pledge (principal and interest) remains outstanding.
- \$56.1 million (net) pledged by the Colorado School of Mines to secure \$21.1 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 80.0 percent of the revenue stream, and \$455.8 million of the pledge (principal and interest) remains outstanding.

- \$42.5 million (gross) pledged by Metropolitan State University of Denver to secure \$8.4 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 \$200.1 million of the pledge (principal and interest) remains outstanding.
- \$30.9 million (net) pledged by Colorado Mesa University to secure \$13.8 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 62.0 percent of the revenue stream and \$347.4 million of the pledge (principal and interest) remains outstanding.
- \$41.6 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 47.4 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. \$202.9 million of the pledge (principal and interest) remains outstanding.
- \$10.4 million pledged by the Auraria Higher Education Center to secure \$6.3 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 54.3 percent of the net and 100 percent of the gross auxiliary revenue stream. \$67.7 million of the pledge (principal and interest) remains outstanding.
- \$10.6 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 40.7 percent of the revenue stream, and \$157.7 million of the pledge (principal and interest) remains outstanding.
- \$7.7 million (net) pledged by Adams State University to secure \$3.6 million of current principal and interest on debt issued to improve facilities and refund bonds issued in the past. The related debt was originally issued in Fiscal Year 2009 and has a final maturity date of Fiscal Year 2043. The pledged revenue represents approximately 50.0 percent of the revenue stream and \$98.1 million of the pledge (principal and interest) remains outstanding.
- \$7.8 million (gross) pledged by Front Range Community College to secure \$1.6 million of current principal and interest on debt issued to finance capital construction projects. The debt issuances had an earliest origination date of Fiscal Year 2010 and furthest maturity date of Fiscal Year 2048. The pledged revenue represents 10 percent of the tuition revenue stream and 100 percent of the fee and other revenues revenue stream, and \$23.2 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	\$ 2,425,323	\$ (673,165)	\$ 1,752,158	\$ 186,477	\$ 155,530	\$ 342,007
Statewide Bridge Enterprise	112,362	-	112,362	-	17,699	17,699
	<u>\$ 2,537,685</u>	<u>\$ (673,165)</u>	<u>\$ 1,864,520</u>	<u>\$ 186,477</u>	<u>\$ 173,229</u>	<u>\$ 359,706</u>

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 \$20.8 million.

The University of Colorado reported net appreciation on endowment investments of \$18.1 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 \$2.4 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.

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
- Pinnacle 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 University of Colorado Health (UCHealth), a related party, 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 2020, UCHealth paid the University \$83.1 million, and the University paid UCHealth \$13.1 million. At June 30, 2020, the University had accounts receivable from UCHealth of \$4.3 million and \$0.1 million of accounts payable to UCHealth.

The University of Colorado Health and Welfare Trust exists to provide healthcare benefits to employees of the Trust's members, which are the University of Colorado, the University of Colorado Hospital Authority, and University Physicians Inc., d/b/a CU Medicine. The Trust provides healthcare benefits on a self-insured basis where risks are transferred to the pool. The University is not financially accountable for the Trust. During Fiscal Year 2020, the Trust paid medical claims on behalf of the University of \$242.2 million. The University made contributions of \$246.7 million to the Trust and its employees contributed \$32.2 million. At June 30, 2020, the University had no accounts receivable and no accounts payable to the Trust.

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 2020, the Board awarded \$102.7 million to the Division of Parks and Wildlife at the Department of Natural

Resources. At June 30, 2020, the amount the Division spent on GOCO grants was \$49.0 million, and GOCO owed the Department of Natural Resources \$17.3 million.

The Colorado Health Benefit Exchange, operating as Connect for Health Colorado, operates the State's health insurance marketplace. During Fiscal Year 2020, the Colorado Health Benefit Exchange received \$3.0 million in payments from the State for eligibility determinations and system changes, and the State received \$0.6 million from Connect for Health Colorado related to programming and project changes for the Colorado Benefits Management System (CBMS).

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 2020, 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 \$130.7 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	\$ 58,034
U.S. 36 Phase II	Managed Lanes	\$ 93,221,894
U.S. 36 Phase II	36 Tolling Stations	\$ 186,611

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 \$78.4 million, \$141.4 million and \$1.4 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, 2020, \$10.2 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.

The State is the defendant in lawsuits involving various claims of noncompliance with federal regulations, negligence, and unconstitutional treatment of prisoners. In some of these suits, plaintiffs are seeking or have obtained certification as a class for a class action suit. Most of these cases seek actual damages that are not material, but include requests for punitive damages that may be material. There is also the potential that the courts may rule that the current conditions of confinement, Medicaid coverage, or residential services are unconstitutional, which could result in significant future construction, medical, or residential services costs that are not subject to reasonable estimation.

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.

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.

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.

Plaintiffs have asked the court to declare that the State's inmate work programs constitute slavery or involuntary servitude in violation of Colorado Constitution article II, section 26 and the equal protection guarantee in the Fourteenth Amendment of the U.S. Constitution. The complaint does not seek compensatory damages, but seeks an order requiring defendants to reimburse all Colorado inmates at the minimum wage rate or higher retroactively to December 19, 2018, which could exceed \$5.0 million. The case is in its earliest stages and so the likelihood of an unfavorable outcome is uncertain.

Multiple lawsuits have been filed against the Department of Higher Education on behalf of all students enrolled at three state institutions of higher education 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 \$5.0 million each.

The State 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 million in compensatory damages, a reliable loss or range of loss cannot be estimated at this time. There is a 50% likelihood of an unfavorable outcome.

TAXPAYER BILL OF RIGHTS (TABOR) COMPLIANCE

TABOR is a constitutional measure that limits the State's annual growth of State revenues or spending to the sum of the annual inflation rate and the annual percentage change in the State's population.

A lawsuit was filed challenging the constitutionality of specific fees assessed by the State for certain public services. The plaintiffs allege that the State is not compliant with TABOR and consequently the fees are unconstitutional. The plaintiff is seeking in excess of \$12.8 billion in damages through Fiscal Year 2021 plus 10 percent interest from Fiscal Year 2011 to present. The State is vigorously defending against this lawsuit, and the likelihood for an unfavorable outcome is uncertain. Both the District Court and the Court of Appeals ruled in favor of the State to dismiss the case. The petition is now awaiting a decision from the Colorado Supreme Court.

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 three programs during the fiscal year: Colorado Enterprise Zone Business and Contribution Tax Credits, Job Growth Incentive 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 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, 2020 is as follows:

Tax Abatement Program	Amount of Taxes Abated (in thousands)
Colorado Enterprise Zone Business Tax Credits	\$ 92,240.3
Colorado Enterprise Zone Contribution Tax Credits	14,244.7
Job Growth Incentive Tax Credits	26,684.1
Regional Tourism Act	11,720.3
Total	\$144,889.4

NOTE 21 – SUBSEQUENT EVENTS

A. DEBT ISSUANCES AND REFUNDINGS

On July 1, 2020, the University of Colorado issued 1) Series 2020A-1 Tax-exempt Enterprise Revenue (Variable Rate Demand Bonds (Green Bonds) for \$100.0 million to fund continued construction on the Anschutz Health Science Building (AHSB). It also issued Series 2020A-2 Tax-exempt Enterprise Revenue (Variable Rate Demand Bonds) for \$75.0 million to fund continued construction on the Imig music building on the Boulder campus and to fund construction on Anschutz Research Basement Build-out projects and AHSB. Additionally it issued Series 2020B-1 Tax-exempt Enterprise Revenue and Refunding (Variable Rate Demand Bonds) for \$50.0 million to refund the existing Commercial Paper debt outstanding. Initial interest rates are reset weekly, daily and daily on the respective bonds. The first interest payment was due August 3, 2020. Interest rate will not exceed 12% per annum. The bonds are subject to optional and mandatory sinking fund redemptions. Final maturity is June 1, 2050. In the event that remarketing proceeds are insufficient, a separate Standby Bond Purchase Agreement supports the payment of principal and interest.

On July 10, 2020, the University of Colorado issued Series 2020B-2 Taxable Enterprise Refunding Revenue Bonds for \$140.9 million for refunding projects consisting of three components. The first component is a taxable advance refunding for savings of a portions of the Series 2014B-1, Series 2015A, and Series 2016A of \$49.8 million. The second component is to restructure debt to provide budget relief in fiscal year 2021 and 2022 by defeasing \$60.3 million of principal due on June 1, 2021 and 2022 and associated interest of \$3.9 million. The third component entails paying a portion of interest of \$26.5 million due on December 1, 2020 and June 1, 2021. The refundings provide budget relief of \$57.1 million and \$30.7 million for FY21 and FY22 respectively. Interest rates range from .53% to 2.81% for the 2020B2 Series. The first interest payment date is December 1, 2020. The final maturity of the 2020B2 Bonds is June 1, 2048.

On July 16, 2020, Colorado State University System issued \$230.0 million in Taxable Series 2020 A System Enterprise Refunding Bonds. The 2020A Bonds will be used to refund a portion of the debt service for the following series: 2010B, 2012A, 2012B, 2013A, 2013D, 2013E, 2015B, 2015C, 2015E-2, 2015F, 2016A, 2016B, 2017A, 2017B, 2017D, 2017E, 2017F, 2018A, 2019A and 2019B. The 2020A Bond will also be used to pay certain costs relating to the issuance of the 2020A Series Bonds.

On March 1, 2021, Colorado State University System issued \$115.0 million in Taxable Series 2021A System Enterprise Refunding Bonds and \$115.0 million in Taxable Series 2021B System Enterprise Refunding Bonds. The 2021A and 2021B bonds will be used to fully refund the Taxable Series 2020A debt service. The 2021A and 2021B Series have a fixed interest rate of 0.72% with a final payment on March 1, 2024.

The State of Colorado Colorado Department of Transportation Second Amended and Restated Headquarters Facilities Lease Purchase Agreement Refunding Certificates of Participation, Series 2020, were issued on August 5, 2020 for \$19.1 million, with an original issue premium of \$3.7 million, to mature in 2041. The issuance was a partial refunding to defease the 2041 term certificate of the State of Colorado Colorado Department of Transportation Headquarters Facilities Lease Purchase Agreement Refunding Certificates of Participation, Series 2016, in the amount of \$22.3 million.

On August 4, 2020, the State issued Education Loan Program Tax and Revenue Anticipation Notes (ETRAN), Series 2020A. The notes mature on June 29, 2021. The total due on that date includes \$410.0 million in principal and \$13.0 million in interest. By statute, interest on the notes is payable from the General Fund. The ETRAN was issued with a premium of \$12.3 million, an average coupon rate of 3.51%, and a true interest cost of 0.20%.

On August 6, 2020, the State issued General Fund Tax and Revenue Anticipation Notes (GTRAN), Series 2020. The notes mature on June 25, 2021. The total due on that date includes \$600.0 million in principal and \$21.3 million in interest. The GTRAN was issued with a premium of \$20.3 million, an average coupon rate of 4.00%, and a true interest cost of 0.19%.

On December 9, 2020, the State issued Building Excellent Schools Today (BEST) Certificates of Participation (COPs), Series 2020R in the amount of \$98.0 million. The COPs were issued as tax exempt bonds with a premium of \$19.9

million, an average coupon rate of 4.13%, and a true interest cost of 2.66%. Base Rents are due semiannually beginning on March 15, 2021, with a final maturity date of March 15, 2045.

On January 28, 2021, the State issued Education Loan Program Tax and Revenue Anticipation Notes (ETRAN), Series 2020B. The notes mature on June 29, 2021. The total due on that date includes \$390.0 million in principal and \$5.0 million in interest. By statute, interest on the notes is payable from the General Fund. The ETRAN was issued with a premium of \$4.9 million, an average coupon rate of 3.06%, and a true interest cost of 0.08%.

On February 24, 2021, the State issued Higher Education Certificates of Participation (COPs), Series 2020 in the amount of \$64.3 million. The COPs were issued with a premium of \$16.8 million, an average coupon rate of 4.20%, and a true interest cost of 1.84%. Base Rents are due semiannually beginning on September 01, 2021, with a final maturity date of September 01, 2041.

On December 31, 2020, an amendment to the pricing certificate for the Metropolitan State University of Denver's Series 2020 bonds was executed, resulting in a change to the interest rate payable to JP Morgan Chase Bank. Prior to the amendment these bonds had a variable interest rate equal to 80% of LIBOR with a 1% LIBOR floor plus 150 basis points per annum. However, the amendment removed the 1% LIBOR floor with all other terms and conditions unchanged. Should the rates stay where they are as of this report date, this modification is expected to result in approximately \$4 million in interest savings over the life of the bond.

On September 23, 2020 the Board of Trustees for Fort Lewis College issued its Enterprise Refunding Revenue Bonds, Tax Exempt Series 2020A-1 in the aggregate principal amount of \$685 thousand, its Enterprise Refunding Revenue Bonds, Taxable Series 2020A-2 in the aggregate principal amount of \$1.2 million, its Enterprise Refunding Revenue Bonds, Tax Exempt Series 2020B-1 in the aggregate principal amount of \$535 thousand, and its Enterprise Refunding Revenue Bonds, Taxable Series 2020B-2 in the aggregate principal amount of \$2.6 million to (a) pay and defease certain maturities of the College's outstanding Series 2016A Bonds, Series 2016B bonds, and Series 2016C bond, as set forth below, (b) refund other interest payable on certain of the remaining outstanding portions of the Series 2016A Bonds and Series 2016B bonds, and (c) to pay certain costs relating to the issuance of the Series 2020 bonds. Interest rates for Series 2020A-1 bonds range from 2 percent to 2.25 percent, the first interest payment is due April 1, 2021, and the final maturity is October 1, 2033. Interest rates for Series 2020A-2 bonds range from 1.25 percent to 3 percent, the first interest payment is due April 1, 2021, and the final maturity is October 1, 2033. Interest rates for Series 2020B-1 bonds range from 2 percent to 2.75 percent, the first interest payment is due April 1, 2021, and the final maturity is October 1, 2038. Interest rates for Series 2020B-2 bonds range from 1.25 percent to 3.25 percent, the first interest payment is due April 1, 2021, and the final maturity is October 1, 2038.

<u>Bond Series</u>	<u>Maturities (October 1)</u>	<u>Par Amount to be Escrowed to Maturity</u>
Series 2016A Bonds	2020	\$ 545,000
	2021	560,000
Series 2016B Bonds	2020	510,000
	2021	980,000
Series 2016C Bonds	2020	120,000
	2021	125,000
		<u>\$ 2,840,000</u>

The face value of the defeased debt was \$2.8 million and the face value of the new debt is \$4.9 million. The interest rate of the defeased debt ranged from 2 percent to 4 percent and the interest rate of the new debt ranges from 1.25 percent 3.25 percent. The sum of the debt service of the defeased debt was \$4.7 million and the debt service of the

new debt is \$6.3 million, with a loss of \$1.5 million in cash flows. Present values of the debt service cash flow resulted in an economic loss of \$495 thousand. Issuance costs were \$119 thousand.

On December 1, 2020, the Colorado School of Mines issued its Series 2020 Institutional Enterprise Revenue Refunding Bond in the principal amount of \$15.7 million. The Bond's interest rate is 2.02% per annum and will be paid semiannually on December 1 and June 1 until the Bond matures on December 1, 2030. The proceeds of the issuance will be used to pay and cancel the School's outstanding 2010B Bonds and to pay and cancel, or refund and defease, the School's outstanding 2012B Bonds.

On October 14, 2020, the State of Colorado Issued the State of Colorado National Western Center Lease Purchase Financing Program Certificates of Participation (COPs) Series 2020A (Tax-Exempt) and Series 2020B (Federally Taxable). The proceeds of the COPs will be used to finance the construction of certain facilities at the National Western Center Complex in Denver, pay capitalized interest on this issuance and the Series 2018 COPs, and pay the costs of execution and delivery and other expenses related to this issuance. The proceeds of the Series 2020A COPs were \$68.7 million and the proceeds of the Series 2020B COPs were \$44.2 million. The Series 2020A COPs begin maturing in 2022 with a final maturity date in 2033 and have an interest rate of 5.0%. The Series 2020B COPs mature from 2033 through 2036 and have interest rates varying between 2.427% and 2.727%.

B. OTHER

In July of 2020, the Colorado School of Mines entered into a long-term lease agreement for a newly constructed dormitory. The School will pay 4.41% interest over 30 years. The lease has a principal value of \$44.2 million with annual payments totaling \$2.7 million.

On August 4, 2020, three bonds held by Auraria Higher Education Center (2015 COPs, 2015 Student Fee Bonds, 2017 COPS) were modified by deferring the next annual principal payment and extending the maturity date by one year each. The June 30, 2020 financial statement have been adjusted to reflect these modifications. On January 15, 2021, an additional bond held by Auraria Higher Education Center (Parking Enterprise Revenue Refunding Bonds, Series 2016) was modified by deferring the next annual principal payment and extending the maturity date by one year.

Tolling commenced on the C-470 managed lanes on August 18, 2020. The C-470 project increased mobility and user choice on a 12.5-mile stretch of C-470, primarily between I-25 and Wadsworth Boulevard. Over 100,000 motorists currently use this segment of C-470 each day, with traffic volumes projected to increase. To fund the project, the High Performance Transportation Enterprise received credit assistance under the Transportation Infrastructure Finance and Innovation Act for \$106.0 million and \$176.5 million in toll revenue backed bonds.

From August 18, 2020, through March 2, 2021, the Department of Labor and Employment borrowed \$877.9 million on a line of credit with the United States Treasury. The borrowing began when the Unemployment Insurance Trust Fund became insolvent. The borrowed funds were used to continue benefits payments from the Federal Unemployment Account. The CARES Act allows for this borrowing at zero percent interest until March 14, 2021.

The Colorado Energy Office has a loan in the Revolving Loan Fund that is in default. The current outstanding loan is \$1.3 million. The loan is collateralized by IP rights to grid load balancing software. The borrower has unsuccessfully attempted to sell the software and IP rights. The Colorado Energy Office was in negotiations to take possession of the software and sell it to a third party for \$15 thousand but the third party backed out. Since then, the Colorado Energy Office has determined the software to have no value.

The University of Colorado plans to sell its CU South Denver campus in Douglas County, which it was gifted in 2015. After going through several due diligence assessments, University leadership determined the facility is not financially viable. In October 2020, JLL, the State of Colorado-contracted real estate services firm was selected to market the property, and valued it at different ranges, depending upon potential use. The net book value of the land, building, and improvements was \$37,008,000 as of June 30, 2020.

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), HLC @ Metro, Inc. (HLC), 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, 2019 and the financial information for HLC and SIPA is presented for the fiscal year ended June 30, 2020.

The financial information for the University of Colorado Foundation (the Foundation), a major DPCU, is presented for the fiscal year ended June 30, 2020. 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 \$337.0 million. This amount comprises \$315.0 million held by COLOTRUST (Colorado Local Government Liquid Asset Trust), \$4.7 million held in the State Treasurer’s Investment Pool, \$15.4 million in a Federated Government Obligations Fund, and \$1.9 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. 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 with inputs – quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other-than-quoted prices that are not observable. Example: Ownership of a corporate bond that trades on an exchange that is not active.

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, 2020. In addition to the investments at reported at fair value below, the Foundation reports investment assets at cost or present value of \$85.3 million.

University of Colorado Foundation
Fair Value Measurements Using
(Amounts In Thousands)

Investment Type	Fair Value as of 6/30/2020	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	\$ 17,836	\$ 17,836	\$ -	\$ -	\$ -
Mutual Funds - International Equities	154,087	154,087	-	-	-
Mutual Funds - Fixed Income	2,103	2,103	-	-	-
Equity Securities	283,859	243,059	-	40,800	-
Fixed-Income Securities	146,307	-	146,307	-	-
Real Estate	58,795	-	-	-	58,795
Private Equity	323,445	-	-	-	323,445
Commingled Equity Securities	503,391	-	-	-	503,391
Absolute Return	304,803	-	-	-	304,803
Venture Capital	197,433	-	-	567	196,866
Commodities	15,798	-	-	-	15,798
Other	793	-	569	224	-
Assets Held Under Split-Interest Agreements	34,810	34,810	-	-	-
Beneficial Interest in Charitable Trusts Held by Others	13,388	-	-	13,388	-
Total	\$ 2,056,848	\$ 451,895	\$ 146,876	\$ 54,979	\$ 1,403,098

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 \$1,008.9 million as of December 31, 2019. The scheduled maturities of the loans receivable are below.

Colorado Water Resources and Power Development Authority
Loans Receivable
(In Thousands)

Year	Principal	Interest	Total
2020	\$ 68,578	\$ 14,883	\$ 83,461
2021	68,559	13,632	82,191
2022	69,421	12,421	81,842
2023	66,691	11,237	77,928
2024	66,443	10,062	76,505
2025 to 2029	290,036	39,095	329,131
2030 to 2034	224,969	19,857	244,826
2035 to 2039	114,027	5,709	119,736
2040 to 2044	25,882	1,573	27,455
2045 to 2049	14,050	239	14,289
2050 to 2051	226	-	226
Total	\$ 1,008,882	\$ 128,708	\$ 1,137,590

The Foundation reported contributions receivable of \$123.7 million. This amount is net of allowances for uncollectible contributions and net present value discount. Of this amount, \$40.7 million is due within one year, \$73.4 million is due within one to five years, and \$9.6 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. The Authority issued two series of bonds in 2019, the 2019 Series A (SRF) Clean Water Revenue Bonds for \$10.9 million and the 2019 Series A (SRF) Drinking Water Revenue Bonds for \$5.9 million. 2019 bond retirements included: 1) the 2003 Series A and 2006 Series A Small Water Resources Revenue Bonds, 2) the 1998 Series B and 1999 Series A Clean Water Revenue Bonds, and 3) the 2006 Series B, 2008 Series A, and 2008 Series B Drinking Water Revenue Bonds. As of December 31, 2019, the Authority reported \$34.0 million in current bonds payable and \$388.8 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
2020	\$ 33,960	\$ 18,062	\$ 52,022
2021	32,390	16,502	48,892
2022	33,300	14,999	48,299
2023	32,595	13,487	46,082
2024	32,670	12,138	44,808
2025 to 2029	125,450	43,890	169,340
2030 to 2034	92,485	19,934	112,419
2035 to 2039	30,170	4,872	35,042
2040 to 2044	8,430	1,173	9,603
2045 to 2048	1,365	115	1,480
Total	\$ 422,815	\$ 145,172	\$ 567,987

HLC's Series 2010 Bonds were, in-substance, defeased in Fiscal Year 2020. Its remaining debt payments are covered by \$49.3 million of assets placed in trust to be solely used for future payments.

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 2019 are below.

Denver Metropolitan Major League Baseball Stadium District
Changes in Capital Assets
(In Thousands)

	Beginning Balance, 1/1/2019	Additions	Transfers	Retirements	Ending Balance, 12/31/2019
Historical Costs					
Land	\$ 20,613	\$ 51	\$ -	\$ -	\$ 20,664
Land Improvements	13,214	-	-	-	13,214
Buildings	197,240	11,132	3,428	-	211,800
Construction in Progress	3,939	4,671	(3,938)	-	4,672
Other Property and Equipment	32,183	1,445	510	-	34,138
Total Historical Costs	267,189	17,299	-	-	284,488
Accumulated Depreciation					
Land Improvements	(6,479)	(226)	-	-	(6,705)
Buildings	(70,696)	(5,638)	-	-	(76,334)
Other Property and Equipment	(23,481)	(1,172)	-	-	(24,653)
Total Accumulated Depreciation	(100,656)	(7,036)	-	-	(107,692)
Net Capital Assets	\$ 166,533	\$ 10,263	\$ -	\$ -	\$ 176,796

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 \$10.1 million in the fiscal year ending December 31, 2019.

In Fiscal Year 2020, HLC sold most of its assets to the Metropolitan State University of Denver (MSU). HLC received \$47.5 million from MSU in exchange for HLC's property, plant and equipment totaling \$37.9 million, as well as \$1.7 million of other assets, and liabilities of \$.4 million. HLC realized a gain of \$8.3 million from the transaction. Additionally, HLC had entered into an interest rate swap agreement which was transferred to MSU. HLC paid \$.2 million for interest on MSU's Series 2020 bonds during the last quarter of the fiscal year.

The Foundation reported custodial funds of \$459.8 million, held for investment for the University of Colorado. In Fiscal Year 2020, the Foundation collected a 1.5 percent annual advancement support assessment on these funds, which was \$4.7 million. \$184.5 million of distributions were transferred to the University and \$24.4 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, 2019, the Authority reported a liability of \$3,997,037 for its proportionate share of the collective net pension liability.

The Authority recognized reduction of pension expense of \$439,667 and revenue of \$1,267 for support from the State as a nonemployer contributing entity for the fiscal year ended December 31, 2019. At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 114,302	\$ -
Changes of assumptions or other inputs	210,464	2,064,008
Net difference between projected and actual earnings on pension plan investments	201,895	-
Changes in proportion	6,814	502,259
Contributions subsequent to the measurement date	240,259	-
Total	<u>\$ 773,734</u>	<u>\$ 2,566,267</u>

At December 31, 2019, the Authority reported \$240,259 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ (985,831)
2021	(1,167,443)
2022	9,918
2023	110,564
	<u>\$ (2,032,792)</u>

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, 2019, the Authority reported a liability of \$194,626 for its proportionate share of the collective net OPEB liability.

The Authority recognized OPEB expense of \$16,127 for the fiscal year ended December 31, 2019. At December 31, 2019, 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	\$ 707	\$ 296
Changes of assumptions or other inputs	1,365	-
Net difference between projected and actual earnings on OPEB plan investments	1,119	-
Changes in proportion	826	251
Contributions subsequent to the measurement date	12,727	-
Total	\$ 16,744	\$ 547

At December 31, 2019, the Authority reported \$12,727 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, 2020. 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
2020	\$ 623
2021	623
2022	623
2023	1,400
2024	196
Thereafter	5
	\$ 3,470

Subsequent Events

On January 28, 2020, a municipal water district paid the Authority \$48.5 million to prepay a loan with the Authority. These funds, along with cash on hand were deposited into an escrow account to pay principal and interest on outstanding bonds of \$51.5 million, which will be called on September 1, 2020.

