NEW ISSUE – BOOK-ENTRY ONLY

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

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2019A Notes is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax; and interest on the Series 2019A Notes is not included in Colorado taxable income or Colorado alternative minimum taxable income under Colorado income tax laws as described herein. See "TAX MATTERS" for a full description of the tax treatment of interest on the Series 2019A Notes

$400,000,000
STATE OF COLORADO
EDUCATION LOAN PROGRAM
TAX AND REVENUE ANTICIPATION NOTES
SERIES 2019A

Dated: Date of Delivery **Maturity Date: June 29, 2020**

The proceeds of the Series 2019A Notes will be used as more fully described herein to (i) make interest-free loans to certain Colorado school districts identified herein in order to alleviate temporary general fund cash flow deficits expected to be experienced by such school districts during the fiscal year ending June 30, 2020, and (ii) pay the costs of issuing the Series 2019A Notes.

The Series 2019A Notes will be issued in fully registered form and registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, the securities depository for the Series 2019A Notes. Beneficial Ownership Interests in the Series 2019A Notes, in non-certificated book-entry only form, may be purchased in integral multiples of $5,000 by or through participants in the DTC system. Beneficial Ownership Interests will be governed as to receipt of payments, notices and other communications, transfers and various other matters with respect to the Series 2019A Notes by the rules and operating procedures applicable to the DTC book-entry system as described herein.

The principal of and interest on the Series 2019A Notes, at the rate per annum specified below, is payable on the maturity date of the Series 2019A Notes specified above. The Series 2019A Notes are *not* subject to redemption prior to maturity.

Principal Amount	Interest Rate	Price	Reoffering Yield	CUSIP No.[†]
$400,000,000	3.000%	101.733	1.150%	19672M CG1

The Series 2019A Notes are special, limited obligations of the State payable solely from and secured by a pledge of the Pledged Revenues described herein. Interest on the Series 2019A Notes will be payable from amounts deposited by the State Treasurer upon issuance of the Series 2019A Notes in the ETRANS 2019-20 Repayment Account; and the principal of the Series 2019A Notes will be payable from amounts received by the State Treasurer from the Participating Districts on or before June 25, 2020, as payment of their Program Loans and, if necessary, from certain State funds, all as described herein. The Series 2019A Notes do not constitute a debt, an indebtedness or a multiple fiscal year financial obligation of the State or the Participating Districts within the meaning of any applicable provision of the constitution or statutes of the State, and the Owners and Beneficial Owners of the Series 2019A Notes may not look to any source other than the Pledged Revenues for payment of the Series 2019A Notes.

An investment in the Series 2019A Notes involves risk. Prospective investors are urged to read this Official Statement in its entirety, giving particular attention to the matters discussed in "INVESTMENT CONSIDERATIONS," in order to obtain information essential to the making of an informed investment decision.

The Series 2019A Notes are offered when, as and if issued by the State, subject to the approving opinion of Kutak Rock LLP, Denver, Colorado, as Bond Counsel. Certain legal matters will be passed upon for the State by the Attorney General of the State, and by Kline Alvarado Veio, P.C., Denver, Colorado, as special counsel to the State. The Series 2019A Notes are expected to be delivered through the facilities of DTC on or about July 18, 2019.

Dated: July 11, 2019

[†] CUSIP is a registered trademark of the American Bankers Association. The CUSIP data included herein has been provided by CUSIP Global Services operated by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by Standard & Poor's, a business unit of McGraw-Hill Financial, and is provided solely for the convenience of the purchasers of the Series 2019A Notes and only as of the issuance of the Series 2019A Notes. The State takes no responsibility for the accuracy of such data now or at any time in the future.

NOTICES

This Official Statement does not constitute an offer to sell the Series 2019A Notes in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, salesman or other person has been authorized by the State, the State Treasurer or the Financial Advisor to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the State or any other person.

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

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

The order and placement of materials in this Official Statement, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections of this Official Statement. The offering of the Series 2019A Notes is made only by means of this entire Official Statement.

This Official Statement is submitted in connection with the initial offering and sale of the Series 2019A Notes and may not be reproduced or used, in whole or in part, for any other purpose.

The Series 2019A Notes have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have neither confirmed the accuracy nor determined the adequacy of this Official Statement. Any representation to the contrary is unlawful.

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

This Official Statement, including, but not limited to, the material set forth in "SOURCE OF PAYMENT OF PROGRAM LOANS – State Equalization Funding of School Districts – Summary Financial Information Regarding the Participating Districts," "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS," "DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS," "APPENDIX A – THE STATE GENERAL FUND," "APPENDIX B – OSPB JUNE 2019 REVENUE FORECAST" and "APPENDIX E – STATE PENSION SYSTEM," contains statements relating to future results that are "forward looking statements." When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect" and similar expressions identify forward looking statements. The achievement of certain results or other expectations contained in forward looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. The State Treasurer does not plan to issue any updates or revisions to those forward looking statements if or when its expectations or events, conditions or circumstances on which these statements are based occur.

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OFFICIAL STATEMENT

Relating to

$400,000,000
STATE OF COLORADO
EDUCATION LOAN PROGRAM TAX AND REVENUE ANTICIPATION NOTES
SERIES 2019A

INTRODUCTION

This Official Statement, which includes the cover page, inside cover, prefatory information and the appendices, furnishes information in connection with the issuance and sale by the State of Colorado (the "State") of its $400,000,000 State of Colorado Education Loan Program Tax and Revenue Anticipation Notes, Series 2019A (the "Series 2019A Notes").

This introduction is not a summary of this Official Statement. It is only a summary description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Series 2019A Notes to potential investors is made only by means of the entire Official Statement.

This Official Statement contains information that was either not available or differs from that contained in the Preliminary Official Statement dated July 2, 2019, including, without limitation, the interest rate, price, reoffering yield, CUSIP number, original purchaser and purchase price paid by the original purchaser of the Series 2019A Notes. Accordingly, prospective investors should read this Official Statement in its entirety.

Purpose

Sections 29-15-112 and 22-54-110, Colorado Revised Statutes, as amended ("C.R.S."), referred to herein collectively as the "Loan Program Statutes," establish a program (the "Loan Program") for making interest-free loans ("Program Loans") to participating Colorado school districts (the "Participating Districts") in order to alleviate Participating Districts' temporary general fund cash flow deficits. The Series 2019A Notes are being issued for the purpose of funding the Loan Program for the State's fiscal year ending June 30, 2020 ("Fiscal Year 2019-20"), and paying the costs of issuing the Series 2019A Notes, and are the first series of Notes being issued for funding the Loan Program for Fiscal Year 2019-20. See "THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2019A NOTES."

The net proceeds of the sale of the Series 2019A Notes will be deposited in the Series 2019A Education Loan Program Tax and Revenue Anticipation Notes Proceeds Account (the "Series 2019A Notes Proceeds Account") of the State's General Fund (the "General Fund") and used to make Program Loans to approximately 18 Participating Districts in order to alleviate actual temporary general fund cash flow deficits currently forecast by each Participating District during Fiscal Year 2019-20. See "SOURCE OF PAYMENT OF PROGRAM LOANS – Summary Financial Information Regarding the Participating Districts." Prior to receiving a Program Loan, each Participating District is required to adopt a resolution (each a "District Resolution" and collectively the "District Resolutions") pledging to the repayment of its Program Loan those ad valorem property tax revenues received by the Participating District during the period of March through June of 2020 that are required to be deposited in the Participating District's general fund ("Taxes"), and is required to execute a promissory note payable to the State Treasurer (each a "District Note" and collectively the "District Notes") to evidence its repayment obligation. See "THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2019A NOTES – Program Loans – The Participating Districts," "DISTRICT RESOLUTIONS AND DISTRICT NOTES" and "SOURCE OF PAYMENT OF PROGRAM LOANS."

The Series 2019A Notes

Authorization. The Series 2019A Notes are issued pursuant to the Loan Program Statutes; Part 2 of Article 57 of Title 11, C.R.S. (the "Supplemental Public Securities Act"); and a resolution (the "State Resolution") adopted by the State Treasurer (the "State Treasurer") and approved and countersigned by the Controller of the State (the "State Controller"). See "THE SERIES 2019A NOTES – Authorization."

General Provisions. The Series 2019A Notes will be dated the date of issuance and delivery to the original purchasers thereof (the "Closing Date") and will mature on June 29, 2020 (the "Series 2019A Notes Maturity Date"). The Series 2019A Notes are not subject to redemption prior to the Series 2019A Notes Maturity Date. Interest on the Series 2019A Notes, at the rate per annum set forth on the cover page hereof (computed on the basis of a 360-day year of twelve 30-day months), will accrue from the Closing Date and will be payable on the Series 2019A Notes Maturity Date. See "THE SERIES 2019A NOTES – General Provisions."

Book-Entry Only System. The Series 2019A Notes will be issued in fully registered form (*i.e.*, registered as to payment of both principal and interest) and registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will serve as securities depository for the Series 2019A Notes. Ownership interests in the Series 2019A Notes ("Beneficial Ownership Interests"), in non-certificated book-entry only form, may be purchased in integral multiples of $5,000 by or through participants in the DTC system ("DTC Participants"). Beneficial Ownership Interests will be recorded in the name of the purchasers thereof ("Beneficial Owners") on the books of the DTC Participants from whom they are acquired, and will be governed as to the receipt of payments, notices and other communications, transfers and various other matters with respect to the Series 2019A Notes by the rules and operating procedures applicable to the DTC book-entry system as described in "THE SERIES 2019A NOTES – General Provisions" and "APPENDIX F – DTC BOOK-ENTRY SYSTEM." As used in this Official Statement, the term "Owners" of the Series 2019A Notes means the persons or entities in whose names the Series 2019A Notes are registered on the registration books kept by the Deputy State Treasurer or the Chief Financial Officer of the Department of the Treasury as the registrar for the Series 2019A Notes (such Owner initially being Cede & Co. or such other nominee as may be designated by DTC), and does not mean the Beneficial Owners.

Security and Sources of Payment. The Series 2019A Notes are special, limited obligations of the State payable solely from and secured by a pledge of the following (the "Pledged Revenues"), which the State Treasurer believes will be sufficient for the repayment of the Series 2019A Notes:

- amounts received by the State Treasurer from the Participating Districts on or before June 25, 2020, as repayment of their Program Loans;

- amounts deposited to the "Series 2019-20 Education Loan Program Tax and Revenue Anticipation Notes Repayment Account" of the General Fund (the "ETRANS 2019-20 Repayment Account") as discussed in "THE SERIES 2019A NOTES – Security and Sources of Payment – *The ETRANS 2019-20 Repayment Account*"; and

- any unexpended proceeds of the Series 2019A Notes and of any additional tax and revenue anticipation notes authorized and issued pursuant to the Loan Program Statutes and the Supplemental Public Securities Act and payable from and secured by a pledge of all or any portion of the Pledged Revenues on a parity with the pledge thereof in favor of the Owners of the Series 2019A Notes ("Parity Lien Notes") that have not been loaned to the Participating Districts, together with the interest earnings thereon in excess of the amount deposited by the State Treasurer in the Series 2019A Notes Proceeds Account on the Closing Date. See "THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2019A NOTES – The Series 2019A Notes Proceeds Account."

Interest on the Series 2019A Notes will be payable from a deposit to be made by the State Treasurer on the Closing Date to the Interest Subaccount of the ETRANS 2019-20 Repayment Account in an amount equal to the interest to accrue on the Series 2019A Notes from the Closing Date to the Series 2019A Notes Maturity Date. This deposit is to be made from "Current General Fund Revenues," consisting of any cash income or other cash receipt credited to the General Fund for Fiscal Year 2019-20 that is (i) subject to appropriation for Fiscal Year 2019-20 and (ii) not yet credited to the General Fund as of the Closing Date, but not including the proceeds of the Series 2019A Notes, any Parity Lien Notes or of any other borrowing of the State.

Principal of the Series 2019A Notes will be payable from amounts received by the State Treasurer from the Participating Districts on or before June 25, 2020, as repayment of their Program Loans, supplemented if necessary by, among other things, any funds on hand or in the custody or possession of the State Treasurer and eligible for investment in the District Notes, including Current General Fund Revenues and any amounts in the funds established by statute and the State Treasurer from which the State Treasurer is authorized to borrow under State law ("Borrowable Resources").

The ability of the State Treasurer to use Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes to fund a deficiency in the Principal Subaccount of the ETRANS 2019-20 Repayment Account is subordinate to the use of such funds for payment of any general fund tax and revenue anticipation notes of the State issued during Fiscal Year 2019-20, including, without limitation, the State of Colorado General Fund Tax and Revenue Anticipation Notes, Series 2019A (the "State Series 2019 General Fund Notes"), planned to be issued by the State Treasurer at or about the same time as the issuance of the Series 2019A Notes, in the principal amount of $600 million in order to fund anticipated cash flow shortfalls in the State's General Fund in Fiscal Year 2019-20.

The ETRANS 2019-20 Repayment Account and the Pledged Revenues are irrevocably pledged to the payment when due of the principal of and interest on the Series 2019A Notes and any Parity Lien Notes. The Owners of the Series 2019A Notes and any Parity Lien Notes will be equally and ratably secured by a first lien on the ETRANS 2019-20 Repayment Account and the moneys credited thereto.

The Series 2019A Notes do not constitute a debt, an indebtedness or a multiple fiscal year financial obligation of the State or the Participating Districts within the meaning of any applicable provision of the Constitution of the State of Colorado (the "State Constitution") or State statutes, and the Owners and Beneficial Owners of the Series 2019A Notes may not look to any source other than the Pledged Revenues for payment of the Series 2019A Notes.

See generally "THE SERIES 2019A NOTES – Security and Sources of Payment – Parity Lien Notes," "DISTRICT RESOLUTIONS AND DISTRICT NOTES," "SOURCE OF PAYMENT OF PROGRAM LOANS," "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS," "APPENDIX A – THE STATE GENERAL FUND" and "APPENDIX B – OSPB JUNE 2019 REVENUE FORECAST."

Legal and Tax Matters

Kutak Rock LLP, Denver, Colorado, is serving as bond counsel ("Bond Counsel") in connection with the issuance of the Series 2019A Notes and will deliver its opinion substantially in the form included in this Official Statement. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2019A Notes is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax; and interest on the Series 2019A Notes is not included in Colorado taxable income or Colorado alternative minimum taxable income under Colorado income tax laws as described herein.

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

Continuing Disclosure

In accordance with the exemption set forth in paragraph (d)(3) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), no undertaking to report annual financial information or operating data as set forth in the final Official Statement, or audited financial statements, will be provided by the State in connection with the Series 2019A Notes because the Series 2019A Notes have a stated maturity of less than 18 months. However, the State Treasurer does undertake in the State Resolution to provide notice of certain enumerated events if they occur, as described in "THE SERIES 2019A NOTES – Security and Sources of Payment – *The ETRANS 2019-20 Repayment Account* – Covenants of the State" and "CONTINUING DISCLOSURE."

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

State Economic and Demographic Information

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

Additional Information

Brief descriptions of the Series 2019A Notes, the State Resolution, the Loan Program Statutes, the District Resolutions, the District Notes, the Participating Districts, the State and certain other statutes, reports, documents and instruments are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each such document, statute, report or other instrument. During the offering period, copies of the State Resolution and certain other documents referred to herein may be obtained from RBC Capital Markets, LLC (the "Financial Advisor"), 1801 California Street, Suite 3850, Denver, Colorado 80202, Attention: Dan O'Connell, telephone number (303) 595-1222.

Investment Considerations

An investment in the Series 2019A Notes involves risk. Prospective investors are urged to read this Official Statement in its entirety, giving particular attention to the matters discussed in "INVESTMENT CONSIDERATIONS," in order to obtain information essential to the making of an informed investment decision.

Forward Looking Statements

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

Miscellaneous

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

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

This Official Statement shall not be construed as a contract or agreement between the State and the Owners or Beneficial Owners of the Series 2019A Notes.

THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2019A NOTES

The Loan Program

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

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

The Loan Program Statutes authorize the State Treasurer to issue tax and revenue anticipation notes for the purpose of alleviating temporary cash flow deficits by making interest-free loans available to eligible school districts. The Series 2019A Notes are being issued pursuant to this authorization. See also "THE SERIES 2019A NOTES – Authorization."

Application of Series 2019A Notes Proceeds

The proceeds of the Series 2019A Notes, net of amounts used to pay costs and expenses relating to the issuance and sale of the Series 2019A Notes, will be deposited in the Series 2019A Notes Proceeds Account and disbursed from time to time by the State Treasurer upon request of the Participating Districts in order to alleviate temporary general fund cash flow deficits expected to be experienced by such Participating Districts during Fiscal Year 2019-20, subject to the conditions stated in the State Resolution and the District Resolutions. See "Program Loans" and "The Participating Districts" below, "DISTRICT RESOLUTIONS AND DISTRICT NOTES" and "SOURCE OF PAYMENT OF PROGRAM LOANS."

The Series 2019A Notes Proceeds Account

The State Resolution directs the State Controller to establish within the State's General Fund the Series 2019A Notes Proceeds Account, which is to be segregated from all other accounts in the General Fund. Moneys deposited in the Series 2019A Notes Proceeds Account are to be applied in accordance with the Loan Program Statutes, including the payment of the costs and expenses related to the issuance and sale of the Series 2019A Notes. The original purchasers of the Series 2019A Notes will not be responsible for the application or disposition by the State or its officers of any of the funds derived from the sale of the Series 2019A Notes.

Moneys held in the Series 2019A Notes Proceeds Account may be commingled for investment purposes with other moneys in the General Fund but are not available for the payment of other General Fund expenditures or interfund transfers. Investment earnings on moneys credited to the Series 2019A Notes Proceeds Account up to the amount deposited by the State Treasurer to the Interest Subaccount on the Closing Date are to be credited to the State General Fund and will not be credited to the Series 2019A Notes Proceeds Account; and investment earnings on moneys credited to the Series 2019A Notes Proceeds Account in excess of the amount deposited by the State Treasurer to the Interest Subaccount on the Closing Date are to be retained therein until June 25, 2020, on which date any remaining moneys credited to such Account are to be transferred to the Interest Subaccount of the ETRANS 2019-20 Repayment Account, after which the Series 2019A Notes Proceeds Account is to be closed. See "APPENDIX A – THE STATE GENERAL FUND – Investment of the State Pool."

Program Loans

In order to participate in the Loan Program, each Participating District's governing board (the "Board of Education") must adopt a resolution approving the amount of the Program Loan (the "Maximum Principal Amount") and submit any actual or projected financial or budgetary statements required by the State Treasurer, as well as certain other financial information required by the State Treasurer. Based on such information, the State Treasurer has approved the Maximum Principal Amount of the Program Loan for each such Participating District.

An aggregate amount of not more than the Maximum Principal Amount may be drawn upon in the manner provided in the District Resolution and expended by the Participating District from time to time to fund its general fund cash flow deficit occurring during Fiscal Year 2019-20. See also "DISTRICT RESOLUTIONS AND DISTRICT NOTES" and "SOURCE OF PAYMENT OF PROGRAM LOANS."

The Participating Districts

As of the date hereof, the Participating Districts that have requested the State Treasurer to issue the Series 2019A Notes on their behalf are set forth in "SOURCE OF PAYMENT OF PROGRAM LOANS – Summary Financial Information Regarding the Participating Districts." The school districts that are expected to borrow the largest percentages of available proceeds of the Series 2019A Notes and planned Parity Lien Notes are set forth in "SOURCE OF PAYMENT OF PROGRAM LOANS – Summary Financial Information Regarding the Participating Districts."

THE SERIES 2019A NOTES

The following is a summary of certain provisions of the Series 2019A Notes during such time as the Series 2019A Notes are subject to the DTC book-entry system. Reference is hereby made to the State Resolution in its entirety for the detailed provisions pertaining to the Series 2019A Notes, including provisions applicable upon discontinuance of participation in the DTC book-entry system.

Authorization

The Series 2019A Notes are being issued pursuant to the Loan Program Statutes, the Supplemental Public Securities Act and the State Resolution. The Loan Program Statutes authorize the State Treasurer to issue tax and revenue anticipation notes from time to time to accomplish the purposes of the Loan Program Statutes. See "THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2019A NOTES." The State Treasurer may, and currently expects to, issue additional Parity Lien Notes in Fiscal Year 2019-20. See "Parity Lien Notes" under this caption.

General Provisions

The Series 2019A Notes will be issued in fully registered form (*i.e.*, registered as to payment of both principal and interest) and registered initially in the name of Cede & Co., as nominee of DTC, which will serve as securities depository for the Series 2019A Notes. Beneficial Ownership Interests in the Series 2019A Notes, in non-certificated book-entry only form, may be purchased in integral multiples of $5,000 by or through DTC Participants. Such Beneficial Ownership Interests will be recorded in the name of the Beneficial Owners on the books of the DTC Participants from whom they are acquired, and will be governed as to payment of principal and interest and the receipt of notices and other communications, transfers and various other matters with respect to the Series 2019A Notes by the rules and operating procedures applicable to the DTC book-entry system as described in "APPENDIX F – DTC BOOK-ENTRY SYSTEM."

The Series 2019A Notes will be dated as of the Closing Date, mature on the Series 2019A Notes Maturity Date and bear interest at the rate per annum (computed on the basis of a 360-day year consisting of twelve 30-day months) set forth on the cover page of this Official Statement. Interest on the Series 2019A Notes will accrue from the Closing Date and will be payable on the Series 2019A Notes Maturity Date. The principal of and interest on the Series 2019A Notes will be payable by the State Treasurer, as paying agent for the Series 2019A Notes (the "Paying Agent"), to Cede & Co., as the Owner of the Series 2019A Notes, for subsequent credit to the accounts of the Beneficial Owners. See "APPENDIX F – DTC BOOK-ENTRY SYSTEM." Interest on the Series 2019A Notes will cease to accrue on the Series 2019A Notes Maturity Date.

The Deputy State Treasurer or the Chief Financial Officer of the Department of the Treasury will serve as the registrar for the Series 2019A Notes, subject to the provisions of the DTC book-entry system.

Neither the State, the State Treasurer, the Deputy State Treasurer, the Chief Financial Officer of the Department of the Treasury, the State Controller nor the Financial Advisor has any responsibility or obligation to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant, (ii) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the Owners of the Series 2019A Notes under the State Resolution, (iii) the payment by DTC or any DTC Participant of any amounts received under the State Resolution with respect to the Series 2019A Notes, (iv) any consent given or other action taken by DTC or its nominee as the Owner of Series 2019A Notes or (v) any other related matter.

No Redemption Prior to Maturity

The Series 2019A Notes are not subject to redemption prior to the Series 2019A Notes Maturity Date.

Security and Sources of Payment

The Series 2019A Notes are special, limited obligations of the State payable solely from the Pledged Revenues, on parity with any additional Parity Lien Notes. The Series 2019A Notes do not constitute a debt, an indebtedness or a multiple fiscal year financial obligation of the State or the Participating Districts within the meaning of any applicable provision of the State Constitution or State statutes, and the Owners and Beneficial Owners of the Series 2019A Notes may not look to any source other than the Pledged Revenues for payment of the Series 2019A Notes.

The Pledged Revenues. The Pledged Revenues consist of: (i) amounts received by the State Treasurer from the Participating Districts on or before June 25, 2020, in repayment of their Program Loans; (ii) amounts deposited to the ETRANS 2019-20 Repayment Account as provided below; and (iii) any unexpended proceeds of the Series 2019A Notes and any Parity Lien Notes that have not been loaned to Participating Districts, together with the interest earnings thereon in excess of the amount deposited by the State Treasurer in the Series 2019A Notes Proceeds Account on the Closing Date. See "THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2019A NOTES – The Series 2019A Notes Proceeds Account."

The ETRANS 2019-20 Repayment Account. The State Resolution directs the State Controller to establish within the General Fund the ETRANS 2019-20 Repayment Account, including therein the Interest Subaccount and the Principal Subaccount, all of which are to be segregated from all other accounts in the General Fund. The ETRANS 2019-20 Repayment Account and the Pledged Revenues are irrevocably pledged to the payment when due of the principal of and interest on the Series 2019A Notes and any Parity Lien Notes. The Owners of the Series 2019A Notes and any Parity Lien Notes will be equally and ratably secured by a first lien on the ETRANS 2019-20 Repayment Account and the moneys credited thereto.

On the Closing Date, the State Treasurer is required to deposit to the Interest Subaccount of the ETRANS 2019-20 Repayment Account, from Current General Fund Revenues then available, an amount equal to the interest to accrue on the Series 2019A Notes from the Closing Date to the Series 2019A Notes Maturity Date.

The State Resolution also requires the State Treasurer to credit to the Principal Subaccount of the ETRANS 2019-20 Repayment Account all amounts received from the Participating Districts on or before June 25, 2020, in repayment of their Program Loans. However, if on June 25, 2020, the amount credited to the Principal Subaccount is less than the principal amount of the Series 2019A Notes and any Parity Lien Notes, the State Treasurer is to deposit to the Principal Subaccount the amount of the deficiency from any funds on hand or in the custody or possession of the State Treasurer and eligible for investment in the District Notes. The State Resolution further provides that the State Treasurer is to first utilize all other funds that are eligible for investment in the District Notes prior to the application of Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes.

The ability of the State Treasurer to use Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes to fund a deficiency in the Principal Subaccount of the ETRANS 2019-20 Repayment Account is subordinate to the use of such funds for payment of any general fund tax and revenue anticipation notes of the State issued during Fiscal Year 2019-20, including, without limitation, the State Series 2019 General Fund Notes. In addition, the covenant of the State Treasurer to first use all other funds that are eligible for investment in the District Notes in order to fund a deficiency in the Principal Subaccount of the ETRANS 2019-20 Repayment Account does not constitute a pledge of or lien on such other funds for that purpose, and there is no limit on the availability or use of such other funds for any other purpose permitted or required by law. If it becomes necessary to make a deposit to the Principal Subaccount of the ETRANS 2019-20 Repayment Account in order to fund a deficiency therein, the State Resolution requires the State Treasurer to take such actions as may be necessary to identify and designate the District Notes as an investment of the State funds used to make such deposit, and the Owners of the Series 2019A Notes will have no right or claim to any amounts received by the State under the District Notes after June 25, 2020. The making of such investment by the State Treasurer, and the determination of the State fund or funds, if any, to be used therefor, is in all cases subject to the application of the investment policies for the various State funds and the exercise of the discretion and fiduciary obligation of the State Treasurer in the investment of State funds. See "INVESTMENT CONSIDERATIONS – Liquidity Sources in the Event of a Default in the Repayment of Program Loans; Subordination of Certain State Funds," "STATE FINANCIAL INFORMATION – Investment and Deposit of State Funds," "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS" and "APPENDIX A – THE STATE GENERAL FUND."

Moneys held in the ETRANS 2019-20 Repayment Account may be commingled for investment purposes with other moneys in the General Fund but are not available for the payment of other General Fund expenditures or interfund transfers. Interest income from the investment or reinvestment of moneys credited to the Interest Subaccount and the Principal Subaccount up to and including June 29, 2020, is to be credited to the General Fund and not credited to the Interest Subaccount or the Principal Subaccount. See "APPENDIX A – THE STATE GENERAL FUND – Investment of the State Pool."

Limitations on the Obligations of the State. The State Resolution provides that no provision thereof or of the Series 2019A Notes is to be construed or interpreted: (i) to directly or indirectly obligate the State to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (ii) as creating a debt or an indebtedness of the State within the meaning of any applicable provision of the State Constitution or State statutes; (iii) as creating a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the State within the meaning of Article X, Section 20 of the State Constitution (the "Taxpayer's Bill of Rights" or "TABOR") for which adequate cash reserves have not been pledged irrevocably and held for payment in all future fiscal years; (iv) as a delegation of governmental powers by the State; (v) as a loan or pledge of the credit or faith of the State or as creating any responsibility by the State for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the State Constitution; or (vi) as a donation or grant by the State to, or in aid of, any person, company or corporation within the meaning of Article XI, Section 2 of the State Constitution. See "STATE FINANCIAL INFORMATION – Taxpayer's Bill of Rights."

Parity Lien Notes

The State Resolution authorizes the State Treasurer from time to time during Fiscal Year 2019-20 to issue additional tax and revenue anticipation notes pursuant to the Loan Program Statutes that are payable from and secured by a pledge of all or any portion of the Pledged Revenues on a parity with (but not superior to) the pledge in favor of the Owners of the Series 2019A Notes. Such Parity Lien Notes may have such details as the State Treasurer may determine; provided, however, that the Parity Lien Notes are required to be (i) non-redeemable prior to their Maturity Date, (ii) due and payable as to both principal and interest on the Maturity Date and (iii) payable from the ETRANS 2019-20 Repayment Account.

The State Treasurer currently anticipates that one or more series of Parity Lien Notes will be issued in Fiscal Year 2019-20 in an aggregate principal amount of approximately $400 million. The State Resolution does not limit the principal amount of Parity Lien Notes.

Covenants of the State

The State Treasurer covenants in the State Resolution for the benefit of the original purchasers (the "Purchasers") and the Owners of the Series 2019A Notes to: (i) keep proper books of record and accounts showing complete and correct entries of all transactions relating to the Funds and Accounts referred to therein and in such manner that the amount of Program Loans made to each Participating District and the amount of repayment of such Program Loans by each Participating District may at all times be readily and accurately determined; and (ii) take any and all actions that may be reasonably required to ensure timely collection of the amounts due by Participating Districts under their respective District Notes.

Defaults and Remedies

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

- payment of the principal of or interest on any of the Series 2019A Notes is not made on the Series 2019A Notes Maturity Date; or

- the State fails to perform or observe any of the covenants, agreements or conditions contained in the State Resolution or in the Series 2019A Notes and such failure continues for 15 days after receipt of written notice thereof by the State Treasurer from any Owner of any of the Series 2019A Notes.

Upon the occurrence of any Event of Default, any Owner of the Series 2019A Notes may: (i) bring any suit, action or proceeding, at law or in equity, to collect sums due and owing on the Series 2019A Notes or to enforce and protect such Owner's rights under the State Resolution and the Series 2019A Notes; (ii) compel, to the extent permitted by law, by mandamus or otherwise, the performance by the State of any covenant in the State Resolution or the Series 2019A Notes; or (iii) examine the books and records of the State and require the State Treasurer to account for all moneys and investments constituting Pledged Revenues as if the State Treasurer were the trustee of an express trust. Neither principal of nor interest on the Series 2019A Notes may be accelerated as a consequence of any Event of Default.

If on the Maturity Date the moneys in the ETRANS 2019-20 Repayment Account are insufficient to pay the principal of and interest on the Series 2019A Notes and any Parity Lien Notes, the State Treasurer is to ratably apply the moneys in the ETRANS 2019-20 Repayment Account to the payment of the principal and interest then due and unpaid upon the Series 2019A Notes and any Parity Lien Notes, without preference or priority of principal over interest or of interest over principal, or of any Series 2019A Note or Parity Lien Note over any other Series 2019A Note or Parity Lien Note, according to the amounts due, respectively, for principal and interest, to the persons entitled thereto without any discrimination or preference.

Tax Covenant

The State Treasurer covenants in the State Resolution for the benefit of the Purchasers and the Owners of the Series 2019A Notes that, subject to further investment limitations established pursuant to the terms of the State Resolution, moneys in the Series 2019A Notes Proceeds Account and the ETRANS 2019-20 Repayment Account not immediately needed will be invested only in investments authorized by the Loan Program Statutes; Article 36 of Title 24, C.R.S.; or, to the extent applicable, Part 6 of Article 75 of Title 24, C.R.S.

The State Treasurer further covenants that the State Treasurer will not take any action or omit to take any action with respect to the Series 2019A Notes, the proceeds thereof or other funds of the State if such action or omission: (i) would cause the interest on the Series 2019A Notes to lose its exclusion from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations thereunder (the "Tax Code"); (ii) would cause interest on the Series 2019A Notes to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income; or (iii) would cause interest on the Series 2019A Notes to lose its exclusion from State taxable income or State alternative minimum taxable income under present State law. This covenant will remain in full force and effect notwithstanding the payment in full of the Series 2019A Notes until the date on which all obligations of the State Treasurer in fulfilling such covenant under the Tax Code and State law have been met. See also "TAX MATTERS."

INVESTMENT CONSIDERATIONS

An investment in the Series 2019A Notes involves certain investment risks that are discussed throughout this Official Statement. Each prospective investor should make an independent evaluation of all information presented in this Official Statement in order to make an informed investment decision. Particular attention should be given to the factors described below that, among others, could affect the payment of the principal of and interest on the Series 2019A Notes.

Limited Obligations

The Series 2019A Notes are special, limited obligations of the State payable solely from and secured by a pledge of the Pledged Revenues. The State has not pledged its General Fund, taxing power or revenues, other than the Pledged Revenues, to the payment of the Series 2019A Notes. The Series 2019A Notes do not constitute a debt, indebtedness or multiple fiscal year financial obligation of the State or any political subdivision thereof within the meaning of any applicable provision of the State Constitution or State laws; do not constitute general obligations of the State, the Participating Districts or any other political subdivision of the State; and no governmental entity has pledged its faith and credit for the payment of the Series 2019A Notes. If an Event of Default under the State Resolution should occur, there may not be sufficient Pledged Revenues available to pay the principal of and/or the interest on the Series 2019A Notes. See "THE SERIES 2019A NOTES – Security and Sources of Payment – Defaults and Remedies."

Repayment of Program Loans

The primary source of Pledged Revenues pledged to pay the principal of the Series 2019A Notes is amounts received by the State Treasurer from the Participating Districts on or before June 25, 2020, as repayment of their Program Loans, which in turn are payable solely from the Taxes of the respective Participating Districts received during the period of March through June of 2020. Property taxes received by a Participating District either prior or subsequent to such period will not be available for repayment of its Program Loan. There is no assurance that a Participating District will collect sufficient Taxes from March through June of 2020 to repay its Program Loan in full. In such event, the State Treasurer is required by the State Resolution to fund the amount of the deficiency, and pay the principal amount of the Series 2019A Notes, from any funds on hand or in the custody or possession of the State Treasurer and eligible for investment in the District Notes, but is first to utilize all other funds that are eligible for investment in the District Notes prior to the application of Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes. The State Treasurer is entitled and intends to recover those moneys from such Participating District under the default provisions of the Loan Program Statutes and the District Resolution. See generally "DISTRICT RESOLUTIONS AND DISTRICT NOTES" and "SOURCE OF PAYMENT OF PROGRAM LOANS – Taxes – Ad Valorem Property Tax Procedure – Summary Financial Information Regarding the Participating Districts."

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

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

As discussed in "Repayment of Program Loans" under this caption and in "THE SERIES 2019A NOTES – Security and Sources of Payment – *The ETRANS 2019-20 Repayment Account*" and "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS," in the event of a deficiency in the Principal Subaccount of the ETRANS 2019-20 Repayment Account resulting from a default in the repayment of Program Loans, the State Resolution requires the State Treasurer to deposit to the Principal Subaccount of the ETRANS 2019-20 Repayment Account the amount of the deficiency from any funds on hand or in the custody or possession of the State Treasurer and eligible for investment in the District Notes. The State Resolution further provides that the State Treasurer is to utilize all other funds that are eligible for investment for such purpose prior to the application of Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes.

The ability of the State Treasurer to use Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes to fund a deficiency in the Principal Subaccount of the ETRANS 2019-20 Repayment Account is subordinate to the use of such funds for payment of any general fund tax and revenue anticipation notes of the State issued during Fiscal Year 2019-20, including, without limitation, the State Series 2019 General Fund Notes planned to be issued by the State Treasurer at or about the same time as the Series 2019A Notes. In addition, the covenant of the State Treasurer to first use all other funds that are eligible for investment in the District Notes in order to fund a deficiency in the Principal Subaccount of the ETRANS 2019-20 Repayment Account does not constitute a pledge of or lien on such funds for that purpose, and there is no limit on the availability or use of such funds for any other purpose permitted or required by law. If it becomes necessary to make a deposit to the Principal Subaccount of the ETRANS 2019-20 Repayment Account in order to fund a deficiency therein, the State Resolution requires the State Treasurer to take such actions as may be necessary to identify and designate the District Notes as an investment of the Funds used to make such deposit, and the Owners of the Series 2019A Notes will have no right or claim to any amounts received by the State under the District Notes after June 25, 2020. The making of such investment by the State Treasurer, and the determination of the Fund or Funds, if any, to be used therefor, is in all cases subject to the application of the investment policies for the various State funds established by statute and the State Treasurer and the exercise of the discretion and fiduciary obligation of the State Treasurer in the investment of State funds. See "STATE FINANCIAL INFORMATION – Investment and Deposit of State Funds."

Budgets and Revenue Forecasts

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

The State relies on revenue estimation as the basis for budgeting and establishing aggregate funds available for expenditure for its appropriation process. By statute, the Governor's Office of State Planning and Budgeting ("OSPB") is responsible for developing the General Fund revenue estimate. The most recent OSPB revenue forecast was issued on June 19, 2019 (the "OSPB June 2019 Revenue Forecast"), and is included in its entirety in this Official Statement. See "STATE FINANCIAL INFORMATION," "APPENDIX A – THE STATE GENERAL FUND – Revenue Estimation; OSPB Revenue and Economic Forecasts" and "APPENDIX B – OSPB JUNE 2019 REVENUE FORECAST." The Colorado Legislative Council also prepares quarterly revenue forecasts which are released on the same dates as the OSPB revenue forecasts.

The State's Fiscal Year budgets are not prepared on a cash basis, but rather are prepared using the modified accrual method of accounting in accordance with the standards promulgated by the Governmental Accounting Standards Board ("GASB"), with certain statutory exceptions. The State could experience temporary and cumulative cash shortfalls as the result of differences in the timing of the actual receipt of revenues and payment of expenditures by the State compared to the inclusion of such revenues and expenditures in the State's Fiscal Year budgets on a modified accrual basis, which is not solely based on when such amounts are received or paid. If an unanticipated cash shortfall were to occur in late Fiscal Year 2019-20, it may adversely affect the State's ability to fund, if necessary, any deficiency in the

Principal Subaccount of the ETRANS 2019-20 Repayment Account on June 25, 2020. See "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations," "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF DEFAULT IN THE REPAYMENT OF PROGRAM LOANS," "APPENDIX A – THE STATE GENERAL FUND – Revenue Estimation; OSPB Revenue and Economic Forecasts" and "APPENDIX B – OSPB JUNE 2019 REVENUE FORECAST."

The OSPB June 2019 Revenue Forecast projects that General Fund revenues in Fiscal Year 2018-19 will increase by $827.9 million, or 7.1%, over Fiscal Year 2017-18, and that General Fund revenues in Fiscal Year 2019-20 will increase by $584.2 million, or 4.7%, over Fiscal Year 2018-19. The OSPB June 2019 Revenue Forecast states that the State ended Fiscal Year 2017-18 with reserves of $669.9 million above the Unappropriated Reserve requirement, and forecasts that the State will end Fiscal Years 2018-19 and 2019-20 with reserves of $438.5 million and $274.8 million above the applicable Unappropriated Reserve requirement, respectively. These figures are based on revenue and budget information available when the OSPB June 2019 Revenue Forecast was completed and are subject to change in subsequent OSPB revenue forecasts based on new information on revenue and expenditures.

The next OSPB revenue forecast will be released in September of 2019. General Fund revenue projections in this and subsequent OSPB revenue forecasts may be materially different from the OSPB June 2019 Revenue Forecast. If a revenue shortfall is projected for Fiscal Year 2019-20 and subsequent forecasted years, budget cuts and/or actions to increase the amount of money in the General Fund will be necessary to ensure a balanced budget. A revenue shortfall in Fiscal Year 2019-20 may adversely affect the State's ability to fund, if necessary, any deficiency in the Principal Subaccount of the ETRANS 2019-20 Repayment Account on June 25, 2020. See "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF DEFAULT IN THE REPAYMENT OF PROGRAM LOANS," "APPENDIX A – THE STATE GENERAL FUND – Revenue Estimation; OSPB Revenue and Economic Forecasts – *Revenue Shortfalls*" and "APPENDIX B – OSPB JUNE 2019 REVENUE FORECAST."

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

Parity Lien Notes

The State Resolution permits the State to issue Parity Lien Notes upon satisfaction of certain conditions provided therein and in the Loan Program Statutes. If issued, such Parity Lien Notes would be payable from and secured by a pledge of the Pledged Revenues on parity with the pledge securing the Series 2019A Notes. Therefore, the issuance of Parity Lien Notes could materially diminish the level of repayment coverage provided by the Taxes and other funds as security for the Series 2019A Notes. The State Treasurer currently anticipates that one or more series of Parity Lien Notes will be issued in Fiscal Year 2019-20 in an aggregate principal amount of approximately $400 million. The State Resolution does not limit the principal amount of Parity Lien Notes. See "THE SERIES 2019A NOTES – Authorization – Parity Lien Notes."

Loss of Tax Exemption

As discussed in "TAX MATTERS," the interest on the Series 2019A Notes could become includable in gross income for federal income tax purposes and/or become includable in Colorado taxable income or Colorado alternative minimum taxable income as a result of a failure of the State to comply with certain covenants contained in the State Resolution.

Future Changes in Laws

Various State laws and constitutional provisions apply to the operations of the Participating Districts and the imposition, collection and expenditure of ad valorem property taxes and other funds by the Participating Districts, including the Taxes and other funds pledged to the repayment of the Program Loans, as well as to the operations of and availability and appropriation of funds by the State. There is no assurance that there will not be any changes in, interpretation of or addition to such laws that would have a material adverse effect, directly or indirectly, on the operations of the Participating Districts, the imposition, collection or expenditure of ad valorem property taxes and other funds by the Participating Districts or the ability of the Participating Districts to repay the Program Loans, or on the affairs of the State, the availability of and appropriation of funds by the State or the ability of the State to repay the Series 2019A Notes.

DISTRICT RESOLUTIONS AND DISTRICT NOTES

The Board of Education of each Participating District that has requested the State Treasurer to issue the Series 2019A Notes on its behalf has, or prior to the Closing Date is required to have, adopted a District Resolution that authorizes the Participating District to borrow funds from the State Treasurer pursuant to the Loan Program, and has, or prior to the Closing Date is required to have, executed and delivered a District Note to the State Treasurer to evidence the Participating District's obligation to repay its Program Loan. The obligation of a Participating District to make payments in respect of its District Note is not a joint obligation with any other Participating District and is strictly limited to the Payment Obligations of such Participating District under its District Resolution.

Set forth below is a summary of the District Resolutions and District Notes. The District Resolutions and District Notes are substantially the same except as to Maximum Principal Amount and the cash flow projections. The references in this summary to a single District Resolution, District Note or Participating District are, except where otherwise indicated, equally applicable to all of the District Resolutions, District Notes, and Participating Districts. The following summary does not purport to be complete, and is qualified by express reference to the provisions of the District Resolutions and District Notes, copies of which are available as provided in "INTRODUCTION – Additional Information" and "MISCELLANEOUS." A District Resolution may be amended only with the written consent of the State Treasurer. See also "THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2019A NOTES – Program Loans – The Participating Districts."

Participation in the Loan Program

The District Resolution authorizes the Participating District to participate in the Loan Program for Fiscal Year 2019-20, and to issue and deliver the District Note to the State Treasurer in the Maximum Principal Amount to evidence the Participating District's Payment Obligation, for the purpose of paying the Participating District's projected budgeted expenditures during Fiscal Year 2019-20. The District Note matures on June 25, 2020 (the "District Note Maturity Date"), and is interest-free through such date; provided, however, that if the District Note is not paid in full on the District Note Maturity Date, it will become a defaulted note (a "Defaulted Note") and the unpaid portion thereof will bear interest thereafter until paid at a default rate equal to the interest rate, or the weighted average interest rate, paid by the State Treasurer on the Series 2019A Notes and any Parity Lien Notes. The District Note may be prepaid in whole or in part at any time prior to the District Note Maturity Date.

The Participating District may obtain draws on its Program Loan in the manner discussed in "THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2019A NOTES – Program Loans."

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

Security for and Payment of the District Note

The District Note is payable from and secured by a lien in the amount of the Participating District's Payment Obligations on all of the Participating District's ad valorem taxes on real and personal property received by the Participating District during the period of March through June of 2020 that are required to be credited to the Participating District's general fund. Such lien has priority over all other expenditures from such Taxes until the Participating District's Payment Obligations are paid in full. All Taxes received by the Participating District are to be paid to the State Treasurer within one Business Day of receipt until the Payment Obligations are paid in full. The District Resolution authorizes the State Treasurer to pledge and assign the District Note and all or any part of the Participating District's obligations thereunder, including, without limitation, the Participating District's Payment Obligations, to secure the payment of the Series 2019A Notes and any Parity Lien Notes. See "SOURCE OF PAYMENT OF PROGRAM LOANS."

Defaults and Remedies

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

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

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

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

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

Upon the occurrence of a District Event of Default as described in clause (i) above, the statutory remedy of the State Treasurer is to notify the treasurer of each county in which the Participating District levies Taxes that the Participating District is in default on its obligation to pay its Payment Obligation and the amount of the Payment Obligation. Pursuant to the Loan Program Statutes, the county treasurer is thereupon required to withhold any “Default Taxes” (being ad valorem taxes on real and personal property received or to be received by the Participating District after the District Note Maturity Date that are required to be credited to the Participating District’s general fund and are available for payment of the Defaulted Note pursuant to Section 22-54-110(2)(c), C.R.S.) to be received by the District and in the possession of the county treasurer in the amount of such unpaid Payment Obligation. If the amount of Default Taxes to be received by the District and in the possession of the county treasurer at the time such notice is given is less than the amount of the Payment Obligation, the county treasurer is to withhold additional Default Taxes to be received by the District and in the possession of the county treasurer until such time as the Payment Obligation has been paid to the State Treasurer in full. *Default Taxes are available solely to repay a Participating District’s Payment Obligation to the State Treasurer following a District Event of Default and are not pledged to the payment of the Series 2019A Notes.*

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

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

A District Event of Default does not constitute an Event of Default under the State Resolution. See “THE SERIES 2019A NOTES – Defaults and Remedies.”

Other Covenants and Representations

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

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

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

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

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

The Participating District also represents to the State Treasurer that unless, prior to the Closing Date, one of the Authorized Officers of the District notifies the State Treasurer in writing to the contrary, among other things: (i) it has had an ad valorem property tax collection rate of not less than 90% of the aggregate amount of ad valorem property taxes levied within the Participating District in each of the most recent three Fiscal Years; (ii) as of the date of adoption of the District Resolution and on the date of issuance of the District Note the Participating District reasonably expects to collect at least 90% of such amount for Fiscal Year 2019-20; (iii) the Participating District has not defaulted within the past five years, and is not currently in default, on any debt obligation; (iv) any documents setting forth, among other matters, financial information regarding the District and information relating to the District Resolution and the District's obligations thereunder, other disclosures by the District pursuant to the District Resolution and cash flow projections and ongoing reports pursuant to the District Resolution have been and will be prepared consistent with generally accepted accounting principles; and (v) the District's budget and financial accounting policies and procedures are in compliance with State law.

Parties in Interest

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

SOURCE OF PAYMENT OF PROGRAM LOANS

Taxes

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

Taxes are limited to ad valorem taxes on real and personal property received by the Participating District during the period of March through June of 2020 that are required to be credited to the Participating District's general fund. These in turn are comprised of the ad valorem property taxes that the Participating District is authorized to impose in accordance with the Public School Finance Act, plus certain permitted "override revenues," both of which are discussed in this section.

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

State Equalization Funding of School Districts

The discussion under this caption provides an overview of the funding of the Colorado school districts under existing State statutes. *The State portion of the school districts' funding is <u>not</u> pledged to pay the Program Loans.*

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

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

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

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

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

$$\text{Total Program} = \text{Funded Pupil Count (October 1)} \times \text{Total Per Pupil Funding} + \text{At-Risk Funding} + \text{On-Line Funding and ASCENT} - \text{Budget Stabilization Factor}$$

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

The Statewide Total Program funding amount is established in the Public School Finance Act initially based upon projections of various factors. Once actual figures are known, a mid-year revision may be made to this amount. The Statewide Total Program funding amount for Fiscal Year 2018-19, after application of the Budget Stabilization Factor, was initially established by House Bill ("HB") 18-1379 at an amount of not less than $7,088,776,230, constituting a Budget Stabilization Factor of 8.66%. The Statewide Total Program funding amount was revised by Senate Bill ("SB") 19-128 to $7,066,050,970, constituting a Budget Stabilization Factor of 8.70%, due to actual funded pupil count and the actual at-risk pupil counts for the 2018-19 budget year being lower than anticipated, and the local share of total program funding being higher than anticipated, when the General Assembly appropriated money for the Statewide Total Program funding for the 2018-19 budget year during the 2018 legislative session. The initial Statewide Total Program funding amount for Fiscal Year 2019-20, after application of the Budget Stabilization Factor, has been established by SB 19-246 at an amount of not less than $7,389,818,526, constituting a Budget Stabilization Factor of 7.2%, which amount is subject to a mid-year revision as discussed above. The initial Statewide Total Program was increased by $190,171,968 for Fiscal Year 2018-19 by HB 19-1262.

The Public School Finance Act provided for a Statewide average of Total Program funding for Fiscal Year 2018-19 of $8,895.38 per pupil (and $8,122.58 Statewide average after application of the Budget Stabilization Factor), and $8,162.00 Statewide average per on-line and ASCENT pupils (and $7,451.56 Statewide average after application of the Budget Stabilization Factor), although a school district's ability to accept the full amount of Total Program funding may be limited by the constraints on the school district's annual revenue and spending growth discussed in "Taxpayer's Bill of Rights" below. The Statewide average of Total Program funding for Fiscal Year 2019-20 is currently projected to be $9,116.79 per pupil (and $8,476.93 Statewide average after application of the Budget Stabilization Factor), and $8,382.00 Statewide average per on-line and ASCENT pupils (and $7,790.67 State average after application of the Budget Stabilization Factor).

Amendment 23. In November of 2000, the State's voters approved an amendment to the State Constitution relating to funding for public schools, commonly referred to as "Amendment 23." Amendment 23 requires that the base per-pupil funding amount and the funding for categorical programs (such as transportation, language proficiency, expelled and at-risk students, special education, gifted and talented education, vocational education, small attendance centers and comprehensive health education): (i) increase by the rate of inflation plus one percentage point for Fiscal Year 2001-02 through Fiscal Year 2010-11, and (ii) increase by at least the rate of inflation each year thereafter. Amendment 23 also creates the State Education Fund, and (i) mandates that there be deposited therein an amount equal to all State revenues collected from a tax of one-third of one percent on federal taxable income, as modified by law, of every individual, estate, trust and corporation, as defined by law, and (ii) exempts such revenues from the revenue limitations of TABOR. See "Taxpayer's Bill of Rights" below. The General Assembly may appropriate moneys from the State Education Fund only to increase funding in preschool through 12th grade education or for purposes specifically provided in Amendment 23, including accountable education reform, accountable programs to meet State academic standards, reducing class size, expanding technology education, improving public safety, accountability reporting, performance incentives for teachers and public school building capital construction. The Amendment 23 funds may not be used to reduce the current level of general fund appropriations for Total Program funding and categorical programs. See also "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS – Certain State Funds Eligible for Investment in the District Notes – *The State Education Fund*" for a discussion of the State Education Fund.

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

Pursuant to the Public School Finance Act, a school district's property tax levy to fund the local share of its Total Program is to be the lowest of the following: (i) the number of mills (one mill equals $0.001) levied by the school district for the immediately preceding property tax year; (ii) the number of mills that will generate property tax revenue in an amount equal to the school district's Total Program for the applicable budget year minus the minimum State aid and the amount of specific ownership tax revenue paid to the school district; (iii) for school districts that have not obtained voter approval to retain and spend revenues in excess of the property tax revenue limitation imposed on such school districts by TABOR (such voter approval commonly referred to as being "De-Bruced"), the number of mills that may be levied by such school districts in accordance with the property tax revenue limitation imposed by TABOR; or (iv) 27.000 mills. See "Taxpayer's Bill of Rights" below and "INVESTMENT CONSIDERATIONS – Repayment of Program Loans."

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

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

Override Revenues

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

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

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

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

Ad Valorem Property Taxation Procedure

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

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

Determination of Actual Value. Each county assessor in the State annually conducts appraisals in order to determine, on the basis of statutorily specified approaches, the statutory "actual" value of all taxable property within the county as of January 1st. The statutory actual value of a property is not intended to represent current market value, but, with certain exceptions, is determined by the county assessor utilizing a "level of value" ascertained for each two-year reassessment cycle from manuals and associated data published by the State Property Tax Administrator for the statutorily-defined period preceding the assessment date. The statutory actual value is based on the "level of value" for the period one and one-half years immediately prior to the July 1st preceding the beginning of the two-year reassessment cycle (adjusted to the final day of the data-gathering period). The one and one-half year period used to determine the level of value advances two years with the start of each reassessment cycle. For the 2017 and 2018 tax levy years (2018 and 2019 tax collection years), the level of value for the determination of statutory "actual" value was as of July 1, 2016, based on the period of January 1, 2015 to June 30, 2016, and for the 2019 and 2020 tax levy years (2020 and 2021 tax collection years), the level of value for the determination of statutory "actual" value will be as of July 1, 2018, based on the period of January 1, 2017 to June 30, 2018.

Oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals are valued based on production levels rather than by the base year method. Public utilities are valued by the State property tax administrator based upon the value of the utility's tangible property and intangibles (subject to certain statutory adjustments), gross and net operating revenues and the average market value of its outstanding securities during the prior calendar year.

Determination of Assessed Value. Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated by the county assessor as a percentage of statutory actual value.

To avoid extraordinary increases in residential real property taxes when the base year level of value is changed, the State Constitution requires the General Assembly to adjust the assessment percentage for residential property for each year in which a change in the base year level of value occurs to ensure that the percentage of the aggregate statewide valuation for assessment attributable to residential real property in relation to other taxable property remains the same as that in the prior year, except for increased valuation for assessment attributable to new construction and to increased volume of mineral and oil and gas production. This constitutional provision, which was enacted and approved by the State's voters in 1982, and the residential assessment percentage adjustment provided for therein, are commonly referred to as the "Gallagher Amendment" and the "Gallagher Adjustment," respectively, and has been implemented pursuant to Section 39-1-104.2, C.R.S. Notwithstanding the foregoing, the State Constitution prohibits any valuation for assessment ratio increase for a property class without prior voter approval as discussed in "Taxpayer's Bill of Rights" below in this section. The ratio of valuation for assessment of residential property was 7.96% of statutory "actual" value for property tax years 2003 through 2016, 7.20% of statutory "actual" value for property tax years 2017 and 2018 and will be 7.15% of statutory "actual" value for property tax years 2019 and thereafter.

All other taxable property, with certain exceptions, is assessed at 29% of statutory actual value. Vacant land (other than agricultural land), which includes land upon which no buildings, structures or fixtures are located, but may include land with site improvements, is also assessed at 29% of statutory actual value. Producing oil and gas property is generally assessed at 87.5% of statutory actual value.