On November 5, 2020, the Authority issued its State Revolving Fund Revenue Bonds 2020 Series B. The \$11.0 million proceeds from the issuance will be used to fund loans to governmental municipal borrowers to finance or refinance certain costs of improvements to wastewater treatment facilities, to fund a deposit to a debt service reserve account, and to pay costs of issuance. The Bonds have maturity dates starting in 2021 and ending in 2050 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, 2020**

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS- IN:				
Sales and Other Excise Taxes			\$ 3,395,362	
Income Taxes			7,882,440	
Other Taxes			305,095	
Sales and Services			2,189	
Interest Earnings			32,589	
Other Revenues			23,371	
Transfers- In			364,945	
TOTAL REVENUES AND TRANSFERS- IN			12,005,991	
EXPENDITURES AND TRANSFERS- OUT:				
Operating Budgets:				
Departmental:				
Agriculture	\$ 12,099	\$ 12,099	12,035	\$ 64
Corrections	885,383	884,397	874,353	10,044
Education	4,405,171	4,415,090	4,412,483	2,607
Governor	53,098	46,976	45,126	1,850
Health Care Policy and Financing	3,150,437	2,955,045	2,951,822	3,223
Higher Education	1,112,706	1,110,764	1,110,493	271
Human Services	1,043,300	1,018,138	1,009,370	8,768
Judicial Branch	616,134	606,133	594,069	12,064
Labor and Employment	25,520	25,536	25,264	272
Law	18,718	18,747	17,746	1,001
Legislative Branch	55,198	55,174	53,940	1,234
Local Affairs	44,341	43,073	42,074	999
Military and Veterans Affairs	11,616	11,284	10,967	317
Natural Resources	43,465	34,790	34,408	382
Personnel & Administration	15,633	15,482	15,383	99
Public Health and Environment	59,177	59,665	58,627	1,038
Public Safety	166,108	168,235	163,847	4,388
Regulatory Agencies	2,325	2,373	2,352	21
Revenue	87,416	86,416	85,533	883
State	8,419	8,419	9,451	(1,032)
Treasury	29,957	13,457	11,236	2,221
SUB- TOTAL OPERATING BUDGETS	11,846,221	11,591,293	11,540,579	50,714
Capital and Multi- Year Budgets:				
Departmental:				
Agriculture	-	2,396	452	1,944
Corrections	-	28,888	5,186	23,702
Education	-	2,264	1,155	1,109
Governor	445	47,898	14,821	33,077
Health Care Policy and Financing	-	2,831	364	2,467
Higher Education	-	148,883	95,820	53,063
Human Services	-	91,680	32,160	59,520
Military and Veterans Affairs	-	3,551	228	3,323
Natural Resources	1,000	1,000	-	1,000
Personnel & Administration	2,044	17,646	3,525	14,121
Public Health and Environment	-	4,148	1,444	2,704
Public Safety	-	728	42	686
Transportation	500	1,014	514	500
SUB- TOTAL CAPITAL AND MULTI- YEAR BUDGETS	3,989	352,927	155,711	197,216
TOTAL EXPENDITURES AND TRANSFERS- OUT	\$ 11,850,210	\$ 11,944,220	11,696,290	\$ 247,930
EXCESS OF REVENUES AND TRANSFERS- IN OVER (UNDER) EXPENDITURES AND TRANSFERS- OUT			\$ 309,701	

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, 2020**

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS- IN:				
Sales and Other Excise Taxes			\$ 13,051	
Income Taxes			646,700	
Other Taxes			108,962	
Tuition and Fees			3,137,184	
Sales and Services			1,469,613	
Interest Earnings			47,186	
Other Revenues			788,246	
Transfers- In			1,680,599	
Capital Contributions			317	
TOTAL REVENUES AND TRANSFERS- IN			7,891,858	
EXPENDITURES/EXPENSES AND TRANSFERS- OUT:				
Operating Budgets:				
Departmental:				
Agriculture	\$ 37,568	\$ 35,745	29,148	\$ 6,597
Corrections	78,063	77,780	52,536	25,244
Education	1,137,120	1,091,222	1,038,244	52,978
Governor	322,705	315,770	269,322	46,448
Health Care Policy and Financing	1,463,591	1,488,778	1,365,034	123,744
Higher Education	3,282,047	3,267,851	3,193,599	74,252
Human Services	352,019	356,000	296,014	59,986
Judicial Branch	178,831	183,922	140,036	43,886
Labor and Employment	79,132	78,032	76,831	1,201
Law	69,348	68,911	63,931	4,980
Legislative Branch	1,456	1,817	1,504	313
Local Affairs	42,061	54,744	50,065	4,679
Military and Veterans Affairs	1,475	1,475	1,062	413
Natural Resources	282,297	280,902	193,525	87,377
Personnel & Administration	136,452	134,620	112,072	22,548
Public Health and Environment	259,584	257,437	216,098	41,339
Public Safety	265,978	267,443	249,697	17,746
Regulatory Agencies	96,703	96,910	88,488	8,422
Revenue	241,027	238,980	201,745	37,235
State	27,989	28,013	24,787	3,226
Transportation	138,618	43,191	42,056	1,135
Treasury	54,754	54,797	31,778	23,019
SUB- TOTAL OPERATING BUDGETS	8,548,818	8,424,340	7,737,572	686,768
Capital and Multi- Year Budgets:				
Departmental:				
Agriculture	-	3,264	1,590	1,674
Governor	-	22,536	6,615	15,921
Higher Education	44,356	269,566	73,640	195,926
Human Services	745	5,392	1,071	4,321
Labor and Employment	-	18,403	9,542	8,861
Natural Resources	20,870	56,293	14,082	42,211
Personnel & Administration	-	369	50	319
Public Health and Environment	5,083	6,987	1,260	5,727
Public Safety	2,111	450	-	450
Transportation	-	725	621	104
SUB- TOTAL CAPITAL AND MULTI- YEAR BUDGETS	73,165	383,985	108,471	275,514
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS- OUT	\$ 8,621,983	\$ 8,808,325	7,846,043	962,282
EXCESS OF REVENUES AND TRANSFERS- IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS- OUT			\$ 45,815	

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, 2020**

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS- IN:				
Federal Grants and Contracts			\$ 6,443,601	
TOTAL REVENUES AND TRANSFERS- IN			6,443,601	
EXPENDITURES/EXPENSES AND TRANSFERS- OUT:				
Capital and Multi- Year Budgets:				
Departmental:				
Health Care Policy and Financing	\$ 5,747,994	\$ 6,002,779	6,027,578	\$ (24,799)
Human Services	344,702	387,254	354,372	32,882
Labor and Employment	27,245	29,346	25,721	3,625
Public Health and Environment	19,749	19,749	16,145	3,604
SUB- TOTAL CAPITAL AND MULTI- YEAR BUDGETS	6,139,690	6,439,128	6,423,816	15,312
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS- OUT	\$ 6,139,690	\$ 6,439,128	6,423,816	\$ 15,312
EXCESS OF REVENUES AND TRANSFERS- IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS- OUT			\$ 19,785	

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, 2020**

(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	\$ 11,815,710	\$ -	\$ -	\$ 190,281
Cash	976,142	-	282,508	1,839,451
Federal	4,033,362	-	-	4,772
Sub- Total Revenues and Transfers- In Appropriated	16,825,214	-	282,508	2,034,204
Revenues and Transfers- In Non- Appropriated (Supplementary Information):				
General	1,265,290	-	-	-
Cash	5,338,671	3,336	2,291,814	2,803,653
Federal	2,634,069	1,910,660	660,650	311,056
Sub- Total Revenues and Transfers- In Non- Appropriated	9,238,030	1,913,996	2,952,464	3,114,709
Total Revenues and Transfers- In Appropriated and Non- Appropriated	26,063,244	1,913,996	3,234,972	5,148,913
Expenditures/Expenses and Transfers- Out Appropriated (Required Supplementary Information):				
General Funded	11,540,290	-	-	156,000
Cash Funded	972,681	-	290,211	1,837,452
Federally Funded	4,017,921	-	-	-
Expenditures/Expenses and Transfers- Out Appropriated	16,530,892	-	290,211	1,993,452
Expenditures/Expenses and Transfers- Out Non- Appropriated(Supplementary Information):				
General Funded	1,126,820	-	-	-
Cash Funded	5,053,553	-	2,426,806	2,093,569
Federally Funded	2,642,277	1,910,660	602,993	281,324
Expenditures/Expenses and Transfers- Out Non- Appropriated	8,822,650	1,910,660	3,029,799	2,374,893
Expenditures/Expenses and Transfers- Out Appropriated and Non- Appropriated	25,353,542	1,910,660	3,320,010	4,368,345
Excess of Revenues and Transfers- In Over (Under)				
Expenditures and Transfers- Out - Budget Basis - Appropriated	294,322	-	(7,703)	40,752
Excess of Revenues and Transfers- In Over (Under)				
Expenditures and Transfers- Out - Budget Basis - Non- Appropriated	4,15,380	3,336	(77,335)	739,816
BUDGETARY BASIS ADJUSTMENTS:				
Increase/(Decrease) for Unrealized Gains/Losses	21,723	18,014	19,933	116,743
Increase for Budgeted Non- GAAP Expenditures	-	-	-	-
Increase/(Decrease) for GAAP Expenditures Not Budgeted	497,175	1,710,644	809,829	1,076,116
Increase/(Decrease) for GAAP Revenue Adjustments	(881,718)	(1,710,644)	(809,025)	(1,356,351)
Increase/(Decrease) for Non- Budgeted Funds	-	-	-	-
Excess of Revenues and Transfers- In Over (Under) Expenditures and Transfers- Out - GAAP Basis	346,882	21,350	(64,301)	617,076
GAAP BASIS FUND BALANCES/NET POSITION:				
FUND BALANCE/NET POSITION, FISCAL YEAR BEGINNING	2,062,907	-	1,042,654	5,473,348
Prior Period Adjustments (See Note 15A)	(8,195)	-	-	-
Accounting Changes (See Note 15B)	-	-	-	-
NET POSITION - FISCAL YEAR BEGINNING (RESTATED)	2,054,712	-	1,042,654	5,473,348
FUND BALANCE/NET POSITION, FISCAL YEAR END	\$ 2,401,594	\$ 21,350	\$ 978,353	\$ 6,090,424

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	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,005,991	\$ -	
3,177,947	-	14,363	936,780	251,014	411,051	7,888,956	2,902	
-	-	-	2,405,470	(3)	-	6,443,601	-	
3,177,947	-	14,363	3,342,250	251,011	411,051	26,338,548	2,902	
-	-	-	-	-	-	1,265,290	-	
645,738	216,219	561,992	541	875,442	78,348	12,815,754	2,334,493	
121,953	20,251	2,911,035	184,858	283,462	-	9,037,994	-	
767,691	236,470	3,473,027	185,399	1,158,904	78,348	23,119,038	2,334,493	
3,945,638	236,470	3,487,390	3,527,649	1,409,915	489,399	49,457,586	2,337,395	
-	-	-	-	-	-	11,696,290	-	
3,145,434	-	20,253	883,195	307,452	386,449	7,843,127	2,916	
-	-	-	2,405,895	-	-	6,423,816	-	
3,145,434	-	20,253	3,289,090	307,452	386,449	25,963,233	2,916	
-	-	-	-	-	-	1,126,820	-	
488,403	22,476	1,582,836	1,744	794,276	81,383	12,545,046	1,790,394	
38,972	-	3,173,770	184,940	274,494	-	9,109,430	-	
527,375	22,476	4,756,606	186,684	1,068,770	81,383	22,781,296	1,790,394	
3,672,809	22,476	4,776,859	3,475,774	1,376,222	467,832	48,744,529	1,793,310	
32,513	-	(5,890)	53,160	(56,441)	24,602	375,315	(14)	
240,316	213,994	(1,283,579)	(1,285)	90,134	(3,035)	337,742	544,099	
12	9,325	16	(171)	14,341	1,796	20,1732	10,231	
-	-	-	-	-	-	-	-	
15,416	(13,679)	9,566	(55,887)	166,073	83,741	4,298,994	2,148	
27,956	(2,156)	58	59,883	(36,259)	(892)	(4,709,148)	(2,086)	
1,102,609	-	-	-	-	-	1,102,609	-	
1,418,822	207,484	(1,279,829)	55,700	177,848	106,212	1,607,244	554,378	
1,683,539	1,153,149	1,278,298	8,038	396,996	(506,485)	12,592,444	9,126,394	
-	-	-	11,209	-	-	3,014	-	
2,446	-	-	-	-	-	2,446	-	
1,685,985	1,153,149	1,278,298	19,247	396,996	(506,485)	12,597,904	9,126,394	
\$ 3,104,807	\$ 1,360,633	\$ (1,531)	\$ 74,947	\$ 574,844	\$ (400,273)	\$ 14,205,148	\$ 9,680,772	

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 Comprehensive Annual 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 LIABILITY 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 2019	CY 2018	CY 2017	CY 2016	CY 2015	CY 2014	CY 2013
State's proportion of the net pension liability		95.49%	95.40%	95.37%	95.49%	95.71%	95.85%	95.86%
State's proportionate share of Net Pension liability	\$	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	\$	3,376,294	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		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		62.24%	55.11%	43.20%	42.59%	56.11%	59.84%	61.00%

		Judicial Division						
(Amounts In Thousands)		CY 2019	CY 2018	CY 2017	CY 2016	CY 2015	CY 2014	CY 2013
State's proportion of the net pension liability		94.28%	94.06%	93.99%	94.17%	93.98%	93.60%	93.44%
State's proportionate share of Net Pension liability	\$	85,727	132,873	218,136	239,423	172,824	129,499	102,756
State's covered payroll	\$	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		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		80.02%	68.48%	58.70%	53.19%	60.13%	66.89%	77.41%

		Denver Public Schools Division	
(Amounts In Thousands)		CY 2019	CY 2018
State's proportion of the net pension liability		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		84.73%	75.69%

		Schools Division	
(Amounts In Thousands)		CY 2019	CY 2018
State's proportion of the net pension liability		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		64.52%	57.01%

		State Division as a Non-Employer Contributing Entity	
(Amounts In Thousands)		CY 2019	CY 2018
State's proportion of the net pension liability		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 2019	CY 2018
State's proportion of the net pension liability		0.64%	0.85%
State's proportionate share of Net Pension liability	\$	582	1,199

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 Year 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 contractually required non-employer contributions to the Fiscal Year 2020 and 2019 State and Judicial Trust Divisions that are not reflected in the tables below (see Note 6 for additional information).

State & Judicial Division										
(Amounts in Thousands)										
	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Contractually required contributions	\$ 685,396	\$ 649,516	\$ 549,049	\$ 524,478	\$ 492,159	\$ 453,406	\$ 419,912	\$ 368,468	\$ 276,326	\$ 256,682
Contributions in relation to the contractually required contributions	(685,396)	(649,516)	(549,049)	(524,478)	(492,159)	(453,406)	(419,912)	(368,468)	(276,326)	(256,682)
Contribution deficiency(excess)	-	-	-	-	-	-	-	-	-	-
State's covered payroll	3,513,083	3,377,180	2,877,013	2,813,660	2,771,749	2,687,237	2,628,458	2,520,793	2,453,455	1,998,390
Contributions as a percentage of covered payroll	19.51%	19.23%	19.08%	18.64%	17.76%	16.87%	15.98%	14.62%	11.26%	12.84%
State Division										
	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Contractually required contributions	\$ 673,795	\$ 639,485	\$ 541,295	\$ 516,932	\$ 484,588	\$ 446,528	\$ 413,694	\$ 362,791	\$ 272,068	\$ 252,727
Contributions in relation to the contractually required contributions	(673,795)	(639,485)	(541,295)	(516,932)	(484,588)	(446,528)	(413,694)	(362,791)	(272,068)	(252,727)
Contribution deficiency(excess)	-	-	-	-	-	-	-	-	-	-
State's covered payroll	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	1,969,813
Contributions as a percentage of covered payroll	19.50%	19.26%	19.13%	18.68%	17.78%	16.88%	15.97%	14.63%	11.23%	12.83%
Judicial Division										
	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Contractually required contributions	\$ 11,601	\$ 10,031	\$ 7,754	\$ 7,546	\$ 7,571	\$ 6,878	\$ 6,218	\$ 5,677	\$ 4,258	\$ 3,955
Contributions in relation to the contractually required contributions	(11,601)	(10,031)	(7,754)	(7,546)	(7,571)	(6,878)	(6,218)	(5,677)	(4,258)	(3,955)
Contribution deficiency(excess)	-	-	-	-	-	-	-	-	-	-
State's covered payroll	57,548	56,296	47,454	46,181	46,332	42,088	38,057	41,019	30,766	28,577
Contributions as a percentage of covered payroll	20.16%	17.82%	16.34%	16.34%	16.34%	16.34%	16.34%	13.84%	13.84%	13.84%

The following schedule presents a two-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

	<u>FY 2020</u>	<u>FY 2019</u>
Contractually required contributions	\$ 19,201	\$ 18,622
Contributions in relation to the contractually required contributions	(19,201)	(18,622)
Contribution deficiency(excess)	-	-

Schools Division

	<u>FY 2020</u>	<u>FY 2019</u>
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

	<u>FY 2020</u>	<u>FY 2019</u>
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

	<u>FY 2020</u>	<u>FY 2019</u>
Contractually required contributions	\$ 77	\$ 82
Contributions in relation to the contractually required contributions	(77)	(82)
Contribution deficiency(excess)	-	-

B. SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION

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.

015 Changes in Assumptions or Other Inputs Since 2014

- 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 first 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.

2014 Changes in Assumptions or Other Inputs Since 2013

- 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.

NOTE RSI-3 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) INFORMATION

A. PROPORTIONATE SHARE OF PERA HEALTH CARE TRUST FUNDS OPEB LIABILITY 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 2019	CY 2018	CY 2017	CY 2016
State's proportion (percentage) of the collective net OPEB liability	32.75%	33.40%	33.71%	33.83%
State's proportionate share of the collective net OPEB liability	\$ 368,098	\$ 454,363	\$ 438,113	\$ 438,677
State's covered payroll	\$ 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	12.18%	15.54%	15.41%	15.68%
Fiduciary net position as a percentage of the total OPEB liability	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 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Contractually required contributions	\$ 31,659	\$ 30,171	\$ 29,346	\$ 28,699	\$ 28,272	\$ 27,410	\$ 26,810	\$ 25,712	\$ 25,025	\$ 20,384
Contributions in relation to the contractually required contributions	(31,659)	(30,171)	(29,346)	(28,699)	(28,272)	(27,410)	(26,810)	(25,712)	(25,025)	(20,384)
Contribution deficiency(excess)	-	-	-	-	-	-	-	-	-	-
State's covered payroll	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	1,998,390
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

University OPEB Plan (Amounts in Thousands)	Fiscal Year Ending June 30:		
	2020	2019	2018
Service cost	\$ 53,400	49,754	53,099
Interest cost	34,254	28,404	24,648
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(206,938)	(1,728)	(87,654)
Changes of assumptions	3,678	35,919	(46,406)
Benefit payments	(15,461)	(15,163)	(17,211)
Net change in total OPEB liability	(131,067)	97,186	(73,524)
Total OPEB liability (beginning)	843,959	746,773	820,297
Total OPEB liability (ending)	712,892	843,959	746,773
Covered-employee payroll	\$ 1,719,840	1,663,010	1,475,177
Total OPEB liability as a % of payroll	41.45%	50.75%	50.62%

C. SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION

PERA Health Care Trust Fund

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

Changes in assumptions or other inputs effective for the June 30, 2019 measurement date are as follows:

- 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.

Changes in assumptions or other inputs effective for the June 30, 2018 measurement date are as follows:

- 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.

Changes in assumptions or other inputs effective for the June 30, 2017 measurement date are as follows:

- 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)

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - GENERAL PURPOSE REVENUE COMPONENT
FOR THE YEAR ENDED JUNE 30, 2020
(DOLLARS IN THOUSANDS)

	Forecasted / Budgeted Amounts		Actual Amounts	Variance
	Original	Final	Budgetary Basis	
Budgetary fund balance, July 1	\$ 448,345	\$ 448,345	\$ 448,345	
Resources (Inflows):				
Sales and use tax	3,829,300	3,820,100	3,651,976	\$ (168,124)
Other excise taxes	105,100	106,000	106,979	979
Individual income tax, net	7,833,930	7,909,560	8,056,100	146,540
Corporate income tax, net	879,170	789,440	670,434	(119,006)
Insurance tax	327,800	327,100	337,418	10,318
Pari-mutuel, courts, and other	29,100	29,100	39,546	10,446
Investment income	14,900	28,100	31,090	2,990
Transfers-in from other funds	19,000	70,300	186,727	116,427
Amounts available for appropriation	<u>13,486,645</u>	<u>13,528,045</u>	<u>13,528,615</u>	<u>570</u>
Charges to appropriations (outflows):				
Agriculture	12,099	12,099	12,035	64
Corrections	885,094	884,108	874,064	10,044
Education	4,406,928	4,415,090	4,412,483	2,607
Governor	53,353	47,186	45,336	1,850
Health Care Policy and Financing	3,157,427	2,961,102	2,957,290	3,812
Higher Education	1,116,841	1,111,209	1,110,938	271
Human Services	1,056,022	1,018,361	1,009,570	8,791
Judicial Branch	616,146	606,133	594,069	12,064
Labor and Employment	25,834	25,536	25,264	272
Law	18,718	18,728	17,746	982
Legislative Branch	55,211	55,174	53,940	1,234
Local Affairs	50,805	47,448	46,361	1,087
Military and Veterans Affairs	11,616	11,284	10,967	317
Natural Resources	35,668	34,790	34,408	382
Personnel and Administration	17,757	16,348	16,244	104
Public Health and Environment	61,159	61,647	60,608	1,039
Public Safety	166,108	168,235	163,847	4,388
Regulatory Agencies	2,373	2,373	2,352	21
Revenue	229,756	448,954	426,945	22,009
State	8,419	8,419	9,451	(1,032)
Treasury	839,791	803,124	670,501	132,623
Nondepartmental:				
Transfers-out to capital projects fund	-	112,692	112,692	-
Total charges to appropriations	<u>12,827,125</u>	<u>12,870,040</u>	<u>12,667,111</u>	<u>202,929</u>
Budgetary reserves and amounts not forecasted or budgeted:				
Decrease in Contingency reserve - C.R.S. 24-75-201.1	452,900	452,900	452,900	
Release of prior year State Controller approved rollforwards			33,264	
State Controller approved rollforwards			(35,241)	
Net of revenues not forecasted and expenditures not budgeted			148,952	
Total budgetary reserves and amounts not forecasted or budgeted	<u>452,900</u>	<u>452,900</u>	<u>599,875</u>	
Budgetary fund balance, June 30	<u>\$ 1,112,420</u>	<u>\$ 1,110,905</u>	<u>\$ 1,461,379</u>	

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, 2020
(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.	\$ 13,528,615
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.	(448,345)
Federal revenues not forecasted	6,643,629
Fee revenues and other funding sources not forecasted	829,922
Other revenues not forecasted	(33,694)
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).	61,887
Fair value of investments in excess of cost is excluded from inflows of budgetary resources but is revenue for financial reporting purposes.	3,070
Eliminations of transfers and intrafund transactions are not made in the budgetary funds if those transactions are under budgetary control	(478,195)
Transfers are inflows of budgetary resources but are other financing sources for financial reporting purposes.	(357,278)
Capital lease proceeds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(515)
Insurance recoveries are not revenues for financial reporting purposes.	(72)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - general fund components	<u>\$ 19,749,024</u>

Uses/outflows of resources and reserves:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	12,667,111
Differences - budget to GAAP:	
Expenditures of federal grants and contracts not budgeted	6,647,963
Fee revenue and other funding uses not budgeted	778,726
Other expenditures not budgeted	(135,784)
Transfers to other funds are outflows of budgetary resources but are other financing uses for financial reporting purposes.	(5,448,572)
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).	125,529
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).	117,994
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).	371
Eliminations of transfers and intrafund transactions are not made in the budgetary funds if those transactions are under budgetary control.	(478,195)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances—general fund components	<u>\$ 14,275,143</u>

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 2019 forecast is used for the original budget and the December 2019 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. C.R.S. 24-75-201(2)(a)(II) excludes Medicaid revenues from inflows of budgetary resources but they are revenues for financial reporting. C.R.S. 24-75-201(2)(a)(III) excludes Medicaid expenditures from outflows of budgetary resources but they are expenditures for financial reporting. C.R.S. 24-75-201(2)(a)(IV) excludes some payroll-related expenditures from outflows of budgetary resources but they are expenditures for financial reporting. C.R.S. 24-75-201(2)(a)(IV) 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 (C.R.S. 24-75-201.1) 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 reserve for Fiscal Year 2020 is \$361.3 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.





SUPPLEMENTARY INFORMATION



GENERAL FUND COMPONENTS

For legal compliance purposes, the General Fund is is segregated into the following 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 funds' resources are transfers into the fund from the General Purpose Revenue 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.