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

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

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

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

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

Property Tax Collections. Property taxes levied in one year are collected in the succeeding year. Thus, taxes levied in 2019 will be collected in 2020. Taxes are due on January 1st in the year of collection; however, they may be paid in either a single payment (not later than the last day of April) or in two equal installments (not later than the last day of February and June 15th) without interest or penalty. Interest accrues on unpaid first installments at the rate of 1% per month from March 1st until the date of payment unless the whole amount is paid by April 30th. If the second installment is not paid by June 15th, the unpaid installment will bear interest at the rate of 1% per month from June 16th until the date of payment. Notwithstanding the foregoing, if the full amount of taxes is to be paid in a single payment after the last day of April and is not so paid, the unpaid taxes will bear penalty interest at the rate of 1% per month accruing from the first day of May until the date of payment. The County Treasurer collects current and delinquent property taxes, as well as any interest or penalty, and after deducting a statutory fee for such collection, remits the balance to the school district on a monthly basis, with an additional mid-month payment in March, May and June.

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

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

Taxpayer's Bill of Rights

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

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

Budgets

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

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

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

Financial Statements

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

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

Summary Financial Information Regarding the Participating Districts

The following table sets forth certain financial information concerning the Participating Districts. The Participating District expected to borrow the largest percentage of available proceeds of the Series 2019A Notes and planned Parity Lien Notes is described further in "Largest Borrower" following the table.

Participating District Financial Information

(Totals may not add due to rounding)

	Amount of Program Loans[1]						Fiscal Year 2019-20 Tax Information				Fiscal Year 2018-19 Loan Program Information	
Participating District	Series 2019A Notes	% of Total	Projected Parity Lien Notes	% of Total	Total Amount Borrowed	% of Total	Estimated 2019 Assessed Valuation (000's)[2]	Estimated 2020 Tax Collections[3]	Ratio of Amount Borrowed to Estimated 2020 Tax Collections	3 Year Average[4]	Amount Borrowed	Repayment Date (2019)
Denver R-1	$248,066,058	60.1%	$192,020,691	44.5%	$440,086,749	52.1%	$20,992,320	$684,028,808	64.3%	98.8%	$349,553,200	May 28
Boulder Valley RE-2	48,820,696	11.8	67,405,044	15.6	116,225,740	13.8	6,743,033	251,989,304	46.1	98.6	109,047,509	May 13
Cherry Creek (Arapahoe 5)	20,836,990	5.0	26,292,793	6.1	47,129,783	5.6	6,575,165	241,840,846	19.5	99.1	N/A	N/A
Douglas County RE-1	12,999,962	3.1	29,574,040	6.9	42,574,002	5.0	7,257,590	237,936,466	17.9	98.2	50,800,000	March 12
Poudre (Larimer R-1)	9,101,225	2.2	17,123,166	4.0	26,224,391	3.1	3,758,980	131,955,321	19.9	99.2	22,121,706	March 12
Littleton (Arapahoe 6)	13,233,617	3.2	10,475,180	2.4	23,708,797	2.8	1,853,221	66,513,010	35.6	99.3	2,424,963	March 12
Eagle County RE-50	8,196,425	2.0	13,271,902	3.1	21,468,327	2.5	3,240,680	47,220,525	45.5	98.9	6,125,695	March 12
Windsor (Weld RE-4)	6,729,657	1.6	14,536,265	3.4	21,265,922	2.5	1,444,579	43,158,104	49.3	99.6	1,400,370	March 12
Mapleton (Adams 1)	8,420,811	2.0	12,648,920	2.9	21,069,731	2.5	991,891	31,717,057	66.4	99.2	3,703,962	March 12
Thompson (Larimer R2-J)	12,587,775	3.0	3,905,888	0.9	16,493,663	2.0	2,282,436	74,298,578	22.2	99.5	9,719,648	March 12
Aurora (Adams-Arapahoe 28J)	--	--	16,341,038	3.8	16,341,038	1.9	2,800,126	154,831,589	10.6	98.9	N/A	N/A
Fort Lupton (Weld Re-8)	3,386,667	0.8	6,530,582	1.5	9,917,249	1.2	2,064,207	21,690,262	45.7	99.0	N/A	N/A
Durango (La Plata 9-R)	6,687,284	1.6	3,146,095	0.7	9,833,379	1.2	1,364,014	19,274,539	51.0	98.5	9,873,221	May 13
Platte Valley (Weld RE-7)	2,387,913	0.6	4,225,614	1.0	6,613,527	0.8	3,135,588	12,485,535	53.0	99.9	3,291,989	May 13
Summit County RE-1	2,839,885	0.7	3,091,962	0.7	5,931,847	0.7	2,006,546	26,157,712	22.7	99.9	N/A	N/A
Estes Park (Larimer R-3)	2,826,364	0.7	2,616,613	0.6	5,442,977	0.6	431,867	10,055,277	54.1	99.4	2,653,000	March 12
Johnstown-Milliken (Weld RE-5J)	1,742,342	0.4	1,597,468	0.4	3,339,810	0.4	945,879	7,501,152	44.5	99.1	N/A	N/A
Englewood (Arapahoe 1)	1,300,867	0.3	1,677,376	0.4	2,978,243	0.4	569,265	11,491,580	25.9	98.1	575,852	March 12
Lake County (Leadville)	1,472,342	0.4	1,503,003	0.3	2,975,345	0.4	232,034	5,630,436	52.8	94.0	1,898,915	May 13
Pueblo 70	--	--	2,248,479	0.5	2,248,479	0.3	729,931	18,140,930	12.4	99.2	N/A	N/A
Elizabeth (Elbert C-1)	1,094,084	0.3	841,156	0.2	1,935,240	0.2	239,253	7,478,584	25.9	99.9	N/A	N/A
Briggsdale (Weld RE-10)	--	--	394,086	0.1	394,086	0.0	153,091	2,914,741	13.5	91.0	377,534	May 13
	$412,730,964	100.0%	$431,467,361	100.0%	$844,198,325	100.0%						

[1] These are estimates based upon information furnished by the Participating Districts regarding the amounts that they will borrow from the proceeds of the Series 2019A Notes and Parity Lien Notes expected to be issued by the State Treasurer in Fiscal Year 2019-20. Such amounts do not necessarily represent the actual Maximum Principal Amount that will be borrowed from the Loan Program by such Participating Districts. See "THE LOAN PROGRAM; APPLICATION OF PROCEEDS OF THE SERIES 2019A NOTES." The Owners of the Series 2019A Notes will have a lien upon the Taxes of these Participating Districts, as well as on the Taxes of any Participating Districts that have not yet expressed the intent to participate in the Series 2019A Notes program (and thus are not included in the table) but eventually do participate in the program. Such lien also will be on parity with the lien thereon of the Owners of any Parity Lien Notes. The State Treasurer expects to issue Parity Lien Notes in Fiscal Year 2019-20. See "THE SERIES 2019A NOTES – Parity Lien Notes."

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

[3] This amount was calculated for each Participating District by multiplying the estimated 2019 assessed value of the Participating District by the Participating District's estimated 2019 general fund mill levy; and assumes collections of 100% of Taxes collected by all Participating Districts normally during the months of March through June of 2020. Mill levies for 2019 tax collections are not required to be certified by the Participating Districts until December 15, 2019. The estimated mill levies used to calculate the estimated Taxes collected during Fiscal Year 2019-20 are based upon information provided by the Participating Districts and are subject to change. However, because Colorado school district taxes are determined pursuant to the Public School Finance Act, such changes, if any, are not expected to be material. See "State Equalization Funding of School Districts – Allocation of Total Program Funding" above and "INVESTMENT CONSIDERATIONS – Repayment of Program Loans."

[4] Based on each Participating District's actual collection data for Fiscal Years 2015-16, 2016-17 and 2017-18.

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

Largest Borrower

The only Participating District that is expected to borrow in excess of 20% of the proceeds of the Series 2019A Notes and planned Parity Lien Notes is Denver School District No. 1, commonly known as Denver Public Schools ("DPS"), which is expected to borrow approximately 60.1% of the net proceeds of the Series 2019A Notes and approximately 44.5% of the net proceeds of the planned Parity Lien Notes, or approximately 52.1% of the combined amount of the Series 2019A Notes and the planned Parity Lien Notes.

DPS is the only school district serving the City and County of Denver, the boundaries of which are coterminous with those of the City, encompassing approximately 155 square miles with an estimated population of approximately 705,650. For the 2018-19 school year, the district's full time equivalent pupil count (October 1 pupil count), including charter schools but excluding on-line and ASCENT pupils, is 87,318.2. The equivalent October 1 pupil counts were 86,294.0 for the 2017-18 school year, 85,849.5 for the 2016-17 school year and 85,584.6 for the 2015-16 school year. See "State Equalization Funding of School Districts – *Total Program Funding Formula*" above in this section.

The 2018 certified assessed valuation of DPS (for ad valorem property tax collections in 2019), net of the assessed valuation attributable to tax increment financing districts from which the district derives no property tax revenue, is approximately $16.824 billion. The district's total tax levy for the 2018 levy year (2019 tax collection year) is 48.244 mills, of which 25.541 mills is for the district's local share of Total Program funding pursuant to the Public School Finance Act, 12.829 mills is for voter-approved override revenues, 9.568 mills is for debt service on general obligation bonds and 0.306 mills is to recover lost revenue due to prior year tax abatements and credits. The 2019 assessed valuation of DPS (for ad valorem property tax collections in 2020), net of the assessed valuation attributable to tax increment financing districts from which the district derives no property tax revenue, is projected to be approximately $20.992 billion as set forth in the foregoing table.

Major Taxpayers

Taxes consist of only those revenues that are received by the Participating Districts during the period of March through June of 2020. Typically, taxing entities do not collect 100% of the taxes levied each year; however, the property tax collection rate among the Participating Districts historically has been very high as shown in the previous table.

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

THE STATE

General Profile

Colorado became the 38th state of the United States of America when it was admitted to the union in 1876. Its borders encompass 103,718 square miles of the high plains and the Rocky Mountains, with elevations ranging from 3,315 to 14,433 feet above sea level. The current population of the State is approximately 5.5 million. The State's major economic sectors include agriculture, professional and business services, manufacturing, technology, tourism, energy production and mining. Considerable economic activity is generated in support of these sectors by government, wholesale and retail trade, transportation, communications, public utilities, finance, insurance, real estate and other services. See also "APPENDIX C – STATE OF COLORADO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2018" and "APPENDIX D – CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION" for additional information about the State.

Organization

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

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

STATE FINANCIAL INFORMATION

The information in this section, "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS," "APPENDIX A – THE STATE GENERAL FUND" and "APPENDIX B – OSPB JUNE 2019 REVENUE FORECAST" describes general State finances and particularly funds that are eligible for investment in the District Notes. On the Closing Date, the State Treasurer is required to deposit to the Interest Subaccount of the ETRANS 2019-20 Repayment Account, from Current General Fund Revenues then available, an amount equal to the interest to accrue on the Series 2019A Notes from the Closing Date to the Series 2019A Notes Maturity Date. The State Resolution also requires the State Treasurer to credit to the Principal Subaccount of the ETRANS 2019-20 Repayment Account all amounts received from the Participating Districts on or before June 25, 2020, in repayment of their Program Loans. Prospective investors are advised that in the event the amounts received by the State Treasurer from Participating Districts as repayment of their Program Loans on or before June 25, 2020, together with investment earnings thereon, is insufficient to pay the principal of the Series 2019A Notes when due, the principal of the Series 2019A Notes will be payable solely from funds on hand or in the custody or possession of the State Treasurer and eligible for investment in the District Notes. The Series 2019A Notes are not general obligations of the State. See also "THE SERIES 2019A NOTES – Security and Sources of Payment – *The ETRANS 2019-20 Repayment Account*" and "INVESTMENT CONSIDERATIONS – Repayment of Program Loans – Liquidity Sources in the Event of a Default in the Repayment of Program Loans; Subordination of Certain State Funds."

The State Treasurer

The State Constitution provides that the State Treasurer is to be the custodian of public funds in the State Treasurer's care, subject to legislative direction concerning safekeeping and management of such funds. The State Treasurer is the head of the statutorily created Department of the Treasury (the "State Treasury"), which receives all State moneys collected by or otherwise coming into the hands of any officer, department, institution or agency of the State (except certain institutions of higher education). The State Treasurer deposits and disburses those moneys in the manner prescribed by law. Every officer, department, institution and agency of the State (except for certain institutions of higher education) charged with the responsibility of collecting taxes, licenses, fees and permits imposed by law and of collecting or accepting tuition, rentals, receipts from the sale of property and other moneys accruing to the State from any source is required to transmit those moneys to the State Treasury under procedures prescribed by law or by fiscal rules promulgated by the Office of the State Controller. The State Treasurer and the State Controller may authorize any department, institution or agency collecting or receiving State moneys to deposit such moneys to a depository to the State Treasurer's credit in lieu of transmitting such moneys to the State Treasury.

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

Taxpayer's Bill of Rights

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

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

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

TABOR further requires the State to maintain an emergency reserve equal to 3% of its fiscal year spending (the "TABOR Reserve"), which may be expended only upon: (i) the declaration of a State emergency by passage of a joint resolution approved by a two-thirds majority of the members of both houses of the General Assembly and subsequently approved by the Governor; or (ii) the declaration of a disaster emergency by the Governor. The annual Long Appropriation Bill (the "Long Bill") designates the resources that constitute the TABOR Reserve, which historically have consisted of portions of various State funds plus certain State real property. The amounts of the TABOR Reserve for Fiscal Years 2018-19 and 2019-20 have been estimated in the OSPB June 2019 Revenue Forecast to be $430.8 million and $448.5 million, respectively.

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

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

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

As a result of Referendum C, the State was able to retain various amounts in excess of the previously applicable TABOR limit in Fiscal Years 2005-06 through 2013-14, and no refunds were required because such revenues were below the ESRC. In Fiscal Year 2014-15, TABOR revenues exceeded the TABOR limit and resulted in the State being $169.7 million above the ESRC, thus triggering a TABOR refund. TABOR revenues again exceeded the TABOR limit in Fiscal Years 2015-16 and 2016-17 but were below the ESRC, and in Fiscal Year 2017-18, TABOR revenues exceeded the TABOR limit and resulted in the State being $18.5 million above the ESRC, again triggering a TABOR refund. The OSPB June 2019 Revenue Forecast states that TABOR revenues are forecast to exceed the TABOR limit in Fiscal Years 2018-19 and 2019-20, resulting in the State being $295.6 million above the ESRC in Fiscal Year 2018-19 and $412.2 million above the ESRC in Fiscal Year 2019-20, in both cases triggering a TABOR refund.

SB 17-267 also changed the TABOR refund mechanisms. Under prior law, the means by which revenues in excess of the ESRC could be refunded to taxpayers included: (i) a sales tax refund to all taxpayers, (ii) the earned income tax credit to qualified taxpayers and (iii) a temporary income tax rate reduction, the particular refund mechanism used to be determined by the amount that needs to be refunded. Per SB 17-267, beginning with Fiscal Year 2017-18, there is added as the first refund mechanism the amount reimbursed by the State Treasurer to county treasurers in the year of the TABOR refund for local property tax revenue losses attributable to the property tax exemptions discussed in "SOURCE OF PAYMENT OF PROGRAM LOANS – Ad Valorem Property Taxation Procedure – *Homestead Exemption.*" See also "APPENDIX A – THE STATE GENERAL FUND – General Fund Overview."

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

Voter Approval to Retain and Spend Certain Marijuana Taxes Associated with Proposition AA. At the general election held on November 3, 2015, the State's voters authorized the State to retain and spend \$66.1 million in sales and excise taxes on the sale of marijuana and marijuana products ("Marijuana Taxes") authorized by Proposition AA approved by the State's voters in November of 2013 that otherwise would have been subject to a required refund to taxpayers in Fiscal Year 2015-16 pursuant to TABOR. HB 15-1367, which referred the measure to the State's voters as Proposition BB, also provides for the allocation of the retained amount for public school capital construction, for various purposes such as law enforcement, youth programs and marijuana education and prevention programs and for use by the General Fund for any purpose. For more information on how these amounts are treated in the General Fund, see the discussion in "General Fund and State Education Fund Budget" in the OSPB June 2019 Revenue Forecast. SB 17-267 increased the special sales tax on retail marijuana sales from 10% to 15% effective July 1, 2017.

Effect of TABOR on the Series 2019A Notes. Voter approval under TABOR is not required for the issuance of the Series 2019A Notes as they are both issued and payable within the same Fiscal Year and as such do not constitute a "multiple fiscal year direct or indirect ... debt or other financial obligation" within the meaning of TABOR. Further, the revenue and spending limits of TABOR are not expected to affect the ability of the State to collect and spend the Pledged Revenues for the payment of the principal of and interest on the Series 2019A Notes and any Parity Lien Notes.

State Funds

The principal operating fund of the State is the General Fund. All revenues and moneys not required by the State Constitution or statutes to be credited and paid into a special State fund are required to be credited and paid into the General Fund. The State also maintains a large number of statutorily created special State funds for which specific revenues are designated for specific purposes, and, if necessary, are available for paying the principal of the Series 2019A Notes. Some of the State funds are considered Borrowable Resources available to pay the principal of and interest on any outstanding State General Fund Tax and Revenue Anticipation Notes, including, without limitation, the State Series 2019 General Fund Notes. See "THE SERIES 2019A NOTES – Security and Sources of Payment – *The ETRANS 2019-20 Repayment Account*," "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS – Certain State Funds Eligible for Investment in the District Notes – Borrowable Resources – The State General Fund," "APPENDIX A – THE STATE GENERAL FUND" and "APPENDIX B – OSPB JUNE 2019 REVENUE FORECAST."

Budget Process and Other Considerations

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

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

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

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

Revenues and Unappropriated Amounts. For each Fiscal Year, a statutorily defined amount of unrestricted General Fund year-end balances is required to be retained as a reserve (as previously defined, the "Unappropriated Reserve"), which may be used for possible deficiencies in General Fund revenues. Unrestricted General Fund revenues that exceed the required Unappropriated Reserve, based upon revenue estimates, are then available for appropriation, unless they are obligated by statute for another purpose. In response to economic conditions and their effect on estimated General Fund revenues, the General Assembly periodically modifies the required amount of the Unappropriated Reserve. Set forth in the following table are the Unappropriated Reserve requirements for Fiscal Years 2011-12 and thereafter. See also "APPENDIX A – THE STATE GENERAL FUND – General Fund Overview."

State of Colorado
Unappropriated Reserve Requirement

Fiscal Years	Unappropriated Reserve Requirement[1,2,3]
2011-12	4.00%
2012-13 and 2013-14	5.00
2014-15	6.50
2015-16	5.60
2016-17	6.00
2017-18	6.50
2018-19 and thereafter	7.25

[1] The Unappropriated Reserve requirement, which is codified as Section 24-75-201.1(1)(d), C.R.S., is a percentage of the amount appropriated for expenditure from the General Fund in the applicable Fiscal Year. Per HB 16-1419 and SB 16-218, for Fiscal Year 2015-16 only, the percentage is of the amount subject to the appropriations limit minus the amount of income tax revenue required by to be diverted to a reserve fund to fund severance tax refunds resulting from the ruling of the Colorado Supreme Court on April 25, 2016, in *BP America Production Company v. Colorado Department of Revenue*. See "General Fund Overview" table in "APPENDIX A – THE STATE GENERAL FUND – General Fund Overview," and the section of the OSPB June 2019 Revenue Forecast captioned "CASH FUND REVENUE FORECAST – Severance Tax Revenue."

[2] Per SB 15-251, in Fiscal Years 2015-16 through 2017-18, General Fund appropriations for lease-purchase agreement payments made in connection with certificates of participation sold to fund certain capital projects were made exempt from the reserve calculation requirement. See "DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS – The State, State Departments and Agencies."

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

Source: State Treasurer's Office

The OSPB June 2019 Revenue Forecast states that the State ended Fiscal Year 2017-18 with reserves of $669.9 million above the Unappropriated Reserve requirement and forecasts that the State will end Fiscal Years 2018-19 and 2019-20 with reserves of $438.5 million and $274.8 million, respectively, above the applicable Unappropriated Reserve requirement. These figures are based on revenue and budget information available when the OSPB June 2019 Revenue Forecast was completed and are subject to change in subsequent OSPB revenue forecasts based on new information on revenue and expenditures.

See also generally "APPENDIX A – THE STATE GENERAL FUND – General Fund Overview – Revenue Estimation; OSPB Revenue and Economic Forecasts" and "APPENDIX B – OSPB JUNE 2019 REVENUE FORECAST."

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

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

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

See “Taxpayer’s Bill of Rights” above for a discussion of spending limits imposed on the State by TABOR and changes to these limits as the result of the approval of Referendum C.

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

Fiscal Controls and Financial Reporting

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

The State Controller is appointed by the Executive Director of the Department of Personnel & Administration. Except for certain institutions of higher education which have elected to establish their own fiscal rules, the State Controller has statutory responsibility for coordinating all procedures for financial administration and financial control in order to integrate them into an adequate and unified system, conducting all central accounting and issuing warrants or checks for payment of claims against the State. The State Controller prepares a Comprehensive Annual Financial Report, or “CAFR,” in accordance with generally accepted accounting principles (“GAAP”) applicable to governmental entities, with certain statutory exceptions for budget compliance and reporting. The State’s CAFR for Fiscal Year 2017-18 CAFR (the “Fiscal Year 2017-18 CAFR”) is appended to this Official Statement and includes the most current annual financial statements for the State.

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

Basis of Accounting

For a detailed description of the State’s basis of accounting, see Note 1 to the financial statements in the State’s Fiscal Year 2017-18 CAFR appended to this Official Statement.

Basis of Presentation of Financial Results and Estimates

The financial reports and financial schedules contained in this Official Statement are based on principles that may vary based on the requirements of the report or schedule. The fund level financial statements and revenue estimates are primarily prepared on the modified accrual basis of accounting. Revenue estimates are prepared for those revenues that are related primarily to the general taxing powers of the State, and to a lesser degree include intergovernmental transactions, charges for services and receipts from the federal government. The General Fund as defined in the financial statements includes revenues and expenditures for certain special cash receipts that are related to fees, permits and other charges rather than to the general taxing power of the State.

Financial Audits

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

The Office of the State Auditor, being the State's independent auditor, has not been engaged to perform and has not performed since the date of the State Auditor's report included herein, any procedures on the financial statements presented in the Fiscal Year 2017-18 CAFR, nor has the State Auditor performed any procedures relating to this Official Statement.

Investment and Deposit of State Funds

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

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

See also Notes 3 and 4 to the State's Fiscal Year 2017-18 CAFR appended to this Official Statement and "APPENDIX A – THE STATE GENERAL FUND – Investment of the State Pool."

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

General

On the Closing Date, the State Treasurer is required to deposit to the Interest Subaccount of the ETRANS 2019-20 Repayment Account, from Current General Fund Revenues then available, an amount equal to the interest to accrue on the Series 2019A Notes from the Closing Date to the Series 2019A Notes Maturity Date. See "The State General Fund" below and "APPENDIX A – THE STATE GENERAL FUND."

The State Resolution also requires the State Treasurer to credit to the Principal Subaccount of the ETRANS 2019-20 Repayment Account all amounts received from the Participating Districts on or before June 25, 2020, in repayment of their Program Loans. However, if on June 26, 2020 the amount credited to the Principal Subaccount of the ETRANS 2019-20 Repayment Account is less than the principal amount of the Series 2019A Notes and any Parity Lien Notes, the State Resolution requires the State Treasurer to deposit the amount of the deficiency to the Principal Subaccount from any funds on hand or in the custody or possession of the State Treasurer and eligible for investment in the District Notes. The State Resolution further provides that the State Treasurer is to first utilize all other funds that are eligible for investment in the District Notes prior to the application of Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes. See "THE SERIES 2019A NOTES – Security and Sources of Payment – *The ETRANS 2019-20 Repayment Account*."

The ability of the State Treasurer to use Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes to fund a deficiency in the Principal Subaccount of the ETRANS 2019-20 Repayment Account is subordinate to the use of such funds for payment of any general fund tax and revenue anticipation notes of the State issued during Fiscal Year 2019-20, including, without limitation, the State Series 2019 General Fund Notes. See "INVESTMENT CONSIDERATIONS – Liquidity Sources in the Event of a Default in the Repayment of Program Loans; Subordination of Certain State Funds" and "APPENDIX A – THE STATE GENERAL FUND."

Certain State Funds Eligible for Investment in the District Notes

A deficiency in the Principal Subaccount of the ETRANS 2019-20 Repayment Account on June 25, 2020, is required to be funded by the State Treasurer first from all other funds that are eligible for investment in the District Notes prior to the application of Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes. However, such covenant does not constitute a pledge of or lien on any such funds for that purpose, and there is no limit on the availability or use of such funds for any other purpose permitted or required by law. Further, the State Treasurer has both a statutory and a fiduciary obligation to use prudence and care in investing State funds. See "STATE FINANCIAL INFORMATION – Investment and Deposit of State Funds."

If it becomes necessary to make a deposit to the Principal Subaccount of the ETRANS 2019-20 Repayment Account in order to fund a deficiency therein, the State Resolution requires the State Treasurer to take such actions as may be necessary to identify and designate the District Notes as an investment of the State funds used to make such deposit, and the Owners of the Series 2019A Notes will have no right or claim to any amounts received by the State under the District Notes after June 25, 2020. See also "INVESTMENT CONSIDERATIONS – Liquidity Sources in the Event of a Default in the Repayment of Program Loans; Subordination of Certain State Funds," "STATE FINANCIAL INFORMATION – Investment and Deposit of State Funds" and "APPENDIX A – THE STATE GENERAL FUND."

By constitutional or statutory provision and judicial decision, certain State funds, including, without limitation, the State Education Fund, the Highway Users Tax Fund, the Public School Permanent Fund and the TABOR Emergency Reserve Fund, are not Borrowable Resources although moneys therein may be eligible for investment by the State Treasurer. The two State funds in this category with the largest current balances that are eligible for investment, and thus the State funds that are likely to be considered first by the State Treasurer as an available source of investment in the District Notes in order to provide liquidity in the Principal Subaccount of the ETRANS 2019-20 Repayment Account in the event of a deficiency therein, are the State Education Fund and the State Highway Fund. Prospective investors are cautioned, however, that these State funds are neither required to be utilized by the State Treasurer, nor pledged for such purpose. The making of such investment by the State Treasurer, and the determination of the State fund or funds, if any, to be used therefor, is in all cases subject to the application of the investment policies for the various State funds established by statute and the State Treasurer for such State funds and the exercise of the discretion and fiduciary obligation of the State Treasurer in the investment of State funds. Accordingly, no representation or warranty is made herein that the State Treasurer will in fact utilize amounts available in these State funds, if necessary, to provide liquidity to fund a deficiency in the Principal Subaccount of the ETRANS 2019-20 Repayment Account. See also "STATE FINANCIAL INFORMATION – Investment and Deposit of State Funds."

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

The following information has been provided by the State Treasurer's office to show the actual cash and short term investment balances in the State Education Fund at June 30 since Fiscal Year 2013-14.

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

At June 30	Cash and Investment Balance
2014	$1,012.2
2015	693.8
2016	302.4
2017	102.2
2018	204.8
2019 (projected)	135.9
2020 (projected)	227.9

Source: State Treasurer's Office

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

The following information has been provided by the State Treasurer's office to show the actual cash balances in the State Highway Fund at June 30 since Fiscal Year 2013-14.

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

At June 30	Cash and Investment Balance
2014	$1,019.2
2015	795.3
2016	706.9
2017	541.2
2018	572.1
2019 (projected)	707.0
2020 (projected)	485.0

Source: State Treasurer's Office

Borrowable Resources

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

The ability of the State Treasurer to utilize Borrowable Resources to fund a deficiency in the Principal Subaccount of the ETRANS 2019-20 Repayment Account will depend upon the availability of funds in the State Treasury that are eligible for investment in the District Notes, and is subordinate to the use of such funds for payment of any general fund tax and revenue anticipation notes of the State issued during Fiscal Year 2019-20, including, without limitation, the State Series 2019 General Fund Notes. The availability of Borrowable Resources may also be affected by the State's statutory obligation to assure the timely payment of certain school district bonds and lease obligations pursuant to Section 22-41-110, C.R.S., commonly referred to as the "State Intercept Act."