**COMBINING BALANCE SHEET
GENERAL FUND COMPONENTS
JUNE 30, 2020**

(DOLLARS IN THOUSANDS)	SPECIAL PURPOSE FUNDS						INTRA-FUND RECEIVABLE ELIMINATIONS	TOTAL
	GENERAL PURPOSE REVENUE	STATE PUBLIC SCHOOL	RISK MANAGEMENT	OTHER SPECIAL PURPOSE	TOTAL			
ASSETS:								
Cash and Pooled Cash	\$ 1,690	\$ 1,142	\$ 37,519	\$ 187,926	\$ 228,277	\$ -	\$ 228,277	
Taxes Receivable, net	2,864,172	-	-	-	2,864,172	-	2,864,172	
Other Receivables, net	441,788	2,494	605	252	445,139	-	445,139	
Due From Other Governments	766,319	1,538	-	143	768,000	-	768,000	
Due From Other Funds	59,243	-	-	31,116	90,359	(20,302)	70,057	
Inventories	14,343	-	-	-	14,343	-	14,343	
Prepays, Advances and Deposits	69,277	-	193	74	69,544	-	69,544	
Restricted Assets:								
Restricted Cash and Pooled Cash	4	15,702	-	534,928	550,634	-	550,634	
Restricted Receivables	-	-	-	9,840	9,840	-	9,840	
Investments	12,005	-	-	323,516	335,521	-	335,521	
Other Long-Term Assets	59	-	-	18,547	18,606	-	18,606	
TOTAL ASSETS	\$ 4,228,900	\$ 20,876	\$ 38,317	\$ 1,106,342	\$ 5,394,435	\$ (20,302)	\$ 5,374,133	
LIABILITIES:								
Tax Refunds Payable	\$ 942,102	\$ -	\$ -	\$ -	\$ 942,102	\$ -	\$ 942,102	
Accounts Payable and Accrued Liabilities	798,011	60	1,257	46,567	845,895	-	845,895	
TABOR Refund Liability (Note 2B)	143,993	-	-	-	143,993	-	143,993	
Due To Other Governments	269,538	-	-	24,479	294,017	-	294,017	
Due To Other Funds	352,415	-	3,560	9,742	365,717	(20,302)	345,415	
Unearned Revenue	204,282	-	-	285	204,567	-	204,567	
Claims and Judgments Payable	726	-	-	-	726	-	726	
Other Current Liabilities	13,746	-	-	30	13,776	-	13,776	
Deposits Held In Custody For Others	118	-	-	352	470	-	470	
TOTAL LIABILITIES	2,724,931	60	4,817	81,455	2,811,263	(20,302)	2,790,961	
DEFERRED INFLOW OF RESOURCES:	181,353	225	-	-	181,578	-	181,578	
FUND BALANCES:								
Nonspendable:								
Inventories	14,343	-	-	-	14,343	-	14,343	
Prepays	69,165	-	193	74	69,432	-	69,432	
Restricted	-	-	-	823,528	823,528	-	823,528	
Committed	361,300	20,591	33,307	201,285	616,483	-	616,483	
Assigned	35,241	-	-	-	35,241	-	35,241	
Unassigned	842,567	-	-	-	842,567	-	842,567	
TOTAL FUND BALANCES	1,322,616	20,591	33,500	1,024,887	2,401,594	-	2,401,594	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,228,900	\$ 20,876	\$ 38,317	\$ 1,106,342	\$ 5,394,435	\$ (20,302)	\$ 5,374,133	

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND COMPONENTS
FOR THE YEAR ENDED JUNE 30, 2020**

(DOLLARS IN THOUSANDS)	GENERAL PURPOSE REVENUE	SPECIAL PURPOSE FUNDS			TOTAL	INTRA- FUND TRANSFER ELIMINATIONS	TOTAL
		STATE PUBLIC SCHOOLS	RISK MANAGEMENT	OTHER SPECIAL PURPOSE			
REVENUES:							
Taxes:							
Individual and Fiduciary Income	\$ 8,056,100	\$ -	\$ -	\$ -	\$ 8,056,100	\$ -	\$ 8,056,100
Corporate Income	670,434	-	-	-	670,434	-	670,434
Sales and Use	3,651,976	-	-	-	3,651,976	-	3,651,976
Excise	106,980	-	-	-	106,980	-	106,980
Other Taxes	337,766	-	-	-	337,766	-	337,766
Licenses, Permits, and Fines	18,670	-	-	1,919	20,589	-	20,589
Charges for Goods and Services	22,365	-	58,840	314	81,519	-	81,519
Rents	164	-	-	2	166	-	166
Investment Income (Loss)	43,454	15	2,152	39,929	85,550	-	85,550
Federal Grants and Contracts	6,678,397	-	-	11,935	6,690,332	-	6,690,332
Other	162,718	2,640	14	32,745	198,117	-	198,117
TOTAL REVENUES	19,749,024	2,655	61,006	86,844	19,899,529	-	19,899,529
EXPENDITURES:							
Current:							
General Government	201,474	176	61,164	4,254	267,068	-	267,068
Business, Community, and Consumer Affairs	157,491	-	-	25,595	183,086	-	183,086
Education	891,754	4,816	-	6,379	902,949	-	902,949
Health and Rehabilitation	736,944	-	-	623	737,567	-	737,567
Justice	1,723,737	-	-	1	1,723,738	-	1,723,738
Natural Resources	42,583	-	-	-	42,583	-	42,583
Social Assistance	8,093,660	-	-	18,279	8,111,939	-	8,111,939
Capital Outlay	26,430	-	-	221,135	247,565	-	247,565
Intergovernmental:							
Cities	67,238	-	-	39,408	106,646	-	106,646
Counties	1,319,415	-	-	14,334	1,333,749	-	1,333,749
School Districts	770,282	4,110,495	-	284,354	5,165,131	-	5,165,131
Special Districts	50,336	-	-	19,795	70,131	-	70,131
Federal	14	-	-	-	14	-	14
Other	180,456	-	-	174	180,630	-	180,630
Debt Service	13,329	-	-	73,801	87,130	-	87,130
TOTAL EXPENDITURES	14,275,143	4,115,487	61,164	708,132	19,159,926	-	19,159,926
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,473,881	(4,112,832)	(158)	(621,288)	739,603	-	739,603
OTHER FINANCING SOURCES (USES):							
Transfers- In	357,278	4,245,459	2	520,078	5,122,817	(4,556,720)	566,097
Transfers- Out	(5,448,571)	(138,616)	(1,791)	(119,643)	(5,708,621)	4,556,720	(1,151,901)
Face Amount of Bond/COP Issuance	-	-	-	165,805	165,805	-	165,805
Bond/COP Premium/Discount	-	-	-	25,833	25,833	-	25,833
Issuance of Capital Leases	515	-	-	-	515	-	515
Insurance Recoveries	72	-	858	-	930	-	930
TOTAL OTHER FINANCING SOURCES (USES)	(5,090,706)	4,106,843	(931)	592,073	(392,721)	-	(392,721)
NET CHANGE IN FUND BALANCES	383,175	(5,989)	(1,089)	(29,215)	346,882	-	346,882
FUND BALANCE, FISCAL YEAR BEGINNING	947,636	26,580	34,589	1,054,102	2,062,907	-	2,062,907
Prior Period Adjustment (See Note 15A)	(8,195)	-	-	-	(8,195)	-	(8,195)
FUND BALANCE, FISCAL YEAR BEGINNING (RESTATED)	939,441	26,580	34,589	1,054,102	2,054,712	-	2,054,712
FUND BALANCE, FISCAL YEAR END	\$ 1,322,616	\$ 20,591	\$ 33,500	\$ 1,024,887	\$ 2,401,594	\$ -	\$ 2,401,594



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 Projects 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 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, 2020**

(DOLLARS IN THOUSANDS)	REGULAR CAPITAL PROJECTS	SPECIAL CAPITAL PROJECTS	TOTAL
ASSETS:			
Cash and Pooled Cash	\$ -	\$ 17,129	\$ 17,129
Other Receivables, net	20	-	20
Due From Other Governments	4,905	106	5,011
Due From Other Funds	225,067	-	225,067
Prepays, Advances and Deposits	50	-	50
Restricted Cash and Pooled Cash	-	5	5
Investments	958,477	1,754	960,231
TOTAL ASSETS	\$ 1,188,519	\$ 18,994	\$ 1,207,513
LIABILITIES:			
Accounts Payable and Accrued Liabilities	\$ 12,364	\$ 535	\$ 12,899
TOTAL LIABILITIES	12,364	535	12,899
FUND BALANCES:			
Nonspendable:			
Prepays	50	-	50
Restricted	-	5	5
Committed	1,176,105	18,454	1,194,559
TOTAL FUND BALANCES	1,176,155	18,459	1,194,614
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,188,519	\$ 18,994	\$ 1,207,513

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND COMPONENTS
FOR THE YEAR ENDED JUNE 30, 2020**

(DOLLARS IN THOUSANDS)	REGULAR CAPITAL PROJECTS	SPECIAL CAPITAL PROJECTS	TOTAL
REVENUES:			
Investment Income (Loss)	\$ 22,461	\$ 658	\$ 23,119
Federal Grants and Contracts	9,496	6,905	16,401
Other	533	-	533
TOTAL REVENUES	32,490	7,563	40,053
EXPENDITURES:			
Current:			
General Government	9,202	4,371	13,573
Business, Community, and Consumer Affairs	19	-	19
Education	1,746	336	2,082
Health and Rehabilitation	498	-	498
Justice	9,038	475	9,513
Social Assistance	978	339	1,317
Capital Outlay	65,466	3,836	69,302
Intergovernmental:			
Special Districts	14	-	14
TOTAL EXPENDITURES	86,961	9,357	96,318
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(54,471)	(1,794)	(56,265)
OTHER FINANCING SOURCES (USES):			
Transfers- In	189,730	10,051	199,781
Transfers- Out	(328,503)	(6,653)	(335,156)
Face Amount of Bond/COP Issuance	500,000	-	500,000
Bond/COP Premium/Discount	111,009	-	111,009
Sale of Capital Assets	10,760	58	10,818
Insurance Recoveries	741	741	1,482
TOTAL OTHER FINANCING SOURCES (USES)	483,737	4,197	487,934
NET CHANGE IN FUND BALANCES	429,266	2,403	431,669
FUND BALANCE, FISCAL YEAR BEGINNING	746,889	16,056	762,945
FUND BALANCE, FISCAL YEAR END	\$ 1,176,155	\$ 18,459	\$ 1,194,614



OTHER GOVERNMENTAL FUNDS

The following statements present the combining balance sheet for Other Governmental Funds comprising Special Revenue, Debt Service, 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.

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, 2020**

(DOLLARS IN THOUSANDS)	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT	TOTALS
ASSETS:					
Cash and Pooled Cash	\$ 2,101,555	\$ -	\$ 17,129	\$ -	\$ 2,118,684
Taxes Receivable, net	68,796	-	-	-	68,796
Other Receivables, net	132,242	-	20	10,990	143,252
Due From Other Governments	29,765	341	5,011	-	35,117
Due From Other Funds	272,077	-	225,067	-	497,144
Inventories	105,795	-	-	-	105,795
Prepays, Advances and Deposits	35,731	-	50	-	35,781
Restricted Assets:					
Restricted Cash and Pooled Cash	364,817	218	5	17,836	536,876
Restricted Investments	1,560	-	-	1,208,461	1,210,021
Investments	153,942	115,106	960,231	-	1,229,279
Other Long-Term Assets	513,040	-	-	30,111	543,151
TOTAL ASSETS	\$ 3,779,320	\$ 115,665	\$ 1,207,513	\$ 1,421,398	\$ 6,523,896
DEFERRED OUTFLOW OF RESOURCES:					
	-	-	-	3,027	3,027
LIABILITIES:					
Tax Refunds Payable	\$ 9,200	\$ -	\$ -	\$ -	\$ 9,200
Accounts Payable and Accrued Liabilities	201,169	1	12,899	4,504	218,573
Due To Other Governments	37,177	-	-	5	37,182
Due To Other Funds	35,195	-	-	286	35,481
Unearned Revenue	123,742	-	-	-	123,742
Claims and Judgments Payable	89	-	-	-	89
Other Current Liabilities	5,386	-	-	-	5,386
Deposits Held In Custody For Others	128	-	-	-	128
TOTAL LIABILITIES	412,086	1	12,899	4,795	429,781
DEFERRED INFLOW OF RESOURCES:					
	6,718	-	-	-	6,718
FUND BALANCES:					
Nonspendable:					
Inventories	105,795	-	-	-	105,795
Permanent Fund Principal	-	-	-	1,398,247	1,398,247
Prepays	35,731	-	50	-	35,781
Restricted	442,816	115,664	5	-	558,485
Committed	2,776,174	-	1,194,559	21,383	3,992,116
TOTAL FUND BALANCES	3,360,516	115,664	1,194,614	1,419,630	6,090,424
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,779,320	\$ 115,665	\$ 1,207,513	\$ 1,424,425	\$ 6,526,923

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

(DOLLARS IN THOUSANDS)	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT	TOTALS
REVENUES:					
Taxes:					
Individual and Fiduciary Income	\$ 588,830	\$ -	\$ -	\$ -	\$ 588,830
Corporate Income	57,870	-	-	-	57,870
Sales and Use	37,220	-	-	-	37,220
Excise	225,139	-	-	-	225,139
Other Taxes	258,742	-	-	-	258,742
Licenses, Permits, and Fines	416,265	-	-	-	416,265
Charges for Goods and Services	157,028	-	-	-	157,028
Rents	5,566	-	-	146,551	152,117
Investment Income (Loss)	142,194	2,333	23,119	82,747	250,393
Federal Grants and Contracts	269,828	-	16,401	-	286,229
Additions to Permanent Funds	-	-	-	580	580
Unclaimed Property Receipts	55,137	-	-	-	55,137
Other	79,828	-	533	131	80,492
TOTAL REVENUES	2,293,647	2,333	40,053	230,009	2,566,042
EXPENDITURES:					
Current:					
General Government	48,253	-	13,573	792	62,618
Business, Community, and Consumer Affairs	343,270	-	19	-	343,289
Education	77,080	-	2,082	-	79,162
Health and Rehabilitation	146,932	-	498	-	147,430
Justice	216,357	-	9,513	-	225,870
Natural Resources	73,334	-	-	15,103	88,437
Social Assistance	227,554	-	1,317	-	228,871
Transportation	5,903	-	-	-	5,903
Capital Outlay	24,508	-	69,302	1,591	95,401
Intergovernmental:					
Cities	117,773	-	-	-	117,773
Counties	146,426	-	-	40	146,466
School Districts	683,110	-	-	-	683,110
Special Districts	28,663	-	14	-	28,677
Federal	31,773	-	-	-	31,773
Other	55,158	-	-	-	55,158
Debt Service	1,573	74,789	-	-	76,362
TOTAL EXPENDITURES	2,227,667	74,789	96,318	17,526	2,416,300
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	65,980	(72,456)	(56,265)	212,483	149,742
OTHER FINANCING SOURCES (USES):					
Transfers- In	390,624	84,109	199,781	2,500	677,014
Transfers- Out	(440,211)	-	(335,156)	(101,661)	(877,028)
Face Amount of Bond/COP Issuance	-	-	500,000	-	500,000
Bond/COP Premium/Discount	-	-	111,009	-	111,009
Sale of Capital Assets	28,686	-	10,818	15,236	54,740
Insurance Recoveries	117	-	1,482	-	1,599
TOTAL OTHER FINANCING SOURCES (USES)	(20,784)	84,109	487,934	(83,925)	467,334
NET CHANGE IN FUND BALANCES	45,196	11,653	431,669	128,558	617,076
FUND BALANCE, FISCAL YEAR BEGINNING	3,315,320	104,011	762,945	1,291,072	5,473,348
FUND BALANCE, FISCAL YEAR END	\$ 3,360,516	\$ 115,664	\$ 1,194,614	\$ 1,419,630	\$ 6,090,424

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, 2020**

(DOLLARS IN THOUSANDS)

	LABOR	RESOURCE EXTRACTION	STATE EDUCATION	GAMING
ASSETS:				
Cash and Pooled Cash	\$ 154,291	\$ 757,987	\$ -	\$ 105,627
Taxes Receivable, net	32,580	4,646	-	5,365
Other Receivables, net	3,175	51,335	-	125
Due From Other Governments	408	3,905	-	-
Due From Other Funds	1,905	19,414	-	-
Inventories	28,728	76,764	-	-
Prepays, Advances and Deposits	8,364	10,626	21	836
Restricted Assets:				
Restricted Cash and Pooled Cash	106,234	68,247	181,302	8,396
Restricted Investments	1,560	-	-	-
Investments	177	-	-	-
Other Long-Term Assets	-	490,812	-	1,474
TOTAL ASSETS	\$ 337,422	\$ 1,483,736	\$ 181,323	\$ 121,823
LIABILITIES:				
Tax Refunds Payable	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Accrued Liabilities	62,743	48,353	6,565	4,461
Due To Other Governments	-	23,201	-	11,202
Due To Other Funds	722	257	-	25,585
Unearned Revenue	44,544	1,475	-	1,035
Claims and Judgments Payable	77	-	-	-
Other Current Liabilities	502	-	-	-
Deposits Held In Custody For Others	-	-	-	5
TOTAL LIABILITIES	108,588	73,286	6,565	42,288
DEFERRED INFLOW OF RESOURCES:				
	-	4,646	-	-
FUND BALANCES:				
Nonspendable:				
Inventories	28,728	76,764	-	-
Prepays	8,364	10,626	21	836
Restricted	107,794	80,078	174,737	40,133
Committed	83,948	1,238,336	-	38,566
TOTAL FUND BALANCES	228,834	1,405,804	174,758	79,535
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 337,422	\$ 1,483,736	\$ 181,323	\$ 121,823

TOBACCO IMPACT MITIGATION	RESOURCE MANAGEMENT	ENVIRONMENT AND HEALTH PROTECTION	UNCLAIMED PROPERTY	OTHER SPECIAL REVENUE	TOTALS
\$ 133,428	\$ 9,806	\$ 134,248	\$ 5,502	\$ 800,666	\$ 2,101,555
225	-	-	-	25,980	68,796
56,940	23	7,545	1,066	12,033	132,242
1,119	-	13,197	-	11,136	29,765
96	-	4,024	246,379	259	272,077
-	-	303	-	-	105,795
-	1	-	4	15,879	35,731
-	-	-	-	638	364,817
-	-	-	-	-	1,560
-	-	-	148,414	5,351	153,942
-	-	-	-	20,754	513,040
\$ 191,808	\$ 9,830	\$ 159,317	\$ 401,365	\$ 892,696	\$ 3,779,320
\$ -	\$ -	\$ -	\$ -	\$ 9,200	\$ 9,200
21,264	114	8,516	289	48,864	201,169
161	481	37	-	2,095	37,177
4,377	-	2,019	-	2,235	35,195
-	7	8,931	-	67,750	123,742
-	-	-	-	12	89
-	-	28	-	4,856	5,386
-	-	-	-	123	128
25,802	602	19,531	289	135,135	412,086
225	-	-	-	1,847	6,718
-	-	303	-	-	105,795
-	1	-	4	15,879	35,731
26,948	6,666	6,110	-	350	442,816
138,833	2,561	133,373	401,072	739,485	2,776,174
165,781	9,228	139,786	401,076	755,714	3,360,516
\$ 191,808	\$ 9,830	\$ 159,317	\$ 401,365	\$ 892,696	\$ 3,779,320

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

(DOLLARS IN THOUSANDS)

	LABOR	RESOURCE EXTRACTION	STATE EDUCATION	GAMING
REVENUES:				
Taxes:				
Individual and Fiduciary Income	\$ -	\$ -	\$ 588,830	\$ -
Corporate Income	-	-	57,870	-
Sales and Use	-	-	-	-
Excise	-	-	-	-
Other Taxes	60,175	116,844	-	80,647
Licenses, Permits, and Fines	908	2,219	-	1,123
Charges for Goods and Services	121	13,878	-	343
Rents	-	3	-	-
Investment Income (Loss)	5,014	49,459	8,837	6,224
Federal Grants and Contracts	3,514	76,788	-	-
Unclaimed Property Receipts	-	-	-	-
Other	23,742	8,819	68	3,165
TOTAL REVENUES	93,474	268,010	655,605	91,502
EXPENDITURES:				
Current:				
General Government	13,064	-	-	-
Business, Community, and Consumer Affairs	51,779	14,303	-	34,607
Education	-	-	32,504	16,743
Health and Rehabilitation	2,050	534	-	50
Justice	40,905	-	-	-
Natural Resources	-	72,038	-	-
Social Assistance	-	-	-	-
Transportation	-	-	-	-
Capital Outlay	7,763	6,571	-	7
Intergovernmental:				
Cities	3,346	52,988	-	14,291
Counties	13,136	35,023	-	13,081
School Districts	8	3,184	618,321	200
Special Districts	738	19,773	-	644
Federal	30,000	583	-	-
Other	-	3,161	-	1,712
Debt Service	-	-	-	-
TOTAL EXPENDITURES	162,789	208,158	650,825	81,335
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(69,315)	59,852	4,780	10,167
OTHER FINANCING SOURCES (USES):				
Transfers- In	35,347	284	43,327	1,560
Transfers- Out	(6,413)	(45,007)	(52,373)	(44,014)
Sale of Capital Assets	28,626	-	-	-
Insurance Recoveries	-	-	-	3
TOTAL OTHER FINANCING SOURCES (USES)	57,560	(44,723)	(9,046)	(42,451)
NET CHANGE IN FUND BALANCES	(11,755)	15,129	(4,266)	(32,284)
FUND BALANCE, FISCAL YEAR BEGINNING	240,589	1,390,675	179,024	111,819
FUND BALANCE, FISCAL YEAR END	\$ 228,834	\$ 1,405,804	\$ 174,758	\$ 79,535

TOBACCO IMPACT MITIGATION	RESOURCE MANAGEMENT	ENVIRONMENT AND HEALTH PROTECTION	UNCLAIMED PROPERTY	OTHER SPECIAL REVENUE	TOTALS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 588,830
-	-	-	-	-	57,870
-	-	-	-	37,220	37,220
133,718	-	-	-	91,421	225,139
-	-	-	-	1,076	258,742
78,005	97	52,938	-	280,975	416,265
1,002	1,719	78,160	-	61,805	157,028
-	-	-	-	5,563	5,566
5,618	442	5,696	29,073	31,831	142,194
2,370	-	23,641	-	163,515	269,828
-	-	-	55,137	-	55,137
911	4,771	10,020	11	28,321	79,828
221,624	7,029	170,455	84,221	701,727	2,293,647
194	-	102	2,357	32,536	48,253
-	158	2,146	1,029	239,248	343,270
2,421	-	-	-	25,412	77,080
29,214	-	61,052	-	54,032	146,932
290	-	30,738	-	144,424	216,357
-	1,130	-	-	166	73,334
125,859	-	61,352	-	40,343	227,554
-	-	-	-	5,903	5,903
5	189	1,348	2,108	6,517	24,508
1,597	-	1,951	-	43,600	117,773
25,623	488	1,955	-	57,120	146,426
27,872	-	23	-	33,502	683,110
1,617	-	650	100	5,141	28,663
-	-	1,048	79	63	31,773
9,887	-	4,331	1	36,066	55,158
-	-	-	417	1,156	1,573
224,579	1,965	166,696	6,091	725,229	2,227,667
(2,955)	5,064	3,759	78,130	(23,502)	65,980
34,188	-	9,735	-	266,183	390,624
(26,284)	(226)	(26,178)	(46,408)	(193,308)	(440,211)
-	-	-	-	60	28,686
-	-	64	-	50	117
7,904	(226)	(16,379)	(46,408)	72,985	(20,784)
4,949	4,838	(12,620)	31,722	49,483	45,196
160,832	4,390	152,406	369,354	706,231	3,315,320
\$ 165,781	\$ 9,228	\$ 139,786	\$ 401,076	\$ 755,714	\$ 3,360,516



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, 2020**

(DOLLARS IN THOUSANDS)	STATE LANDS	OTHER	TOTALS
ASSETS:			
Other Receivables, net	\$ 10,990	\$ -	\$ 10,990
Restricted Assets:			
Restricted Cash and Pooled Cash	150,453	21,383	171,836
Restricted Investments	1,208,461	-	1,208,461
Other Long-Term Assets	30,111	-	30,111
TOTAL ASSETS	\$ 1,400,015	\$ 21,383	\$ 1,421,398
DEFERRED OUTFLOW OF RESOURCES:			
	3,027	-	3,027
LIABILITIES:			
Accounts Payable and Accrued Liabilities	\$ 4,504	\$ -	\$ 4,504
Due To Other Governments	5	-	5
Due To Other Funds	286	-	286
TOTAL LIABILITIES	4,795	-	4,795
FUND BALANCES:			
Nonspendable:			
Permanent Fund Principal	1,398,247	-	1,398,247
Committed	-	21,383	21,383
TOTAL FUND BALANCES	1,398,247	21,383	1,419,630
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,403,042	\$ 21,383	\$ 1,424,425

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

(DOLLARS IN THOUSANDS)	STATE LANDS	OTHER	TOTALS
REVENUES:			
Rents	\$ 144,879	\$ 1,672	\$ 146,551
Investment Income (Loss)	81,764	983	82,747
Additions to Permanent Funds	580	-	580
Other	124	7	131
TOTAL REVENUES	227,347	2,662	230,009
EXPENDITURES:			
Current:			
General Government	792	-	792
Natural Resources	15,101	2	15,103
Capital Outlay	1,591	-	1,591
Intergovernmental:			
Counties	40	-	40
TOTAL EXPENDITURES	17,524	2	17,526
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	209,823	2,660	212,483
OTHER FINANCING SOURCES (USES):			
Transfers- In	-	2,500	2,500
Transfers- Out	(101,661)	-	(101,661)
Sale of Capital Assets	15,236	-	15,236
TOTAL OTHER FINANCING SOURCES (USES)	(86,425)	2,500	(83,925)
NET CHANGE IN FUND BALANCES	123,398	5,160	128,558
FUND BALANCE, FISCAL YEAR BEGINNING	1,274,849	16,223	1,291,072
FUND BALANCE, FISCAL YEAR END	\$ 1,398,247	\$ 21,383	\$ 1,419,630

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, 2020**

(DOLLARS IN THOUSANDS)	PARKS AND WILDLIFE	COLLEGE ASSIST	STATE LOTTERY	STATE FAIR AUTHORITY
ASSETS:				
Current Assets:				
Cash and Pooled Cash	\$ 170,827	\$ 155,486	\$ 48,764	\$ 3,962
Premiums/Taxes Receivable, net	-	-	-	-
Student and Other Receivables, net	22,277	72	30,963	8
Due From Other Governments	13,735	818	-	-
Due From Other Funds	3,865	-	-	-
Inventories	1,412	-	1,732	-
Prepays, Advances and Deposits	3,250	64	5,859	18
Total Current Assets	215,366	156,440	87,318	3,988
Noncurrent Assets:				
Restricted Cash and Pooled Cash	34,400	51,317	-	-
Restricted Receivables	-	22,651	-	-
Other Long-Term Assets	351	-	-	-
Depreciable Capital Assets and Infrastructure, net	175,689	909	363	11,177
Land and Nondepreciable Capital Assets	417,257	-	-	1,231
Total Noncurrent Assets	627,697	74,877	363	12,408
TOTAL ASSETS	843,063	231,317	87,681	16,396
DEFERRED OUTFLOW OF RESOURCES:	19,412	1,024	1,480	556
LIABILITIES:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	21,624	98	4,041	432
Due To Other Governments	-	19,412	42	-
Due To Other Funds	962	-	38,649	-
Unearned Revenue	48,145	-	-	104
Compensated Absences Payable	1,030	-	-	2
Leases Payable	-	-	-	-
Notes, Bonds, and COPs Payable	-	-	-	-
Other Current Liabilities	390	1,460	39,663	8
Total Current Liabilities	72,151	20,970	82,395	546
Noncurrent Liabilities:				
Due to Other Funds	16,211	-	-	-
Deposits Held In Custody For Others	25	-	-	-
Accrued Compensated Absences	8,808	168	743	120
Capital Lease Payable	-	-	-	-
Notes, Bonds, and COPs Payable	-	-	-	-
Net Pension Liability	207,595	2,877	20,590	5,780
Other Postemployment Benefits	8,064	92	830	225
Other Long-Term Liabilities	-	-	19	-
Total Noncurrent Liabilities	240,703	3,137	22,182	6,125
TOTAL LIABILITIES	312,854	24,107	104,577	6,671
DEFERRED INFLOW OF RESOURCES:	90,077	1,165	9,789	2,335
NET POSITION:				
Net investment in Capital Assets:	592,946	-	-	-
Restricted for:				
Emergencies	34,000	-	-	-
Other Purposes	31,961	-	2,567	-
Unrestricted	(199,363)	207,069	(27,772)	7,946
TOTAL NET POSITION	\$ 459,544	\$ 207,069	\$ (25,205)	\$ 7,946

CORRECTIONAL INDUSTRIES	STATE NURSING HOMES	PRISON CANTEENS	PETROLEUM STORAGE TANK	OTHER ENTERPRISE ACTIVITIES	TOTAL
\$ -	\$ 28,088	\$ 7,763	\$ 6,252	\$ 54,356	\$ 475,498
-	-	-	11	374	385
2,112	827	-	3,672	204	60,135
431	2,625	-	-	2,168	19,777
159	2,728	-	-	317	7,069
11,758	181	672	-	208	15,963
-	46	-	-	608	9,845
14,460	34,495	8,435	9,935	58,235	588,672
-	-	-	-	103	85,820
-	-	-	-	-	22,651
1,019	-	-	-	-	1,370
3,568	27,702	1,901	36	11,405	232,750
977	4,463	-	-	4,268	428,196
5,564	32,165	1,901	36	15,776	770,787
20,024	66,660	10,336	9,971	74,011	1,359,459
2,559	9,036	487	1,273	2,945	38,772
5,265	5,244	1,590	2,370	2,417	43,081
-	441	-	-	-	19,895
3,163	-	-	4,000	12,022	58,796
1	1,306	-	-	6,750	56,306
65	242	-	-	39	1,378
-	269	-	-	-	269
-	-	-	-	575	575
-	90	-	14	33	41,658
8,494	7,592	1,590	6,384	21,836	221,958
-	-	-	-	-	16,211
-	-	-	-	-	25
1,322	2,487	248	543	1,210	15,649
-	1,432	-	-	-	1,432
-	-	-	-	656	656
27,892	81,379	5,142	7,626	24,002	382,883
1,131	3,257	208	301	783	14,891
-	-	-	-	-	19
30,345	88,555	5,598	8,470	26,651	431,766
38,839	96,147	7,188	14,854	48,487	653,724
14,637	34,880	2,087	3,543	11,150	169,663
4,545	-	1,901	36	12,185	611,613
-	-	-	-	-	34,000
-	-	-	-	-	34,528
(35,438)	(55,331)	(353)	(7,189)	5,134	(105,297)
\$ (30,893)	\$ (55,331)	\$ 1,548	\$ (7,153)	\$ 17,319	\$ 574,844

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

(DOLLARS IN THOUSANDS)	PARKS AND WILDLIFE	COLLEGE ASSIST	STATE LOTTERY	STATE FAIR AUTHORITY
OPERATING REVENUES:				
License and Permits	\$ 158,994	\$ -	\$ 66	\$ -
Tuition and Fees	63	-	-	-
Sales of Goods and Services	7,797	-	658,839	6,702
Investment Income (Loss)	-	5,485	-	-
Rental Income	-	-	-	356
Federal Grants and Contracts	36,134	210,729	-	-
Intergovernmental Revenue	49,652	-	-	-
Other	1,452	1	885	-
TOTAL OPERATING REVENUES	254,092	216,215	659,790	7,058
OPERATING EXPENSES:				
Salaries and Fringe Benefits	46,960	17,583	3,853	2,963
Operating and Travel	98,017	172,142	67,989	4,198
Cost of Goods Sold	588	-	15,373	-
Depreciation and Amortization	13,721	84	106	859
Intergovernmental Distributions	9,367	-	-	-
Debt Service	-	10,566	-	-
Prizes and Awards	3	504	424,560	866
TOTAL OPERATING EXPENSES	168,656	200,879	511,881	8,886
OPERATING INCOME (LOSS)	85,436	15,336	147,909	(1,828)
NONOPERATING REVENUES AND (EXPENSES):				
Taxes	-	-	-	-
Fines and Settlements	462	-	-	-
Investment Income (Loss)	8,563	6,789	2,599	107
Rental Income	15,257	-	-	-
Gifts and Donations	916	-	-	418
Intergovernmental Distributions	-	-	(70,365)	-
Gain/(Loss) on Sale or Impairment of Capital Assets	(24)	-	-	-
Insurance Recoveries from Prior Year Impairments	1,701	-	-	149
Debt Service	(6)	-	-	-
Other Revenues	11	-	-	2,036
TOTAL NONOPERATING REVENUES (EXPENSES)	26,880	6,789	(67,766)	2,710
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	112,316	22,125	80,143	882
CONTRIBUTIONS, TRANSFERS, AND OTHER ITEMS:				
Capital Contributions	3,796	-	-	615
Transfers- In	19,383	23	9	1,302
Transfers- Out	(9,611)	(76)	(72,717)	(102)
TOTAL CONTRIBUTIONS AND TRANSFERS	13,568	(53)	(72,708)	1,815
CHANGE IN NET POSITION	125,884	22,072	7,435	2,697
NET POSITION - FISCAL YEAR BEGINNING	333,660	184,997	(32,640)	5,249
NET POSITION - FISCAL YEAR ENDING	\$ 459,544	\$ 207,069	\$ (25,205)	\$ 7,946

CORRECTIONAL INDUSTRIES	STATE NURSING HOMES	PRISON CANTEENS	PETROLEUM STORAGE TANK	OTHER ENTERPRISE ACTIVITIES	TOTALS
\$ -	\$ -	\$ -	\$ 532	\$ 10,700	\$ 170,292
2	-	-	-	1,695	1,760
37,175	26,342	19,757	20	5,824	762,456
-	-	-	-	2,191	7,676
-	-	-	-	1,906	2,262
407	35,139	-	9	990	283,408
-	206	-	-	-	49,858
271	74	845	-	217	3,745
37,855	61,761	20,602	561	23,523	1,281,457
5,293	24,099	1,158	13,325	3,961	119,195
9,877	11,257	3,993	20,538	20,762	408,773
19,660	-	14,498	-	137	50,256
397	1,941	214	18	1,011	18,351
-	4,697	-	-	4,264	18,328
-	-	-	-	-	10,566
-	-	17	-	-	425,950
35,227	41,994	19,880	33,881	30,135	1,051,419
2,628	19,767	722	(33,320)	(6,612)	230,038
-	-	-	34,626	-	34,626
-	-	-	-	37	499
(1)	1,247	422	440	562	20,728
86	(4)	-	-	-	15,339
2	-	-	-	420	1,756
-	-	-	-	-	(70,365)
-	(2)	-	-	-	(26)
-	-	-	-	-	1,850
(60)	(60)	-	(1)	(60)	(187)
-	-	-	-	-	2,047
27	1,181	422	35,065	959	6,267
2,655	20,948	1,144	1,745	(5,653)	236,305
-	-	-	-	-	4,411
18	4,173	5	43	466	25,422
(525)	(3,126)	(76)	(1,422)	(635)	(88,290)
(507)	1,047	(71)	(1,379)	(169)	(58,457)
2,148	21,995	1,073	366	(5,822)	177,848
(33,041)	(77,326)	475	(7,519)	23,141	396,996
\$ (30,893)	\$ (55,331)	\$ 1,548	\$ (7,153)	\$ 17,319	\$ 574,844

**COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

(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	157,026	17	-	4,587
Receipts for Interfund Services	20	-	-	-
Sales of Products	2,646	-	652,008	61
Gifts, Grants, and Contracts	29,343	216,454	-	-
Income from Property	15,257	-	-	356
Other Sources	52,401	5,487	954	1,891
Cash Payments to or for:				
Employees	(103,270)	(17,900)	(10,321)	(4,467)
Suppliers	(58,823)	(2,773)	(37,134)	(3,622)
Payments for Interfund Services	(3,924)	(61)	(511)	(83)
Sales Commissions and Lottery Prizes	(8,735)	-	(471,987)	-
Other Governments	(9,367)	-	(86)	-
Other	(15,552)	(180,675)	(624)	(924)
NET CASH PROVIDED BY OPERATING ACTIVITIES	57,022	20,549	132,299	(2,201)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers- In	19,383	23	9	1,918
Transfers- Out	(9,611)	(76)	(72,717)	(102)
Receipt of Deposits Held in Custody	1,039	-	-	-
Release of Deposits Held in Custody	(682)	-	-	(5)
Gifts and Grants for Other Than Capital Purposes	916	-	-	418
Intergovernmental Distributions	-	-	(68,095)	-
Unclaimed Property Fund Interest	-	-	-	2,036
NonCapital Debt Proceeds	-	-	-	-
NonCapital Debt Service Payments	-	-	-	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	11,045	(53)	(140,803)	4,265
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of Capital Assets	(111,914)	(1,296)	(94)	(1,902)
Proceeds from Sale of Capital Assets	58,456	648	47	781
Capital Debt Service Payments	(1)	-	-	-
Capital Lease Payments	-	-	-	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(53,459)	(648)	(47)	(1,121)

CORRECTIONAL INDUSTRIES	STATE NURSING HOMES	PRISON CANTEENS	PETROLEUM STORAGE TANK	OTHER ENTERPRISE ACTIVITIES	TOTALS
\$ 2	\$ -	\$ -	\$ -	\$ 1,724	\$ 1,726
-	25,546	-	-	3,888	191,064
4,240	12	-	20	993	5,285
37,022	-	19,757	-	948	712,442
216	36,324	-	9	986	283,332
86	-	-	-	1,888	17,587
247	21	845	38,705	9,683	110,234
(13,983)	(45,328)	(2,379)	(15,266)	(9,031)	(221,945)
(27,043)	(10,241)	(18,041)	(1,432)	(20,419)	(179,528)
(126)	(114)	(61)	-	-	(4,880)
-	-	-	-	-	(480,722)
-	(5,019)	-	-	(4,264)	(18,736)
(462)	(241)	(19)	(19,503)	(81)	(218,081)
199	960	102	2,533	(13,685)	197,778

18	4,172	5	43	466	26,037
(525)	(3,126)	(76)	(1,422)	(635)	(88,290)
5	-	-	-	-	1,044
(5)	-	-	-	-	(692)
2	-	-	-	420	1,756
-	-	-	-	-	(68,095)
-	-	-	-	-	2,036
-	63	-	-	66	129
-	(63)	-	-	(66)	(129)
(505)	1,046	(71)	(1,379)	251	(126,204)

(998)	(1,588)	(392)	(80)	(4,268)	(122,532)
421	772	143	33	4,089	65,390
(60)	(3)	-	(1)	(617)	(682)
-	(369)	-	-	-	(369)
(637)	(1,188)	(249)	(48)	(796)	(58,193)

(Continued)

**STATEMENT OF CASH FLOWS, CONTINUED
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

(DOLLARS IN THOUSANDS)	PARKS AND WILDLIFE	COLLEGE ASSIST	STATE LOTTERY	STATE FAIR AUTHORITY
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends on Investments	3,605	6,789	1,397	-
Proceeds from Sale/Maturity of Investments	-	-	-	-
Purchases of Investments	-	-	-	-
Increase(Decrease) from Unrealized Gain(Loss) on Investments	4,958	-	1,202	107
NET CASH FROM INVESTING ACTIVITIES	8,563	6,789	2,599	107
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	23,171	26,637	(5,952)	1,050
CASH AND POOLED CASH, FISCAL YEAR BEGINNING	182,056	180,166	54,716	2,912
CASH AND POOLED CASH, FISCAL YEAR END	<u>\$ 205,227</u>	<u>\$ 206,803</u>	<u>\$ 48,764</u>	<u>\$ 3,962</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 85,436	\$ 15,336	\$ 147,909	\$ (1,828)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	13,721	84	106	859
Investment/Rental Income and Other Revenue in Operating Income	-	-	-	-
Rents, Fines, Donations, and Grants and Contracts in NonOperating	17,459	-	-	149
Compensated Absences Expense	688	32	(77)	12
Interest and Other Expense in Operating Income	12,918	-	-	339
Net Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows Related to Operating Activities:				
(Increase) Decrease in Operating Receivables	(14,199)	17,056	(6,831)	244
(Increase) Decrease in Inventories	(426)	-	(122)	-
(Increase) Decrease in Other Operating Assets and Deferred Outflows	(807)	(16)	210	60
(Increase) Decrease in Pension Deferred Outflow	26,895	54	2,864	439
(Increase) Decrease in OPEB Deferred Outflow	74	(7)	18	-
Increase (Decrease) in Accounts Payable	799	63	(4,492)	35
Increase (Decrease) in Pension Liability	(38,838)	84	(4,833)	(763)
Increase (Decrease) in OPEB Liability	(2,040)	(6)	(246)	(45)
Increase (Decrease) in Other Operating Liabilities and Deferred Inflows	(1,174)	(11,642)	1,800	(559)
Increase (Decrease) in Pension Deferred Inflow	(45,189)	(502)	(4,211)	(1,182)
Increase (Decrease) in OPEB Deferred Inflow	1,705	13	204	39
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 57,022	\$ 20,549	\$ 132,299	\$ (2,201)
SUPPLEMENTARY INFORMATION - NONCASH TRANSACTIONS:				
Capital Assets Funded by the Capital Projects Fund	-	-	-	615
Capital Assets Acquired by Grants or Donations and Payable Increases	3,796	-	-	-
Unrealized Gain/Loss on Investments and Interest Receivable Accruals	-	-	-	-
Loss on Disposal of Capital and Other Assets	53	-	-	-
Amortization of Debt Valuation Accounts and Interest Payable Accruals	-	-	-	-
State Support for PERA Pensions	(281)	23	9	2

CORRECTIONAL INDUSTRIES	STATE NURSING HOMES	PRISON CANTEENS	PETROLEUM STORAGE TANK	OTHER ENTERPRISE ACTIVITIES	TOTALS
4	515	214	85	1,297	13,906
-	-	-	-	13,848	13,848
-	-	-	-	(292)	(292)
(5)	731	208	356	1,053	8,610
(1)	1,246	422	441	15,906	36,072
(944)	2,064	204	1,547	1,676	49,453
944	26,024	7,559	4,705	52,783	511,865
\$ -	\$ 28,088	\$ 7,763	\$ 6,252	\$ 54,459	\$ 561,318

\$ 2,628 \$ 19,767 \$ 722 \$ (33,320) \$ (6,612) \$ 230,038

397	1,941	214	18	1,011	18,351
-	-	-	-	(2,191)	(2,191)
86	(4)	-	34,626	37	52,353
132	461	9	104	231	1,592
156	28	105	14	252	13,812
4,268	(108)	-	(297)	(2,090)	(1,957)
(393)	9	-	-	(39)	(971)
419	47	-	-	17	(70)
4,348	6,822	535	183	4,256	46,396
20	(44)	1	(21)	24	65
(1,514)	1,173	321	(611)	(175)	(4,401)
(8,521)	(12,073)	(763)	(512)	(5,974)	(72,193)
(417)	(688)	(41)	(32)	(315)	(3,830)
2,773	322	-	4,000	1,210	(3,270)
(4,537)	(17,308)	(1,038)	(1,667)	(3,597)	(79,231)
354	615	37	48	270	3,285
\$ 199	\$ 960	\$ 102	\$ 2,533	\$ (13,685)	\$ 197,778

-	-	-	-	-	615
-	-	-	-	-	3,796
-	-	-	-	1,078	1,078
-	2	-	-	-	55
-	(357)	-	-	(259)	(616)
(40)	647	5	43	137	545



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, 2020**

(DOLLARS IN THOUSANDS)

	CENTRAL SERVICES	FINANCIAL INFORMATION TECHNOLOGY	INFORMATION TECHNOLOGY	CAPITOL COMPLEX
ASSETS:				
Current Assets:				
Cash and Pooled Cash	\$ 15,545	\$ 2,492	\$ 48,644	\$ 6,809
Other Receivables, net	1,440	-	341	32
Due From Other Governments	-	-	102	-
Due From Other Funds	-	-	263	-
Inventories	803	-	-	94
Prepays, Advances and Deposits	19	74	8,312	-
Total Current Assets	17,807	2,566	57,662	6,935
Noncurrent Assets:				
Restricted Cash and Pooled Cash	-	-	-	260
Depreciable Capital Assets and Infrastructure, net	78,468	17,595	13,964	10,267
Land and Nondepreciable Capital Assets	-	174	148	201
Total Noncurrent Assets	78,468	17,769	14,112	10,728
TOTAL ASSETS	96,275	20,335	71,774	17,663
DEFERRED OUTFLOW OF RESOURCES:	2,298	572	16,564	744
LIABILITIES:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	2,160	376	29,735	1,170
Due To Other Funds	-	-	-	-
Unearned Revenue	-	-	3,066	-
Compensated Absences Payable	20	-	809	1
Leases Payable	17,193	3,749	-	1,702
Other Current Liabilities	698	-	-	-
Total Current Liabilities	20,071	4,125	33,610	2,873
Noncurrent Liabilities:				
Accrued Compensated Absences	996	203	8,520	367
Capital Lease Payable	58,873	3,774	-	9,844
Net Pension Liability	18,810	5,056	226,007	9,524
Other Postemployment Benefits	714	195	8,607	370
Total Noncurrent Liabilities	79,393	9,228	243,134	20,105
TOTAL LIABILITIES	99,464	13,353	276,744	22,978
DEFERRED INFLOW OF RESOURCES:	9,435	2,416	91,903	4,016
NET POSITION:				
Net investment in Capital Assets:	2,402	10,245	14,112	(1,078)
Unrestricted	(12,728)	(5,107)	(294,421)	(7,509)
TOTAL NET POSITION	\$ (10,326)	\$ 5,138	\$ (280,309)	\$ (8,587)

HIGHWAYS	PUBLIC SAFETY	ADMINISTRATIVE COURTS	LEGAL SERVICES	OTHER INTERNAL SERVICE ACTIVITIES	TOTALS
\$ -	\$ 316	\$ 1,893	\$ 11,308	\$ -	\$ 87,007
-	7	15	57	11	1,903
-	-	-	-	-	102
-	-	-	-	-	263
386	-	-	-	-	1,283
-	-	7	458	-	8,870
386	323	1,915	11,823	11	99,428
-	-	-	-	-	260
50	1,595	46	884	-	122,869
-	-	-	-	-	523
50	1,595	46	884	-	123,652
436	1,918	1,961	12,707	11	223,080
69	4	743	8,013	34	29,041
108	-	361	3,316	68	37,294
494	-	-	2	70	566
-	-	-	-	-	3,066
-	-	14	358	-	1,202
-	-	-	-	-	22,644
-	-	-	-	-	698
602	-	375	3,676	138	65,470
-	-	343	2,014	112	12,555
-	-	-	-	-	72,491
1,000	-	10,884	71,126	1,488	343,895
40	-	423	2,677	66	13,092
1,040	-	11,650	75,817	1,666	442,033
1,642	-	12,025	79,493	1,804	507,503
1,027	-	4,831	28,609	2,654	144,891
50	1,595	46	884	-	28,256
(2,214)	327	(14,198)	(88,266)	(4,413)	(428,529)
\$ (2,164)	\$ 1,922	\$ (14,152)	\$ (87,382)	\$ (4,413)	\$ (400,273)

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

(DOLLARS IN THOUSANDS)

	CENTRAL SERVICES	FINANCIAL INFORMATION TECHNOLOGY	INFORMATION TECHNOLOGY	CAPITOL COMPLEX
OPERATING REVENUES:				
Sales of Goods and Services	\$ 64,949	\$ 8,552	\$ 336,560	\$ 20
Rental Income	-	-	-	14,455
Other	787	-	128	1
TOTAL OPERATING REVENUES	65,736	8,552	336,688	14,476
OPERATING EXPENSES:				
Salaries and Fringe Benefits	4,450	1,025	143,787	1,914
Operating and Travel	35,691	6,924	115,426	7,225
Depreciation and Amortization	19,730	4,338	3,968	2,431
Prizes and Awards	-	-	21	-
TOTAL OPERATING EXPENSES	59,871	12,287	263,202	11,570
OPERATING INCOME (LOSS)	5,865	(3,735)	73,486	2,906
NONOPERATING REVENUES AND (EXPENSES):				
Fines and Settlements	1	-	-	-
Investment Income (Loss)	-	64	1,387	-
Gain/(Loss) on Sale or Impairment of Capital Assets	1,389	-	61	49
Insurance Recoveries from Prior Year Impairments	-	-	18	2
Debt Service	(1,826)	(108)	-	(486)
TOTAL NONOPERATING REVENUES (EXPENSES)	(436)	(44)	1,466	(435)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	5,429	(3,779)	74,952	2,471
CONTRIBUTIONS, TRANSFERS, AND OTHER ITEMS:				
Capital Contributions	317	-	-	-
Transfers- In	389	3,713	1,230	37
Transfers- Out	(249)	(165)	(1,162)	(1,728)
TOTAL CONTRIBUTIONS AND TRANSFERS	457	3,548	68	(1,691)
CHANGE IN NET POSITION	5,886	(231)	75,020	780
NET POSITION - FISCAL YEAR BEGINNING	(16,212)	5,369	(355,329)	(9,367)
NET POSITION - FISCAL YEAR ENDING	\$ (10,326)	\$ 5,138	\$ (280,309)	\$ (8,587)

HIGHWAYS	PUBLIC SAFETY	ADMINISTRATIVE COURTS	LEGAL SERVICES	OTHER INTERNAL SERVICE ACTIVITIES	TOTALS
\$ 1,374	\$ 105	\$ 6,597	\$ 46,441	\$ 1,087	\$ 465,685
-	-	-	-	-	14,455
-	-	-	17	3	936
1,374	105	6,597	46,458	1,090	481,076
(482)	67	1,660	20,419	(829)	172,011
652	(224)	1,209	3,946	242	171,091
18	371	4	298	-	31,158
-	-	-	-	-	21
188	214	2,873	24,663	(587)	374,281
1,186	(109)	3,724	21,795	1,677	106,795
-	-	-	-	-	1
-	-	77	477	(1)	2,004
-	-	6	(4)	-	1,501
-	-	-	-	-	20
(14)	-	-	(7)	(2)	(2,443)
(14)	-	83	466	(3)	1,083
1,172	(109)	3,807	22,261	1,674	107,878
-	-	-	-	-	317
8	-	1	-	2	5,380
-	-	(207)	(3,719)	(133)	(7,363)
8	-	(206)	(3,719)	(131)	(1,666)
1,180	(109)	3,601	18,542	1,543	106,212
(3,344)	2,031	(17,753)	(105,924)	(5,956)	(506,485)
\$ (2,164)	\$ 1,922	\$ (14,152)	\$ (87,382)	\$ (4,413)	\$ (400,273)

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

(DOLLARS IN THOUSANDS)

	CENTRAL SERVICES	FINANCIAL INFORMATION TECHNOLOGY	INFORMATION TECHNOLOGY	CAPITOL COMPLEX
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from:				
Fees for Service	\$ 2,331	\$ -	\$ 80	\$ -
Receipts for Interfund Services	62,329	8,552	336,029	16
Sales of Products	5	-	248	-
Income from Property	-	-	-	14,400
Other Sources	788	-	-	-
Cash Payments to or for:				
Employees	(9,611)	(2,311)	(202,252)	(4,250)
Suppliers	(31,372)	(126)	(54,591)	(6,181)
Payments for Interfund Services	(3,417)	(6,812)	(51,996)	(879)
Other Governments	(1)	-	-	-
Other	(44)	(2)	(774)	(3)
NET CASH PROVIDED BY OPERATING ACTIVITIES	21,008	(699)	26,744	3,103
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers- In	413	3,713	1,230	37
Transfers- Out	(249)	(165)	(1,162)	(1,728)
Receipt of Deposits Held in Custody	731	-	-	-
Release of Deposits Held in Custody	(275)	-	-	-
NonCapital Debt Proceeds	-	87	-	-
NonCapital Debt Service Payments	-	(87)	-	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	620	3,548	68	(1,691)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of Capital Assets	(30,447)	24	(3,038)	(3,736)
Proceeds from Sale of Capital Assets	30,609	-	1,724	2,195
Capital Debt Service Payments	-	(41)	-	-
Capital Lease Payments	(19,436)	(3,857)	-	(486)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(19,274)	(3,874)	(1,314)	(2,027)

HIGHWAYS	PUBLIC SAFETY	ADMINISTRATIVE COURTS	LEGAL SERVICES	OTHER INTERNAL SERVICE ACTIVITIES	TOTALS
\$ 4	\$ 34	\$ 8	\$ -	\$ 200	\$ 2,657
14	83	6,578	46,388	902	460,891
1,361	-	-	-	5	1,619
-	-	-	-	-	14,400
-	-	-	17	-	805
(470)	-	(4,659)	(36,832)	(682)	(261,067)
(801)	(9)	(535)	(3,204)	(422)	(97,241)
(102)	(9)	(670)	(588)	-	(64,473)
-	-	-	-	-	(1)
-	-	(1)	(1)	(39)	(864)
6	99	721	5,780	(36)	56,726
8	-	1	-	2	5,404
-	-	(207)	(3,719)	(133)	(7,363)
-	-	-	-	-	731
-	-	-	-	-	(275)
-	-	-	-	-	87
-	-	-	-	-	(87)
8	-	(206)	(3,719)	(131)	(1,503)
-	(346)	(58)	(364)	-	(37,965)
-	294	35	180	-	35,037
(14)	-	-	(7)	(2)	(64)
-	-	-	-	-	(23,779)
(14)	(52)	(23)	(191)	(2)	(26,771)

(Continued)

STATEMENT OF CASH FLOWS, CONTINUED
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

(DOLLARS IN THOUSANDS)

	CENTRAL SERVICES	FINANCIAL INFORMATION TECHNOLOGY	INFORMATION TECHNOLOGY	CAPITOL COMPLEX
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends on Investments	-	5	-	-
Increase(Decrease) from Unrealized Gain(Loss) on Investments	-	59	1,387	-
NET CASH FROM INVESTING ACTIVITIES	-	64	1,387	-
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	2,354	(961)	26,885	(615)
CASH AND POOLED CASH, FISCAL YEAR BEGINNING	13,191	3,453	21,759	7,684
CASH AND POOLED CASH, FISCAL YEAR END	\$ 15,545	\$ 2,492	\$ 48,644	\$ 7,069
RECONCILIATION OF OPERATING INCOME TO NET CASH				
PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 5,865	\$ (3,735)	\$ 73,486	\$ 2,906
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation	19,730	4,338	3,968	2,431
Rents, Fines, Donations, and Grants and Contracts in NonOperating Compensated Absences Expense	1	-	29	20
Interest and Other Expense in Operating Income	436	95	1,091	109
Net Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows Related to Operating Activities:				
(Increase) Decrease in Operating Receivables	(284)	-	(216)	(31)
(Increase) Decrease in Inventories	(206)	-	-	41
(Increase) Decrease in Other Operating Assets and Deferred Outflows	(4)	19	(225)	-
(Increase) Decrease in Pension Deferred Outflow	2,059	846	27,358	1,150
(Increase) Decrease in OPEB Deferred Outflow	(11)	4	56	6
Increase (Decrease) in Accounts Payable	52	(25)	9,530	(99)
Increase (Decrease) in Pension Liability	(4,041)	(1,247)	(39,970)	(1,535)
Increase (Decrease) in OPEB Liability	(205)	(64)	(1,919)	(82)
Increase (Decrease) in Other Operating Liabilities and Deferred Inflows	-	-	(810)	(49)
Increase (Decrease) in Pension Deferred Inflow	(3,578)	(984)	(47,284)	(2,076)
Increase (Decrease) in OPEB Deferred Inflow	188	54	1,650	70
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 21,008	\$ (699)	\$ 26,744	\$ 3,103
SUPPLEMENTARY INFORMATION - NONCASH TRANSACTIONS:				
Capital Assets Funded by the Capital Projects Fund	292	-	-	-
Loss on Disposal of Capital and Other Assets	(1,389)	-	(50)	(31)
Amortization of Debt Valuation Accounts and Interest Payable Accruals	-	(452)	-	-
Assumption of Capital Lease Obligation or Mortgage	20,288	-	-	485
State Support for PERA Pensions	-	1	(338)	3

HIGHWAYS	PUBLIC SAFETY	ADMINISTRATIVE COURTS	LEGAL SERVICES	OTHER INTERNAL SERVICE ACTIVITIES	TOTALS
-	-	26	177	-	208
-	-	51	300	(1)	1,796
-	-	77	477	(1)	2,004
-	47	569	2,347	(170)	30,456
-	269	1,324	8,961	170	56,811
\$ -	\$ 316	\$ 1,893	\$ 11,308	\$ -	\$ 87,267

\$ 1,186 \$ (109) \$ 3,724 \$ 21,795 \$ 1,677 \$ 106,795

18	371	4	298	-	31,158
-	-	-	-	-	50
-	-	-	440	80	2,251
-	(242)	-	-	-	1,006
4	12	(11)	(53)	21	(558)
(225)	-	-	-	-	(390)
-	-	-	11	-	(199)
148	66	1,492	7,963	708	41,790
1	1	8	14	12	91
76	-	(17)	467	(302)	9,682
(397)	-	(2,197)	(10,659)	(1,778)	(61,824)
(19)	-	(113)	(582)	(70)	(3,054)
(102)	-	-	2	20	(939)
(692)	-	(2,265)	(14,417)	(454)	(71,750)
8	-	96	501	50	2,617
\$ 6	\$ 99	\$ 721	\$ 5,780	\$ (36)	\$ 56,726

-	-	-	-	-	292
-	-	(6)	4	-	(1,472)
-	-	-	-	-	(452)
-	-	-	-	-	20,773
8	-	1	(94)	2	(417)

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 and Private Purpose Trust 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.