The following tables set forth the actual and estimated Borrowable Resources for Fiscal Years. 2018-19 and 2019-2020. The estimates in the tables are based on various assumptions made by the State Treasurer's office, which are subject to uncertainties. Inevitably, some assumptions used to develop the forecasted amounts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecasted amounts in the tables and the amounts ultimately realized, and such differences may be material. See also the preliminary notices in this Official Statement regarding forward-looking statements. See also "STATE FINANCIAL INFORMATION – Fiscal Controls and Financial Reporting."

State of Colorado
Actual and Estimated Borrowable Resources
Fiscal Year 2018-19 [1,2,3]
(Amounts expressed in millions; totals may not add due to rounding)

	Actual										Estimated	
	July 2018	**Aug 2018**	**Sept 2018**	**Oct 2018**	**Nov 2018**	**Dec 2018**	**Jan 2019**	**Feb 2019**	**Mar 2019**	**Apr 2019**	**May 2019**	**June 2019**
Aviation Fund	$ 18.1	$ 18.4	$ 18.8	$ 18.0	$ 19.0	$ 18.8	$ 18.3	$ 19.3	$ 20.1	$ 19.3	$ 19.1	$ 19.5
Capital Construction Fund	122.1	128.7	126.4	119.7	111.1	105.4	91.6	73.2	63.9	78.1	49.5	50.3
College Scholarship Fund	28.2	30.2	10.9	10.9	27.4	108.4	106.7	71.9	27.1	29.2	28.6	19.7
Colorado Student Obligation Bond Authority – Administration	42.9	43.7	54.0	52.5	50.2	41.4	44.1	43.1	43.3	42.9	43.5	55.7
Hazardous Substance Fund	14.8	14.7	15.1	15.1	15.0	14.7	15.0	14.8	14.7	14.9	15.0	15.5
Higher Education Funds [4]	1,229.4	1,513.0	1,668.6	1,615.9	1,551.5	1,483.0	1,648.6	1,713.0	1,713.2	1,642.4	1,537.1	1,624.2
Hospital Provider Fee	72.0	21.3	22.7	30.5	37.5	44.2	55.6	68.9	67.8	77.7	87.1	23.0
Limited Gaming Fund	4.2	0.3	0.4	0.7	1.1	1.4	1.8	2.2	2.6	3.1	3.5	4.0
Lottery Fund	51.2	56.6	38.6	48.6	57.1	46.4	54.8	58.6	39.0	49.4	60.1	41.7
Mineral Impact Fund	96.8	106.9	66.0	79.8	90.7	77.3	86.1	96.2	87.9	101.8	113.6	87.4
School Capital Construction Assistance	293.4	337.6	329.0	323.8	338.8	348.9	358.3	408.1	379.6	381.9	409.2	414.1
State and Local Severance Tax Funds	134.1	133.5	125.6	130.3	121.7	129.4	131.6	134.1	139.0	146.9	152.2	151.0
State Public School Fund	59.0	31.4	72.5	39.9	8.3	41.3	13.4	1.5	50.4	24.9	15.9	5.1
Tobacco Tax Funds	24.7	26.6	22.5	25.9	27.2	24.2	27.0	28.0	24.3	26.6	27.5	1.7
Water Conservation Construction Fund	178.7	182.5	209.9	206.6	202.1	213.2	207.9	200.8	209.9	224.3	229.8	236.8
Workers' Compensation Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Borrowable Resources	2,103.1	2,091.3	2,372.9	2,035.0	2,239.9	2,359.2	2,257.3	2,265.8	2,229.3	2,133.8	2,358.6	1,405.8
Total Borrowable Resources	**4,472.9**	**4,736.7**	**5,153.9**	**4,753.4**	**4,898.7**	**5,057.1**	**5,118.0**	**5,199.5**	**5,112.2**	**4,997.0**	**5,150.2**	**4,155.6**
Total General Fund	561.6	401.2	(92.3)	291.5	494.6	(633.6)	203.9	217.4	(656.1)	327.9	729.6	1,252.7
Less: Notes Issued and Outstanding	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	
Net Borrowable Resources	**$4,434.5**	**$4,537.9**	**$4,461.7**	**$4,444.9**	**$4,793.3**	**$3,823.5**	**$4,721.9**	**$4,817.0**	**$3,856.1**	**$4,724.9**	**$5,279.8**	**$5,408.3**

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

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

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

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

Source: State Treasurer's Office

State of Colorado
Estimated Borrowable Resources
Fiscal Year 2019-20 [1,2,3]

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

	July 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020
Aviation Fund	$ 18.4	$ 18.8	$ 19.1	$ 18.3	$ 19.3	$ 19.1	$ 18.6	$ 19.6	$ 20.4	$ 19.6	$ 19.4	$ 19.8
Capital Construction Fund	140.2	147.7	145.1	137.3	127.5	120.9	105.1	83.9	73.4	89.6	56.8	57.7
College Scholarship Fund	23.6	25.3	9.1	9.1	23.0	90.6	89.3	60.2	22.7	24.4	23.9	16.5
Colorado Student Obligation Bond Authority – Administration	40.7	41.4	51.2	49.8	47.6	39.3	41.8	40.9	41.1	40.7	41.2	52.8
Hazardous Substance Fund	9.9	9.8	10.2	10.2	10.1	9.8	10.1	9.9	9.8	10.0	10.1	10.4
Higher Education Funds [4]	1,169.1	1,438.8	1,586.7	1,536.7	1,475.4	1,410.3	1,567.7	1,629.0	1,629.1	1,561.8	1,461.7	1,544.6
Hospital Provider Fee	72.0	21.3	22.7	30.5	37.5	44.2	55.6	68.9	67.8	77.7	87.1	23.0
Limited Gaming Fund	4.2	0.3	0.4	0.7	1.1	1.4	1.8	2.2	2.6	3.1	3.5	4.0
Lottery Fund	47.5	52.4	35.8	45.0	52.9	43.0	50.8	54.3	36.1	45.8	55.7	38.6
Mineral Impact Fund	91.6	101.2	62.5	75.5	85.8	73.1	81.5	91.1	83.2	96.4	107.5	82.7
School Capital Construction Assistance	298.0	342.9	334.2	328.9	344.1	354.4	363.9	414.5	385.6	387.9	415.6	420.6
State and Local Severance Tax Funds	137.4	136.9	128.8	133.6	124.8	132.7	134.9	137.4	142.6	150.6	156.0	154.8
State Public School Fund	54.8	29.1	67.2	37.1	7.7	38.3	12.4	1.4	46.8	23.1	14.7	4.8
Tobacco Tax Funds	30.1	32.4	27.4	31.5	33.1	29.4	32.9	34.1	29.5	32.4	33.4	2.1
Water Conservation Construction Fund	180.7	184.6	212.3	209.0	204.4	215.6	210.3	203.1	212.3	226.8	232.4	239.5
Workers' Compensation Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Borrowable Resources	1,990.8	1,979.6	2,246.1	1,926.3	2,120.2	2,233.0	2,136.5	2,144.6	2,110.1	2,019.6	2,232.5	1,355.3
Total Borrowable Resources	**4,309.0**	**4,562.4**	**4,958.8**	**4,579.5**	**4,714.6**	**4,855.2**	**4,913.1**	**4,995.2**	**4,913.1**	**4,809.5**	**4,951.6**	**4,027.2**
Total General Fund	489.1	324.6	(197.6)	214.3	420.9	(788.9)	77.1	82.2	(854.5)	153.1	572.7	1,145.2
Less: Notes Issued and Outstanding	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	
Net Borrowable Resources	**$4,198.1**	**$4,287.0**	**$4,161.1**	**$4,193.8**	**$4,535.5**	**$3,466.3**	**$4,390.2**	**$4,477.3**	**$3,458.5**	**$4,362.6**	**$4,924.4**	**$5,172.3**

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

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

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

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

Source: State Treasurer's Office

The State General Fund

The General Fund is the principal operating fund of the State. All revenues and moneys not required by the State Constitution or statutes to be credited and paid into a special State fund are required to be credited and paid into the General Fund. As required by recent changes in GAAP, the General Fund reported in the State's Fiscal Year 2010-11 CAFR and subsequent CAFRs includes a large number of statutorily created special State funds that do not meet the GAAP requirements to be presented as Special Revenue Funds. To make the distinction between the statutory General Fund and the GAAP General Fund, the CAFR refers to the statutory General Fund as the General Purpose Revenue Fund. The revenues in the General Purpose Revenue Fund are not collected for a specific statutory use but rather are available for appropriation for any purpose by the General Assembly. The following discussion of the General Fund represents the legal and accounting entity referred to in the State's Fiscal Year 2017-18 CAFR as the General Purpose Revenue Fund.

It is presently anticipated that a deficiency in the Principal Subaccount of the ETRANS 2019-20 Repayment Account would be funded from Current General Fund Revenues eligible for investment in the District Notes only after all other sources of funding therefor have been utilized. In addition, the right of the State Treasurer to use Current General Fund Revenues for this purpose is subordinate to the use of such funds for payment of any general fund tax and revenue anticipation notes of the State issued during Fiscal Year 2019-20, including, without limitation, the State Series 2019 General Fund Notes. See "APPENDIX A – THE STATE GENERAL FUND" for a discussion of the General Fund.

DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS

The State, State Departments and Agencies

The State Constitution prohibits the State from incurring debt except for limited purposes, for limited periods of time and in inconsequential amounts. The State courts have defined debt to mean any obligation of the State requiring payment out of future years' general revenues. The State currently has, and upon issuance of the Series 2019A Notes will have, no outstanding general obligation debt.

The State is authorized to and has entered into lease-purchase agreements in connection with various public projects, some of which have been financed by the sale of certificates of participation in the revenues of the related lease-purchase agreements. The obligations of the State to make lease payments under such agreements each Fiscal Year are contingent upon annual appropriations by the General Assembly. See Notes 11 and 12 to the State's Fiscal Year 2017-18 CAFR appended to this Official Statement for a discussion of the outstanding lease-purchase agreements entered into by the State as of June 30, 2018, as well as the aggregate minimum lease payments due under such lease-purchase agreements entered into by the State for Fiscal Years 2017-18 and thereafter. See also Note 21 to the State's Fiscal Year 2017-18 CAFR appended to this Official Statement for a discussion of lease-purchase agreements entered into by the State after June 30, 2018, but before publication of the Fiscal Year 2017-18 CAFR.

In addition to lease-purchase agreements, the State is authorized to enter into lease or rental agreements for buildings and/or equipment, all of which contain a stipulation that continuation of the lease is subject to funding by the General Assembly. Historically, these agreements have been renewed in the normal course of business and are therefore treated as non-cancelable for financial reporting purposes. In addition, these agreements generally are entered into through private negotiation with lessors, banks or other financial institutions rather than being publicly offered. See Notes 10 and 12 to the State's Fiscal Year 2017-18 CAFR appended to this Official Statement for a discussion of the outstanding lease/rental agreements entered into by the State as of June 30, 2018, as well as the aggregate minimum payment obligations under such agreements in Fiscal Years 2017-18 and thereafter.

State departments and agencies, including State institutions of higher education, also issue revenue bonds for business type activities, as well as bonds and/or notes for the purchase of equipment and construction of facilities and infrastructure. With the exception of the University of Colorado, which is governed by an elected Board of Regents, the institutions of higher education are governed by boards whose members are appointed by the Governor with the consent of the State Senate. See Notes 11, 12 and 21 to the State's Fiscal Year 2017-18 CAFR appended to this Official Statement for a discussion of such bonds and notes outstanding as of June 30, 2018, and of those issued after June 30, 2018, but before publication of the Fiscal Year 2017-18 CAFR. The revenue bonds and certificates of participation listed in such Notes have in most cases been publicly offered, while the notes payable listed in such Notes have generally been private financings directly with banks or other financial institutions. The State has contingent moral obligations to intercept revenue and make certain debt payments on notes and bonds issued by State school districts in the event they fail to make a required payment to the holders of such notes and bonds. See Notes 19 and 21 to the State's Fiscal Year 2017-18 CAFR appended to this Official Statement.

See also the Statistical Section of the State's Fiscal Year 2017-18 CAFR appended to this Official Statement for a ten year history of the total outstanding debt and related debt service expenditures of the State.

State Tax and Revenue Anticipation Notes

Under State law, the State Treasurer is authorized to issue and sell notes payable from the anticipated revenues of any one or more State funds or groups of accounts to meet temporary cash flow shortfalls. Since Fiscal Year 1984-85, the State has issued tax and revenue anticipation notes, such as the State Series 2019 General Fund Notes, in order to fund cash flow shortfalls in the General Fund. For certain Fiscal Years, the State has also funded cash flow shortfalls by use of Borrowable Resources. Since Fiscal Year 2003-04, the State has also issued education loan tax and revenue anticipation notes, such as the Series 2019A Notes, for local school districts in anticipation of local school district revenues to be collected at a later date. All tax and revenue anticipation notes previously issued by the State have been paid in full and on time.

See Notes 10 and 21 to the State's Fiscal Year 2017-18 CAFR appended to this Official Statement for a discussion of State tax and revenue anticipation notes outstanding as of June 30, 2018, and of such notes issued after June 30, 2018, but before publication of the Fiscal Year 2017-18 CAFR. The State Series 2019 General Fund Notes are planned to be issued by the State Treasurer in July of 2019 in the principal amount of $600 million in order to fund anticipated cash flow shortfalls in the State's General Fund in Fiscal Year 2019-20.

See also the Statistical Section of the State's Fiscal Year 2017-18 CAFR appended to this Official Statement for a ten year history of the total outstanding debt and related debt service expenditures of the State.

State Authorities

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

Pension and Other Post-Employment Benefits

General. The State provides post-employment benefits to its employees based on their work tenure and earnings history through a defined benefit pension plan (as more particularly defined in "APPENDIX E – STATE PENSION SYSTEM," the "State Division Plan"). State employees hired after 2005 may, in lieu of participating in the State Division Plan, elect to participate in a defined contribution plan (the "State Division DC Plan"), although the majority of State employees participate in the State Division Plan. Each plan is administered by the Public Employees' Retirement Association ("PERA"), which is a statutorily created legal entity that is separate from the State. PERA also administers plans for school districts, local governments and other entities, each of which is considered a separate division of PERA and for which the State has no obligation to make contributions or fund benefits. The State does not participate in the federal Old-Age, Survivors and Disability Insurance (Social Security) program.

For a general description of the State Division Plan and PERA, see "APPENDIX E – STATE PENSION SYSTEM." For a detailed discussion of the State Division Plan, the State Division DC Plan and PERA, see Notes 6- 8 to the State's Fiscal Year 2017-18 CAFR appended to this Official Statement, as well as PERA's Comprehensive Annual Financial Report for calendar year 2018 (the "PERA 2018 CAFR"). The information in the State's Fiscal Year 2017-18 CAFR regarding PERA is derived from PERA's Comprehensive Annual Financial Report for calendar year 2017, while the information in this Official Statement is derived from the PERA 2018 CAFR.

The State Division Plan. The State Division Plan is funded with contributions made by the State and by each participating State employee at rates that are established by statute. The State has consistently made all statutorily required contributions to the State Division Plan. However, the State Division Plan remains significantly underfunded. In order to address the funding status of PERA's defined benefit plans, including the State Division Plan, the General Assembly enacted SB 18-200, which made changes to the defined benefit plans administered by PERA with the goal of eliminating the UAAL of such plans and thereby reach a 100% funded ratio for each of such plans within a 30-year period. SB 18-200 made changes to certain benefit and contribution provisions of the defined benefit plans administered by PERA, including implementing a provision that automatically adjusts employee and employer contribution rates, annual cost of living increases and the State's annual direct contribution to PERA within certain statutory parameters so as to stay within the 30-year funding goal. Previously, such adjustments required action by the General Assembly.

The PERA 2018 CAFR reports that at December 31, 2018, the actuarial value of assets of the State Division Plan was approximately \$14.304 billion and the actuarial accrued liability, or "AAL," of the Plan was approximately \$25.509 billion, resulting in an unfunded actuarial accrued liability, or "UAAL," approximately \$11.206 billion, a funded ratio of 56.1% and an amortization period of 35 years, all as further described in "APPENDIX E – STATE PENSION SYSTEM." The actuarial value of assets for the State Division Plan uses an asset valuation method of smoothing the difference between the market value of assets and the actuarial value of assets to prevent extreme fluctuations that may result from short-term or cyclical economic and market conditions. Based on the market value of assets of the State Division Plan, at December 31, 2018, the Plan had an unfunded accrued liability of approximately \$11.672 billion and a funded ratio of 54.2%.

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

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

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

The Health Care Trust Fund. The State also currently offers other post-employment health and life insurance benefits to its employees. The post-employment health insurance to State employees is provided through PERA's Health Care Trust Fund, in which members from all divisions of PERA are eligible to participate. The Health Care Trust Fund is a cost-sharing, multiple employer plan under which PERA subsidizes a portion of the monthly premium for health insurance coverage for certain State retirees and the remaining amount of the premium is funded by the benefit recipient through an automatic deduction from the monthly retirement benefit. The Health Care Trust Fund is funded by a statutory allocation of moneys consisting of portions of, among other things, the employer statutorily required contributions, the amount paid by members and the amount of any reduction in the employer contribution rates to amortize any overfunding in each Division's trust fund. At December 31, 2018, the Health Care Trust Fund had a UAAL of approximately $1.190 billion, a funded ratio of 19.5% and a 25-year amortization period. Because the Health Care Trust Fund is a cost-sharing, multiple employer plan, PERA's actuary has not determined the portion of the unfunded actuarial accrued liability that applies to each Division participant. The benefit provided by the Health Care Trust Fund is a fixed limited subsidy of the retiree's health care insurance premium payment, and the retiree bears all risk of medical cost inflation. See Notes 9 and 11 to the PERA 2018 CAFR for additional information regarding the Health Care Trust Fund.

Implementation of Changes in Pension Accounting Standards Applicable to the State – GASB 68 and GASB 75. GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" ("GASB 68"), which is related to GASB 67 but is applicable to the State, is effective for fiscal years beginning after June 15, 2014, and accordingly was first implemented in the State's Comprehensive Annual Financial Report for Fiscal Year 2014-15 (the "Fiscal Year 2014-15 CAFR"). GASB 68 revised and established new financial reporting requirements for most governments, such as the State, that provide their employees with pension benefits. GASB 68 requires cost-sharing employers participating in defined benefit plans to record their proportionate share of the unfunded pension liability. The State reported a net pension liability in the State's Fiscal Year 2017-18 CAFR of approximately $19.382 billion at June 30, 2018, compared to a reported net pension liability in the State's Fiscal Year 2016-17 CAFR of approximately $17.854 billion at June 30, 2017. Schedules presenting the State's proportionate share of the net pension liability for its retirement plan as of June 30, 2014-2017, and a ten year history of the State's contribution to PERA for the State and Judicial Divisions, are set forth in Note RSI-2 to the Required Supplementary Information in the State's Fiscal Year 2017-18 CAFR. See also "Overall Financial Position and Results of Operations" in the Management's Discussion and Analysis and Notes 1 and 6-8 to the Financial Statements in the State's Fiscal Year 2017-18 CAFR, as well as "APPENDIX E – STATE PENSION SYSTEM" and particularly the section thereof entitled "Implementation of Changes in Pension Accounting Standards Applicable to the State – GASB 68."

GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" ("GASB 75"), is effective for fiscal years beginning after June 15, 2017, and accordingly was first implemented in the State's Fiscal Year 2017-18 CAFR. GASB 75 requires, for purposes of governmental financial reporting, that the State recognize a liability for its proportionate share of the net

Other Post-Employment Benefits ("OPEB") liability (of all employers for benefits provided through the OPEB plan), *i.e.*, the collective net OPEB liability. The State is also required to recognize OPEB expense and report deferred outflows of resources and deferred inflows of resources related to OPEB for its proportionate shares of collective OPEB expense and collective deferred outflows of resources and deferred inflows of resources related to OPEB. GASB 75 also requires additional footnote disclosures about the pension trust fund in the financial statements.

Effect of Pension Liability on the Series 2019A Notes. The Series 2019A Notes are short-term obligations maturing on June 29, 2020, and are payable from Pledged Revenues which are expected to consist primarily of amounts received by the State Treasurer from the Participating Districts on or before June 25, 2020, as repayment of their Program Loans and a portion of the proceeds of the Series 2019A Notes deposited to the ETRANS 2019-20 Repayment Account as discussed in "THE SERIES 2019A NOTES – Security and Sources of Payment." Therefore, the State's current pension liability is not expected to adversely affect the State's ability to pay the Series 2019A Notes. See also the discussion of the State's pension liability in Management's Discussion and Analysis in the State's Fiscal Year 2017-18 CAFR appended to this Official Statement, and particularly the section thereof captioned "CONDITIONS EXPECTED TO AFFECT FUTURE OPERATIONS – Pension Plan Contributions."

LITIGATION, GOVERNMENTAL IMMUNITY AND SELF-INSURANCE

No Litigation Affecting the Series 2019A Notes

There is no litigation pending, or to the knowledge of the State threatened, either seeking to restrain or enjoin the issuance or delivery of the Series 2019A Notes or questioning or affecting the validity of the Series 2019A Notes or the proceedings or authority under which they are to be issued. There is also no litigation pending, or to the State's knowledge threatened, that in any manner questions the right of the State Treasurer to adopt the State Resolution and to secure the Series 2019A Notes in the manner provided in the State Resolution and the Loan Program Statutes.

Governmental Immunity

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

Immunity Act specifies the sources from which judgments against public entities may be collected and provides that public entities are not liable for punitive or exemplary damages. The Immunity Act does not prohibit claims in Colorado state court against public entities or their employees based on contract and may not prohibit such claims based on other common law theories. However, the Immunity Act does bar certain federal actions or claims against the State or State employees sued in their official capacities under federal statutes when such actions are brought in state court. The Eleventh Amendment to the U.S. Constitution bars certain federal actions or claims against the State or its employees sued in their official capacities under federal statutes when such actions are brought in federal court.

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

Self-Insurance

In 1985, the General Assembly passed legislation creating a self-insurance fund, the Risk Management Fund, and established a mechanism for claims adjustment, investigation and defense, as well as authorizing the settlement and payment of claims and judgments against the State. The General Assembly also utilizes the self-insurance fund for payment of State workers' compensation liabilities. The State currently maintains self-insurance for claims arising on or after September 15, 1985, under the Immunity Act and claims against the State, its officials or its employees arising under federal law. See Notes 6H, 21, 43 and General Fund Components (in Supplementary Information) in the State's Fiscal Year 2017-18 CAFR appended to this Official Statement. Judgments awarded against the State for which there is no insurance coverage or that are not payable from the Risk Management Fund ordinarily require a legislative appropriation before they may be paid.

Current Litigation

For a description of pending material litigation in which the State is a defendant, see Note 19 to the State's Fiscal Year 2017-18 CAFR appended to this Official Statement. The State believes that it has a reasonable possibility of favorable outcomes for the actions discussed in Note 19, but the ultimate outcome cannot presently be determined. Except as otherwise noted, no provision for a liability has been made in the financial statements related to the contingencies discussed in such Note.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's, a division of McGraw-Hill Financial, Inc. ("S&P"), have assigned to the Series 2019A Notes the ratings set forth on the cover page of this Official Statement. No other ratings have been applied for.

A rating reflects only the views of the rating agency assigning such rating, and an explanation of the significance of such rating may be obtained from each such rating agency. The State has furnished to the rating agencies certain information and materials relating to the Series 2019A Notes, the State and its financial condition and operations, including certain information and materials which have not been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions by the rating agencies. There is no assurance that any of the ratings will continue for any given period of time or that any of the ratings will not be revised downward, suspended or withdrawn entirely by any such rating agency if, in its judgment, circumstances so warrant. Any such downward revision, suspension or withdrawal of any such rating may have an adverse effect on the market price of the Series 2019A Notes. The State has not undertaken any responsibility to oppose any such revision, suspension or withdrawal.

CONTINUING DISCLOSURE

Series 2019A Notes

In accordance with the exemption set forth in paragraph (d)(3) of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended, which exemption applies to offerings of municipal securities having a stated maturity of 18 months or less, such as the Series 2019A Notes, the State Treasurer will not undertake to provide on an ongoing basis either audited annual financial statements or annual financial information or operating data of the type presented in this Official Statement. However, the State Treasurer will undertake in the State Resolution, for the benefit of the Owners and Beneficial Owners of the Series 2019A Notes, that during such time as any of the Series 2019A Notes are outstanding, the State Treasurer will provide to the Municipal Securities Rulemaking Board (the "MSRB"), via its Electronic Municipal Market Access ("EMMA") system, in a timely manner, not in excess of ten Business Days after the occurrence of the event, notice of the occurrence of any of the events enumerated in Subsection (b)(5)(i)(C) of Rule 15c2-12 with respect to the Series 2019A Notes, including: (i) principal and interest payment delinquencies; (ii) nonpayment related defaults, if material; (iii) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Series 2019A Notes; (iv) modifications to rights of owners of the Series 2019A Notes, if material; (v) defeasances; and (vi) rating changes; as well as the following events to the extent applicable to the Series 2019A Notes: (a) unscheduled draws on debt service reserves reflecting financial difficulties; (b) unscheduled draws on credit enhancements reflecting financial difficulties; (c) substitution of credit or liquidity providers, or their failure to perform; (d) Series 2019A Note calls, if material, and tender offers; (e) release, substitution or sale of property securing repayment of the Series 2019A Notes, if material; (f) bankruptcy, insolvency, receivership or similar event of the State; (g) the consummation of a merger, consolidation or acquisition involving the State or the sale of all or substantially all of the assets of the State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (h) appointment of a successor or additional trustee or the change of name of a trustee, if material; (i) incurrence of a Financial Obligation[1] of the State or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the State or obligated person, any of which affect the Owners of the Series 2019A Notes, if material; and (j) default, event of acceleration, termination event, modification of terms or other similar events under the terms of the Financial Obligation of the State or obligated person, any of which reflect financial difficulties.

The obligations of the State Treasurer pursuant to the undertaking are for the benefit of the Owners and Beneficial Owners of the Series 2019A Notes, and, if necessary, may be enforced by such Owners and Beneficial Owners by specific performance of such obligations by any judicial proceeding available. However, breach of the State Treasurer's obligations pursuant to the undertaking does not constitute an Event of Default under the State Resolution, and none of the rights and remedies provided in

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[1] "Financial Obligation" means a (i) Debt Obligation (short-term and long-term debt obligations of the State under the terms of an indenture, loan agreement, lease that operates as a vehicle to borrow money or similar contract); (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned Debt Obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

the State Resolution for Events of Default will be available to the Owners or Beneficial Owners of the Series 2019A Notes in the event of a breach of such continuing disclosure undertaking.