COLORADO STATE UNIVERSITY OTHER POST-EMPLOYMENT BENEFITS TRUST

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 prescription benefits and income replacement benefits for long-term disability. The University's Board of Governors has the authority to establish and amend benefits provisions for all plans.

PRIVATE PURPOSE TRUST FUNDS

TREASURER'S

This fund primarily includes moneys managed by the State Treasurer on behalf of qualified charter schools (those charter schools meeting specific statutory requirements) to finance capital construction with bonds guaranteed by the moneys in this fund. Qualified charter schools choosing to participate in this program make annual payments to the fund that may be used by the Treasurer to make debt service payments if any of the qualified schools is unable to do so.

UNCLAIMED PROPERTY

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. The remaining unclaimed assets are reported in the Unclaimed Property nonmajor Special Revenue Fund.

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.

COLLEGE OPPORTUNITY FUND

The College Opportunity Fund (COF) began operations in Fiscal Year 2005-06. It receives stipends appropriated by the Legislature and distributes them to qualified institutions on behalf of students attending public and certain private institutions of higher education in the State. The appropriated amounts are held in trust in the COF until the institutions apply for the stipend on behalf of the students. Any unused stipends remain in the COF and do not revert to 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.

AGENCY FUNDS

These funds are held in custody for others. Major items include litigation settlement escrow accounts; contractor's performance escrow accounts; sales taxes collected for cities and counties; deposits held to 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, 2020**

(DOLLARS IN THOUSANDS)	STATE EMPLOYEE BENEFIT PLANS	COLORADO STATE UNIVERSITY OTHER POST-EMPLOYMENT BENEFITS TRUST	TOTALS
ASSETS:			
Cash and Pooled Cash	\$ 110,152	\$ -	\$ 110,152
Other Receivables, net	1,628	161	1,789
Due From Other Funds	1,860	-	1,860
Investments:			
Government Securities	-	6,049	6,049
Corporate Bonds	-	10,820	10,820
Asset Backed Securities	-	1,013	1,013
Mortgages	-	6,270	6,270
Mutual Funds	-	34,839	34,839
Other Investments	-	25,471	25,471
TOTAL ASSETS	113,640	84,623	198,263
LIABILITIES:			
Accounts Payable and Accrued Liabilities	23,595	96	23,691
Due To Other Funds	4	-	4
Intrafund Payables	1	-	1
Claims and Judgments Payable	22,928	-	22,928
Accrued Compensated Absences	139	-	139
TOTAL LIABILITIES	46,667	96	46,763
NET POSITION:			
Restricted for:			
OPEB	-	84,527	84,527
Pension/Benefit Plan Participants	66,973	-	66,973
TOTAL NET POSITION	\$ 66,973	\$ 84,527	\$ 151,500

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

(DOLLARS IN THOUSANDS)	STATE EMPLOYEE BENEFIT PLANS	COLORADO STATE UNIVERSITY OTHER POST-EMPLOYMENT BENEFITS TRUST	TOTALS
ADDITIONS:			
Member Contributions	\$ 90,575	\$ 1,811	\$ 92,386
Employer Contributions	380,681	136	380,817
Investment Income/(Loss)	4,565	2,109	6,674
Other Additions	4,927	-	4,927
Transfers- In	1,576	-	1,576
TOTAL ADDITIONS	482,324	4,056	486,380
DEDUCTIONS:			
Distributions to Participants	-	3,250	3,250
Health Insurance Premiums Paid	159,672	-	159,672
Health Insurance Claims Paid	244,489	-	244,489
Other Benefits Plan Expense	32,270	-	32,270
Other Deductions	21,569	233	21,802
Transfers- Out	205	-	205
TOTAL DEDUCTIONS	458,205	3,483	461,688
CHANGE IN NET POSITION	24,119	573	24,692
NET POSITION - FISCAL YEAR BEGINNING	42,854	83,954	126,808
NET POSITION - FISCAL YEAR ENDING	\$ 66,973	\$ 84,527	\$ 151,500

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2020**

(DOLLARS IN THOUSANDS)						
	TREASURER'S	UNCLAIMED PROPERTY	COLLEGE SAVINGS PLAN	COLLEGE OPPORTUNITY FUND	OTHER	TOTALS
ASSETS:						
Cash and Pooled Cash	\$ 15,452	\$ 185,317	\$ 645	\$ 204	\$ 12,613	\$ 214,231
Other Receivables, net	51	-	17,089	-	838	17,978
Due From Other Funds	-	-	12,022	-	-	12,022
Restricted Cash and Pooled Cash	-	-	76,643	-	-	76,643
Investments:						
Government Securities	-	-	-	-	480	480
Mortgages	-	19,407	-	-	-	19,407
Mutual Funds	-	-	9,081,666	-	-	9,081,666
Guaranteed Investment Contracts	-	-	159,686	-	-	159,686
Other Investments	-	-	943	-	-	943
TOTAL ASSETS	15,503	204,724	9,348,694	204	13,931	9,583,056
LIABILITIES:						
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 16,048	\$ -	\$ 7,584	\$ 23,632
Due To Other Funds	-	-	317	-	-	317
Unearned Revenue	-	-	18,452	-	5,019	23,471
Deposits Held In Custody For Others	-	-	6,364	-	-	6,364
TOTAL LIABILITIES	-	-	41,181	-	12,603	53,784
NET POSITION:						
Restricted for:						
Individuals, Organizations, and Other Entities	15,503	204,724	9,307,513	204	1,328	9,529,272
TOTAL NET POSITION	\$ 15,503	\$ 204,724	\$ 9,307,513	\$ 204	\$ 1,328	\$ 9,529,272

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

(DOLLARS IN THOUSANDS)						
	TREASURER'S	UNCLAIMED PROPERTY	COLLEGE SAVINGS PLAN	COLLEGE OPPORTUNITY FUND	OTHER	TOTALS
ADDITIONS:						
Additions By Participants	\$ -	\$ -	\$ 1,066,765	\$ 353,018	\$ 13,083	\$ 1,432,866
Investment Income/(Loss)	720	6,525	355,750	-	516	363,511
Unclaimed Property Receipts	-	59,218	-	-	-	59,218
Other Additions	1,075	-	1,239	-	1,008	3,322
Transfers- In	-	-	-	-	1	1
TOTAL ADDITIONS	1,795	65,743	1,423,754	353,018	14,608	1,858,918
DEDUCTIONS:						
Distributions to Participants	-	-	-	352,835	-	352,835
Payments in Accordance with Trust Agreements	720	47,382	913,920	-	14,340	976,362
Transfers- Out	-	-	-	-	35	35
TOTAL DEDUCTIONS	720	47,382	913,920	352,835	14,375	1,329,232
CHANGE IN NET POSITION	1,075	18,361	509,834	183	233	529,686
NET POSITION - FISCAL YEAR BEGINNING	14,428	186,363	8,797,679	21	1,095	8,999,586
NET POSITION - FISCAL YEAR ENDING	\$ 15,503	\$ 204,724	\$ 9,307,513	\$ 204	\$ 1,328	\$ 9,529,272

**COMBINING STATEMENT OF CHANGES
IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

DEPARTMENT OF REVENUE AGENCY FUNDS

(DOLLARS IN THOUSANDS)	BALANCE JULY 1	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30
ASSETS:				
Cash and Pooled Cash	\$ 163,001	\$ 2,041,271	\$ 2,032,756	\$ 171,516
Taxes Receivable, net	196,170	253,194	228,255	221,109
Other Receivables, net	-	1,457	151	1,306
Due From Other Funds	201	201	402	-
TOTAL ASSETS	\$ 359,372	\$ 2,296,123	\$ 2,261,564	\$ 393,931
LIABILITIES:				
Tax Refunds Payable	\$ 2,937	\$ 1,647	\$ 2,937	\$ 1,647
Accounts Payable and Accrued Liabilities	-	55,624	51,796	3,828
Due To Other Governments	355,042	2,308,641	2,277,870	385,813
Due To Other Funds	-	124	-	124
Claims and Judgments Payable	69	772	783	58
Other Current Liabilities	735	2,272	576	2,431
Other Long-Term Liabilities	589	30	589	30
TOTAL LIABILITIES	\$ 359,372	\$ 2,369,110	\$ 2,334,551	\$ 393,931

**COMBINING STATEMENT OF CHANGES
IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

OTHER AGENCY FUNDS

(DOLLARS IN THOUSANDS)	BALANCE JULY 1	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30
ASSETS:				
Cash and Pooled Cash	\$ 143,814	\$ 237,834	\$ 192,065	\$ 189,583
Taxes Receivable, net	8,215	10,129	9,652	8,692
Other Receivables, net	296	814	702	408
Inventories	5	-	5	-
Other Long-Term Assets	8,821	586	668	8,739
TOTAL ASSETS	\$ 161,151	\$ 249,363	\$ 203,092	\$ 207,422
LIABILITIES:				
Tax Refunds Payable	\$ 123	\$ 49	\$ 123	\$ 49
Accounts Payable and Accrued Liabilities	788	23,276	23,160	904
Due To Other Governments	14,664	114,530	113,655	15,539
Due To Other Funds	-	7,633	7,623	10
Claims and Judgments Payable	-	177	177	-
Other Current Liabilities	145,123	171,374	125,811	190,686
Deposits Held In Custody For Others	428	-	196	232
Other Long-Term Liabilities	25	2	25	2
TOTAL LIABILITIES	\$ 161,151	\$ 317,041	\$ 270,770	\$ 207,422

**COMBINING STATEMENT OF CHANGES
IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

DEPARTMENT OF TREASURY AGENCY FUNDS

(DOLLARS IN THOUSANDS)	BALANCE JULY 1	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30
ASSETS:				
Cash and Pooled Cash	\$ 1,220,829	\$ 1,063,250	\$ 637,644	\$ 1,646,435
Other Receivables, net	-	277	242	35
Due From Other Funds	-	21,969	3,493	18,476
Due From Component Units	107	113	107	113
TOTAL ASSETS	\$ 1,220,936	\$ 1,085,609	\$ 641,486	\$ 1,665,059
LIABILITIES:				
Accounts Payable and Accrued Liabilities	\$ 15	\$ 461	\$ 460	\$ 16
Other Current Liabilities	1,188,323	1,110,669	637,964	1,661,028
Deposits Held In Custody For Others	32,598	758	29,341	4,015
TOTAL LIABILITIES	\$ 1,220,936	\$ 1,111,888	\$ 667,765	\$ 1,665,059

**COMBINING STATEMENT OF CHANGES
IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

TOTALS - ALL AGENCY FUNDS

(DOLLARS IN THOUSANDS)	BALANCE JULY 1	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30
ASSETS:				
Cash and Pooled Cash	\$ 1,527,644	\$ 3,342,355	\$ 2,862,465	\$ 2,007,534
Taxes Receivable, net	204,385	263,323	237,907	229,801
Other Receivables, net	296	2,548	1,095	1,749
Due From Other Funds	201	22,170	3,895	18,476
Due From Component Units	107	113	107	113
Inventories	5	-	5	-
Other Long-Term Assets	8,821	586	668	8,739
TOTAL ASSETS	\$ 1,741,459	\$ 3,631,095	\$ 3,106,142	\$ 2,266,412
LIABILITIES:				
Tax Refunds Payable	\$ 3,060	\$ 1,696	\$ 3,060	\$ 1,696
Accounts Payable and Accrued Liabilities	803	79,361	75,416	4,748
Due To Other Governments	369,706	2,423,171	2,391,525	401,352
Due To Other Funds	-	7,757	7,623	134
Claims and Judgments Payable	69	949	960	58
Other Current Liabilities	1,334,181	1,284,315	764,351	1,854,145
Deposits Held In Custody For Others	33,026	758	29,537	4,247
Other Long-Term Liabilities	614	32	614	32
TOTAL LIABILITIES	\$ 1,741,459	\$ 3,798,039	\$ 3,273,086	\$ 2,266,412



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, 2020**

(DOLLARS IN THOUSANDS)	DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	HLC @ METRO	STATEWIDE INTERNET PORTAL AUTHORITY	TOTAL
ASSETS:				
Current Assets:				
Cash and Pooled Cash	\$ 842	\$ 284	\$ 2,856	\$ 3,982
Other Receivables, net	2,718	-	4,020	6,738
Prepays, Advances and Deposits	-	-	969	969
Other Current Assets	-	-	3,821	3,821
Total Current Assets	3,560	284	11,666	15,510
Noncurrent Assets:				
Restricted Cash and Pooled Cash	884	-	5,000	5,884
Other Long- Term Assets	218	-	-	218
Depreciable Capital Assets and Infrastructure, net	151,461	-	8	151,469
Land and Nondepreciable Capital Assets	25,335	-	-	25,335
Total Noncurrent Assets	177,898	-	5,008	182,906
TOTAL ASSETS	181,458	284	16,674	198,416
DEFERRED OUTFLOW OF RESOURCES:				
	-	-	115	115
LIABILITIES:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	4,592	284	2,904	7,780
Unearned Revenue	-	-	4,816	4,816
Other Current Liabilities	1,000	272	811	2,083
Total Current Liabilities	5,592	556	8,531	14,679
Noncurrent Liabilities:				
Net Pension Liability	-	-	716	716
Other Postemployment Benefits	-	-	83	83
Other Long- Term Liabilities	6,000	195	-	6,195
Total Noncurrent Liabilities	6,000	195	799	6,994
TOTAL LIABILITIES	11,592	751	9,330	21,673
DEFERRED INFLOW OF RESOURCES:				
	-	-	308	308
NET POSITION:				
Net investment in Capital Assets:	176,796	-	8	176,804
Restricted for:				
Other Purposes	1,221	-	-	1,221
Unrestricted	(8,151)	(467)	7,143	(1,475)
TOTAL NET POSITION	\$ 169,866	\$ (467)	\$ 7,151	\$ 176,550

**COMBINING STATEMENT OF ACTIVITIES
OTHER COMPONENT UNITS (NONMAJOR)
FOR THE YEAR ENDED JUNE 30, 2020**

(DOLLARS IN THOUSANDS)	DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	HLC @ METRO	STATEWIDE INTERNET PORTAL AUTHORITY	TOTAL
EXPENSES	\$ 7,800	\$ 2,935	\$ 32,031	\$ 42,766
PROGRAM REVENUES:				
Charges for Services	9,675	6,956	33,013	49,644
Operating Grants and Contributions	-	32	-	32
Capital Grants and Contributions	3,184	793	-	3,977
TOTAL PROGRAM REVENUES:	12,859	7,781	33,013	53,653
NET (EXPENSE) REVENUE	5,059	4,846	982	10,887
GENERAL REVENUES:				
Unrestricted Investment Earnings (Losses)	37	91	-	128
TOTAL GENERAL REVENUES	37	91	-	128
CHANGE IN NET POSITION	5,096	4,937	982	11,015
NET POSITION - FISCAL YEAR BEGINNING	164,770	(5,404)	-	159,366
Prior Period Adjustment (See Note 15A)	-	-	-	-
Accounting Changes (See Note 15B)	-	-	6,169	6,169
NET POSITION - FISCAL YEAR BEGINNING (Restated)	164,770	(5,404)	6,169	165,535
NET POSITION - FISCAL YEAR ENDING	\$ 169,866	\$ (467)	\$ 7,151	\$ 176,550



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, 2020**

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS- IN:				
Sales and Other Excise Taxes			\$ 363,594	
Income Taxes			844,095	
Other Taxes			32,671	
Sales and Services			234	
Interest Earnings			3,007	
Other Revenues			2,503	
Transfers- In			19,186	
TOTAL REVENUES AND TRANSFERS- IN			1,265,290	
EXPENDITURES AND TRANSFERS- OUT:				
Operating Budgets:				
Departmental:				
Governor	\$ -	\$ 210	210	\$ -
Health Care Policy and Financing	-	6,057	5,468	589
Higher Education	-	445	445	-
Human Services	-	223	199	24
Local Affairs	4,375	4,375	4,287	88
Personnel & Administration	-	866	861	5
Public Health and Environment	-	1,981	1,981	-
Revenue	257,470	362,537	341,412	21,125
Treasury	789,667	789,667	659,265	130,402
Transfers Not Appropriated by Department	112,692	112,692	112,692	-
SUB- TOTAL OPERATING BUDGETS	1,164,204	1,279,053	1,126,820	152,233
TOTAL EXPENDITURES AND TRANSFERS- OUT	\$ 1,164,204	\$ 1,279,053	1,126,820	\$ 152,233
EXCESS OF REVENUES AND TRANSFERS- IN OVER (UNDER) EXPENDITURES AND TRANSFERS- OUT			\$ 138,470	

**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, 2020**

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS- IN:				
Sales and Other Excise Taxes			\$ 873,830	
Other Taxes			810,461	
Tuition and Fees			372,878	
Sales and Services			1,777,598	
Interest Earnings			556,562	
Other Revenues			3,984,245	
Transfers- In			6,774,673	
TOTAL REVENUES AND TRANSFERS- IN			15,150,247	
EXPENDITURES/EXPENSES AND TRANSFERS- OUT:				
Operating Budgets:				
Departmental:				
Agriculture	\$ 2,364	\$ 5,784	4,993	\$ 791
Corrections	28,236	29,534	22,026	7,508
Education	4,419,722	4,409,622	4,397,073	12,549
Governor	451,355	457,532	203,381	254,151
Health Care Policy and Financing	20,434	22,621	5,561	17,060
Higher Education	1,930,198	1,991,007	1,798,606	192,401
Human Services	362,982	186,932	149,279	37,653
Judicial Branch	47,256	65,108	55,704	9,404
Labor and Employment	1,152,640	1,519,208	1,632,813	(113,605)
Law	25,166	25,524	7,525	17,999
Legislative Branch	16,619	16,619	3,377	13,242
Local Affairs	321,273	338,742	186,991	151,751
Military and Veterans Affairs	5,266	5,266	4,658	608
Natural Resources	862,399	879,732	407,965	471,767
Personnel & Administration	576,235	583,292	547,536	35,756
Public Health and Environment	99,782	170,340	36,706	133,634
Public Safety	263,352	263,666	130,077	133,589
Regulatory Agencies	20,202	20,694	1,219	19,475
Revenue	856,334	1,018,546	931,087	87,459
State	9,073	9,073	5,142	3,931
Transportation	4,378,526	4,379,001	1,278,367	3,100,634
Treasury	2,776,680	2,825,185	2,350,680	474,505
Budgets/Transfers Not Recorded by Department	93,264	118,665	118,691	(26)
SUB- TOTAL OPERATING BUDGETS	18,719,358	19,341,693	14,279,457	5,062,236
Capital and Multi- Year Budgets:				
Departmental:				
Agriculture	-	2,210	164	2,046
Corrections	-	8,133	5,065	3,068
Education	-	1,131	120	1,011
Governor	-	557	362	195
Higher Education	-	59,437	25,185	34,252
Human Services	2,211	23,722	2,959	20,763
Military and Veterans Affairs	-	638	34	604
Natural Resources	14,037	34,264	17,605	16,659
Personnel & Administration	-	14,496	4,013	10,483
Public Health and Environment	-	1,700	-	1,700
Public Safety	-	697	476	221
SUB- TOTAL CAPITAL AND MULTI- YEAR BUDGETS	16,248	146,985	55,983	91,002
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS- OUT	\$ 18,735,606	\$ 19,488,678	14,335,440	\$ 5,153,238
EXCESS OF REVENUES AND TRANSFERS- IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS- OUT			\$ 814,807	

**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, 2020**

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS- IN:				
Federal Grants and Contracts			\$ 9,037,994	
TOTAL REVENUES AND TRANSFERS- IN			9,037,994	
EXPENDITURES/EXPENSES AND TRANSFERS- OUT:				
Capital and Multi- Year Budgets:				
Departmental:				
Agriculture	\$ 3,910	\$ 10,430	5,096	\$ 5,334
Corrections	7,175	9,021	7,370	1,651
Education	619,446	1,622,588	1,133,893	488,695
Governor	83,702	1,869,959	1,342,068	527,891
Health Care Policy and Financing	313,105	469,304	366,809	102,495
Higher Education	925,900	1,284,495	272,623	1,011,872
Human Services	302,928	1,581,093	1,324,738	256,355
Judicial Branch	9,994	28,667	18,070	10,597
Labor and Employment	4,126,469	4,550,157	3,284,179	1,265,978
Law	2,354	2,389	1,800	589
Local Affairs	82,121	571,721	187,088	384,633
Military and Veterans Affairs	118,541	45,282	19,739	25,543
Natural Resources	26,748	102,244	50,177	52,067
Personnel & Administration	-	442	208	234
Public Health and Environment	317,478	674,001	284,143	389,858
Public Safety	70,080	555,079	129,433	425,646
Regulatory Agencies	1,323	181,654	3,849	177,805
Revenue	1,036	3,111	-	3,111
State	-	20,755	825	19,930
Transportation	621,467	1,248,979	603,070	645,909
Treasury	74,252	74,252	74,252	-
SUB- TOTAL CAPITAL AND MULTI- YEAR BUDGETS	7,708,029	14,905,623	9,109,430	5,796,193
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS- OUT	\$ 7,708,029	\$ 14,905,623	9,109,430	\$ 5,796,193
EXCESS OF REVENUES AND TRANSFERS- IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS- OUT			\$ (71,436)	





**SCHEDULE OF TABOR REVENUE
AND COMPUTATIONS**

STATE OF COLORADO
OFFICE OF THE STATE CONTROLLER
COMPARISON OF NONEXEMPT TAVOR REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Fiscal Year 2020	Fiscal Year 2019	Increase (Decrease)	Percent Change
GENERAL REVENUES				
Individual Income Tax, Net	\$ 8,032,399,506	\$ 7,554,025,207	\$ 478,374,299	6.3%
Sales and Use Tax, Net	3,406,516,314	3,399,519,069	6,997,245	0.2%
Corporate Income Tax, Net	670,434,333	855,706,743	(185,272,410)	-21.7%
Insurance Taxes	337,417,807	314,663,520	22,754,287	7.2%
Tobacco Products Tax, Net	56,910,411	54,840,609	2,069,802	3.8%
Alcoholic Beverages Tax, Net	50,069,739	48,304,172	1,765,567	3.7%
Interest and Investment Income	29,238,671	24,560,039	4,678,632	19.0%
Fiduciary Income Tax, Net	24,275,951	64,239,350	(39,963,399)	-62.2%
Court and Other Fines	10,172,014	25,517,610	(15,345,596)	-60.1%
Business Licenses and Permits	7,352,054	5,817,416	1,534,638	26.4%
General Government Service Fees	2,371,028	1,020,382	1,350,646	132.4%
Miscellaneous Revenue	2,014,974	1,559,959	455,015	29.2%
Gaming and Other Taxes	348,916	509,843	(160,927)	-31.6%
Welfare Service Fees	19,130	8,434	10,696	126.8%
Other Charges For Services	6,349	47,443	(41,094)	-86.6%
Public Safety Service Fees	-	55,650	(55,650)	-100.0%
TOTAL GENERAL-FUNDED REVENUES	<u>12,629,547,197</u>	<u>12,350,395,446</u>	<u>279,151,751</u>	<u>2.3%</u>
PROGRAM REVENUES				
Fuel and Transportation Taxes, Net	626,572,328	658,121,910	(31,549,582)	-4.8%
Motor Vehicle Registrations	274,372,225	280,349,502	(5,977,277)	-2.1%
Business Licenses and Permits	189,101,472	181,683,801	7,417,671	4.1%
Other Charges For Services	165,603,803	168,598,785	(2,994,982)	-1.8%
Court and Other Fines	161,582,265	178,205,261	(16,622,996)	-9.3%
Severance Taxes	116,842,809	241,727,089	(124,884,280)	-51.7%
Miscellaneous Revenue	89,106,173	54,481,376	34,624,797	63.6%
Interest and Investment Income	87,602,502	88,757,023	(1,154,521)	-1.3%
Health Service Fees	87,432,522	86,491,292	941,230	1.1%
General Government Service Fees	69,097,425	75,704,774	(6,607,349)	-8.7%
Gaming and Other Taxes	68,201,119	105,662,962	(37,461,843)	-35.5%
Rents and Royalties	60,701,670	64,951,667	(4,249,997)	-6.5%
Driver's Licenses	40,293,015	42,278,947	(1,985,932)	-4.7%
Employment Taxes	38,075,619	34,090,799	3,984,820	11.7%
Sales and Use Tax, Net	37,220,152	41,112,066	(3,891,914)	-9.5%
Nonbusiness Licenses and Permits	30,163,475	30,649,735	(486,260)	-1.6%
Certifications and Inspections	24,125,659	22,102,796	2,022,863	9.2%
Insurance Taxes	22,336,255	20,079,543	2,256,712	11.2%
Public Safety Service Fees	20,531,842	20,347,834	184,008	0.9%
Higher Education Auxiliary Sales and Services	10,495,912	3,935,786	6,560,126	166.7%
Local Governments and Authorities	10,489,500	24,220,711	(13,731,211)	-56.7%
Educational Fees	8,572,913	9,178,478	(605,565)	-6.6%
Welfare Service Fees	2,434,777	1,902,015	532,762	28.0%
Sales of Products	2,046,394	2,312,622	(266,228)	-11.5%
Alcoholic Beverages Tax, Net	830,922	819,571	11,351	1.4%
Other Excise Taxes, Net	374,075	257,238	116,837	45.4%
Tobacco Products Tax, Net	415	424	(9)	-2.1%
Estate and Inheritance Taxes	-	169	(169)	-100.0%
TOTAL PROGRAM REVENUES	<u>2,244,207,238</u>	<u>2,438,024,176</u>	<u>(193,816,938)</u>	<u>-7.9%</u>
TOTAL NONEXEMPT REVENUE	<u>\$ 14,873,754,435</u>	<u>\$ 14,788,419,622</u>	<u>\$ 85,334,813</u>	<u>0.6%</u>

STATE OF COLORADO
SCHEDULE OF COMPUTATIONS REQUIRED
UNDER ARTICLE X, SECTION 20
AS OF JUNE 30, 2020

	FISCAL YEAR 2019	FISCAL YEAR 2020
COMPUTATION OF NONEXEMPT REVENUES		
Total State Expenditures	\$ 47,709,288,359	\$ 55,162,985,473
Less Exempt Enterprises Expenses:		
Higher Education Enterprises	9,765,775,281	10,047,487,619
Unemployment Compensation Section	384,654,531	4,767,292,851
Colorado Healthcare Affordability and Sustainability Enterprise	3,430,425,656	3,531,659,327
CollegeInvest	877,688,744	926,156,300
State Lottery	678,705,486	654,964,236
College Assist	542,600,604	554,338,534
Parks and Wildlife	217,788,580	208,898,106
Correctional Industries	68,448,600	56,530,274
State Nursing Homes	47,137,788	46,527,686
Petroleum Storage Tank Fund	37,604,936	35,304,621
Statewide Transportation Enterprise	20,515,850	23,618,477
Statewide Bridge Enterprise	12,605,239	14,731,470
Electronic Recording Technology Fund	2,565,594	4,349,354
Clean Screen Authority	2,940,192	3,608,601
Brand Board	3,982,694	3,020,702
Capitol Parking Authority	751,687	1,167,736
Front Range Waste Diversion Enterprise	-	84,895
Health Insurance Affordability Enterprise	-	8,000
Subtotal Enterprise Expenses	<u>16,094,191,462</u>	<u>20,879,748,789</u>
Total District Expenditures	<u>31,615,096,897</u>	<u>34,283,236,684</u>
Less Exempt District Revenues:		
Interfund Transfers	8,640,387,638	9,290,193,069
Federal Funds	6,681,094,966	7,868,739,443
Other Sources and Additions (Note 7)	1,492,961,744	1,573,852,250
Voter Approved Revenue Changes (Note 8)	1,112,149,036	1,143,007,792
Exempt Investment Income	238,472,414	283,817,453
Property Sales	161,928,058	185,838,027
Damage Awards	105,223,336	100,284,626
Gifts	181,128,109	77,822,991
Subtotal Exempt District Revenues	<u>18,613,345,301</u>	<u>20,523,555,651</u>
Nonexempt District Expenditures	13,001,751,596	13,759,681,033
District Reserve/Fund Balance Increase (Decrease)	1,358,332,520	1,196,691,779
Excess TABOR Revenues	428,335,506	(82,618,377)
Total Nonexempt District Revenues	<u>\$ 14,788,419,622</u>	<u>\$ 14,873,754,435</u>
COMPUTATION OF DISTRICT FUND BALANCE CHANGES		
Beginning District Fund Balance	\$ 7,002,966,380	\$ 8,751,906,735
Prior Period District Fund Balance Adjustments (Note 11)	(37,727,671)	(5,749,791)
(Qualification)/Disqualification of Enterprises (Note 14)	-	-
District Reserve/Fund Balance Increase (Decrease)	1,358,332,520	1,196,691,779
Retention of Revenues in Excess of the Limit C.R.S. 24-77-103.6(1)(a)	428,335,506	(82,618,377)
Ending District Fund Balance	<u>\$ 8,751,906,735</u>	<u>\$ 9,860,230,346</u>
FISCAL YEAR 2020 COMPUTATION OF SPENDING LIMITATIONS		
	FISCAL YEAR SPENDING	EXCESS STATE REVENUES CAP
FY 2019 Adjusted Limit	\$ 11,759,345,200	\$ 14,360,084,116
Allowable TABOR Growth Rate (Note 12)	4.1%	4.1%
FY 2020 Unadjusted Limit	\$ 12,241,478,353	\$ 14,948,847,565
Base Adjustment for Accounting Changes - Implementation of GASB 84 (Note 15)	<u>7,525,247</u>	<u>7,525,247</u>
FY 2020 Adjusted Limit	12,249,003,600	14,956,372,812
Less Fiscal Year 2020 Nonexempt District Revenues	<u>(14,873,754,435)</u>	<u>(14,873,754,435)</u>
Amount (Over)Under Adjusted Limit FY 2020	\$ (2,624,750,835)	\$ 82,618,377
Amounts remaining in excess of the limit to be refunded in future years (by fiscal year of excess revenue)		
FY 2015		\$ 304,318
FY 2018		3,555,477
FY 2019		<u>140,133,476</u>
Total amount to be refunded in future years		<u>\$ 143,993,271</u>
FY 2020 retention of revenues in excess of the limit (not refundable) C.R.S. 24-77-103.6(1)(b)		\$ (2,624,750,835)

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.

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 2020.

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 2020 totals \$446.2 million.

At June 30, 2020, the net assets of the following funds were designated as the reserve, up to the limits set in the Long Appropriations Act (SB 19-207):

- Major Medical Fund – \$70.0 million. Only \$66.6 million of this fund’s balance was restricted since, at June 30, 2020 its net assets were less than \$70.0 million. The assets restricted were net cash of \$65.1 million and investments, excluding unrealized gains, of \$1.5 million.
- Wildlife Cash Fund – \$34.0 million.
- Perpetual base account of the Severance Tax Fund – \$33.0 million.
- Colorado Water Conservation Board Construction Fund – \$33.0 million.

- Controlled Maintenance Trust Fund – \$96.0 million. Only \$75.5 million of this fund’s net assets were restricted, all of it cash, since at June 30, 2020 its net assets were less than \$96.0 million. During the fiscal year, \$23.0 million was transferred from the Controlled Maintenance Trust Fund to the Disaster Emergency Fund, under executive order D 2020 032, for response activities related to COVID-19.
- Unclaimed Property Tourism Promotion Trust Fund - \$5.0 million.

Senate Bill 19-207 (2019 legislative session Long Appropriations Act) designated up to \$178.6 million of State properties as the remainder of the Fiscal Year 2020 emergency reserve.

The estimate of the needed reserve was based on the revenue estimate prepared by Legislative Council in the spring of 2019. Because the revenues subject to the TABOR reserve requirement were more than available in the designated funds as detailed above, the amount restricted for the reserve was \$20.5 million less than required by the State Constitution. 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. In the event of an emergency that exceeds the financial assets in the reserve, the designated Wildlife Cash Fund capital assets would have to be liquidated to meet the constitutional requirement.

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 2020, the State had an outstanding TABOR refund liability of \$431.7 million. During the fiscal year, \$0.1 million was refunded from the Fiscal Year 2015 liability and \$288.2 million from the Fiscal Year 2019 liability -- \$140.8 million through the property tax reimbursement mechanism and \$147.4 million through the income tax rate reduction mechanism. The Fiscal Year 2018 liability was refunded in its entirety in Fiscal Year 2019. During the year, revenue recognition errors of totaling \$0.6 million were identified which increased refunds payable.

At June 30, 2020 the amount of refunds payable is \$144.0 million. Since the Fiscal Year 2020 total nonexempt district revenues were below the excess State revenues cap, the remaining balance of excess TABOR revenues from prior years will be refunded in future years. (See Note 16 for more detail).

NOTE 7. OTHER SOURCES AND ADDITIONS

The \$1,573.9 million reported in this line item primarily comprises: \$470.2 million of pension and other employee benefit trust fund investment earnings and additions by the State and participants; \$802.6 million

of proceeds from the issuance of certificates of participation; \$128.0 million of revenue to permanent funds and trusts; \$60.4 million of local government expenditures recorded by the State as revenues and expenditures to meet grant matching-funds requirements; and \$94.1 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 \$56,881 and \$56,282 from this exempt source in Fiscal Year 2020 and Fiscal Year 2019, 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 \$2.1 million and \$2.2 million including interest and unrealized gains/losses from this revenue source in Fiscal Year 2020 and Fiscal Year 2019, 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 \$655.9 million and \$702.2 million of tax revenues, interest, operating transfers and unrealized gains/losses, as exclusions from fiscal year spending in Fiscal Year 2020 and Fiscal Year 2019, 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 \$137.7 million and \$135.9 million of tax revenues, interest, transfers, and unrealized gains/losses from this exempt source in Fiscal Year 2020 and Fiscal Year 2019, 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 \$13.0 million and \$20.2 million of extended limited gaming revenue in Fiscal Year 2020 and Fiscal Year 2019, 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 \$88.5 million of state excise tax and \$245.5 million of retail marijuana state sales tax revenues from these exempt sources in Fiscal Year 2020. In the prior fiscal year, the State recorded \$58.9 million and \$192.7 million respectively, from these two sources.

- In the 2019 statewide election, Colorado voters approved Proposition DD – a measure referred to the 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 \$0.3 million from this revenue in Fiscal Year 2020.

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.
- 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 \$24,440.8 million -- \$3.6 million during the initial five-year revenue retention period, and an additional \$20,847.2 million due to the ESRC exceeding the Fiscal Year Spending limit in Fiscal Year 2011 through Fiscal Year 2020.

NOTE 10. DISTRICT RESERVES

District reserves are the cumulative fund balances of the State reported in the State’s Comprehensive Annual 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

A prior period accounting change made by the Auraria Higher Education Center increased the District's net assets by \$2.4 million. The change was required by GASB Statement No. 84, relating to the identification of fiduciary activities for accounting and reporting purposes.

A prior period adjustment made by the Department of Public Health and Environment decreased the District's net assets by \$8.2 million in a write-down of various accounts receivable.

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 4.1 percent allowable growth rate comprises a 1.4 percent increase for population growth (census date population for 2018 compared to census date population for 2017) and a 2.7 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 2020 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 2019 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 2020, there were no enterprise-status disqualifications or re-qualifications. Therefore, there were no adjustments necessary to either the fiscal year spending limit or the excess State revenues cap, or in the amount of the District's net assets.

NOTE 15. BASE ADJUSTMENT FOR ACCOUNTING CHANGES

In Fiscal Year 2020 the Auraria Higher Education Center (AHEC) implemented GASB Statement No. 84 which clarifies the classification of fiduciary activities for accounting and reporting purposes. During the year, AHEC recorded \$7.5 million in revenue from student fees as nonexempt District revenue. Prior to GASB Statement No. 84, AHEC recorded such fees, in a fiduciary capacity, as a liability. The recording of revenue in Fiscal Year 2020 constitutes an accounting change.

It is the State's policy that changes in accounting principles will have no effect upon the TABOR excess revenue calculation. Because nonexempt revenues increased \$7.5 million due to the implementation GASB Statement No. 84, the Fiscal Year Spending Limit and ESRC were each also increased by this amount.

NOTE 16. 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 2020, two State departments discovered revenue recognition errors from prior years affecting TABOR refunds from Fiscal Years 2018 and 2019. The effect of these errors increased the Fiscal Year 2018 refund payable by \$0.6 million and reduced the payable for Fiscal Year 2019 by \$30,276. At June 30, 2020 the amounts remaining in excess of the ESRC for Fiscal Years 2018 and 2019 were adjusted in total by \$0.6 million to \$3.6 million and \$140.1 million respectively.

NOTE 17. FUTURE REFUNDS

Since Fiscal Year 2020 nonexempt District revenues were below the Excess State revenues cap by \$82.6 million, only the prior year liabilities totaling \$144.0 million discussed in Note 6, will be paid in Fiscal Year 2021 and future years.



Statistical Section



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020



COLORADO
Office of the State Controller
Department of Personnel & Administration

STATISTICAL SECTION

This section of the State of Colorado's Comprehensive Annual 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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
ASSETS:										
Current Assets:										
Cash and Pooled Cash	\$ 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	\$ 1,548,435
Restricted Cash and Pooled Cash Investments	611,626	-	-	-	-	-	-	-	-	-
Taxes Receivable, net	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	830,730
Other Receivables, net	609,665	708,209	654,761	717,660	572,655	450,805	210,062	189,937	156,126	147,768
Due From Other Governments	803,219	468,940	754,910	524,240	440,053	787,269	570,721	369,249	318,460	486,655
Internal Balances	179,643	43,557	38,459	26,262	28,967	28,022	19,336	23,801	15,964	18,620
Due From Component Units	-	19	18	154	347	135	54	119	137	62
Inventories	142,367	101,161	52,102	54,152	53,261	54,194	53,125	55,319	17,057	19,837
Prepays, Advances and Deposits	544,537	90,371	84,277	72,047	67,468	67,917	73,025	57,465	53,961	56,543
Total Current Assets	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	3,154,198
Noncurrent Assets:										
Restricted Assets:										
Restricted Cash and Pooled Cash	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	1,635,476
Restricted Investments	1,212,311	1,098,543	847,587	867,572	732,662	761,140	657,772	598,209	591,083	1,097,797
Restricted Receivables	453,551	445,384	633,173	587,580	510,028	363,300	258,107	176,055	181,932	173,347
Investments	1,564,800	1,177,035	449,308	255,069	219,369	280,100	428,321	464,535	416,674	52,343
Other Long-Term Assets	771,885	758,544	613,249	614,932	675,809	636,260	686,349	740,735	712,736	761,498
Depreciable Capital Assets and Infrastructure, net	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	9,331,295
Land and Nondepreciable Capital Assets	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	1,780,945
Capital Assets Held as Investments	-	-	42,896	42,899	33,055	-	-	-	-	-
Total Noncurrent Assets	18,409,624	17,445,220	18,332,808	15,898,750	15,922,776	15,922,407	16,117,742	15,261,694	15,187,958	14,832,701
TOTAL ASSETS	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	17,986,899
DEFERRED OUTFLOW OF RESOURCES:										
	2,348,666	4,421,051	2,563,034	3,503,643	818,761	350,796	18,289	-	-	-
LIABILITIES:										
Current Liabilities:										
Tax Refunds Payable	951,302	927,857	918,688	886,992	856,076	669,992	718,211	718,077	661,829	625,145
Accounts Payable and Accrued Liabilities	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	785,496
TABOR Refund Liability (Note 2B)	143,993	431,685	39,837	21,807	31,358	173,346	706	706	706	706
Due To Other Governments	375,577	283,432	306,883	395,627	232,724	233,087	245,300	198,953	228,229	216,956
Due To Component Units	-	-	-	-	-	-	15	81	-	-
Unearned Revenue	1,291,503	150,512	185,677	126,307	123,769	100,467	92,674	95,026	125,174	111,506
Accrued Compensated Absences	15,719	14,097	12,758	11,865	11,522	12,185	10,470	10,955	9,859	9,741
Claims and Judgments Payable	46,660	42,298	42,812	46,369	46,343	47,682	61,623	46,873	44,858	44,641
Leases Payable	27,212	26,162	25,789	28,254	28,261	27,760	26,941	20,004	14,387	12,872
Notes, Bonds, and COPs Payable	70,565	50,865	55,515	46,990	17,1835	200,975	187,910	174,340	162,670	145,165
Other Current Liabilities	23,647	31,020	22,837	27,678	29,525	19,052	19,979	14,834	16,531	13,748
Total Current Liabilities	4,375,162	3,276,476	2,980,058	2,757,026	2,698,094	2,851,809	2,407,790	2,022,074	1,914,714	1,965,976
Noncurrent Liabilities:										
Deposits Held In Custody For Others	598	584	136	116	90	139	139	17	16	14
Accrued Compensated Absences	197,457	166,680	162,645	158,435	154,510	149,817	145,992	138,413	132,394	137,139
Claims and Judgments Payable	15,1757	168,190	180,865	260,535	276,010	299,785	301,591	323,451	330,516	340,003
Capital Lease Payable	92,610	97,438	106,084	113,899	122,404	144,569	148,055	131,006	107,042	94,716
Notes, Bonds, and COPs Payable	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	1,621,749
Net Pension Liability	7,804,791	9,377,357	11,933,852	10,919,603	6,295,004	5,565,526	-	-	-	-
Other Postemployment Benefits	233,180	284,264	272,038	-	-	-	-	-	-	-
Other Long-Term Liabilities	229,134	267,983	457,567	407,912	415,669	423,809	402,954	444,118	427,828	434,194
Total Noncurrent Liabilities	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	2,627,815
TOTAL LIABILITIES	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	4,593,791
DEFERRED INFLOW OF RESOURCES:										
	3,704,384	4,997,905	560,903	98,746	133,375	47,262	338	-	-	-
Net investment in Capital Assets:										
Restricted for:										
Construction and Highway Maintenance	874,840	954,461	885,775	915,033	966,743	936,535	1,080,201	1,145,997	1,176,269	1,160,789
Education	194,060	203,648	295,468	107,012	309,957	766,688	1,110,180	1,265,476	280,269	485,171
Debt Service	115,664	104,011	91,950	79,966	68,105	56,534	44,752	33,113	21,453	10,127
Emergencies	208,095	191,245	201,166	194,369	217,328	217,328	153,150	161,350	72,850	85,400
Permanent Funds and Endowments:										
Expendable	8,936	10,651	8,267	7,643	5,801	7,301	7,271	6,328	6,024	8,017
Nonexpendable	1,419,630	1,291,071	1,087,000	1,020,225	950,976	896,872	800,132	694,564	684,953	641,802
Other Purposes	1,079,316	1,042,422	831,995	671,306	717,185	626,649	358,694	349,811	340,818	315,082
Unrestricted	(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	850,342
TOTAL NET POSITION	\$ 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

**GOVERNMENT-WIDE
SCHEDULE OF NET POSITION
BUSINESS-TYPE ACTIVITIES
Last Ten Fiscal Years**

(DOLLARS IN THOUSANDS)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
ASSETS:										
Current Assets:										
Cash and Pooled Cash	\$ 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	\$ 1,306,800
Restricted Cash and Pooled Cash	391,766	-	-	-	-	-	-	-	-	-
Investments	1,926,752	344,755	1,827,559	549,079	392,188	378,115	254,744	281,822	160,099	273,605
Restricted Investments	123,303	-	-	-	-	-	-	-	-	-
Taxes Receivable, net	87,301	115,535	111,099	125,258	123,638	142,241	135,207	137,970	159,303	186,161
Other Receivables, net	783,784	770,415	601,666	490,427	640,664	430,306	408,364	381,351	330,216	302,042
Due From Other Governments	970,990	172,251	145,051	136,231	94,860	134,455	150,697	155,190	218,667	177,822
Internal Balances	(179,643)	(43,557)	(38,459)	(26,262)	(28,967)	(28,022)	(19,336)	(23,801)	(15,964)	(18,620)
Due From Component Units	26,385	28,175	16,174	23,041	18,188	11,370	23,716	18,969	18,715	19,736
Inventories	57,124	58,481	54,944	59,196	54,748	57,950	54,015	52,826	53,318	43,600
Prepays, Advances and Deposits	37,686	41,567	29,020	31,679	28,756	28,186	37,433	24,806	24,160	18,018
Total Current Assets	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	2,309,164
Noncurrent Assets:										
Restricted Assets:										
Restricted Cash and Pooled Cash	511,559	1,562,065	284,025	241,268	457,926	499,742	429,965	352,234	372,457	409,652
Restricted Investments	172,683	72,895	106,798	95,280	167,540	246,783	303,678	292,283	293,711	98,146
Restricted Receivables	22,651	39,570	35,362	38,605	40,009	31,609	45,477	45,264	80,975	24,980
Investments	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	1,623,569
Other Long-Term Assets	123,685	109,831	130,529	129,350	129,425	129,850	99,380	128,105	114,118	122,939
Depreciable Capital Assets and Infrastructure, net	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	4,662,346
Land and Nondepreciable Capital Assets	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	938,544
Total Noncurrent Assets	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	7,880,176
TOTAL ASSETS	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	10,189,340
DEFERRED OUTFLOW OF RESOURCES:										
	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	705,641	697,916	592,545	786,944	771,248	751,169	659,085	602,571	623,458	556,294
Due To Other Governments	375,140	73,297	64,474	46,765	38,615	22,048	30,805	34,169	53,622	331,246
Due To Component Units	151	206	44	1,249	645	623	528	343	123	524
Unearned Revenue	770,398	351,010	345,734	328,261	306,222	407,108	346,264	305,108	237,530	234,662
Accrued Compensated Absences	28,747	27,340	26,203	25,381	22,761	20,960	18,117	16,609	14,942	14,579
Claims and Judgments Payable	1,273	1,581	-	-	-	-	-	-	-	-
Leases Payable	5,832	5,474	6,529	7,292	9,132	8,618	6,610	6,575	5,853	4,950
Notes, Bonds, and COPs Payable	179,765	196,235	154,053	146,604	267,134	251,947	244,366	233,811	243,601	79,106
Other Postemployment Benefits	16,448	-	-	-	-	-	14,076	17,052	15,721	-
Other Current Liabilities	813,537	323,850	191,660	134,584	139,765	125,054	127,033	142,868	110,667	141,484
Total Current Liabilities	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	1,362,845
Noncurrent Liabilities:										
Deposits Held In Custody For Others	25	25	20	20	20	-	-	-	-	-
Accrued Compensated Absences	397,622	350,352	339,007	317,070	293,365	268,600	250,148	236,329	219,026	205,621
Claims and Judgments Payable	45,168	42,390	35,505	37,361	39,657	41,460	40,982	38,993	36,472	35,373
Capital Lease Payable	29,813	31,928	41,623	42,599	47,994	45,663	35,582	35,153	33,185	43,466
Derivative Instrument Liability	46,864	14,193	6,837	9,251	13,222	9,515	8,566	8,333	12,994	6,182
Notes, Bonds, and COPs Payable	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	3,117,100
Due to Component Units	1,704	1,798	1,692	1,678	1,631	1,661	1,743	1,755	1,758	2,374
Net Pension Liability	3,570,647	4,237,019	7,448,575	6,934,505	3,957,073	3,579,748	-	-	-	-
Other Postemployment Benefits	835,859	1,015,792	938,450	343,570	289,133	241,779	181,511	177,176	139,653	105,876
Other Long-Term Liabilities	102,896	110,482	59,956	15,863	28,569	83,521	44,768	11,972	39,015	43,814
Total Noncurrent Liabilities	9,947,640	10,561,133	13,841,953	12,340,280	9,150,755	8,690,274	4,694,527	4,407,976	4,420,423	3,559,806
TOTAL LIABILITIES	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	4,922,651
DEFERRED INFLOW OF RESOURCES:										
	1,918,407	2,482,076	620,945	206,047	250,058	38,380	-	-	-	2,006
Net investment in Capital Assets:										
Restricted for:										
Education	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	16,081	80,693	219,248	28,429	85,617	75,666	39,862	8,439	7,464	6,753
Emergencies	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,000	10,005	12,368
Permanent Funds and Endowments:										
Expendable	173,493	173,553	173,406	165,637	157,611	150,270	7,901	11,716	6,975	5,936
Nonexpendable	83,909	83,198	84,480	91,878	83,274	87,679	64,712	61,159	38,798	73,956
Other Purposes	34,528	118,895	65,961	65,961	101,209	88,686	56,296	63,921	629,655	657,292
Unrestricted	(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	1,518,284
TOTAL NET POSITION	\$ 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

**GOVERNMENT-WIDE
SCHEDULE OF NET POSITION
TOTAL PRIMARY GOVERNMENT
Last Ten Fiscal Years**

(DOLLARS IN THOUSANDS)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
ASSETS:										
Current Assets:										
Cash and Pooled Cash	\$ 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	\$ 2,855,235
Restricted Cash and Pooled Cash	1,003,392	-	-	-	-	-	-	-	-	-
Investments	1,926,752	344,755	1,827,559	549,079	392,188	378,115	263,204	285,319	161,825	319,153
Restricted Investments	123,303	-	-	-	-	-	-	-	-	-
Taxes Receivable, net	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	1,016,891
Other Receivables, net	1,393,449	1,478,624	1,256,427	1,208,087	1,213,319	881,111	618,426	571,288	486,342	449,810
Due From Other Governments	1,774,209	641,191	899,961	660,471	534,913	921,724	721,418	524,439	537,127	664,477
Due From Component Units	26,385	28,194	16,192	23,195	18,535	11,505	23,770	19,088	18,852	19,798
Inventories	199,491	159,642	107,046	113,348	108,009	112,144	107,140	108,145	70,375	63,437
Prepays, Advances and Deposits	582,223	131,938	113,297	103,726	96,224	96,103	110,458	82,271	78,121	74,561
Total Current Assets	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	5,463,362
Noncurrent Assets:										
Restricted Assets:										
Restricted Cash and Pooled Cash	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	2,045,128
Restricted Investments	1,384,994	1,171,438	954,385	962,852	900,202	1,007,923	961,450	890,492	884,794	1,195,943
Restricted Receivables	476,202	484,954	668,535	626,185	550,037	394,909	303,584	221,319	262,907	198,327
Investments	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	1,675,912
Other Long-Term Assets	895,570	868,375	743,778	744,282	805,234	766,110	785,729	868,840	826,854	884,437
Depreciable Capital Assets and Infrastructure, net	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	13,993,641
Land and Nondepreciable Capital Assets	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	2,719,489
Capital Assets Held as Investments	-	-	42,896	42,899	33,055	-	-	-	-	-
Total Noncurrent Assets	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	22,712,877
TOTAL ASSETS	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	28,176,239
DEFERRED OUTFLOW OF RESOURCES:										
	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	951,302	927,857	918,688	886,992	856,076	669,992	718,211	718,077	661,829	625,145
Accounts Payable and Accrued Liabilities	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	1,341,790
TABOR Refund Liability (Note 2B)	143,993	431,685	39,837	21,807	31,358	173,346	706	706	706	706
Due To Other Governments	750,897	356,729	371,357	442,392	271,339	255,135	276,105	233,122	281,851	548,202
Due To Component Units	151	206	44	1,249	645	623	543	424	123	524
Unearned Revenue	2,061,901	501,522	531,411	454,568	429,991	507,575	438,938	400,134	362,704	346,168
Accrued Compensated Absences	44,466	41,437	38,961	37,246	34,283	33,145	28,587	27,564	24,801	24,320
Claims and Judgments Payable	47,933	43,879	42,812	46,369	46,343	47,682	61,623	46,873	44,858	44,641
Leases Payable	33,044	31,636	32,318	35,546	37,393	36,378	33,551	26,579	20,240	17,822
Notes, Bonds, and COPs Payable	250,330	247,100	209,568	193,594	438,969	452,922	432,276	408,151	406,271	224,271
Other Postemployment Benefits	16,448	-	-	-	-	-	14,076	17,052	15,721	-
Other Current Liabilities	837,184	354,870	214,497	162,262	169,290	144,106	147,012	157,702	127,198	155,232
Total Current Liabilities	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	3,328,821
Noncurrent Liabilities:										
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
Deposits Held in Custody For Others	623	609	156	136	110	139	139	17	16	14
Accrued Compensated Absences	595,079	517,032	501,652	475,505	447,875	418,417	396,140	374,742	351,420	342,760
Claims and Judgments Payable	196,925	210,580	216,370	297,896	315,667	341,245	342,573	362,444	366,988	375,376
Capital Lease Payable	122,423	129,366	147,707	156,498	170,398	190,232	183,637	166,159	140,227	138,182
Derivative Instrument Liability	46,864	14,193	6,837	9,251	13,222	9,515	8,566	8,333	12,994	6,182
Notes, Bonds, and COPs Payable	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	4,738,849
Due to Component Units	1,704	1,798	1,692	1,678	1,631	1,661	1,743	1,755	1,758	2,374
Net Pension Liability	11,375,438	13,614,376	19,382,427	17,854,108	10,252,077	9,145,274	-	-	-	-
Other Postemployment Benefits	1,069,039	1,300,056	1,210,488	343,570	289,133	241,779	181,511	177,176	139,653	105,876
Other Long-Term Liabilities	332,030	378,465	517,523	423,775	444,238	507,330	447,722	456,090	466,843	478,008
Total Noncurrent Liabilities	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	6,187,621
TOTAL LIABILITIES	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	9,516,442
DEFERRED INFLOW OF RESOURCES:										
	5,622,791	7,479,981	1,181,848	304,793	383,433	85,642	338	-	-	2,006
Net investment in Capital Assets:										
Restricted for:										
Construction and Highway Maintenance	874,840	954,461	885,775	915,033	966,743	936,535	1,080,201	1,145,997	1,176,269	1,160,789
Education	1,172,546	1,074,589	765,831	611,108	772,593	1,206,223	1,752,791	1,265,476	280,269	485,171
Unemployment Insurance	(18,877)	1,258,552	1,070,082	911,183	740,049	620,575	402,770	218,076	64,433	-
Debt Service	131,745	184,704	311,198	108,395	153,722	132,200	84,614	41,552	28,917	16,880
Emergencies	242,095	225,245	235,166	228,369	251,328	251,328	187,150	195,350	82,855	97,768
Permanent Funds and Endowments:										
Expendable	182,429	184,204	181,673	173,280	163,412	157,571	15,172	18,044	12,999	13,953
Nonexpendable	1,503,539	1,374,269	1,171,480	1,112,103	1,034,250	984,551	864,844	755,723	723,751	715,758
Other Purposes	1,113,844	1,161,317	897,956	737,267	818,394	715,335	414,990	981,732	970,473	972,374
Unrestricted	(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	2,368,626
TOTAL NET POSITION	\$ 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