Compliance With Other Continuing Disclosure Undertakings

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

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

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

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

Due to various issues that were experienced by the State in connection with the implementation of a new integrated financial system as described in "STATE FINANCIAL INFORMATION – Fiscal Controls and Financial Reporting," the State's unaudited Basic Financial Statements for Fiscal Year 2014-15 and the State's Fiscal Year 2014-15 CAFR were not completed and released until late January 2016 and late April 2016, respectively. As a result, the State was unable to post its Fiscal Year 2014-15 audited financial statements on EMMA by December 31, 2015, as required by numerous continuing disclosure undertakings entered into by the Included Entities. Notice of such noncompliance was posted on EMMA on January 25, 2016, and the State's unaudited Basic Financial Statements for Fiscal Year 2014-15 and the State's Fiscal Year 2014-15 CAFR were subsequently posted on EMMA on February 1, 2016, and May 2, 2016, respectively. The State was also unable to post its Fiscal Year 2015-16 audited financial statements on EMMA by December 31, 2016, as required by such continuing disclosure undertakings. The State's unaudited Basic Financial Statements for Fiscal Year 2015-16 and the State's Fiscal Year 2016-17 CAFR were posted on EMMA on January 16, 2017, and March 8, 2017, respectively. A notice of late filing was posted on EMMA on January 25, 2018, and the State's unaudited

Basic Financial Statements for Fiscal Year 2016-17 and the State's Fiscal Year 2016-17 CAFR were posted on EMMA on January 8, 2018, and February 8, 2018, respectively.

In addition to the State's financial statements for Fiscal Years 2014-15 and 2015-16 discussed above, certain operating data for the Department of Human Services for Fiscal Years 2014-15 and 2015-16 was not timely posted on EMMA (within 200 days of the end of the Fiscal Year) in connection with the Colorado State Department of Human Services (Division of State and Veterans Nursing Homes) Enterprise System Revenue Anticipation Warrants, Series 2002A. Notices of failure to file such information for Fiscal Years 2014-15 and 2015-16 were posted on EMMA on January 21, 2016, and January 19, 2017, respectively. The State's unaudited Basic Financial Statements and CAFRs for Fiscal Years 2014-15 and 2015-16 were posted on EMMA as discussed above, and the operating data for the Department of Human Services for both Fiscal Years 2014-15 and 2015-16 was posted on EMMA on March 28, 2017.

The OSPB March 2016 revenue forecast was not timely posted on EMMA in connection with the State's Higher Education Federal Mineral Lease Certificates of Participation, Series 2014A. Both a notice of failure to timely file such revenue forecast, together with the revenue forecast, were posted on EMMA on May 17, 2016.

MCDC Settlement Order with the Securities and Exchange Commission

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

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

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

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

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

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

LEGAL MATTERS

All legal matters incident to the validity and enforceability of the Series 2019A Notes, as well as the treatment of interest on the Series 2019A Notes for purposes of federal and State income taxation, are subject to the approving legal opinion of Kutak Rock LLP, Denver, Colorado, as Bond Counsel. The substantially final form of the opinion of Bond Counsel is appended to this Official Statement. Certain legal matters will be passed upon for the State by the Office of the Attorney General of the State and by Kline Alvarado Veio, P.C., Denver, Colorado, as special counsel to the State in connection with the preparation of this Official Statement. Payment of legal fees to Bond Counsel and special counsel are contingent upon the sale and delivery of the Series 2019A Notes.

TAX MATTERS

Generally

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2019A Notes is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the State with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended, that must be met subsequent to the issuance of the Series 2019A Notes. Failure to comply with such covenants could cause interest on the Series 2019A Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2019A Notes. The State has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2019A Notes.

Bond Counsel is further of the opinion that interest on the Series 2019A Notes is not included in Colorado taxable income or Colorado alternative minimum taxable income under Colorado income tax laws.

The accrual or receipt of interest on the Series 2019A Notes may otherwise affect the federal income tax liability of the owners of the Series 2019A Notes. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2019A Notes, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Tax Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2019A Notes.

The amount treated as interest on the Series 2019A Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Service (the "Service") Notice 94-84, 1994-2 C.B. 559. Notice 94-84 states that the Service is studying whether the amount of the payment at maturity on debt obligations such as the Series 2019A Notes that is excluded from gross income for federal income tax purposes is (i) the stated interest payable at maturity or (ii) the difference between the issue price of the Series 2019A Notes and the aggregate amount to be paid at maturity of the Series 2019A Notes (the "original issue discount"). For this purpose, the issue price of the Series 2019A Notes is the first price at which a substantial amount of the Series 2019A Notes is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). Until the Service provides further guidance, taxpayers may treat either the stated interest payable at maturity or the original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt debt obligations with a term that is not more than one year from the date of issue in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Series 2019A Notes if the taxpayer elects original issue discount treatment.

Tax Treatment of Original Issue Premium

The following disclosure relates to purchasers of the Series 2019A Notes who, under Notice 94-84 discussed above, treat the stated interest payable at the maturity of the Series 2019A Notes as the amount excluded from gross income for federal income tax purposes. An amount equal to the excess of the issue price of a Series 2019A Note over its stated redemption price at maturity constitutes original issue premium on such Series 2019A Note. An initial purchaser of a Series 2019A Note must amortize any original issue premium in accordance with the provisions of Section 171 of the Tax Code. Purchasers of a Series 2019A Note with original issue premium should consult with their tax advisors with respect to the determination and treatment of amortizable premium for federal income tax purposes and with respect to state and local tax consequences of owning Series 2019A Notes with original issue premium.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Series 2019A Notes. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2019A Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2019A Notes or the market value thereof would be impacted thereby. Purchasers of the Series 2019A Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2019A Notes, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2019A Notes is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Tax Code. This reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2019A Notes from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

UNDERWRITING

The Series 2019A Notes will be purchased from the State by Morgan Stanley & Co. LLC (the "Underwriter"), pursuant to a competitive sale conducted by the State, for a purchase price of $406,896,000, being the principal amount of the Series 2019A Notes plus an original issue premium of $6,932,000 and less an underwriting discount of $36,000.

Morgan Stanley & Co. LLC, the underwriter of the Series 2019A Notes, has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2019A Notes.

FINANCIAL ADVISOR

RBC Capital Markets, LLC, Denver, Colorado, is acting as Financial Advisor to the State in connection with the issuance of the Series 2019A Notes, and in such capacity has assisted in the preparation of this Official Statement and other matters relating to the planning, structuring, rating and execution and delivery of the Series 2019A Notes. However, the Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in this Official Statement. The Financial Advisor will act as an independent advisory firm and will not be engaged in underwriting or distributing the Series 2019A Notes. The Financial Advisor's fee for services rendered with respect to the sale of the Series 2019A Notes is contingent upon the issuance and delivery of the Series 2019A Notes.

MISCELLANEOUS

The cover page, inside cover, prefatory information and appendices to this Official Statement are integral parts hereof and must be read together with all other parts of this Official Statement. The descriptions of the documents, statutes, reports or other instruments included herein do not purport to be comprehensive or definitive and are qualified in the entirety by reference to each such document, statute, report or other instrument. During the offering period of the Series 2019A Notes, copies of the State Resolution and certain other documents referred to herein may be obtained from the Financial Advisor at RBC Capital Markets, LLC, 1801 California Street, Suite 3850, Denver, Colorado 80202, Attention: Dan O'Connell, telephone number (303) 595-1222. So far as any statements made in this Official Statement involve matters of opinion, forecasts, projections or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

OFFICIAL STATEMENT CERTIFICATION

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

By: /s/ Eric Rothaus
Deputy Treasurer

APPENDIX A

THE STATE GENERAL FUND

The State Resolution requires that if on June 25, 2020, the amount credited to the Principal Subaccount of the ETRANS 2019-20 Repayment Account is less than the principal amount of the Series 2019A Notes and any Parity Lien Notes, the State Treasurer is to deposit the amount of the deficiency to the Principal Subaccount from any funds on hand or in the custody or possession of the State Treasurer and eligible for investment in the District Notes. The State Treasurer is to first utilize all other funds that are eligible for investment in the District Notes prior to the application of Current General Fund Revenues or Borrowable Resources that are eligible for investment in the District Notes. The ability of the State Treasurer to use Current General Fund Revenues that are eligible for investment in the District Notes to fund a deficiency in the Principal Subaccount of the ETRANS 2019-20 Repayment Account is subordinate to the use of such funds for payment of any general fund tax and revenue anticipation notes of the State issued during Fiscal Year 2019-20, including, without limitation, the State Series 2019 General Fund Notes. See "THE SERIES 2019A NOTES – Security and Sources of Payment – *The ETRANS 2019-20 Repayment Account*" and "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF A DEFAULT IN THE REPAYMENT OF PROGRAM LOANS."

This Appendix contains a discussion of the General Fund, including the estimated cash flows for the General Fund for Fiscal Year 2019-20. See also "APPENDIX B – OSPB JUNE 2019 REVENUE FORECAST."

The General Fund

The General Fund is the principal operating fund of the State. All revenues and moneys not required by the State Constitution or statutes to be credited and paid into a special State fund are required to be credited and paid into the General Fund. As required by GAAP, the General Fund reported in the State's Fiscal Year 2010-11 CAFR and subsequent CAFRs includes a large number of statutorily created special State funds that do not meet the GAAP requirements to be presented as Special Revenue Funds. To make the distinction between the statutory General Fund and the GAAP General Fund, the CAFR refers to the statutory General Fund as the General Purpose Revenue Fund. The revenues in the General Purpose Revenue Fund are not collected for a specific statutory use but rather are available for appropriation for any purpose by the General Assembly. The following discussion of the General Fund represents the legal and accounting entity referred to in the State's Fiscal Year 2017-18 CAFR as the General Purpose Revenue Fund.

General Fund Revenue Sources

The major revenue sources to the General Fund are individual and corporate income taxes and sales and use taxes. The State also imposes excise taxes on the sale of cigarettes, tobacco products and liquor, and receives revenues from a diverse group of other sources such as insurance taxes, pari-mutuel taxes, interest income, court receipts and gaming taxes. The following table sets forth the State's receipts from major revenue sources for the past five Fiscal Years, as well as current OSPB estimates for Fiscal Years 2018-19 and 2019-20. See also "Revenue Estimation; OSPB Revenue and Economic Forecasts" in this Appendix and "APPENDIX B – OSPB JUNE 2019 REVENUE FORECAST," as well as the preliminary notices in this Official Statement regarding forward-looking statements.

State of Colorado
General Fund Revenue Sources
(Accrual basis; dollar amounts expressed in millions)

	Actual										OSPB June 2019 Revenue Forecast			
	Fiscal Year 2013-14		Fiscal Year 2014-15		Fiscal Year 2015-16		Fiscal Year 2016-17		Fiscal Year 2017-18		Fiscal Year 2018-19		Fiscal Year 2019-20	
Revenue Source	**Amount**	**% Change**	**Amount**	**% Change**	**Amount**	**% Change**	**Amount**	**% Change**	**Amount**	**% Change**	**Amount**	**% Change**	**Amount**	**% Change**
Excise Taxes:														
Sales Tax[1]	$2,425.3	9.7%	$2,619.2	8.0%	$2,652.6	1.3%	$ 2,826.1	6.5%	$ 3,094.2	9.5%	$ 3,239.3	4.7%	$ 3,493.5	7.8%
Use Tax	241.3	(0.6)	260.3	7.8	241.2	(7.3)	259.5	7.6	309.9	19.4	343.4	10.8	353.6	3.0
Cigarette Tax	36.6	(4.5)	37.9	3.6	37.2	(1.8)	36.6	(1.7)	34.6	(5.5)	33.1	(4.1)	31.8	(4.2)
Tobacco Products	16.9	8.5	17.8	5.3	21.1	18.5	21.2	0.6	16.4	(22.7)	22.4	36.4	22.9	2.6
Liquor Tax	40.3	2.9	41.5	2.8	43.6	5.0	45.0	3.3	46.5	3.3	47.6	2.3	48.3	1.6
Total Excise Taxes	2,760.4	8.4	2,976.7	7.8	2,995.7	0.6	3,188.4	6.4	3,501.6	9.8	3,685.8	5.3	3,950.2	7.2
Income Taxes:														
Net Individual Income Tax	5,696.1	1.8	6,350.1	11.5	6,526.5	2.8	6,760.9	3.6	7,577.2	12.1	8,205.5	8.3	8,582.3	4.6
Net Corporate Income Tax	720.7	13.3	692.9	(3.9)	652.3	(5.8)	509.3	(21.9)	781.9	53.5	964.0	23.3	936.4	(2.9)
Total Income Taxes	6,416.8	3.0	7,043	9.8	7,178.8	1.9	7,270.2	1.3	8,359.1	15.0	9,169.4	9.7	9,518.8	3.8
Less State Education Fund Diversion[2]	(478.8)	(1.6)	(519.8)	8.6	(522.6)	0.5	(540.0)	(3.3)	(617.0)	(14.3)	(678.5)	10.0	(703.2)	3.6
Total Income Taxes to the General Fund	5,938.0	3.3	6,523.1	9.9	6,656.2	2.0	6,730.2	1.1	7,742.1	15.0	8,490.9	9.7	8,815.6	3.8
Other Revenues:														
Insurance	239.1	13.6	256.7	7.4	280.3	9.2	290.5	3.6	303.6	4.5	315.6	3.9	327.3	3.7
Interest Income	15.2	(12.8)	8.9	(41.7)	12.4	40.3	14.7	18.6	19.5	32.4	14.2	(27.2)	15.1	5.9
Pari-Mutuel	0.6	(8.8)	0.6	0.2	0.6	0.5	0.6	(6.6)	0.5	(10.7)	0.5	(2.0)	0.5	(2.0)
Court Receipts	2.6	9.5	2.6	0.3	3.5	34.5	4.1	17.5	4.4	7.6	4.5	2.3	4.6	2.2
Other Income[3]	21.3	17.9	34.0	59.3	22.6	(33.7)	47.3	109.7	152.2	221.7	42.2	(72.3)	24.6	(41.7)
Total Other	279.2	12.1	302.7	8.4	319.4	5.5	357.2	11.8	480.2	34.4	377.0	(21.5)	372.0	(1.3)
Gross General Fund	**$8,977.7**	**5.1%**	**$9,802.6**	**9.2%**	**$9,971.4**	**1.7%**	**$10,275.8**	**3.1%**	**$11,723.9**	**14.1%**	**$12,553.6**	**7.1%**	**$13,137.8**	**4.7%**

[1] State voters approved Proposition AA in November of 2013, which included the imposition by the State of a sales tax of 10% on sales of retail marijuana and retail marijuana products effective January 2014. Per SB 17-267, this tax is increased to 15% effective July 1, 2017. The revenue derived from this sales tax is shared by the State and local governments where such sales occur. Through Fiscal Years 2016-17, the entire State share of this revenue is first credited to the General Fund and then transferred to the Marijuana Tax Cash Fund. Per SB 17-267, for Fiscal Year 2019-20, 28.15% of the State share of this revenue, less $30 million, is to be retained in the General Fund, 71.85% is to be transferred to the Marijuana Tax Cash Fund and $30 million is to be credited to the Public School Fund and distributed to rural school districts. Proposition AA also approved the imposition by the State of an excise tax of 15% on certain sales of unprocessed retail marijuana effective January 2014 that does not flow through the General Fund but is mostly credited directly to a cash fund for public school capital construction projects. See "STATE FINANCIAL INFORMATION – Taxpayers' Bill of Rights – *Voter Approval to Retain and Spend Certain Marijuana Taxes Associated with Proposition AA.*"

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

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

Source: Office of State Planning and Budgeting

General Fund Overview

The following table summarizes the actual revenues, expenditures and changes in fund balances for the General Fund for Fiscal Years 2013-14 through 2017-18, as well as the forecasts for Fiscal Years 2018-19 and 2019-20 from the OSPB June 2019 Revenue Forecast. The overview incorporates the budget under current law as of the publication of the OSPB June 2019 Revenue Forecast for Fiscal Years 2018-19 and 2019-20. Any new budget information will be incorporated in subsequent OSPB revenue forecasts. The format of the following table is used by the State in developing its annual budget, as discussed in "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations." See also "Revenue Estimation; OSPB Revenue and Economic Forecasts" in this Appendix and "APPENDIX B – OSPB JUNE 2019 REVENUE FORECAST," as well as the preliminary notices in this Official Statement regarding forward-looking statements.

State of Colorado
General Fund Overview
Fiscal Years 2013-14 through 2019-20

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

	Actual (Unaudited) [1]					OSPB June 2019 Revenue Forecast	
	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20
REVENUE:							
Beginning Reserve	$ 373.0	$ 435.9	$ 689.6	$ 512.7	$ 614.5	$ 1,344.8	$ 1,252.7
Gross General Fund Revenue	8,977.7	9,802.6	9,971.4	10,275.8	11,723.9	12,553.6	13,137.8
Transfers to the General Fund	14.1	64.9	24.1	44.8	98.6	16.2	70.3
TOTAL GENERAL FUND REVENUE AVAILABLE FOR EXPENDITURE	9,364.8	10,303.4	10,685.1	10,833.4	12,436.9	13,914.6	14,460.8
EXPENDITURES:							
Appropriation Subject to Limit [2]	8,218.7	8,869.0	9,335.6	9,784.5	10,430.9	11,230.5	12,004.9
Dollar Change From Prior Year	759.5	650.3	466.6	448.9	646.4	799.6	774.4
Percent Change From Prior Year	10.2%	7.9%	5.3%	4.8%	6.6%	7.7%	6.9%
Spending Outside Limit:	545.5	785.7	895.1	640.1	784.5	1,431.4	1,310.7
TABOR Refund under Subsection (7)(d) [3]	--	169.7	--	--	39.8	295.6	412.2
TABOR Refund under Subsection (3)(c) [4]	--	58.0	(58.0)	--	--	--	--
Homestead Exemption (Net of TABOR Refund)	--	--	--	--	132.3	106.4	--
Other Rebates and Expenditures [5]	250.2	257.4	281.3	285.0	158.5	142.5	145.2
Transfers for Capital Construction [6]	186.7	248.5	271.1	84.5	112.1	180.5	225.7
Transfers for Transportation [6]	--	--	199.2	79.0	79.0	495.0	300.0
Transfers to State Education Fund	45.3	25.3	25.3	25.3	25.3	25.0	40.3
Transfers to Other Funds [7]	30.9	42.2	176.2	164.8	208.6	186.3	187.3
Other Expenditures Exempt from General Fund Appropriations Limit [8]	32.4	0.5	--	1.5	29.0	--	--
TOTAL GENERAL FUND OBLIGATIONS	8,764.3	9,654.7	10,230.7	10,424.6	11,215.5	12,661.9	13,315.6
Percent Change from Prior Year	10.8%	10.2%	5.7%	1.9%	7.6%	12.9%	5.2%
Reversions and Accounting Adjustments [9]	(50.4)	(60.6)	(58.3)	(205.7)	(123.3)	--	--
RESERVES							
Year-End General Fund Balance	650.9	709.2	512.7	614.5	1,344.8	1,252.7	1,145.2
Year-End General Fund as a % of Appropriations	7.9%	8.0%	5.5%	6.3%	12.9%	11.2%	9.5%
General Fund Statutory Reserve Amount [10]	410.9	576.5	463.9	584.3	674.9	814.2	870.4
Unappropriated Reserve Percentage [10]	5.0%	6.5%	5.6%	6.0%	6.5%	7.25%	7.25%
Amount Above (Below) Statutory Reserve	240.0	132.7	48.8	30.2	669.9	438.5	274.8
Transfer of Excess Reserve to State Education Fund and Other Funds [11]	(215.0)	--	--	--	--	--	--
Balance After Any Funds Above Statutory Reserve are Allocated	435.9	132.7	48.8	30.2	669.9	438.5	274.8

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

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

3 Current law requires TABOR refunds to be accounted for in the year the excess revenue is collected. TABOR refunds of $295.6 million are projected for Fiscal Year 2018-19, which includes $21.3 million in prior year refunds that are to be paid out in Fiscal Year 2018-19 along with the Fiscal Year 2018-19 refund amount. TABOR refunds are projected for Fiscal Year 2019-20 in the amount of $412.2 million. See "STATE FINANCIAL INFORMATION – Taxpayers' Bill of Rights – *Fiscal Year Revenue and Spending Limits; Referendum C*" and "APPENDIX B – OSPB JUNE 2019 REVENUE FORECAST – Taxpayer's Bill of Rights: Revenue Limit."

4 The amount shown in Fiscal Year 2014-15 reflects the amount that was set aside by HB 15-1367 in a special account to cover a potential TABOR refund relating to Proposition AA. HB 15-1367 also submitted to the State's voters at the November 3, 2015, general election the question of authorizing the State to retain and expend such amount. The question, designated Proposition BB, was approved by the voters and permitted the State to use the money for the uses specified in HB 15-1367. Consequently, a reversal of the $58 million set aside is shown in Fiscal Year 2015-16. See "STATE FINANCIAL INFORMATION – Taxpayers' Bill of Rights – *Voter Approval to Retain and Spend Certain Marijuana Taxes Associated with Proposition AA,*" as well as Note 4 to this table and Note 2 to the table in "General Fund Revenue Sources" above.

5 This generally includes the Cigarette Rebate, which distributes money from a portion of State cigarette tax collections to local governments that do not impose their own taxes or fees on cigarettes; the Marijuana Rebate, which distributes 15% of the retail marijuana sales tax to local governments based on the percentage of retail marijuana sales in local areas; the Old Age Pension program, which provides assistance to low-income elderly individuals who meet certain eligibility requirements; the Property Tax, Heat and Rent Credit, which provides property tax, heating bill or rent assistance to qualifying low-income disabled or elderly individuals; and the Homestead Property Tax Exemption, which reduces property-tax liabilities for qualifying seniors and disabled veterans. See also "SOURCE OF PAYMENT OF PROGRAM LOANS – Ad Valorem Property Taxation Procedure – *Homestead Exemption*."

[Notes continued on next page]

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

[7] State law requires transfers of General Fund money to various State cash funds. Commencing in Fiscal Year 2013-14, this line item includes transfers of amounts credited to the General Fund from the retail marijuana sales tax to a cash fund. See Note 1 to the table in "General Fund Revenue Sources" above. However, for Fiscal Year 2015-16 only, $40.0 million of the transfer to other funds amount is a transfer to public school capital construction related to the passage of Proposition BB. The Fiscal Year 2015-16 and Fiscal Year 2016-17 amounts also include a diversion of income tax revenue out of the General Fund to a separate severance tax fund pursuant to SB 16-218. However, due to the risk of lower than expected severance tax revenues in Fiscal Year 2017-18 and thereafter, HB 18-1338 requires General Fund transfers to various severance tax cash funds to protect program funding, and also requires an equivalent amount of future severance tax revenue to be diverted to the General Fund to repay these transfers.

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

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

[10] The Unappropriated Reserve requirement, codified as Section 24-75-201.1(1)(d), C.R.S., is a percentage of the amount appropriated for expenditure from the General Fund in the applicable Fiscal Year. For Fiscal Year 2015-16 only, the percentage is of the amount subject to the appropriations limit minus the amount of income tax revenue required by to be diverted to a reserve fund to fund severance tax refunds as discussed above. In Fiscal Years 2015-16 through 2017-18, General Fund appropriations for lease-purchase agreement payments made in connection with certificates of participation sold to fund certain capital projects were made exempt from the reserve calculation requirement. These appropriations were $37.8 million in Fiscal Year 2015-16, $46.0 million in Fiscal Year 2016-17 and $48.1 million in Fiscal Year 2017-18. SB 18-276 repealed the exemption of the lease-purchase agreement payments from the calculation of the reserve requirement. See "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations – *Revenues and Unappropriated Amounts*" and "DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS – The State, State Departments and Agencies."

[11] In prior years, all or a portion of the amount in excess of the statutory reserve was required by law to be credited to other State funds, primarily the State Education Fund. All of the Fiscal Year 2013-14 excess, except for $25 million that remained in the General Fund, was transferred to various other State funds in a specified order of priority per HB 14-1339, HB 14-1342 and SB 14-223, and the amount remaining in the General Fund became part of the beginning reserve and funds available in Fiscal Year 2014-15. Under current law, all amounts remaining in the General Fund in excess of the statutory reserve in Fiscal Years 2015-16 and thereafter become part of the beginning reserve and funds available in the following Fiscal Year.

Source: Office of State Planning and Budgeting

Revenue Estimation; OSPB Revenue and Economic Forecasts

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

The most recent OSPB revenue forecast was issued on June 19, 2019, and is included in this Official Statement as "APPENDIX B – OSPB JUNE 2019 REVENUE FORECAST." The OSPB June 2019 Revenue Forecast projects revenues for Fiscal Years 2018-19 through 2020-21. The amounts forecast for Fiscal Years 2018-19 and 2019-20 are summarized in "General Fund Revenue Sources" and "General Fund Overview" above in this Appendix.

The OSPB begins estimating revenue by obtaining macroeconomic forecasts for national and State variables. The national forecast for the OSPB June 2019 Revenue Forecast was provided by Moody's Economy.com. The OSPB forecasts the State economy using a model originally developed partly in-house and partly by consultants to the State.

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

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

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

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

The next OSPB revenue forecast will be released in September of 2019. General Fund revenue projections in this and subsequent OSPB revenue forecasts may be materially different from the OSPB June 2019 Revenue Forecast if economic conditions change markedly. If a revenue shortfall is projected for Fiscal Year 2019-20 and subsequent forecasted years, which would result in a budgetary shortfall, budget cuts and/or actions to increase the amount of money in the General Fund will be necessary to ensure a balanced budget. See "SELECTED STATE FUNDS ELIGIBLE FOR INVESTMENT IN DISTRICT NOTES IN THE EVENT OF DEFAULT IN THE REPAYMENT OF PROGRAM LOANS" and "INVESTMENT CONSIDERATIONS – Budgets and Revenue Forecasts."

Investment of the State Pool

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

Fiscal Years 2017-18 and 2018-19 Investments of the State Pool. The following tables set forth the investment by category of the moneys in the State Pool as of the end of each month in Fiscal Years 2017-18 and 2018-19 for which information is available.

State of Colorado
State Pool Portfolio Mix
Fiscal Year 2017-18
(Amounts expressed in millions)[1]

	July 2017	Aug 2017	Sept 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	June 2018
Agency CMOs	$ 1.9	$ 1.7	$ 1.6	$ 1.4	$ 1.3	$ 1.2	$ 1.0	$ 0.9	$ 0.8	$ 0.7	$ 0.7	$ 0.6
Commercial Paper	931.2	828.4	532.8	657.5	612.5	638.7	867.7	702.9	767.5	1,131.4	1,125.7	977.3
U.S. Treasury Notes	884.0	1,123.8	1,153.8	914.4	894.1	894.3	1,073.7	1,422.3	1,371.9	1,277.2	1,322.7	1,116.7
Federal Agencies	948.2	809.7	979.4	834.6	1,223.9	1,303.7	1,342.7	1,292.2	1,307.1	1,546.6	1,715.8	864.1
Asset-Backed Securities	581.1	519.1	514.3	546.3	562.8	609.4	644.9	654.1	672.3	674.2	781.5	789.3
Money Market	260.	425.0	485.0	275.0	180.0	215.0	220.0	270.0	330.0	370.0	350.0	783.0
Corporates	3,847.5	3,553.3	3,628.9	3,824.4	3,156.3	3,143.8	3,803.6	3,328.6	3,550.8	3,737.1	3,523.0	3,199.4
Certificates of Deposit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Totals	**$7,453.9**	**$7,261.0**	**$7,295.8**	**$7,053.6**	**$6,630.9**	**$6,806.1**	**$7,953.6**	**$7,671.0**	**$8,000.4**	**$8,737.2**	**$8,819.4**	**$7,730.4**

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

Source: State Treasurer's Office

State of Colorado
State Pool Portfolio Mix
Fiscal Year 2018-19
(Amounts expressed in millions)[1]

	July 2018	Aug 2018	Sept 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019
Agency CMOs	$ 0.4	$ 0.5	$ 0.5	$ 0.4	$ 0.4	$ 0.4	$ 0.3	$ 0.3	$ 0.3	$ 0.3	$ 0.3
Commercial Paper	832.4	887.9	968.7	1,331.0	1,329.1	1,310.8	2,028.1	2,241.8	2,065.0	2,321.4	1,872.2
U.S. Treasury Notes	1,294.8	1,159.0	1,279.0	1,224.4	1,156.0	1,055.4	981.7	862.0	1,042.3	934.9	841.3
Federal Agencies	1,356.6	1,249.7	1,219.8	677.6	553.3	570.5	722.1	727.1	501.7	873.3	1,417.1
Asset-Backed Securities	851.8	935.8	947.6	955.5	946.5	978.0	1,024.3	995.0	973.4	991.1	982.4
Money Market	350.0	255.0	540.0	450.0	470.0	350.0	480.0	440.0	380.0	625.0	345.0
Corporates	3,481.7	3,396.2	3,577.1	3,670.1	3,522.5	3,599.8	3,587.8	3,344.7	3,828.5	4,352.8	4,593.6
Certificates of Deposit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Totals	**$8,167.7**	**$7,884.1**	**$8,532.7**	**$8,309.0**	**$7,977.8**	**$7,864.9**	**$8,824.3**	**$8,610.9**	**$8,791.2**	**$10,098.8**	**$10,051.9**

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

Source: State Treasurer's Office

General Fund Cash Flow

General Fund cash flow deficits are attributable to several categories of loans and expenditures by the State throughout each Fiscal Year, including public school distributions, medical assistance and grants and contract purchased services. The State Treasurer has certain administrative powers to remedy negative cash balances, including the ability to issue tax and revenue anticipation notes in anticipation of the receipt of revenues in the General Fund and to use Borrowable Resources. The Governor also has authority to impose spending restrictions, and the General Assembly may defer certain payments from one Fiscal Year to the next, if necessary, to ensure that the General Fund will not end any Fiscal Year with a negative fund balance. See "THE SERIES 2019A NOTES – Authorization" and "STATE FINANCIAL INFORMATION – The State Treasurer."