**GOVERNMENT-WIDE
SCHEDULE OF CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES
Last Ten Fiscal Years**

(DOLLARS IN THOUSANDS)

Functions/Programs	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
PROGRAM REVENUES:										
Charges for Services:										
Licenses and Permits	\$ 559,579	\$ 559,093	\$ 564,076	\$ 541,936	\$ 518,820	\$ 501,319	\$ 472,215	\$ 447,232	\$ 442,793	\$ 454,633
Service Fees	406,363	390,589	358,109	1,006,976	1,139,226	879,139	901,839	965,614	901,950	735,820
Fines and Forfeits	190,399	225,878	190,733	206,662	195,256	201,021	181,098	248,520	187,344	200,432
Rents and Royalties	156,296	175,085	147,310	132,310	142,752	199,067	182,893	133,901	147,946	128,588
Sales of Products	16,763	10,042	3,218	3,205	3,303	3,390	2,141	2,851	1,626	4,974
Unemployment Surcharge	38,076	34,091	34,245	32,507	30,768	29,381	28,635	25,724	19,307	18,611
Other	187,856	211,706	152,285	138,928	143,251	131,151	144,949	127,083	84,828	89,509
Operating Grants and Contributions	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	6,218,836
Capital Grants and Contributions	617,224	428,332	745,497	814,739	819,321	817,469	728,544	700,548	600,300	659,288
TOTAL PROGRAM REVENUES	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	8,510,691
EXPENSES:										
General Government	1,214,677	1,493,871	739,872	653,247	485,611	449,261	447,359	555,507	224,382	192,579
Business, Community, and Consumer Affairs	713,827	734,786	912,495	919,676	777,458	711,558	641,182	584,300	600,068	667,929
Education	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	5,432,143
Health and Rehabilitation	836,872	935,044	1,258,445	1,170,889	2,898,841	822,556	720,997	697,795	703,684	696,539
Justice	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	1,538,363
Natural Resources	90,248	123,036	219,659	169,528	135,491	120,374	92,383	77,934	93,900	149,878
Social Assistance	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	6,397,426
Transportation	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	1,974,009
Total Governmental Activities										
Interest on Debt	103,339	109,075	60,778	58,764	62,021	59,078	53,094	16,284	40,935	32,487
TOTAL EXPENSES	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	17,081,353
NET (EXPENSE) REVENUE	(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)	(8,570,662)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Sales and Use Taxes	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	2,280,693
Excise Taxes	330,600	301,292	311,625	321,419	290,276	267,858	236,761	240,895	244,624	236,945
Individual Income Tax	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	4,151,119
Corporate Income Tax	638,303	963,380	714,313	432,802	643,761	613,316	600,002	606,883	434,885	441,778
Other Taxes	562,124	705,986	577,961	452,042	410,277	673,275	617,612	453,305	519,870	466,408
Restricted Taxes	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	928,260
Unrestricted Investment Earnings (Losses)	37,599	30,196	21,798	16,987	15,705	11,992	17,312	16,842	15,015	6,523
Other General Revenues	95,460	95,051	199,934	103,476	107,005	96,613	112,958	97,402	96,213	91,608
(Transfers-Out) / Transfers-In	(395,097)	(279,131)	(254,324)	(353,647)	(352,733)	(256,738)	(172,442)	(128,535)	(135,407)	(110,266)
Internal Capital Contributions	-	-	44	-	(1,583)	-	-	-	-	-
Permanent Fund Additions	580	1,062	277	766	80	401	397	741	595	460
TOTAL GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:	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	8,493,528
TOTAL CHANGES IN NET POSITION	1,357,392	860,703	(1,424,974)	(1,973,901)	(265,675)	241,258	700,563	772,711	451,005	(77,134)
NET POSITION - BEGINNING	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	13,455,272
Prior Period Adjustment	19,695	23,226	8,583	91,672	58,147	(6,626)	1,718	6,956	334,951	14,970
Accounting Changes	-	-	(260,689)	-	-	(5,087,553)	(11,297)	-	-	-
NET POSITION, FISCAL YEAR BEGINNING (as restated)	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	13,470,242
NET POSITION - ENDING	\$ 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

**GOVERNMENT-WIDE
SCHEDULE OF CHANGES IN NET POSITION
BUSINESS-TYPE ACTIVITIES
Last Ten Fiscal Years**

(DOLLARS IN THOUSANDS)

Functions/Programs	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
PROGRAM REVENUES:										
Charges for Services:										
Licenses and Permits	\$ 205,044	\$ 179,382	\$ 168,045	\$ 165,182	\$ 159,704	\$ 157,971	\$ 141,770	\$ 133,315	\$ 131,496	\$ 120,910
Service Fees	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	874,990
Education - Tuition, Fees, and Sales	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	2,243,375
Fines and Forfeits	3,648	3,493	4,630	5,769	4,101	3,968	15,470	12,860	9,561	1,945
Rents and Royalties	69,154	52,866	74,482	45,177	40,077	41,944	39,675	47,881	65,236	29,507
Sales of Products	722,152	747,732	686,196	622,179	661,084	605,101	607,744	636,115	624,407	592,794
Unemployment Surcharge	546,038	546,650	562,095	646,336	603,708	698,609	736,985	725,854	828,530	791,317
Other	243,765	207,087	164,008	188,112	165,237	155,707	154,424	159,162	152,448	153,321
Operating Grants and Contributions	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	3,689,492
Capital Grants and Contributions	123,273	62,609	89,542	43,873	42,996	78,304	56,899	96,655	132,067	25,432
TOTAL PROGRAM REVENUES	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	8,523,083
EXPENSES:										
Higher Education	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	4,755,385
Healthcare Affordability	3,515,207	3,414,018	3,294,611	-	-	-	-	-	-	-
Unemployment Insurance	4,765,139	385,192	444,181	518,891	531,607	530,130	756,484	1,055,148	1,571,321	2,141,728
Lottery	582,721	580,808	547,805	494,110	517,847	474,578	477,434	501,010	495,847	470,480
Parks and Wildlife	166,782	184,870	294,065	257,959	203,794	191,426	170,898	177,497	160,933	108,425
College Assist	201,200	222,726	247,361	315,478	320,774	338,631	341,684	407,229	403,023	402,648
Other Business- Type Activities	128,606	212,190	301,094	219,844	282,471	217,838	209,871	187,265	196,542	191,123
TOTAL EXPENSES	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	8,069,789
NET (EXPENSE) REVENUE	184,928	1,005,079	(1,054,874)	(718,064)	126,218	293,585	488,229	426,024	485,338	453,294
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Other Taxes	-	-	-	-	-	7	-	-	-	-
Special and/or Extraordinary Items	-	-	-	(808)	-	-	(22,186)	-	-	1,493
(Transfers- Out) / Transfers- In	395,097	279,131	254,324	353,647	352,733	256,738	172,442	128,535	135,407	110,266
Internal Capital Contributions	-	57,541	51,439	-	10,183	-	-	-	-	-
TOTAL GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:	395,097	336,672	305,763	352,839	362,916	256,745	150,256	128,535	135,407	111,759
TOTAL CHANGES IN NET POSITION	580,025	1,341,751	(749,111)	(365,225)	489,134	550,330	638,485	554,559	620,745	565,053
NET POSITION - BEGINNING	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	4,746,480
Prior Period Adjustment	11,209	7,362	-	545	(5,309)	-	(6,922)	(5,851)	254,570	(46,850)
Accounting Changes	2,446	-	(650,315)	(46,640)	-	(3,342,300)	(30,471)	-	-	-
NET POSITION, FISCAL YEAR BEGINNING (as restated)	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	4,699,630
NET POSITION - ENDING	\$ 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

**GOVERNMENT-WIDE
SCHEDULE OF CHANGES IN NET POSITION
TOTAL PRIMARY GOVERNMENT
Last Ten Fiscal Years**

(DOLLARS IN THOUSANDS)

Functions/Programs	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
PROGRAM REVENUES:										
Charges for Services:										
Licenses and Permits	\$ 764,623	\$ 738,475	\$ 732,121	\$ 707,118	\$ 678,524	\$ 659,290	\$ 613,985	\$ 580,547	\$ 574,289	\$ 575,543
Service Fees	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	1,610,810
Education - Tuition, Fees, and Sales	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	2,243,375
Fines and Forfeits	194,047	229,371	195,363	212,431	199,357	204,989	196,568	261,380	196,905	202,377
Rents and Royalties	225,450	227,951	221,792	177,487	182,829	241,011	222,568	181,782	213,182	158,095
Sales of Products	738,915	757,774	689,414	625,384	664,387	608,491	609,885	638,966	626,033	597,768
Unemployment Surcharge	584,114	580,741	596,340	678,843	634,476	727,990	765,620	751,578	847,837	809,928
Other	431,621	418,793	316,293	327,040	308,488	286,858	299,373	286,245	237,276	242,830
Operating Grants and Contributions	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	9,908,328
Capital Grants and Contributions	740,497	490,941	835,039	858,612	862,317	895,773	785,443	797,203	732,367	684,720
TOTAL PROGRAM REVENUES	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	17,033,774
EXPENSES:										
General Government	1,214,677	1,493,871	739,872	653,247	485,611	449,261	447,359	555,507	224,382	192,579
Business, Community, and Consumer Affairs	713,827	734,786	912,495	919,676	777,458	711,558	641,182	584,300	600,068	667,929
Education	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	5,432,143
Health and Rehabilitation	836,872	935,044	1,258,445	1,170,889	2,898,841	822,556	720,997	697,795	703,684	696,539
Justice	1,734,902	1,970,515	3,254,155	2,974,666	2,209,168	2,075,534	1,840,989	1,655,057	1,555,294	1,538,363
Natural Resources	90,248	123,036	219,659	169,528	135,491	120,374	92,383	77,934	93,900	149,878
Social Assistance	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	6,397,426
Transportation	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	1,974,009
Interest on Debt	103,339	109,075	60,778	58,764	62,021	59,078	53,094	16,284	40,935	32,487
Higher Education	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	4,755,385
Healthcare Affordability	3,515,207	3,414,018	3,294,611	-	-	-	-	-	-	-
Unemployment Insurance	4,765,139	385,192	444,181	518,891	531,607	530,130	756,484	1,055,148	1,571,321	2,141,728
Lottery	582,721	580,808	547,805	494,110	517,847	474,578	477,434	501,010	495,847	470,480
Parks and Wildlife	166,782	184,870	294,065	257,959	203,794	191,426	170,898	177,497	160,933	108,425
College Assist	201,200	222,726	247,361	315,478	320,774	338,631	341,684	407,229	403,023	402,648
Other Business-Type Activities	128,606	212,190	301,094	219,844	282,471	217,838	209,871	187,265	196,542	191,123
TOTAL EXPENSES	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	25,151,142
NET (EXPENSE) REVENUE	(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)	(8,117,368)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Sales and Use Taxes	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	2,280,693
Excise Taxes	330,600	301,292	311,625	321,419	290,276	267,858	236,761	240,895	244,624	236,945
Individual Income Tax	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	4,151,119
Corporate Income Tax	638,303	963,380	714,313	432,802	643,761	613,316	600,002	606,883	434,885	441,778
Other Taxes	562,124	705,986	577,961	452,042	410,277	673,282	617,612	453,305	519,870	466,408
Restricted Taxes	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	928,260
Unrestricted Investment Earnings (Losses)	37,599	30,196	21,798	16,987	15,705	11,992	17,312	16,842	15,015	6,523
Other General Revenues	95,460	95,051	199,934	103,476	107,005	96,613	112,958	97,402	96,213	91,608
Special and/or Extraordinary Items	-	-	-	(808)	-	-	(22,186)	0	0	1,493
Internal Capital Contributions	-	57,541	51,483	-	8,600	-	-	-	-	-
Permanent Fund Additions	580	1,062	277	766	80	401	397	741	595	460
TOTAL GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:	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	8,605,287
TOTAL CHANGES IN NET POSITION	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	487,919
NET POSITION - BEGINNING	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	18,201,752
Prior Period Adjustment	30,904	30,588	8,583	92,217	52,838	(6,626)	(5,204)	1,105	589,521	(31,880)
Accounting Changes	2,446	-	(911,004)	(46,640)	-	(8,429,853)	(41,768)	-	0	-
NET POSITION, FISCAL YEAR BEGINNING (as restated)	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	18,169,872
NET POSITION - ENDING	\$ 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

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
Last Ten Fiscal Years**

(DOLLARS IN MILLIONS)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
REVENUES:										
Taxes	\$ 14,616	\$ 14,199	\$ 13,389	\$ 11,835	\$ 11,471	\$ 11,205	\$ 10,596	\$ 10,018	\$ 9,182	\$ 8,430
Less: Excess TABOR Revenues	-	-	-	-	-	170	-	-	-	-
Licenses, Permits, and Fines	832	869	940	838	810	801	758	789	724	745
Charges for Goods and Services	426	403	363	1,012	1,144	885	905	970	892	730
Rents	156	175	147	132	143	199	183	134	148	129
Investment Income	397	352	41	46	139	99	115	19	120	97
Federal Grants and Contracts	7,837	6,680	7,047	8,685	9,047	8,283	7,183	6,428	6,223	6,917
Unclaimed Property Receipts	55	47	78	64	65	61	53	37	43	40
Other	354	426	397	338	321	329	365	263	254	221
TOTAL REVENUES	24,673	23,151	22,402	22,950	23,140	22,032	20,158	18,658	17,586	17,309
EXPENDITURES:										
Current:										
General Government	401	377	381	344	324	305	331	325	359	560
Business, Community and Consumer Affairs	526	493	480	453	474	469	395	375	363	388
Education	982	911	832	869	852	785	730	674	661	778
Health and Rehabilitation	911	846	778	770	1,784	699	658	641	626	592
Justice	2,103	1,971	1,808	1,705	1,741	1,648	1,605	1,422	1,322	1,314
Natural Resources	131	129	128	113	107	103	107	99	90	132
Social Assistance	8,345	7,539	7,572	9,358	8,726	8,627	7,416	6,488	6,065	5,655
Transportation	1,555	1,298	1,348	1,364	1,331	1,282	1,203	1,065	982	1,064
Capital Outlay	418	265	272	189	191	325	298	299	459	329
Intergovernmental:										
Cities	523	503	471	491	425	421	412	297	287	300
Counties	1,751	1,916	1,759	1,740	1,656	1,627	1,573	1,504	1,371	1,478
School Districts	5,961	5,594	5,171	5,122	4,995	4,909	4,475	4,235	4,199	4,303
Other	451	410	244	255	227	205	202	323	177	185
Debt Service	163	179	128	239	280	270	261	247	236	208
TOTAL EXPENDITURES	24,221	22,431	21,372	23,012	23,113	21,675	19,666	17,994	17,197	17,286
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	452	720	1,030	(62)	27	357	492	664	389	23
OTHER FINANCING SOURCES (USES)										
Transfers-In	1,702	1,813	5,447	5,851	4,915	4,535	5,405	5,750	4,622	4,776
Transfers-Out:										
Higher Education	(284)	(376)	(230)	(230)	(181)	(181)	(143)	(135)	(133)	(135)
Other	(1,811)	(1,711)	(5,458)	(5,966)	(5,079)	(4,607)	(5,390)	(5,728)	(4,612)	(4,731)
Face Amount of Debt Issued	666	740	156	129	11	-	97	196	156	218
Bond Premium/Discount	137	57	21	14	-	-	6	9	13	-
Capital Lease Debt Issuance	1	1	4	1	-	-	25	1	17	17
Sale of Capital Assets	55	24	10	15	7	3	27	31	14	-
Insurance Recoveries	3	2	7	8	5	13	2	1	6	2
Debt Refunding Issuance	-	-	-	-	-	-	112	31	126	-
Debt Refunding Premium Proceeds	-	-	-	-	-	-	-	-	19	-
Debt Refunding Payments	-	-	-	-	-	-	-	(31)	(144)	-
TOTAL OTHER FINANCING SOURCES (USES)	469	550	(43)	(178)	(322)	(237)	141	125	84	147
NET CHANGE IN FUND BALANCE	921	1,270	987	(240)	(295)	120	633	789	473	170
FUND BALANCE - BEGINNING	8,579	7,349	6,364	6,609	6,847	6,734	6,100	5,293	4,842	4,085
Prior Period Adjustments	(8)	(40)	(2)	(5)	58	(7)	-	18	(22)	(4)
Accounting Changes	-	-	-	-	-	-	1	-	-	591
FUND BALANCE, FISCAL YEAR BEGINNING (as restated)	8,571	7,309	6,362	6,604	6,905	6,727	6,101	5,311	4,820	4,672
FUND BALANCE - ENDING	\$ 9,492	\$ 8,579	\$ 7,349	\$ 6,364	\$ 6,609	\$ 6,847	\$ 6,734	\$ 6,100	\$ 5,293	\$ 4,842

¹ - Beginning in Fiscal Year 2011 the Supplemental Nutrition Assistance Program (SNAP) expenditures are reported in the Social Assistance line. In previous years it was reported as Intergovernmental payments in the Counties line.

GENERAL PURPOSE REVENUE (AFTER TABOR REFUNDS)

**GENERAL FUND
IN DOLLARS AND AS A PERCENT OF TOTAL
Last Ten Fiscal Years**

(DOLLARS IN MILLIONS)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Income Tax:										
Individual	\$ 8,056	\$ 7,328	\$ 7,006	\$ 6,209	\$ 5,993	\$ 5,888	\$ 5,273	\$ 5,149	\$ 4,633	\$ 4,154
Corporate	670	856	736	467	606	635	665	597	457	366
Net Income Tax	8,726	8,184	7,742	6,676	6,599	6,523	5,938	5,746	5,090	4,520
Sales, Use, and Excise Taxes	3,759	3,695	3,501	3,188	2,996	2,990	2,763	2,549	2,387	2,323
Less: Excess TABOR Revenues	-	-	-	-	-	(170)	-	-	-	-
Net Sales, Use, and Excise Taxes	3,759	3,695	3,501	3,188	2,996	2,820	2,763	2,549	2,387	2,323
Estate Taxes	-	-	-	-	-	-	-	-	-	-
Insurance Tax	337	315	304	291	280	257	239	210	197	190
Gaming and Other Taxes	40	53	156	-	16	14	12	12	20	20
Investment Income	31	27	20	15	13	9	15	17	14	8
Severance Taxes to be Refunded	-	-	-	54	-	-	-	-	-	-
Other	-	-	-	40	26	19	25	21	26	25
TOTAL GENERAL REVENUES	\$ 12,893	\$ 12,274	\$ 11,723	\$ 10,264	\$ 9,930	\$ 9,642	\$ 8,992	\$ 8,555	\$ 7,734	\$ 7,086
Percent Change From Previous Year	5.0%	4.7%	14.2%	3.4%	3.0%	7.2%	5.1%	10.6%	9.1%	9.8%
(AS PERCENT OF TOTAL EXCLUDING TABOR REFUND)										
Net Income Tax	67.7%	66.7%	66.0%	65.0%	66.5%	66.5%	66.0%	67.2%	65.8%	63.8%
Sales, Use, and Excise Taxes	29.2	30.1	29.9	31.2	30.1	30.5	30.7	29.8	30.9	32.7
Estate Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance Tax	2.6	2.6	2.6	2.8	2.8	2.6	2.7	2.5	2.5	2.7
Other Taxes	0.3	0.4	1.3	0.0	0.2	0.1	0.1	0.1	0.3	0.3
Interest	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.2	0.1
Fiscal Emergency Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Severance Taxes to be Refunded	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.4	0.3	0.2	0.3	0.2	0.3	0.4
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 DEPARTMENT¹ AND TRANSFERS
FUNDED BY GENERAL PURPOSE REVENUES
Last Ten Fiscal Years**

(DOLLARS IN THOUSANDS)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Department: ¹										
Agriculture	\$ 12,018	\$ 11,346	\$ 10,428	\$ 10,639	\$ 10,050	\$ 8,633	\$ 7,697	\$ 6,975	\$ 5,152	\$ 4,658
Corrections	876,905	837,497	773,788	748,559	758,545	717,579	675,706	652,394	647,313	657,559
Education	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	2,962,954
Governor	45,321	42,375	36,283	39,615	34,609	30,267	22,819	18,555	9,699	11,600
Health Care Policy and Financing	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	1,267,889
Higher Education	1,110,841	1,001,121	894,450	870,664	856,849	761,306	658,901	628,565	623,963	705,085
Human Services	1,088,434	1,055,818	984,291	918,130	936,071	877,162	812,603	753,225	703,676	710,966
Judicial Branch	597,673	561,799	514,874	487,636	481,550	441,700	386,870	354,119	337,039	325,173
Labor and Employment	24,341	20,539	21,302	21,579	7,754	660	50	-	-	-
Law	17,553	16,396	15,722	14,774	14,525	13,457	12,127	10,355	9,341	9,313
Legislative Branch	54,052	51,082	48,202	44,880	43,410	41,132	38,712	35,957	34,672	31,736
Local Affairs	46,290	37,125	29,184	25,235	25,481	22,244	17,540	10,976	10,448	10,579
Military and Veterans Affairs	10,924	10,983	30,814	8,253	7,907	7,792	7,094	6,576	5,355	4,969
Natural Resources	34,282	32,307	30,882	28,711	27,519	26,216	25,141	23,620	23,400	26,233
Personnel & Administration	16,229	13,971	12,088	12,273	11,034	7,601	31,407	6,588	3,935	4,823
Public Health and Environment	60,841	53,492	46,506	48,448	49,964	59,383	53,588	31,199	27,742	27,165
Public Safety	163,721	185,018	124,204	122,404	113,976	126,747	165,240	85,595	81,993	80,239
Regulatory Agencies	2,334	6,224	5,964	5,742	6,073	6,007	1,730	1,674	1,597	1,529
Revenue	327,633	260,583	250,438	90,957	149,361	97,249	73,626	55,078	55,596	52,540
Transportation	-	-	-	392	102	-	-	-	-	-
Treasury	660,126	774,821	190,457	15,908	12,522	5,684	108,870	27,650	4,914	4,140
Transfer to Capital Construction Fund	112,692	90,382	92,084	84,484	271,130	248,502	186,715	61,411	49,298	119,885
Transfer to Various Cash Funds	361,300	814,200	674,900	194,735	90,196	67,555	260,272	1,086,051	72,000	296,872
Transfer to the Highway Users Tax Fund	-	-	-	79,000	199,200	-	-	-	-	-
Other Transfers and Nonoperating Disbursements	25,125	278,999	181,151	153,379	143,492	127,795	126,263	262,406	25,479	19,422
TOTALS	\$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	\$7,227,429
Percent Change	-0.8%	12.1%	14.7%	0.8%	9.1%	4.5%	-0.4%	23.6%	0.3%	6.9%
(AS PERCENT OF TOTAL)										
Education	33.7%	31.2%	34.6%	36.7%	34.2%	36.0%	35.3%	33.6%	39.1%	41.0%
Health Care Policy and Financing	23.1	22.2	23.2	24.1	24.0	24.4	23.5	20.4	23.2	17.5
Higher Education	8.5	7.6	7.6	8.5	8.4	8.2	7.4	7.0	8.6	9.8
Human Services	8.3	8.0	8.4	8.9	9.2	9.4	9.1	8.4	9.7	9.8
Corrections	6.7	6.3	6.6	7.3	7.5	7.7	7.6	7.3	8.9	9.1
Transfer to Capital Construction Fund	0.9	0.7	0.8	0.8	2.7	2.7	2.1	0.7	0.7	0.2
Transfer to Various Cash Funds	2.8	6.2	5.7	1.9	0.9	0.7	2.9	12.1	1.0	4.1
Transfers to the Highway Users Tax Fund	0.0	0.0	0.0	0.8	2.0	0.0	0.0	0.0	0.0	0.0
Judicial	4.6	4.3	4.4	4.8	4.7	4.7	4.3	4.0	4.6	4.5
Revenue	2.5	2.0	2.1	0.9	1.5	1.0	0.8	0.6	0.8	0.7
All Others	8.9	11.5	6.6	5.3	4.9	5.2	7.0	5.9	3.4	3.3
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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011 ¹
GENERAL:										
Nonspendable:										
Inventories	14,343	9,944	7,975	8,503	7,522	8,894	8,721	9,931	6,942	8,742
Prepays	69,432	38,547	38,173	39,348	37,977	40,971	38,535	22,654	24,175	33,009
Restricted	823,528	814,658	626,068	442,249	497,814	398,948	468,758	487,161	503,449	542,997
Committed	616,483	1,114,406	970,235	646,700	513,986	705,844	411,362	279,352	331,419	39,458
Assigned	35,241	33,264	29,641	17,218	19,283	20,731	7,651	7	20	109
Unassigned	842,567	52,088	334,660	-	-	-	-	-	359,421	(21,468)
TOTAL FUND BALANCE	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	602,847
FEDERAL SPECIAL REVENUE:										
Restricted	21,350	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCE	21,350	-	-	-	-	-	-	-	-	-
HIGHWAY USERS TAX:										
Nonspendable:										
Long-term Portion of Interfund Loans Receivable	-	-	-	-	30	-	-	-	-	-
Inventories	20,946	18,012	8,281	9,334	8,860	8,377	7,673	8,249	8,406	9,390
Prepays	5,032	3,717	3,729	679	1,252	1,908	1,481	4,210	64	55
Restricted	900,962	961,284	882,113	917,778	975,001	942,510	1,080,201	1,145,997	1,176,269	1,160,789
Committed	51,413	59,641	58,076	52,929	46,278	35,765	41,017	39,087	38,254	32,779
TOTAL FUND BALANCE	978,353	1,042,654	952,199	980,720	1,031,421	988,560	1,130,372	1,197,543	1,222,993	1,203,013
ALL OTHER GOVERNMENTAL FUNDS:										
Nonspendable:										
Long-term Portion of Interfund Loans Receivable	-	13	12	-	19,141	-	-	-	-	-
Inventories	105,795	72,311	35,171	35,445	36,166	36,059	36,008	36,013	284	449
Permanent Fund Principal	1,398,247	1,274,846	1,186,138	1,122,480	1,043,619	971,676	868,383	760,160	737,239	658,883
Prepays	35,781	39,324	38,387	27,007	24,046	23,941	27,884	28,487	28,601	21,485
Restricted	558,485	503,018	516,128	418,847	607,618	1,000,463	1,466,516	1,637,012	497,221	827,299
Committed	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	1,527,996
TOTAL FUND BALANCE	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	3,036,112
TOTAL FUND BALANCE	\$ 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	\$ 4,841,972