The following tables present on a cash basis the actual and estimated cash flows of the General Fund for Fiscal Years 2018-19 and 2019-20 by total categories of receipts and disbursements. The tables are based on revenue and expenditure projections prepared on the modified accrual basis of accounting, with accounting adjustments made by the State Treasurer to arrive at a cash basis presentation, and should be read in conjunction with the information set forth above in this Appendix. See also "STATE FINANCIAL INFORMATION – Fiscal Controls and Financial Reporting."

Monthly cash flow projections for Fiscal Years 2018-19 and 2019-20 are based upon (i) the General Fund appropriations for Fiscal Years 2018-19 and 2019-20 adopted by the General Assembly, (ii) historical experience as adjusted to reflect economic conditions, (iii) statutory and administrative changes and anticipated payment dates for payrolls and (iv) the OSPB June 2019 Revenue Forecast discussed in "Revenue Estimation; OSPB Revenue and Economic Forecasts" above. Unforeseen events or variations from underlying assumptions may cause an increase or decrease in receipts and/or disbursements from those projected for a given month, which may adversely affect the projections of estimated cash flows. Additionally, the timing of transactions from month to month may vary from the forecasts. Therefore, there are likely to be differences between the forecasted and actual results, and such differences may be material. See the preliminary notices in this Official Statement regarding forward-looking statements.

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State of Colorado
Actual and Estimated General Fund Cash Flow
Fiscal Year 2018-19
Current Law[1]

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

	Actual										Estimated		
	July 2018	**Aug 2018**	**Sept 2018**	**Oct 2018**	**Nov 2018**	**Dec 2018**	**Jan 2019**	**Feb 2019**	**Mar 2019**	**Apr 2019**	**May 2019**	**June 2019**	**Total**
Beginning Cash and Investments Balance	$ 1,273.8												$ 1,273.8
Revenues:													
General Fund Revenue:													
Sales and Use Tax	232.6	$ 319.2	$ 331.9	$ 320.1	$ 289.5	$ 293.4	$ 351.8	$ 266.4	$ 270.3	$ 301.9	$ 292.0	$ 313.6	3,582.7
Individual Income Tax	390.0	520.1	728.9	666.0	613.3	651.2	881.3	245.1	334.7	957.2	662.5	876.9	7,527.0
Corporate Income Tax	23.6	8.0	190.6	71.5	(62.2)	88.0	74.2	11.7	121.2	195.7	39.9	201.8	964.0
Other	52.5	9.3	(25.2)	(62.0)	17.4	(65.1)	0.3	93.0	45.2	267.9	(39.6)	211.5	505.1
Total General Fund Revenue	673.3	856.6	1,226.2	995.5	858.0	967.4	1,307.6	616.2	771.4	1,722.7	954.7	1,603.9	12,553.6
Federal Revenue	481.2	536.0	685.7	436.6	599.1	692.5	577.5	594.6	714.0	510.0	602.6	1,258.3	7,688.1
Total Revenues	1,154.5	1,392.6	1,911.9	1,432.1	1,457.1	1,659.9	1,885.2	1,210.8	1,485.4	2,232.6	1,557.3	2,862.2	20,241.7
Expenditures:													
Payroll	151.9	165.9	164.7	165.7	164.3	151.6	161.0	155.4	157.4	152.5	154.5	168.6	1,913.6
Medical Assistance	483.4	564.8	410.5	405.0	612.3	518.6	350.2	562.0	445.5	745.6	742.7	497.0	6,337.5
Public School Distribution	827.9	(14.2)	906.3	0.2	2.0	900.8	3.3	0.4	901.2	0.4	0.2	2.3	3,530.8
Higher Education Distribution	3.5	45.1	2.1	4.1	4.2	42.6	0.3	0.4	0.4	0.4	0.4	(0.8)	106.7
Grants and Contracts	145.4	273.5	324.9	217.1	251.2	310.1	264.5	254.0	287.8	251.2	258.3	290.9	3,129.0
Other	483.5	534.7	598.4	236.6	213.7	860.3	295.7	208.7	576.9	10.1	(77.8)	487.5	4,428.5
Total Expenditures:	(2,095.6)	(1,569.8)	(2,406.9)	(1,028.8)	(1,247.7)	(2,784.1)	(1,075.0)	(1,180.9)	(2,369.2)	(1,160.2)	(1,078.3)	(1,445.6)	(19,442.1)
Total Revenues and Beginning Cash and Investments Minus Total Expenditures	332.8	(177.2)	(495.0)	403.3	209.3	(1,124.2)	810.2	29.9	(883.9)	1,072.4	479.0	1,416.6	2,073.4
Revenue Accrual Adjustment	155.6	(22.1)	2.4	7.2	(35.3)	4.9	2.2	(0.3)	(2.1)	11.3	(57.7)	(19.4)	46.5
Expenditure Accrual Adjustment	(122.6)	39.0	(0.9)	(26.7)	29.1	(8.9)	25.0	(16.1)	12.5	65.3	(19.6)	(271.7)	(295.5)
Extraordinary Items Impacting Cash:													
TABOR Refund	--	--	--	--	--	--	--	--	--	--	--	--	--
Net Transfer In/Out – From/To Cash Funds Per Statute	(225.0)	--	--	--	--	--	--	--	--	--	--	--	(225.0)
Homestead Exemption	--	--	--	--	--	--	--	--	--	(165.0)	--	--	(165.0)
General Fund Notes – Including Interest	600.0	--	--	--	--	--	--	--	--	--	--	(602.4)	(2.4)
Capital Construction Transfer	(179.2)	--	--	--	--	--	--	--	--	--	--	--	(179.2)
General Fund Reserve Transfer to Highway Users Tax Fund	--	--	--	--	--	--	--	--	--	--	--	--	--
State Education Fund Transfer	--	--	--	--	--	--	--	--	--	--	--	--	--
Actual/Projected Monthly Cash Change	561.6	(160.4)	(493.5)	383.8	203.1	(1,128.2)	837.4	13.6	(873.5)	984.0	401.7	523.2	1,252.7
General Fund Cash Balance End of Month	**$ 561.6**	**$ 401.2**	**$ (92.3)**	**$ 291.5**	**$ 494.6**	**$ (633.6)**	**$ 203.9**	**$ 217.4**	**$ (656.1)**	**$ 327.9**	**$ 729.6**	**$1,252.7**	

[1] General Fund revenues in this table are derived from the OSPB June 2019 Revenue Forecast. All other amounts are estimates made by the State Treasurer's office based on various assumptions and are subject to change. No representation or guaranty is made herein that such forecasted amounts will be realized. See the preliminary notices in this Official Statement regarding forward-looking statements.

Source: State Treasurer's Office

State of Colorado
Estimated General Fund Cash Flow
Fiscal Year 2019-20[1]
Current Law

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

	July 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020	Total
Beginning Cash and Investments Balance	$ 1,252.7												$ 1,252.7
Revenues:													
General Fund Revenue:													
Sales and Use Tax	233.0	$ 334.9	$ 348.3	$ 335.9	$ 315.8	$ 320.0	$ 383.7	$ 290.6	$ 294.9	$ 329.3	$ 318.5	$ 342.1	3,847.1
Individual Income Tax	390.7	558.7	783.0	715.4	637.6	676.9	917.7	255.6	347.9	995.1	688.7	911.7	7,879.1
Corporate Income Tax	23.7	8.5	201.9	75.7	(58.1)	82.3	69.4	11.0	113.3	182.9	37.3	188.7	936.4
Other	52.6	9.8	(27.7)	(67.2)	0.4	(69.3)	(5.8)	86.1	49.2	290.9	(47.8)	231.9	503.2
Total General Fund Revenue	672.0	912.0	1,305.5	1,059.8	895.7	1,009.9	1,365.0	643.3	805.2	1,798.3	996.7	1,674.3	13,137.8
Federal Revenue	483.5	579.3	741.2	471.9	633.8	732.6	611.0	629.1	755.4	539.5	637.5	1,331.2	8,146.0
Total Revenues	1,155.6	1,491.3	2,046.7	1,531.7	1,529.5	1,742.6	1,976.1	1,272.3	1,560.6	2,337.8	1,634.1	3,005.6	21,283.8
Expenditures:													
Payroll	152.4	164.3	163.2	164.2	162.8	150.3	159.5	154.0	156.0	151.1	153.1	167.0	1,898.1
Medical Assistance	484.7	558.4	405.8	400.4	605.4	512.8	346.2	555.7	440.5	737.1	734.3	491.4	6,272.7
Public School Distribution	830.2	(14.2)	906.3	0.2	2.0	900.8	3.3	0.4	901.2	0.4	0.2	2.3	3,533.1
Higher Education Distribution	3.5	45.1	2.1	4.1	4.2	42.6	0.3	0.4	0.4	0.4	0.4	(0.8)	102.7
Grants and Contracts	145.8	273.5	324.9	217.1	251.2	310.1	264.5	254.0	287.8	251.2	258.3	290.9	3,129.4
Other	484.8	649.0	767.7	312.4	295.4	1,030.9	364.3	285.8	722.5	88.1	(4.7)	579.6	5,576.0
Total Expenditures:	(2,101.5)	(1,676.2)	(2,570.1)	(1,098.5)	(1,321.0)	(2,947.6)	(1,138.1)	(1,250.2)	(2,508.4)	(1,228.3)	(1,141.7)	(1,530.5)	(20,512.1)
Total Revenues and Beginning Cash and Investments Minus Total Expenditures	306.8	(184.9)	(523.4)	433.2	208.4	(1,205.1)	838.0	22.1	(947.8)	1,109.5	492.5	1,475.1	2,024.4
Revenue Accrual Adjustment	155.6	(20.1)	2.1	6.5	(32.1)	4.5	2.0	(0.3)	(1.9)	10.2	(52.5)	(17.6)	56.4
Expenditure Accrual Adjustment	(122.6)	40.6	(0.9)	(27.8)	30.2	(9.3)	26.1	(16.7)	13.0	67.9	(20.4)	(282.6)	(302.5)
Extraordinary Items Impacting Cash:													
TABOR Refund	--	--	--	--	--	--	--	--	--	--	--	--	--
Net Transfer In/Out – From/To Cash Funds Per Statute	(225.0)	--	--	--	--	--	--	--	--	--	--	--	(225.0)
Homestead Exemption	--	--	--	--	--	--	--	--	--	(180.0)	--	--	(180.0)
General Fund Notes – Including Interest	600.0	--	--	--	--	--	--	--	--	--	--	(602.4)	(2.4)
Capital Construction Transfer	(225.7)	--	--	--	--	--	--	--	--	--	--	--	(225.7)
General Fund Reserve Transfer to Highway Users Tax Fund	--	--	--	--	--	--	--	--	--	--	--	--	--
State Education Fund Transfer	--	--	--	--	--	--	--	--	--	--	--	--	--
Projected Monthly Cash Change	489.1	(164.5)	(522.2)	412.0	206.6	(1,209.9)	866.0	5.1	(936.7)	1,007.6	419.6	572.4	1,145.2
General Fund Cash Balance End of Month	**$ 489.1**	**$ 324.6**	**$ (197.6)**	**$ 214.3**	**$ 420.9**	**$ (788.9)**	**$ 77.1**	**$ 82.2**	**$ (854.5)**	**$ 153.1**	**$ 572.7**	**$ 1,145.2**	

[1] General Fund revenues in this table are derived from the OSPB June 2019 Revenue Forecast. All other amounts are estimates made by the State Treasurer's office based on various assumptions and are subject to change. No representation or guaranty is made herein that such forecasted amounts will be realized. See the preliminary notices in this Official Statement regarding forward-looking statements.

Source: State Treasurer's Office

APPENDIX B

OSPB JUNE 2019 REVENUE FORECAST

As discussed in "APPENDIX A – THE STATE GENERAL FUND – Revenue Estimation; OSPB Revenue and Economic Forecasts," the OSPB prepares quarterly revenue estimates and is currently forecasting for Fiscal Years 2018-19 through 2020-21. The forecasts include projections of General Fund revenues available for spending and end-of-year reserves through the forecast period. Budgeted General Fund spending levels are also included. The forecasts are based on historical patterns, with economic and legislative changes explicitly included in the models that forecast revenue growth, and include both State and national economic forecasts.

The most recent OSPB revenue forecast was issued on June 19, 2019, and is presented in its entirety in this Appendix. The pagination of this Appendix reflects the original printed document.

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

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JUNE 19, 2019

STATE OF COLORADO

Governor's Office of State Planning and Budgeting

COLORADO ECONOMIC

AND

FISCAL OUTLOOK

COLORADO

Governor Jared Polis

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

Forecast in Brief

COLORADO ECONOMIC OUTLOOK

While Colorado's economic expansion is projected to continue, growth is expected to moderate from the high levels experienced in recent years. Strong employment and wage growth support the labor force and encourage consumer spending. However, the tight labor market is also constraining business growth as employers struggle to attract and retain talented employees. Inflation is slowing due primarily to lower energy and housing price growth. Trade conflicts pose a risk to this forecast, as recently proposed escalations could result in higher prices for domestic consumers and fewer export markets for farmers and manufacturers.

NATIONAL ECONOMIC OUTLOOK

The national economy continues to grow, but at a slower rate. Fiscal boosts to growth from the federal Tax Cuts and Jobs Act are beginning to fade, and business investment is slowing. Job growth is continuing but at a moderating pace. While retail sales have rebounded from a weak winter and continued growth in consumer spending is backed by strong income and wage growth, financial market volatility and policy uncertainty may limit consumer activity. Significant trade war escalations, as have been proposed, pose downside risks to the forecast, as does slower economic growth in Europe and China. The ability of the Federal Reserve to determine the appropriate course of monetary policy amid full employment, low inflation, and financial market volatility will be critical to the sustainability of the current expansion.

GENERAL FUND REVENUE

General Fund revenue is projected to grow 7.1 percent in FY 2018-19 and 4.7 percent in FY 2019-20. The General Fund revenue forecast for FY 2018-19 was revised up from the March forecast by $270.7 million, or 2.2 percent, as changing tax filing patterns in response to the federal Tax Cuts and Jobs Act resulted in strong April collections. The forecast for FY 2019-20 was increased by $114.4 million, or 0.9 percent. Recent policy changes which broadened the tax base will contribute to continued General Fund revenue growth throughout the forecast period.

CASH FUND REVENUE

FY 2018-19 cash fund revenue is projected to grow 6.0 percent from the prior fiscal year, while FY 2019-20 cash fund revenue is forecast to decrease by 1.9 percent. This decrease is primarily driven by lower severance tax revenue as taxpayers claim larger credits for local taxes paid. Forecasted cash fund revenue for FY 2018-19 is $11.4 million, or 0.5 percent, lower than March projections. Cash fund revenue collections for FY 2019-20 are $29.8 million, or 1.2 percent, lower than March projections.

TABOR

Revenue subject to TABOR is projected to be above the Referendum C cap by $295.6 million in FY 2018-19 and $412.2 million in FY 2019-20. TABOR refunds totaling $39.8 million will be paid out in FY 2018-19. This amount includes the $18.5 million in excess of the Referendum C cap in FY 2017-18, plus a net $21.3 million remaining from the FY 2014-15 TABOR refund.

GENERAL FUND RESERVE

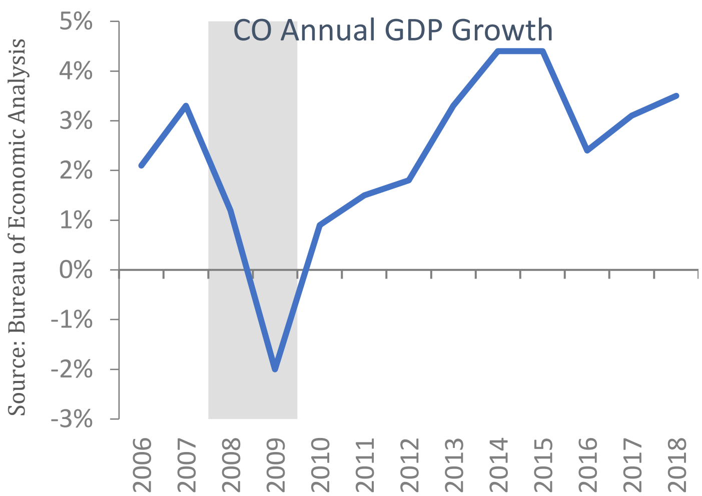
The General Fund reserve is projected to be $274.8 million above the required statutory reserve amount of 7.25 percent of appropriations in FY 2019-20.

Economic Outlook

The national economy has improved since the March forecast with first quarter GDP growth above expectations. However, trade conflicts add significant uncertainty to the forecast and threaten momentum. Overall, the economy is still in an expansion phase with strong employment and wage growth. This forecast projects that the economy will continue to grow but at a more moderate pace.

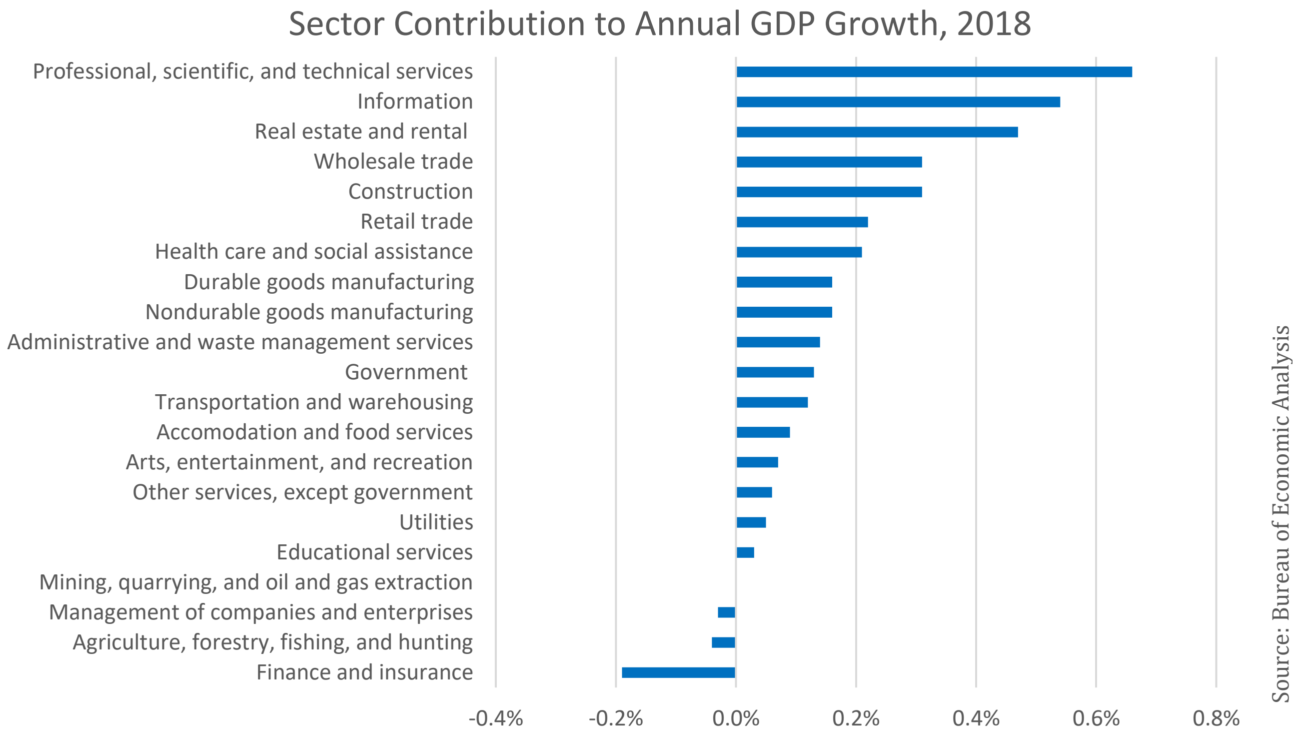
At the state level, economic growth was strong in 2018, but is beginning to moderate, as was expected. Employment growth rates have slowed slightly, but the unemployment rate has fallen and wages are growing at the fastest rate in the nation. Weaker energy and housing prices are tempering inflation. Economic growth is expected to continue at a more moderate rate than in recent years.

Economic Growth and Momentum

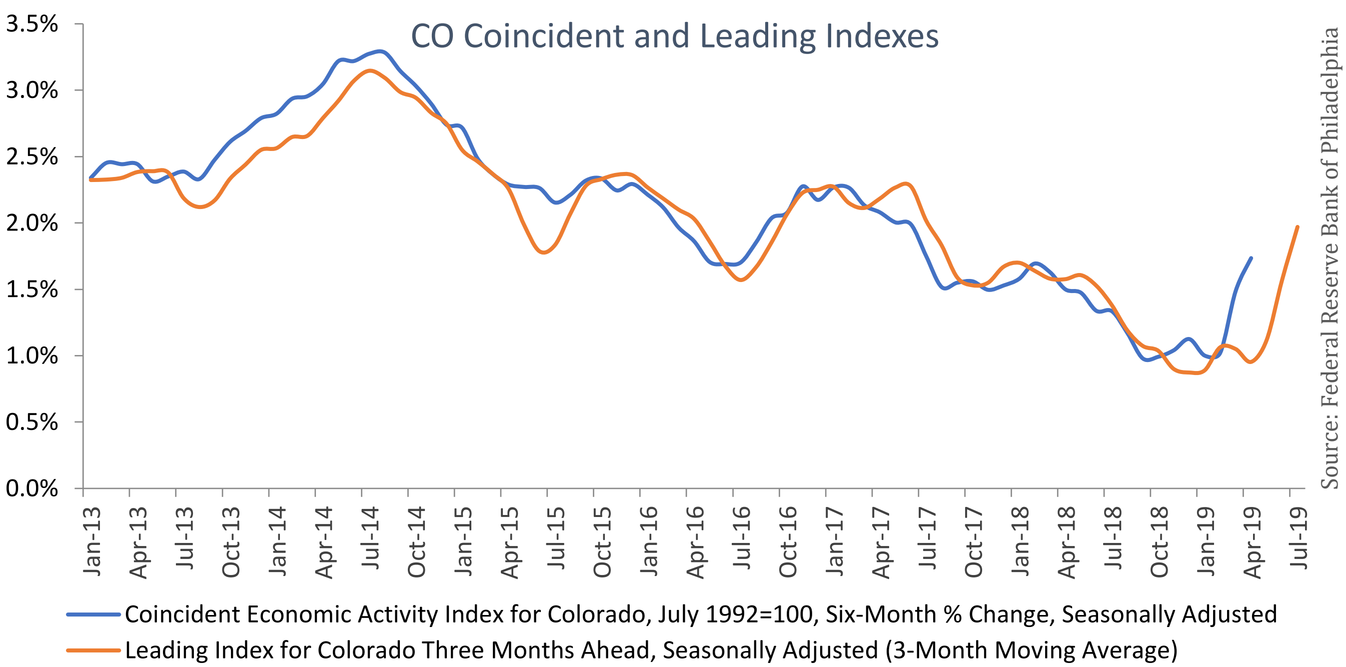


Colorado's gross domestic product (GDP) grew 3.5 percent in 2018, the fastest rate since 2015 when strong growth in professional services accelerated GDP by 4.4 percent over the prior year.

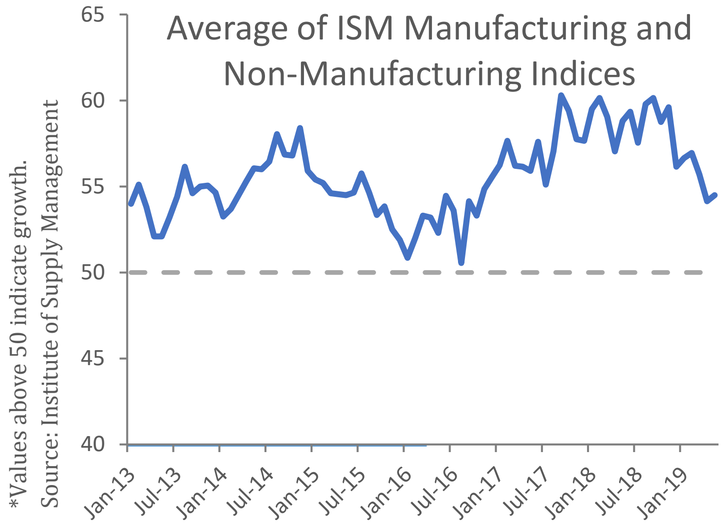
In 2018, professional, scientific and technical services constituted the largest component of annual growth, representing 0.66 percentage points of the total, followed by the information services sector, which contributed 0.54 percentage points to total growth. The finance and insurance sector accounted for the largest detraction from annual growth, reducing overall growth by 0.19 percentage points.



The Federal Reserve Bank of Philadelphia's coincident and leading indices for Colorado have turned upward in recent months, representing a more positive economic outlook. The coincident index is designed to reflect current economic activity and GDP growth, while the leading index is designed to anticipate economic activity over the next several months. The coincident index grew 1.7 percent in the 6-month period ending in April, rebounding from weaker growth through most of 2018. The leading index rose to 2.0 percent for July, 1.1 percentage points higher than the beginning of 2019 and the highest level since June 2017, when the unemployment rate was at an all-time low of 2.6 percent.