¹ - The implementation of Governmental Accounting Standards Board Statement No. 54 in Fiscal Year 2011 resulted in a significant change in the State's

**TABOR REVENUES, EXPENDITURES,
FISCAL YEAR SPENDING LIMITATIONS,
AND REFUNDS
Last Ten Fiscal Years**

(DOLLARS IN THOUSANDS)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
DISTRICT REVENUES:										
Exempt District Revenues	\$ 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	\$ 15,532,632
Nonexempt District Revenues	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	9,424,764
TOTAL DISTRICT REVENUES	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	24,957,396
Percent Change In Nonexempt District Revenues	0.6%	7.8%	6.4%	0.5%	2.3%	7.2%	5.3%	8.1%	9.0%	10.0%
DISTRICT EXPENDITURES:										
Exempt District Expenditures	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	15,532,632
Nonexempt District Expenditures	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	9,330,892
TOTAL DISTRICT EXPENDITURES	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	24,863,524
Percent Change In Nonexempt District Expenditures	5.8%	1.2%	-3.0%	1.3%	6.9%	11.1%	7.3%	4.8%	4.9%	8.0%
TOTAL DISTRICT RESERVE/FUND BALANCE INCREASE (DECREASE)	\$ 1,114,073	\$ 1,786,668	\$ 868,010	\$ (359,780)	\$ (252,049)	\$ 293,019	\$ 675,317	\$ 843,369	\$ 481,568	\$ 93,872
FISCAL YEAR SPENDING LIMIT										
Prior Fiscal Year Spending Limitation	\$ 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	\$ 8,567,941
Adjustments To Prior Year Limit ¹	-	-	(24,108)	10,480	(45,595)	(962)	(152)	(27,952)	(26,982)	(16,368)
ADJUSTED PRIOR YEAR FISCAL SPENDING LIMITATION	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	8,551,573
Allowable Growth Rate (Population Plus Inflation)	4.1%	4.8%	4.5%	3.1%	4.4%	4.3%	3.3%	5.4%	2.0%	1.2%
Current Fiscal Year Spending Limitation	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	8,654,192
Adjustments To Current Year Limit	7,525	-	-	-	59,276	0	14,111	1,987	-	-
ADJUSTED CURRENT YEAR FISCAL SPENDING LIMITATION	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	8,654,192
EXCESS STATE REVENUE CAP (ESRC)²	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	10,684,856
NONEXEMPT DISTRICT REVENUES	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	9,424,764
Amount Over(Under) Adjusted Fiscal Year Spending Limitation	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	770,572
Amount Over(Under) Excess State Revenue Cap	(82,678)	428,336	18,510	(436,154)	(122,091)	169,740	(160,478)	(352,901)	(598,242)	(1,260,092)
Correction Of Prior Years' Refunds	575	3,207	-	(346)	(13,899)	-	-	-	-	-
FISCAL YEAR REFUND	\$ -	\$ 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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
DEBT SERVICE EXPENDITURES:										
Principal	\$ 61,201	\$ 85,722	\$ 62,203	\$ 177,925	\$ 210,390	\$ 194,818	\$ 184,106	\$ 163,939	\$ 150,690	\$ 124,993
Interest	102,291	94,654	65,566	60,781	69,729	74,689	77,005	82,660	85,586	82,829
TOTAL DEBT SERVICE EXPENDITURES	\$ 163,492	\$ 180,376	\$ 127,769	\$ 238,706	\$ 280,119	\$ 269,507	\$ 261,111	\$ 246,599	\$ 236,276	\$ 207,822
Percent Change Over Previous Year	-9.4%	41.2%	-46.5%	-14.8%	3.9%	3.2%	5.9%	4.4%	13.7%	7.1%
TOTAL NONCAPITAL EXPENDITURES	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	16,654,138
TOTAL CAPITAL EXPENDITURES	1,361,585	1,036,687	1,079,152	1,222,662	1,078,383	1,194,596	664,762	653,157	726,501	631,546
TOTAL GOVERNMENTAL EXPENDITURES	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	17,285,684
DEBT SERVICE EXPENDITURES AS PERCENT OF TOTAL NONCAPITAL EXPENDITURES:										
Principal	0.3%	0.4%	0.3%	0.8%	1.0%	1.0%	1.0%	0.9%	0.9%	0.8%
Interest	0.4%	0.4%	0.3%	0.3%	0.3%	0.4%	0.4%	0.5%	0.5%	0.5%
Total Debt Service Expenditures	0.7%	0.8%	0.6%	1.1%	1.3%	1.3%	1.4%	1.4%	1.4%	1.2%

**TOTAL OUTSTANDING DEBT^{1,2,3}
PRIMARY GOVERNMENT
Last Ten Fiscal Years**

(DOLLARS IN THOUSANDS)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
Revenue Backed Debt	\$ -	\$ -	\$ -	\$ -	\$ 127,925	\$ 289,789	\$ 443,881	\$ 574,147	\$ 739,138	\$ 869,282
Certificates of Participation	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	897,632
Capital Leases	119,822	123,600	131,873	142,153	150,665	172,329	174,996	151,010	121,429	107,588
Notes and Mortgages	4,585	6,805	8,979	11,115	13,205	15,250	17,385	19,220	19,369	-
TOTAL GOVERNMENTAL OUTSTANDING DEBT	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	1,874,502
Business-Type Activities:										
Revenue Backed Debt	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	2,762,166
Certificates of Participation	393,248	433,021	461,461	346,769	372,661	399,231	403,761	403,603	420,951	430,537
Capital Leases	35,645	37,402	48,152	49,891	57,126	54,281	42,192	41,728	39,038	48,416
Notes and Mortgages	66,371	67,985	60,047	61,396	53,968	28,317	4,810	3,522	7,353	3,503
TOTAL BUSINESS-TYPE OUTSTANDING DEBT	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	3,244,622
Total Primary Government:										
Revenue Backed Debt	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	3,631,448
Certificates of Participation	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	1,328,169
Capital Leases	155,467	161,002	180,025	192,044	207,791	226,610	217,188	192,738	160,467	156,004
Notes and Mortgages	70,956	74,790	69,026	72,511	67,173	43,567	22,195	22,742	26,722	3,503
TOTAL OUTSTANDING DEBT ¹	\$ 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	\$ 5,119,124
Percent Change Over Previous Year	12.2%	7.9%	6.9%	0.1%	-2.0%	1.7%	3.5%	-0.1%	19.5%	-0.8%
Colorado Population (In Thousands) Restated for Census	5,759	5,772	5,691	5,612	5,539	5,451	5,350	5,271	5,186	5,118
Per Capita Debt (Dollars Per Person) Restated for Census	\$1,417	\$1,260	\$1,184	\$1,123	\$1,138	\$1,180	\$1,182	\$1,159	\$1,180	\$1,000
Per Capita Income (Thousands Per Person)	\$61.3	\$59.0	\$58.5	\$55.4	\$52.3	\$52.1	\$50.7	\$47.2	\$45.6	\$43.0
Per Capita Debt as a Percent of Per Capita Income	2.3%	2.1%	2.0%	2.0%	2.2%	2.3%	2.3%	2.5%	2.6%	2.3%

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 unforeseen revenue deficiencies.

² - Colorado State Constitution requires multi-year obligations to be approved by voters there for there is no specific legal debt limitation.

³ - Beginning in Fiscal Year 2014 debt liabilities are not offset by una amortized refunding gains or losses. With GASB Statement No. 65, these balances became deferred inflows and outflows.

REVENUE BOND COVERAGE¹
Last Ten Fiscal Years
(DOLLARS IN THOUSANDS)

Fiscal Year	Gross Revenue	Direct Operating Expense	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
Governmental Funds: Transportation Revenue Anticipation Notes (TRANs)							
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
2011	1,162,586	994,596	167,990	119,385	48,605	167,990	1.00
Enterprise Funds (Excluding Higher Education): State Fair, CollegeInvest, Statewide Bridge Enterprise, and Unemployment Insurance²							
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
2011	74,280	-	74,280	-	8,408	8,408	8.83
Higher Education Institutions							
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
2011	1,025,079	487,781	537,298	64,345	110,488	174,833	3.07

¹ Pledged revenues supporting the Governmental Funds TRANs include primarily federal grants under agreement with the Federal Highway Administration (FHWA). Before Fiscal Year 2010, pledged revenue also included a portion of sales and use tax revenues of the General Fund diverted to the Highway Users Tax Fund and the Highway Users Tax Fund revenues. Pledged revenues supporting the Enterprise Funds' borrowings, excluding Higher Education, were primarily student loan repayment amounts at CollegeInvest, which were used to make the required debt service payments. CollegeInvest's loan portfolio was sold in Fiscal Year 2010 and related bonds were sold or redeemed. Pledged revenues supporting Higher Education Institutions' borrowings are primarily auxiliary fees related to student housing and tuition. Pledged revenues supporting Unemployment Insurance bonds are from assessments on employers.

² At the close of Fiscal Year 2010, neither College Invest nor State Fair had any outstanding revenue bonds requiring pledged revenues amount to be reported. In Fiscal Year 2012, Unemployment Insurance issued revenue bonds requiring pledged revenues.

**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 %
2020 est	5,814	1.76%	\$ 371.1	\$ 63,834	107.6%	2,895	6.6%
Revised 2019	5,759	1.75	353.1	61,314	108.5	3,062	2.8
Revised 2018	5,691	1.74	332.9	58,500	107.1	2,983	3.2
Revised 2017	5,612	1.73	310.8	55,374	106.2	2,903	2.8
Revised 2016	5,539	1.72	289.6	52,278	104.5	2,797	3.3
Revised 2015	5,451	1.70	284.2	52,147	106.3	2,715	3.9
Revised 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
2011	5,118	1.64	219.9	42,955	101.0	2,507	8.4

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	2020 est	Revised 2019	Revised 2018	Revised 2017	Revised 2016	Revised 2015	Revised 2014	Revised 2013	Revised 2012	Revised 2011
Natural Resources and										
Mining	28.7	28.6	28.3	25.9	23.7	30.7	34.1	30.6	30.3	27.9
Construction	180.5	177.5	172.3	163.7	155.3	148.8	142.2	127.5	115.8	112.5
Manufacturing	151.3	149.9	147.6	144.3	142.7	141.0	136.6	132.8	130.9	128.1
Transportation, Trade, and Utilities	482.0	475.7	469.8	461.3	453.9	445.7	432.7	420.1	409.5	401.6
Information	75.0	75.5	74.9	71.9	71.9	70.7	70.3	69.9	69.8	71.4
Financial Activities	174.7	173.0	170.5	168.1	163.9	159.0	153.9	151.0	146.7	143.9
Professional and Business Services	453.1	441.4	425.6	412.8	405.7	398.4	386.6	372.6	356.9	341.5
Educational and Health Services	352.7	347.1	340.6	334.1	325.8	313.3	298.0	285.9	281.8	272.9
Leisure and Hospitality	347.1	343.7	339.9	333.2	323.6	312.8	300.4	289.4	279.7	271.4
Other Services	114.4	112.7	110.8	108.6	107.3	104.2	100.9	97.7	96.0	93.7
Government	456.9	451.3	445.0	436.7	428.1	416.5	407.9	403.2	394.3	392.4
Total	2,816.4	2,776.4	2,725.3	2,660.6	2,601.9	2,541.1	2,463.6	2,380.7	2,311.7	2,257.3

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
2020 est	\$ 9,927	\$ 6,400	\$ 2,800	\$ 19,127
Revised 2019	9,542	4,700	2,800	17,042
Revised 2018	11,726	8,014	4,391	24,131
Revised 2017	10,362	6,166	2,935	19,463
Revised 2016	10,179	6,000	2,706	18,884
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
2011	3,363	3,932	2,289	9,584

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
2020 est	\$ 104.10	\$ 8.91
Revised 2019	101.60	8.72
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
2011	66.70	8.49

Includes only those sales reported on sales tax reports.

Source: Colorado Business Economic Outlook Agricultural Committee

DEMAND DRIVERS OF THE PRIMARY GOVERNMENT¹
BY FUNCTIONS/PROGRAMS
Last Ten Years²

	2020	2019	2018	2017	2016
GOVERNMENTAL ACTIVITIES:					
General Government:					
Funds	901	883	874	848	815
Employees (calculated Average Employment)	79,974	78,213	76,578	74,252	72,483
Balance in Treasury Pool (in millions)	\$9,358.1	\$9,055.2	\$7,763.2	\$6,852.0	\$7,413.7
Business, Community, and Consumer Affairs:					
Professional Licenses at Regulatory Agencies	949,632	865,914	853,163	829,350	813,639
Unemployment Rate (percent) ⁴	6.7	2.8	3.3	2.7	3.2
Employment Level ⁴	2,880,890	3,101,412	2,994,752	2,911,079	2,803,436
Education:					
Public Schools	1,864	1,861	1,889	1,833	1,853
Primary School Students	0	913,223	911,536	910,280	905,018
Health and Rehabilitation:					
Average Daily Population of Mental Health Institutes ³	709	595	581	543	545
Average Daily Population of Regional Centers ³	235	246	261	260	266
Justice:					
District Court Cases Filed ³	233,682	216,437	218,413	225,438	216,970
County Court Cases Filed ³	413,894	Not available	412,714	425,947	430,398
Inmate Admissions	Not available	Not available	9,972	8,851	9,912
Inmate Releases	Not available	Not available	9,947	9,844	10,269
Average Daily Inmate Population	Not available	Not available	20,003	20,000	20,179
Citations Issued by the State Patrol	Not available	136,086	138,772	141,949	145,181
Crashes Covered by the State Patrol	Not available	29,767	28,964	30,264	30,542
Natural Resources:					
Active Oil and Gas Wells ³	52,500	55,000	54,400	54,600	52,600
Oil and Gas Drilling Permits ³	7,000	6,200	4,460	4,620	3,725
Annual State Park Visitors ³	16,100,000	14,300,000	14,400,000	14,800,000	12,300,000
Water Loans	328	326	318	328	312
Social Assistance:					
Medicaid Recipients ³	1,292,797	1,350,445	1,420,267	1,385,945	1,289,795
Monthly Cases for Cash Assistance & Subsidy Payments ³	Not available	Not available	Not available	Not available	Not available
Transportation:					
Lane Miles	Not Available	Not available	23,026,130	23,053,073	22,984,731
Bridges	3,467	3,461	3,451	3,455	3,427
BUSINESS- TYPE ACTIVITIES:					
Higher- Education:					
Resident Students ³	143,856	147,705	146,138	142,180	145,769
Nonresident Students ³	38,218	37,952	32,884	32,884	30,869
Unemployment Insurance:					
Individuals Served - Employment and Training ³	493,731	366,130	360,911	425,253	469,274
Initial Unemployment Claims ³	504,839	101,599	107,471	129,887	152,658
Lottery:					
Scratch Tickets Sold	89,295,642	85,738,142	83,746,578	84,041,528	87,433,955
Lotto Tickets Sold	16,791,434	28,034,842	28,462,945	30,609,106	27,422,320
Powerball Tickets Sold	20,647,247	35,073,981	36,013,750	29,860,519	47,427,269
Other Lottery Tickets Sold	50,733,691	67,466,124	56,312,662	54,533,766	29,682,863
Wildlife:					
Hunting & Fishing Licenses Sold ³	1,800,000	1,700,000	1,700,000	1,700,000	1,600,000
College Assist:					
Guaranteed Loans - In State	-	-	-	-	-
Guaranteed Loans - Out of State	-	-	-	-	-

*Data not available.

¹All amounts are counts except where dollars or percentages are indicated.

²Data presented by either fiscal year or calendar year based on availability of information.

³Data represents estimates from budgetary documents and is not adjusted to actuals.

⁴Data 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.

2015	2014	2013	2012	2011
719	638	634	626	616
72,369	70,823	68,898	67,871	66,691
\$7,683.2	\$7,047.8	\$7,106.9	\$6,546.6	\$6,076.2
789,643	750,306	729,328	705,205	703,695
3.9	5.0	6.9	7.9	8.4
2,719,500	2,662,404	2,577,556	2,539,941	2,507,265
1,836	1,824	1,823	1,806	1,786
899,112	889,006	876,999	863,561	854,265
545	486	489	501	511
272	288	305	302	307
231,188	289,965	247,696	238,766	190,531
446,255	493,341	505,234	541,439	562,185
9,912	9,620	9,597	9,116	9,935
10,269	10,506	10,506	10,657	10,161
20,678	20,478	20,551	22,009	22,814
140,943	138,661	124,654	137,546	149,015
29,572	28,292	26,600	22,324	24,878
52,300	50,350	47,916	45,300	45,500
4,333	4,300	5,100	4,800	5,250
11,699,543	11,556,388	12,461,261	12,651,919	12,463,495
294	289	277	281	288
1,003,612	809,452	687,473	613,148	553,407
63,646	65,208	65,208	66,472	63,742
23,018,184	23,018,184	23,021,500	23,023,800	23,023,720
3,439	3,443	3,438	3,447	3,447
150,073	155,748	159,206	160,944	160,160
29,305	28,580	27,536	26,934	26,225
553,258	552,303	636,977	585,724	615,548
157,161	199,007	228,634	302,418	389,769
89,637,387	89,961,317	94,109,256	99,988,581	98,545,733
29,837,628	33,809,181	32,561,865	33,276,914	39,257,585
29,581,783	35,134,907	67,690,312	64,285,665	70,047,258
50,521,072	56,956,625	47,690,502	65,916,303	50,464,834
2,300,000	2,300,000	2,315,000	2,333,000	1,380,000
-	-	-	-	61,076
-	-	-	-	4,961

**AVERAGE COUNT OF STATE EMPLOYEES BY FUNCTION
AND AVERAGE MONTHLY EMPLOYEE SALARY
Last Ten Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government	3,437	3,340	3,320	3,238	3,102	3,005	3,092	2,958	3,042	2,991
Business, Community, and Consumer Affairs	2,696	2,723	2,741	2,756	2,451	2,441	2,482	2,420	2,404	2,458
Education	48,469	47,297	45,884	43,762	42,494	42,767	41,501	40,218	39,097	38,038
Health and Rehabilitation	4,232	4,117	4,147	4,122	4,023	4,007	3,990	3,931	3,953	3,965
Justice	14,601	14,380	14,192	14,076	13,974	13,760	13,416	13,123	13,149	13,093
Natural Resources	1,678	1,626	1,611	1,619	1,623	1,599	1,579	1,586	1,597	1,579
Social Assistance	1,794	1,711	1,672	1,661	1,810	1,766	1,731	1,633	1,605	1,579
Transportation	3,067	3,019	3,011	3,018	3,006	3,024	3,032	3,029	3,024	2,988
TOTAL AVERAGE EMPLOYMENT	79,974	78,213	76,578	74,252	72,483	72,369	70,823	68,898	67,871	66,691
TOTAL CLASSIFIED	30,777	30,999	31,133	31,159	31,102	31,246	31,284	31,504	32,449	32,927
AVERAGE MONTHLY SALARY	\$ 5,049	\$ 4,826	\$ 4,650	\$ 4,554	\$ 4,539	\$ 4,502	\$ 4,391	\$ 4,283	\$ 4,314	\$ 4,324
TOTAL NON-CLASSIFIED	49,197	47,214	45,445	43,093	41,381	41,123	39,539	37,394	35,422	33,764
AVERAGE MONTHLY SALARY	\$ 7,384	\$ 7,181	\$ 6,980	\$ 6,872	\$ 6,691	\$ 6,306	\$ 6,140	\$ 5,953	\$ 5,840	\$ 5,786

- 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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
CenterLine Miles ¹										
Urban	1,500	1,502	1,510	1,510	1,523	1,523	1,385	1,385	1,385	1,389
Rural	7,575	7,575	7,578	7,578	7,580	7,580	7,718	7,720	7,720	7,720
TOTAL CENTERLINE MILES	9,075	9,077	9,088	9,088	9,103	9,103	9,103	9,105	9,105	9,109
Percent Change	0.0%	-0.1%	0.0%	-0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.4%
Lane Miles ²										
Urban	5,803	5,789	5,808	5,742	5,771	5,771	5,326	5,330	5,330	5,327
Rural	17,251	17,237	17,245	17,242	17,247	17,247	17,688	17,694	17,693	17,654
TOTAL LANE MILES	23,054	23,026	23,053	22,984	23,018	23,018	23,014	23,024	23,023	22,981
Percent Change	0.1%	-0.1%	0.3%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.2%	-0.3%
Roadways ³										
Percent Rated Good/Fair	Unavailable	80	79	79	79	79	79	47	48	48
Percent Rated Poor	Unavailable	20	21	21	21	21	21	53	52	52
TOTAL PERCENTAGE	0	100	100	100	100	100	100	100	100	100

¹Centerline miles measure roadway miles without accounting for the number of lanes.

²Lane miles measure the total distance of all roadway lanes, and are therefore a better indicator of actual maintenance requirements.

³In 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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Principal Arterial ¹	1,408	1,404	1,387	1,390	1,372	1,377	1,114	1,294	1,303	1,299
Other Principal Arterial	927	924	932	931	930	930	1,199	793	791	785
Minor Arterial	669	668	670	670	666	667	667	747	749	752
Collector	375	377	383	387	383	390	391	443	442	446
Local	88	88	79	77	76	75	72	161	162	165
TOTAL BRIDGES	3,467	3,461	3,451	3,455	3,427	3,439	3,443	3,438	3,447	3,447
Percent Change	0.2%	0.3%	-0.1%	0.8%	-0.3%	-0.1%	0.1%	-0.3%	0.0%	0.0%
Percent Rated Poor ²	6.27	6.32	4.42	4.90	5.60	5.60	5.70	5.90	3.60	5.53

¹Includes Interstate, Expressways, and Freeways.

²In 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GOVERNMENTAL ACTIVITIES:										
General Government	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	3,069,547
Business, Community, and Consumer Affairs ¹	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	980,198
Education	322,484	322,484	322,484	322,484	322,484	322,484	327,394	327,394	327,394	326,602
Health and Rehabilitation	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	1,476,587
Justice	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	8,404,174
Natural Resources	865,529	915,362	788,919	775,567	754,116	677,422	454,150	457,366	321,373	1,729,810
Social Assistance	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	1,836,385
Transportation	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	3,207,047
BUSINESS- TYPE ACTIVITIES:										
Higher Education	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	47,701,898
Parks and Wildlife	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	1,131,841
TOTAL	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	69,864,089

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GOVERNMENTAL ACTIVITIES:										
General Government	164,104	162,801	175,427	153,470	153,470	161,533	169,970	200,900	226,201	210,576
Business, Community, and Consumer Affairs ¹	612,459	632,311	635,899	640,803	623,742	597,583	604,185	597,182	575,591	585,944
Education	54,037	56,831	54,765	58,819	53,827	51,749	47,926	47,645	39,804	31,999
Health and Rehabilitation	508,207	478,241	470,748	477,717	473,440	498,721	475,010	473,230	465,649	458,959
Justice	617,670	567,155	473,032	525,493	453,320	343,665	412,286	310,551	321,920	463,506
Natural Resources	80,107	77,831	79,055	78,909	74,016	75,134	91,162	78,937	73,375	81,926
Social Assistance	103,706	103,706	96,465	99,256	99,256	110,867	74,451	61,001	51,404	56,881
BUSINESS- TYPE ACTIVITIES:										
Higher Education	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	1,358,597
CollegeInvest	9,126	9,126	9,126	9,164	9,597	9,642	11,397	11,397	7,517	8,544
Lottery	67,327	67,327	67,327	67,327	67,327	71,104	71,104	71,104	74,104	66,684
Parks and Wildlife	22,969	23,635	70,058	83,036	76,448	76,448	76,448	76,448	79,112	73,064
College Assist	9,126	9,126	9,126	9,396	10,164	10,246	8,825	8,825	8,825	10,139
TOTAL	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	3,406,819

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 Songs – “Where the Columbines Grow” and
“Rocky Mountain High”

State Nickname – Centennial State

State Gemstone – Aquamarine

State Animal – Rocky Mountain Bighorn Sheep

State Grass – Blue Grama Grass

State Bird – Lark Bunting

State Insect – Colorado Hairstreak Butterfly

State Fish – Greenback Cutthroat Trout

State Mineral – Rhodochrosite

State Flower – White and Lavender Columbine

State Reptile – Western Painted Turtle

State Folk Dance – Square Dance

State Amphibian – Western Tiger Salamander

State Fossil – Stegosaurus

State Rock – Yule Marble

State Pet – Shelter and Rescue Dog and Cat

State Tree – Colorado Blue Spruce

State Cactus – Claret Cup



COLORADO

Office of the State Controller

Department of Personnel & Administration