Business and Industry

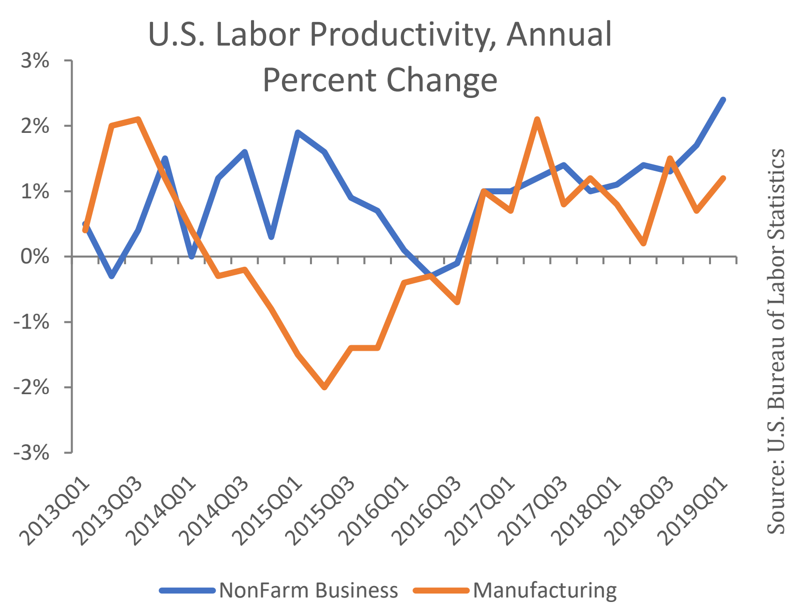


The average of the Institute for Supply Management's manufacturing and non-manufacturing indices fell from 59.6 percent in November 2018 to 54.5 percent in May 2019. Survey respondents indicated ongoing business expansion but at the lowest levels since late 2016. Manufacturers reported concerns about access to supply chain products resulting from Mexico border crossing delays, input price increases due to U.S. trade policy, and the challenge of finding qualified workers in an increasingly tight labor market. Non-manufacturers also attributed first quarter softness to hiring difficulties and wage increases.

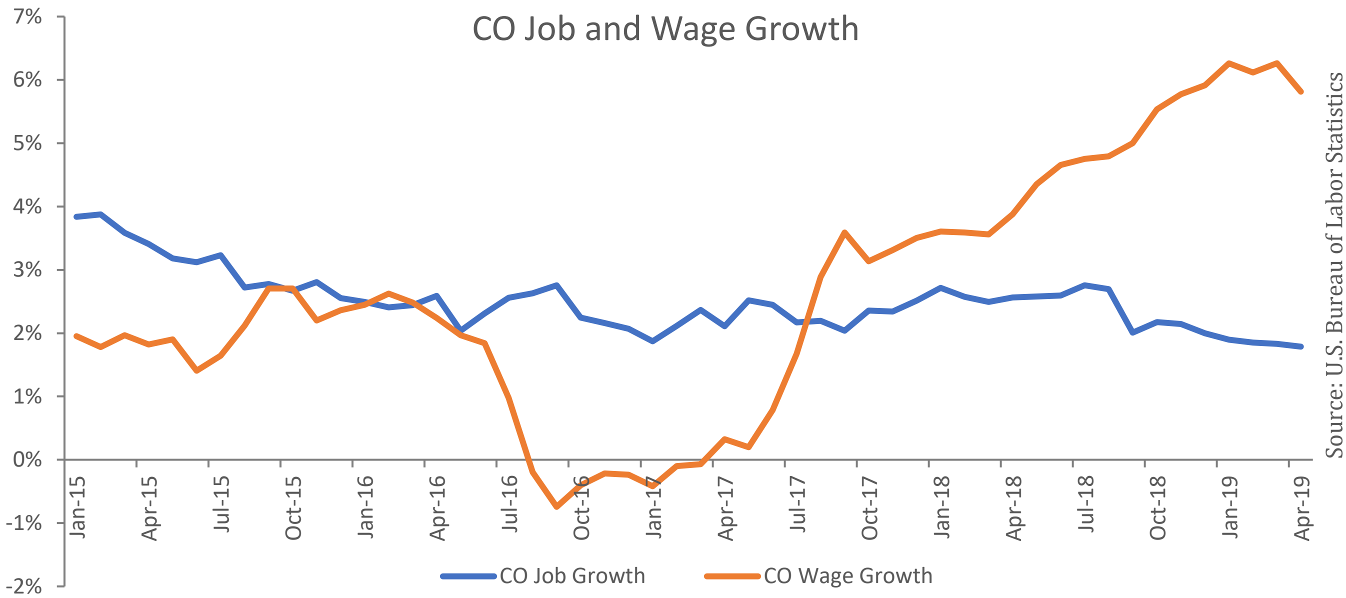
Labor and Employment

Nonfarm business sector labor productivity increased at a seasonally adjusted annual rate of 3.6 percent in the first quarter of 2019 compared to the fourth quarter of 2018. From the first quarter of 2018 to the first quarter of 2019, productivity increased 2.4 percent, the largest 4-quarter increase in productivity since the third quarter of 2010.

Manufacturing sector productivity increased 1.7 percent in the first quarter of 2019 compared to the prior quarter, reflecting a 1.4 percent increase in durable manufacturing, which includes cars and appliances, and 2.1 percent in non-durable manufacturing. Over the previous four quarters, total manufacturing productivity increased 1.2 percent.

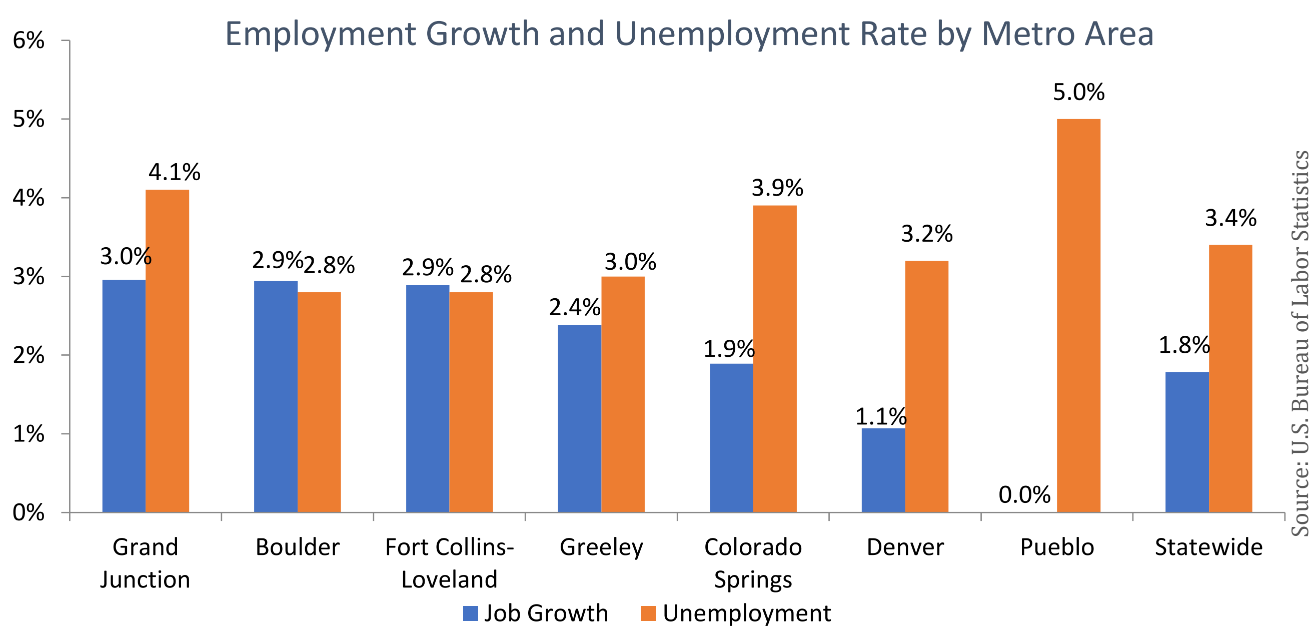


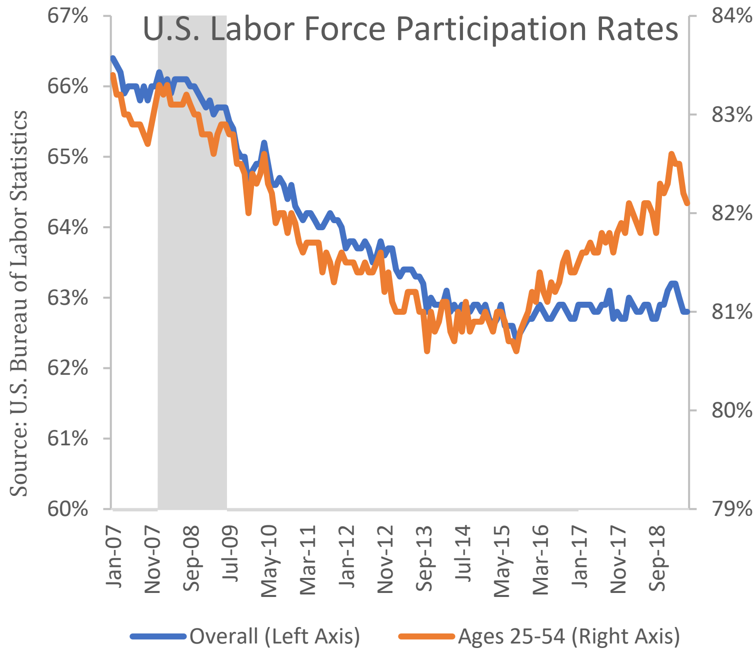
Statewide job growth has slowed slightly over the first months of 2019, averaging 1.8 percent year-over-year compared to a 2.4 percent average for the same period in 2018. Nearly half of all new jobs over the last year have come in the professional services sector, which is one of the highest-paying employment sectors. Despite a slower rate of job growth, the unemployment rate has fallen from 3.7 percent in January to 3.4 percent in April as the number of new jobs has exceeded the number of new workers entering the labor force. Meanwhile, the percentage of the state's population that is employed remains among the highest in the nation, at 66.9 percent in 2018.



Strong wage growth is one contributor to the state's high employment rate, as it encourages workers to enter and remain in the labor force. Statewide average hourly wages grew by 5.4 percent in April over the year before, the highest rate in the nation and well above the rate of inflation. High wage growth is largely driven by the state's tight labor market, as Colorado employers posted an average of 1.4 jobs online per unemployed person in March. Tight labor markets drive wage growth as employers struggle to fill available positions and raise wages in order to recruit and retain talented employees.

Despite the strong statewide labor market, there is significant regional variation, with the strongest regional labor markets located along the Northern Front Range. The Fort Collins, Boulder, and Greeley areas all experienced 12-month job growth above 2.0 percent in April and had the lowest unemployment rates in the state. Notably, Grand Junction had the highest job growth in the State in April at 3.0 percent.





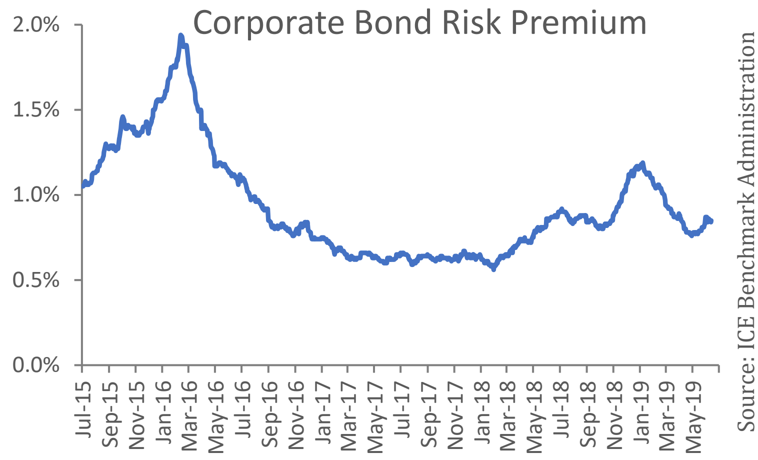
The national labor market remains strong overall but may be starting to weaken. The U.S. added an average of 196,000 jobs per month over the last 12 months, but only 151,000 over the last 3 months. While job growth in the last 3 months is lower than the previous year, it is still 50 percent higher than the rate required to keep the unemployment rate stable. The labor force participation rate has been roughly flat since 2015, suppressed by the aging population as the Baby Boomer generation enters retirement age and leaves the workforce. The participation rate for ages 25-54, known as the "prime-age" participation rate, is a better indicator of cyclical economic activity and has been rising steadily since 2015. This indicates that potential workers perceive strong job prospects and are re-entering the labor force.

Consumer Spending

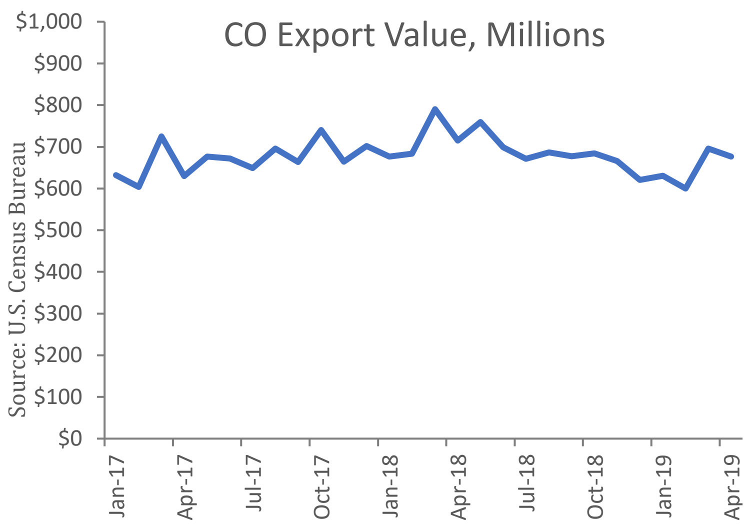
Consumer spending growth slowed in late 2018 and early 2019 due to financial market volatility, the federal government shutdown, and uncertainty regarding federal tax refunds. Year-over-year retail sales growth (3-month moving average) fell from 6.4 percent in August 2018 to 2.2 percent in February 2019, before recovering to 3.6 percent in May. Strong wage growth and low unemployment are expected to support renewed growth in retail sales over the coming months.

Financial Markets

Financial markets have continued their recovery from the volatility seen in the fourth quarter of 2018, largely as a result of the Federal Reserve signaling its willingness to pause rate hikes in the event of weaker economic conditions. A useful measure of recession risk is the corporate bond risk premium, or how much additional interest bond buyers demand for riskier debt. The bond risk premium rose rapidly in late 2018 as markets perceived rising risks in the economy, but it peaked in January 2019 and has since fallen back to mid-2018 levels as recession concerns have eased.



International Economy and Trade



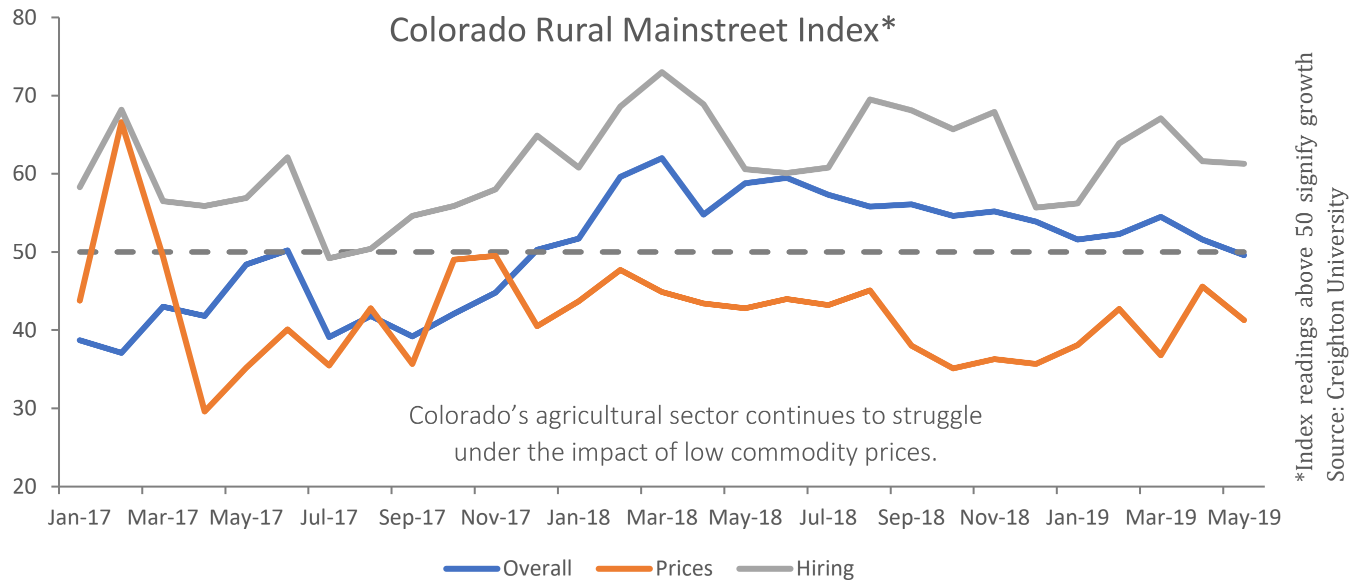
Due to slower global economic growth and trade wars with many of Colorado's largest trading partners, the total value of exports from Colorado declined by 5.4 percent from April 2018 to April 2019.

The recent agreement to exempt Canada and Mexico from steel and aluminum tariffs in exchange for an end to retaliatory tariffs imposed by those countries is a positive sign for Colorado's exporters, as approximately one-third of Colorado's exports are to those two countries. By comparison, exports to China make up only 7 percent of Colorado's total exports.

In 2018, the Trump administration imposed a total of $283 billion in import tariffs with rates ranging from 10 percent to 50 percent. U.S. trading partners retaliated with a total of $121 billion in tariffs on U.S. exports. A recent study shows that the U.S. tariffs are almost completely passed through to U.S. consumers and importers in the form of higher prices. The study estimated that U.S. income was reduced by $1.4 billion per month in 2018 as a result of tariffs. A separate study concluded that retaliatory tariffs disproportionately targeted agricultural sectors.

Despite significant negative impacts on some individual businesses, especially in the agricultural and manufacturing sectors, Colorado has one of the least trade-dependent economies in the nation, with exports representing only 2.3 percent of state GDP.

Agriculture



Colorado's agricultural sector continues to experience the negative impact of trade tensions and tariffs on agricultural commodity prices and farm income. The Rural Mainstreet Index measures economic activity in rural areas by surveying community banks on current and future economic conditions. For the first time since November 2017, the index for Colorado indicated negative growth, largely due to ongoing commodity price pressures. On average, bankers surveyed expected a 10.9 percent increase in farm loan defaults, more than double the increase expected at this time two years ago. The Federal Reserve Bank of Kansas City noted a slight deterioration in agricultural credit conditions in the first quarter, leading to higher collateral requirements and an increase in loan denials.

The Colorado agricultural sector may experience some relief, however, as Japan lifts restrictions on imports of U.S. beef that were imposed in response to mad-cow disease in 2003. Beef is Colorado's largest agricultural export at $1 billion annually. Colorado farmers will also see some relief from the removal of steel and aluminum tariffs on Canadian and Mexican imports and the corresponding retaliatory tariffs those nations imposed on U.S. agricultural products.

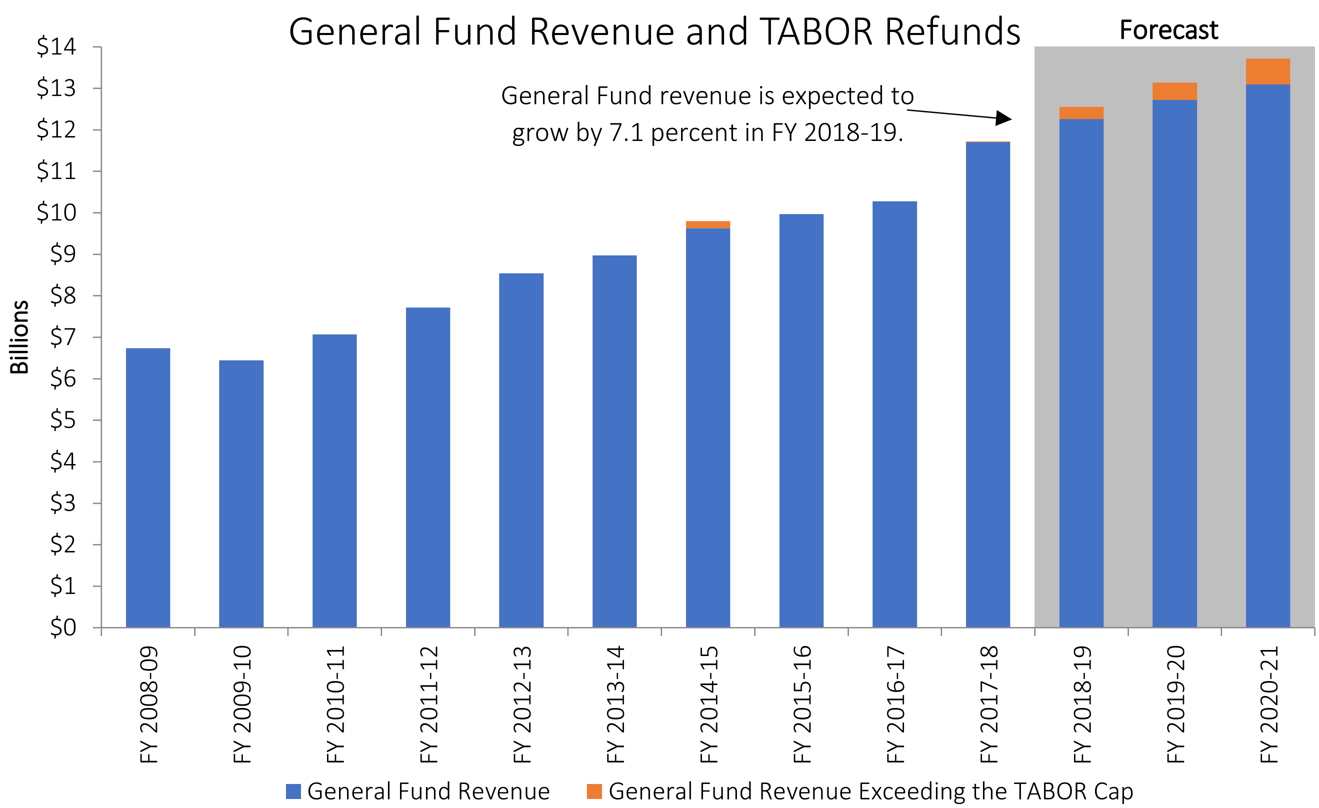
Forecast Risks

Colorado's economic growth has moderated from the strength seen in 2017 and early 2018 but remains resilient. Job growth and wage growth remain strong, while consumer expectations are high. Despite strength in many economic fundamentals, demographic constraints limit upside risks to the forecast while lower overall growth rates leave the economy more vulnerable to negative shocks. Significant trade war escalations, as have been proposed, pose downside risks to the forecast, as does the possibility of slower global economic growth. The ability of the Federal Reserve to determine the appropriate course of monetary policy amid full employment, low inflation, and significant trade policy uncertainty will be critical to the sustainability of the current expansion.

Revenue Outlook – General Fund

Individual and corporate income taxes continue to benefit from strong employment growth and an expanding economy. The changes to the tax base resulting from the federal Tax Cuts and Jobs Act (TCJA) are contributing to strong revenue growth in FY 2018-19, followed by more moderate growth in FY 2019-20. The forecast projects that General Fund revenue will grow by 7.1 percent in FY 2018-19 and 4.7 percent in FY 2019-20.

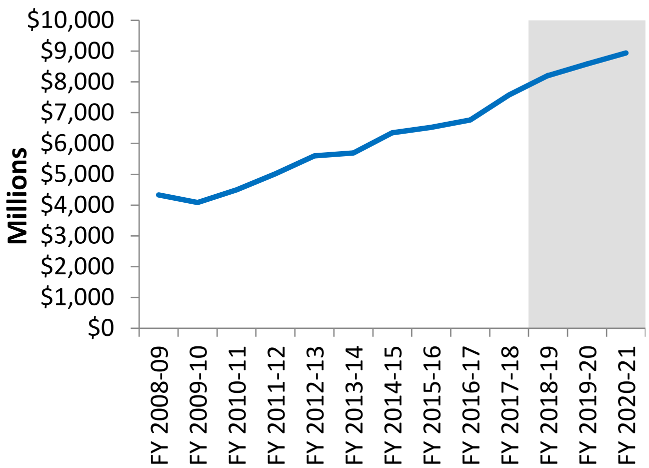
Relative to March projections, the revenue forecast for FY 2018-19 is higher by $270.7 million, or 2.2 percent. The forecast for FY 2019-20 was increased by $114.4 million, or 0.9 percent. These upward revisions are primarily due to stronger-than-forecasted individual income tax collections in April, especially for estimated payments and final returns, as taxpayers complied with higher state tax obligations under the TCJA.



While the TCJA broadened the state's income tax base, resulting in higher income tax revenues, policy changes are broadening the sales tax base as well. House Bill 19-1240 established a legislative framework for the collection of sales taxes by out-of-state vendors. Additionally, H.B. 19-1245 will increase state revenues by raising and capping the vendor fee, which is a service fee the state allows retailers to retain in exchange for collecting and remitting sales taxes on customer purchases.

Three major revenue sources together make up 95 percent of total General Fund revenue: individual income taxes, corporate income taxes, and sales and use taxes. General Fund revenue from the other remaining General Fund sources – such as interest earnings, taxes paid by insurers on premiums, and excise taxes on tobacco products and liquor – remain largely unchanged from the March forecast.

Individual Income Tax



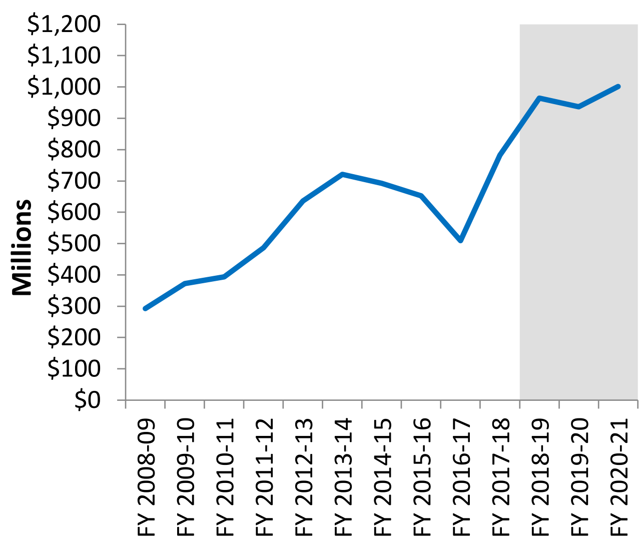
Individual income tax revenue is projected to increase 8.3 percent in FY 2018-19 and 4.6 percent in FY 2019-20. Relative to March projections, the forecast was revised upwards by $210.7 million in FY 2018-19 and $123.5 million in FY 2019-20. These large upward revisions result from strong April collections, particularly in estimated payments and final returns.

As anticipated, the effect of the TCJA was to increase individual income tax receipts because of a net increase in state tax liability. Strong employment and wage growth also contributed to a 7.1 percent expected increase in payroll withholdings. Income tax revenue is expected to grow at a moderate rate over the next two fiscal years.

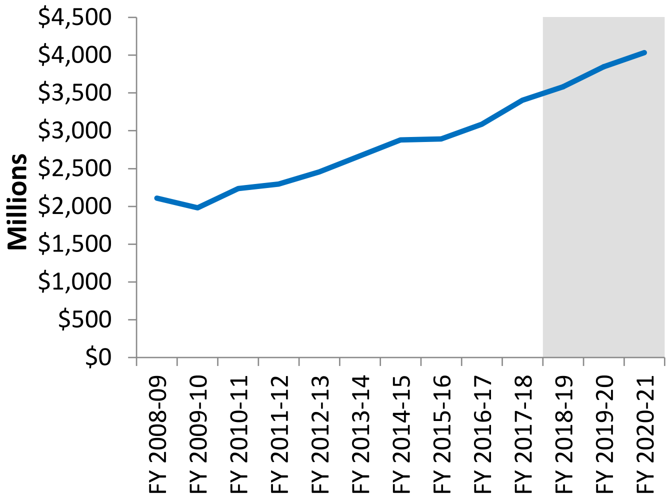
Corporate Income Tax

Corporate income tax collections are projected to grow 23.3 percent in FY 2018-19 and fall by 2.9 percent in FY 2019-20. Corporate income tax receipts were revised upwards by $106.4 million in FY 2018-19 and down by $12.9 million in FY 2019-20.

Corporate income tax revenue is among the most volatile of General Fund revenue due to business-specific considerations and the structure of the corporate income tax code. With the passage of the TCJA in December 2017, state corporate income tax payments grew dramatically and are expected to continue to grow at a moderate rate as the economic expansion continues. Future growth, however, will be constrained by higher business costs, especially for employee compensation, which will reduce profit margins and lower tax liabilities.



Sales and Use Taxes



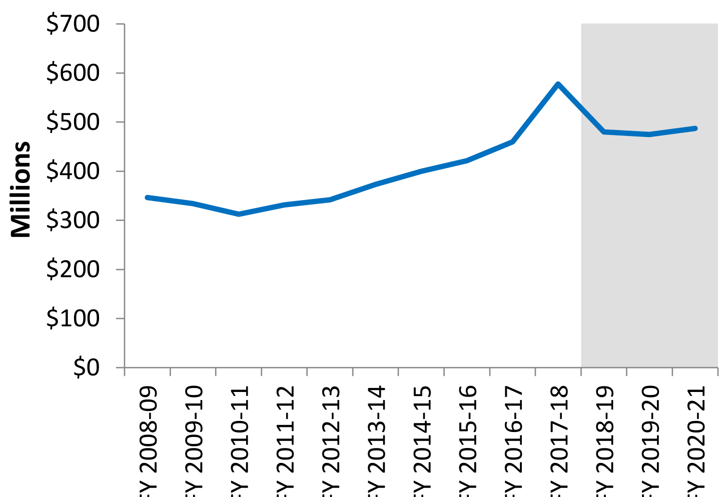
Sales tax revenue is expected to increase by 4.7 percent in FY 2018-19 and 7.8 percent in FY 2019-20. FY 2019-20 sales tax revenue was revised down slightly from last quarter, by $7.4 million. FY 2019-20 sales tax revenue was revised up by $31.9 million, largely due to policy changes which broaden the sales tax base.

FY 2018-19 saw slower sales tax growth, partially as a result of a slight decline in new auto sales. The growth rates in FY 2019-20 and subsequent years are bolstered by sales tax collections from out-of-state retailers, which the Supreme Court allowed states to collect with its June 2018 ruling in *South Dakota v. Wayfair, Inc*. and which was codified in Colorado law by H.B. 19-1240. Sales tax revenue growth will also be increased by H.B. 19-1245, which raised the vendor fee, a fee that retailers can retain as compensation for the administrative burden of collecting sales taxes, from 3.33 percent to 4.0 percent and capped it at $1,000 per vendor per month. This change is expected to increase sales tax revenue by $23.1 million in FY 2019-20 and by $47.9 million in FY 2020-21.

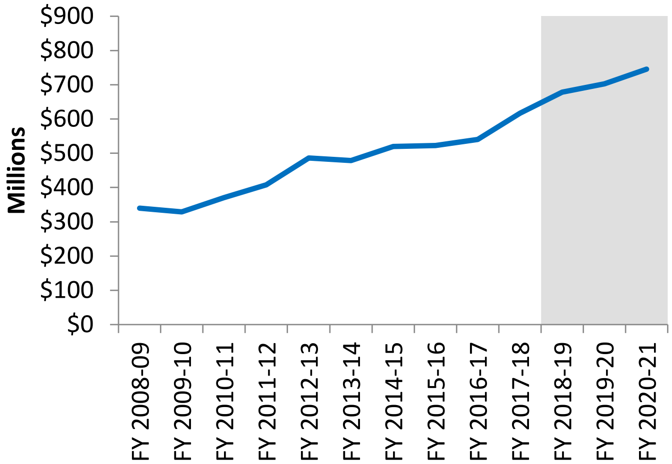
Use tax is a companion to sales tax and is paid by Colorado residents and businesses on purchases that did not include the state sales tax. Use taxes bring in a much smaller amount of revenue than sales taxes and are often more volatile. Much of the state's use tax revenue comes from Colorado businesses paying tax on transactions involving out-of-state sellers. Use tax collections are projected to increase 10.8 percent in FY 2018-19 and 3.0 percent in FY 2019-20.

Other General Fund Revenue

Other revenue to the General Fund is expected to decrease 21.5 percent in FY 2018-19 and 1.3 percent in FY 2019-20. The FY 2018-19 decrease is primarily the result of a large one-time settlement payment under the Tobacco Master Settlement Agreement received in FY 2017-18. The large reduction associated with the Tobacco Master Settlement is partially offset in FY 2018-19 by $18.7 million in settlement payments from Bosch and Wells Fargo in relation to lawsuits for violations of consumer protection laws. Other major components of this category include insurance revenue and interest income.



State Education Fund



Revenue to the State Education Fund is expected to grow 10.0 percent in FY 2018-19 and 3.6 percent in FY 2019-20. This growth does not include transfers from other funds. The forecast for State Education Fund revenue was revised upwards from the March forecast due to higher forecasts for individual and corporate income tax collections.

The Colorado Constitution requires that one-third of one percent of taxable income from Colorado taxpayers be credited to the State Education Fund. Because State Education Fund revenue is derived from taxable income, it follows the trends in individual income and corporate income tax revenue collections discussed above. The revenue impact of federal tax law changes is contributing to the growth seen in FY 2018-19 and throughout the forecast period.

Revenue Outlook – Cash Fund

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

Total cash fund revenue is projected to reach $2.44 billion in FY 2018-19, an increase of 6.0 percent from the prior fiscal year. FY 2019-20 cash fund revenue is projected to be $2.40 billion, a decrease of 1.9 percent. Forecasted cash fund revenue collections for FY 2018-19 are $11.4 million, or 0.5 percent, lower than projections in March. Cash fund revenue collections for FY 2019-20 are $29.8 million, or 1.2 percent, lower than March projections. Actual FY 2017-18 cash fund revenue and projections for FY 2018-19 through FY 2020-21 can be found in Table 6 in the Reference Tables at the end of this document.

Transportation

Transportation-related cash fund revenue is expected to grow 1.0 percent in FY 2018-19 and 2.9 percent in FY 2019-20. The forecast for FY 2018-19 was reduced $30.9 million, or 2.3 percent, below the March forecast, while the FY 2019-20 forecast was revised downward by $35.6 million.

Transportation Revenue	Actual FY 17-18	Forecast FY 18-19	Forecast FY 19-20	Forecast FY 20-21
Highway Users Tax Fund (HUTF)				
Motor and Special Fuel Taxes	**$645.0**	**$662.3**	**$674.0**	**$690.2**
Change	3.0%	2.7%	1.8%	2.4%
Total Registrations	**$261.9**	**$272.0**	**$293.0**	**$302.8**
Change	4.9%	3.9%	7.7%	3.3%
Other HUTF Receipts	**$200.4**	**$189.1**	**$190.9**	**$195.0**
Change	6.3%	-5.7%	1.0%	2.1%
Total HUTF	**$1,107.3**	**$1,123.4**	**$1,157.9**	**$1,187.9**
Change	4.1%	1.5%	3.1%	2.6%
State Highway Fund	**$40.6**	**$42.0**	**$49.4**	**$50.3**
Change	5.9%	3.3%	17.6%	1.8%
Other Transportation Funds	**$127.4**	**$123.0**	**$124.3**	**$127.1**
Change	7.3%	-3.5%	1.0%	2.3%
Total Transportation Funds	***$1,275.4***	***$1,288.4***	***$1,325.4***	***$1,360.2***
Change	*4.4%*	*1.0%*	*2.9%*	*2.6%*

Transportation-related cash funds include the Highway Users Tax Fund (HUTF), the State Highway Fund (SHF), and a number of smaller cash funds. The primary revenue sources for the HUTF are motor fuel taxes and registration fees. Fuel taxes are expected to grow at a moderate rate as improvements in fuel efficiency are partially offset by population growth and consumer preferences for SUVs and light trucks.

Limited Gaming

Revenue from limited gaming is projected to fall 1.4 percent to $125.3 million in FY 2018-19 before rising 2.2 percent to $128.1 million in FY 2019-20.

Of the $125.3 million total limited gaming revenue in FY 2018-19, $105.4 million is subject to TABOR. Of this amount, $103.5 million is classified as “base limited gaming revenue” in accordance with Amendment 50. In FY 2019-20, $107.7 million of total limited gaming revenue is subject to TABOR, while an estimated $105.8 million will be exempt as allowed under Amendment 50. The table below illustrates the current revenue projections as well as the amounts to be distributed to revenue recipients per statutory formula.

Distribution of Limited Gaming Revenues	Actual FY 17-18	Forecast FY 18-19	Forecast FY 19-20	Forecast FY 20-21
A. Total Limited Gaming Revenues	**$127.1**	**$125.3**	**$128.1**	**$131.1**
Annual Percent Change	6.7%	-1.4%	2.2%	2.3%
B. Base Limited Gaming Revenues (max 3% growth)	**$105.0**	**$103.5**	**$105.8**	**$108.3**
Annual Percent Change	3.0%	-1.4%	2.2%	2.3%
C. Gaming Revenue Subject to TABOR	**$106.8**	**$105.4**	**$107.7**	**$110.2**
Annual Percent Change	3.0%	-1.3%	2.2%	2.3%
D. Total Amount to Base Revenue Recipients	**$94.8**	**$92.3**	**$95.1**	**$97.7**
Amount to State Historical Society	$26.5	$25.8	$26.6	$27.4
Amount to Counties	$11.4	$11.1	$11.4	$11.7
Amount to Cities	$9.5	$9.2	$9.5	$9.8
Amount to Distribute to Remaining Programs (State Share)	$47.4	$46.1	$47.6	$48.8
Amount to Local Government Impact Fund	$5.4	$5.6	$6.0	$6.4
Colorado Tourism Promotion Fund	$15.0	$15.0	$15.0	$15.0
Creative Industries Cash Fund	$2.0	$2.0	$2.0	$2.0
Film, Television, and Media Operational Account	$0.5	$0.5	$0.5	$0.5
Advanced Industries Acceleration Fund	$5.5	$5.5	$5.5	$5.5
Innovative Higher Education Research Fund	$2.1	$2.1	$2.1	$2.1
Transfer to the General Fund	$16.9	$15.4	$16.5	$17.4
E. Total Amount to Amendment 50 Revenue Recipients	**$16.7**	**$17.9**	**$17.7**	**$18.1**
Community Colleges, Mesa and Adams State (78%)	$13.1	$14.0	$13.8	$14.1
Counties (12%)	$2.0	$2.2	$2.1	$2.2
Cities (10%)	$1.7	$1.8	$1.8	$1.8

Severance

Severance tax revenue is expected to grow 69.0 percent to $241.8 million in FY 2018-19 before falling 58.0 percent to $101.5 million in FY 2019-20. Larger ad valorem credits coupled with lower oil prices are expected to cause the decline in severance tax revenue in FY 2019-20. This forecast reflects increased production at lower prices.

Marijuana

Tax revenue from the marijuana industry is expected to grow 2.0 percent to $256.0 million in FY 2018-19 and by 2.4 percent to $262.2 million in FY 2019-20. The table below shows revenue from special taxes on the legal marijuana industry authorized by Proposition AA in November 2013 along with revenue from the 2.9 percent state tax on marijuana sales.

Tax Revenue from the Marijuana Industry	Actual FY 17-18	Forecast FY 18-19	Forecast FY 19-20	Forecast FY 20-21
Proposition AA Taxes				
Retail Marijuana 15% Special Sales Tax	$167.2	$190.8	$202.3	$209.0
Retail Marijuana 15% Excise Tax	$68.0	$55.2	$50.0	$47.7
Total Proposition AA Taxes	**$235.1**	**$246.0**	**$252.3**	**$256.6**
2.9% Sales Tax (Subject to TABOR)				
Medical Marijuana 2.9% State Sales Tax	$10.6	$9.2	$9.0	$8.5
Retail Marijuana 2.9% State Sales Tax	$5.2	$0.9	$0.9	$0.9
Total 2.9% Sales Taxes	**$15.8**	**$10.1**	**$9.8**	**$9.3**
Total Marijuana Taxes	**$251.0**	**$256.0**	**$262.2**	**$266.0**

The revenue from the retail marijuana sales tax in Proposition AA goes first to the General Fund before being transferred to the Marijuana Tax Cash Fund, local governments, and the Public School Fund. The remaining amount after these transfers stays in the General Fund. Proposition AA also included an excise tax of 15 percent on retail marijuana sales that is credited to public school cash funds. The distribution of marijuana tax revenue is shown in the table below.[1]

Fiscal Year	Total Marijuana Revenue	Local Share	General Fund	BEST School Capital Construction	Public School Permanent Fund	Public School Fund	Marijuana Tax Cash Fund
FY 2017-18	$251.0	$16.7	$12.4	$40.0	$28.0	$30.0	$123.9
FY 2018-19	$256.0	$19.1	$26.7	$49.7	$5.5	$21.6	$133.4
FY 2019-20	$262.2	$20.2	$28.3	$45.0	$5.0	$22.9	$140.7

[1] FY 2017-18 figures are actual distributions, FY 2018-19 and FY 2019-20 are projections. Totals may not sum due to rounding.

Federal Mineral Lease

Federal Mineral Lease (FML) revenue is expected to grow 30.2 percent to $112.2 million in FY 2018-19 and 5.6 percent to $118.5 million in FY 2019-20, as shown in the table below.[2] The rebound in growth in FY 2018-19 is a result of increased production and the end of FML "bonus" payment refunds to mineral extraction leaseholders on the Roan Plateau. While FML revenue is exempt from TABOR, it is included here because a portion of the money is used for the State's share of K-12 school finance.

Fiscal Year	Bonus	Non-Bonus	Total FML	% Change
FY 2017-18	$0.4	$85.8	$86.2	-5.3%
FY 2018-19	$4.7	$107.5	$112.2	30.2%
FY 2019-20	$5.0	$113.5	$118.5	5.6%
FY 2020-21	$5.2	$119.4	$124.6	5.2%

FML royalties are derived from a percentage of the value of resources produced on leased federal lands. FML activity includes the production of natural gas, crude oil, propane, carbon dioxide, coal, and other mineral resources. The Bureau of Land Management (BLM) receives "bonus" payments from the auction of leases to extract mineral resources from federal lands. Producers remit royalties, bonus and rental payments to the federal government that are then shared with the state in which production occurs.

Other Cash Funds

Cash fund revenue to the Department of Regulatory Agencies (DORA) is projected to increase 2.5 percent to $82.5 million in FY 2018-19 and 5.6 percent to $87.1 million in FY 2019-20. Revenue from licensing fees and other services fund many of the Department's activities.

Insurance-related cash fund revenue is obtained largely from a surcharge on workers' compensation insurance. Revenue from this source is estimated to grow 5.5 percent to $18.8 million in FY 2018-19 and 32.4 percent to $24.9 million in FY 2019-20.

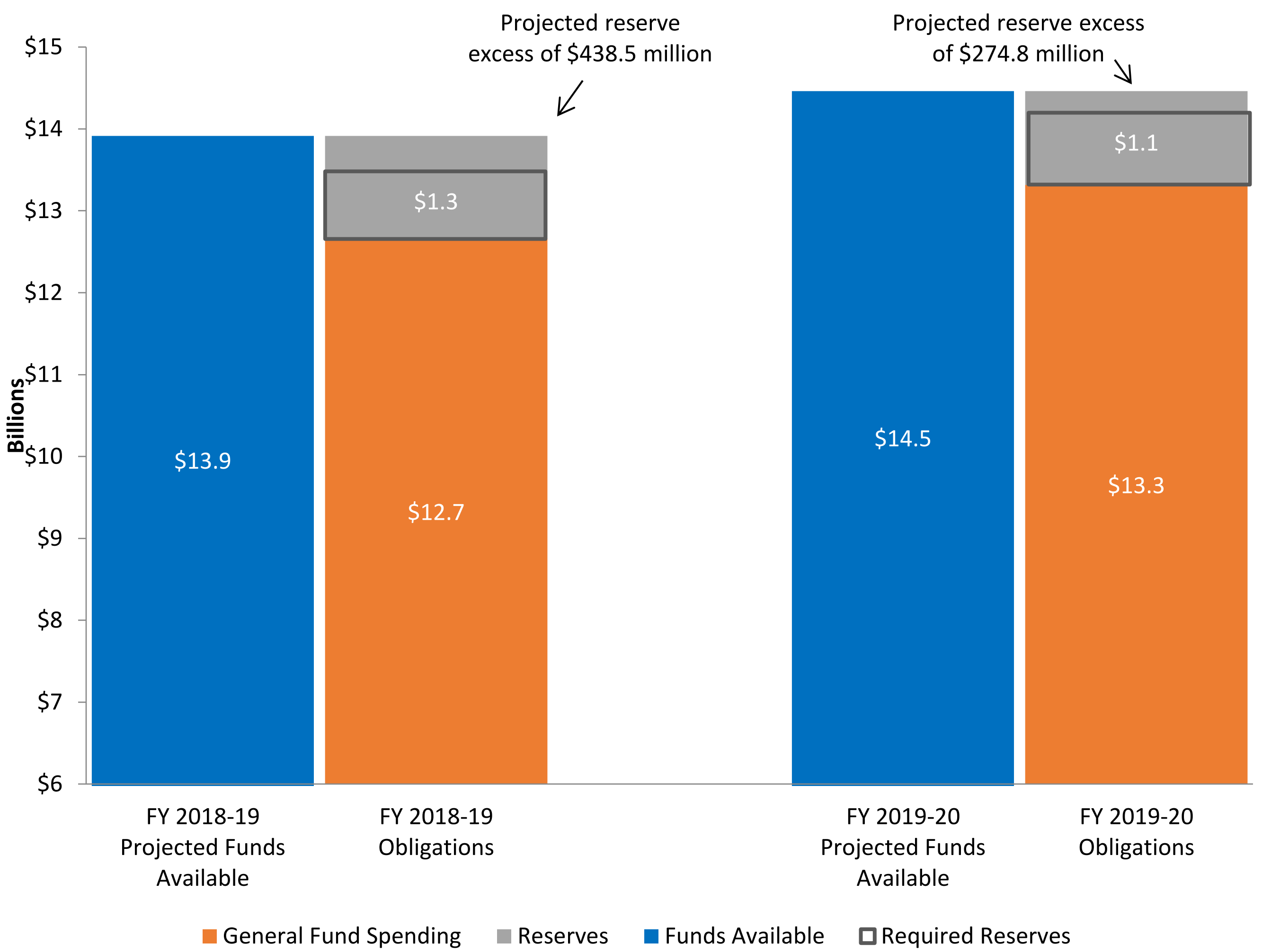
The "Other Miscellaneous Cash Funds" category includes revenue from over 300 cash fund programs, which generally collect revenue from fines, fees, and interest earnings. In FY 2018-19, revenue to these funds is expected to increase 3.5 percent to $699.7 million, followed by an estimated increase of 6.2 percent to $743.2 million in FY 2019-20. The increase in FY 2019-20 and FY 2020-21 is partially attributable to legislation passed during the 2019 session, which added approximately $10 million to the FY 2019-20 forecast and $15 million to the FY 2020-21 forecast.

[2] FY 2017-18 figures are actual collections, FY 2018-19 through FY 2020-21 are projections. Figures do not include $18.2 million of previously withheld revenue disbursed in accordance with HB18-1249.

Budget Outlook

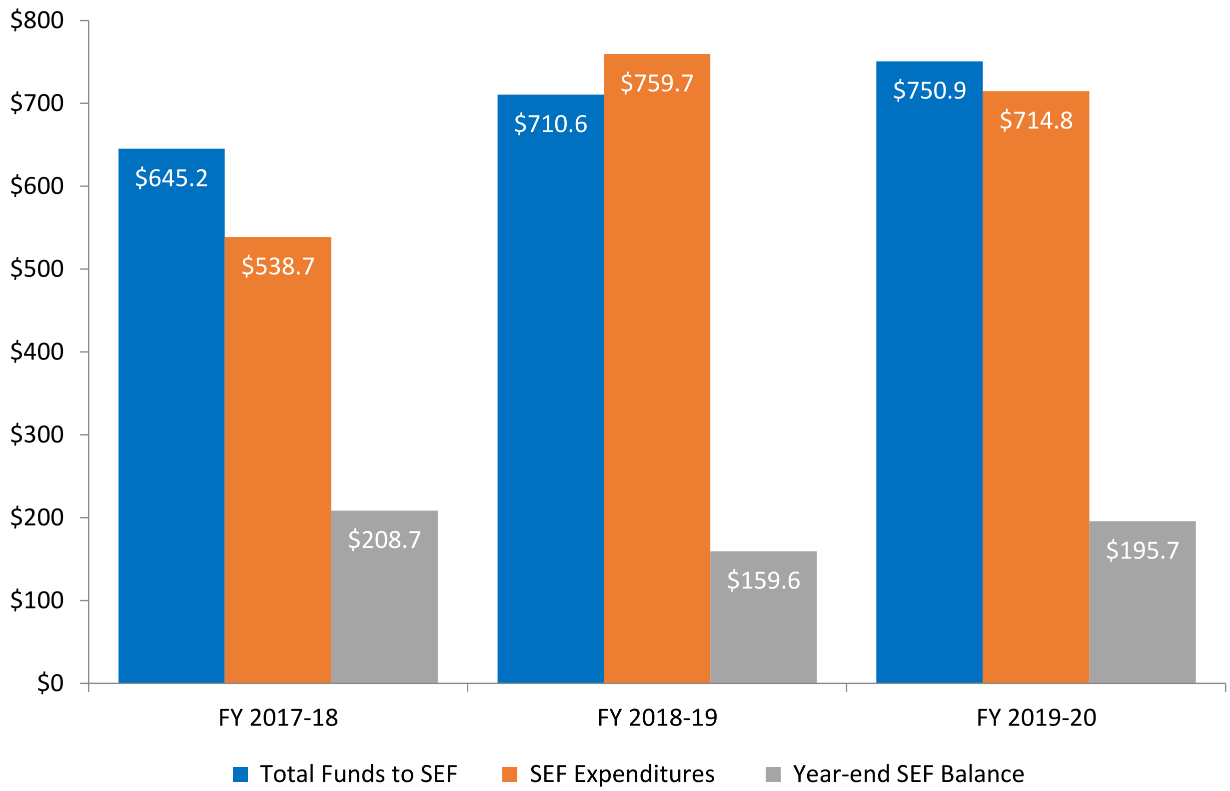
General Fund

The General Fund revenue forecast for FY 2018-19 is $270.7 million, or 2.2 percent, greater than estimated in March. The forecast for FY 2019-20 is $114.4 million, or 0.9 percent, higher than the prior forecast. After incorporating the appropriations enacted during the 2019 legislative session, the General Fund reserve is projected to be $438.5 million above the required statutory reserve amount of 7.25 percent of appropriations in FY 2018-19. Under this forecast, the General Fund reserve is projected to be $274.8 million above the statutory reserve amount in FY 2019-20. The figure below illustrates the General Fund revenue, obligations, and reserve balances under current law.



State Education Fund

In FY 2018-19, the State Education Fund's year-end balance is projected to decrease from its FY 2017-18 level of $208.7 million to $159.6 million. This decrease is the result of a higher level of State Education Fund expenditures in FY 2018-19, which reduced the need for General Fund appropriations for funding K-12 public education. The budget for FY 2019-20 includes a transfer from the General Fund to the State Education Fund of $40.3 million, as included in the School Finance Act. The figure below summarizes total State Education Fund revenue available, total spending, and ending balance levels for FY 2017-18 through FY 2019-20 under current law.



Forecast Risks

This budget outlook is based on OSPB's economic analysis and forecast as detailed in Tables 1 and 2 of the Reference Tables at the end of this document. Changes in economic conditions impact the budget outlook through associated changes in the use of many state services, such as Medicaid.

Risks to the revenue outlook are larger than normal due to uncertainty regarding the impacts of the federal Tax Cuts and Jobs Act. The spring 2019 filing season was the first to fully reflect the effects of this legislation, and April returns were larger than average. However, it is too soon to know how the full impact of the tax changes will impact Colorado revenue.

The budgetary outlook also faces risks related to the TABOR limit, as any refund obligations must be paid by the General Fund. If cash fund revenues are larger than expected, it would mean larger refunds to be paid out of the General Fund, constraining available funds for other programs.

Supplemental Materials

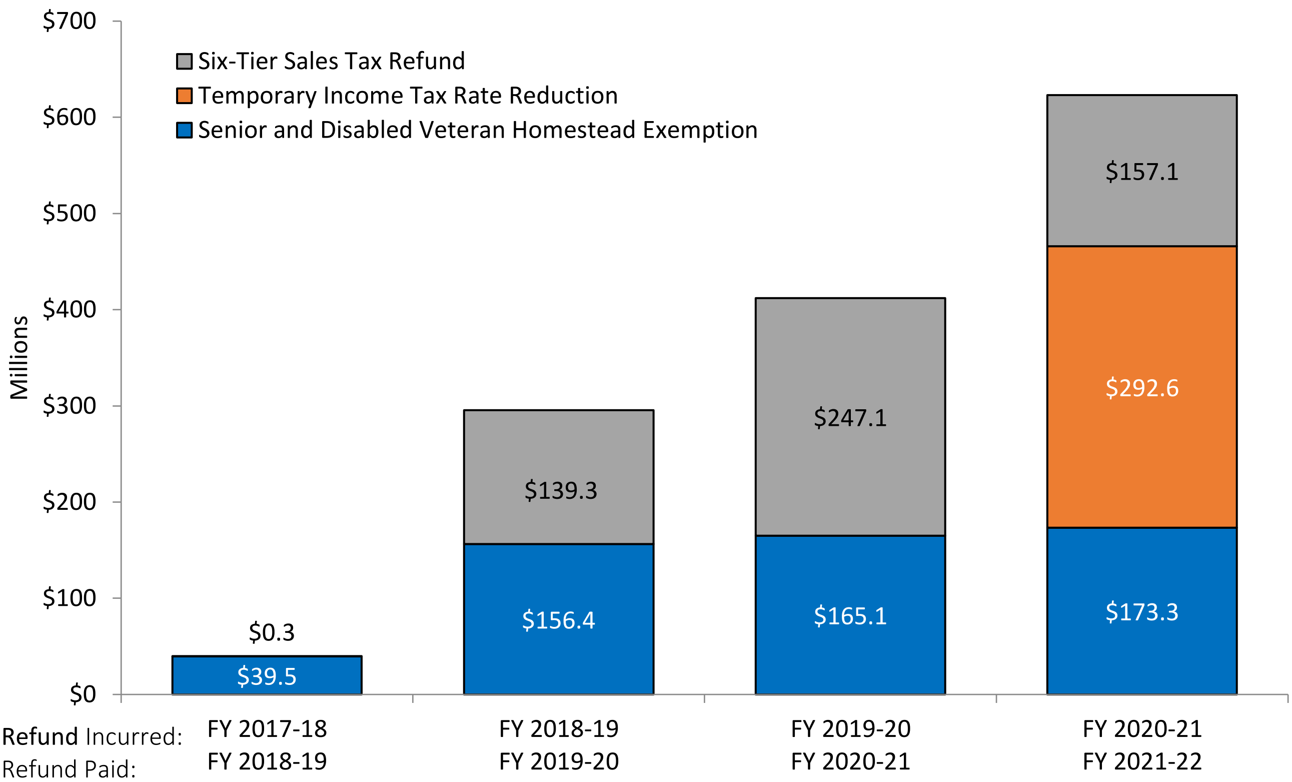
An overview of General Fund and State Education Fund revenue, expenditures, and end-of-year reserves is provided in the Reference Tables at the end of this document. A more detailed discussion of the information presented in the Reference Tables can be found at the Office of State Planning and Budgeting's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

TABOR Outlook

Under Article X, Section 20 of the State Constitution, the Taxpayer's Bill of Rights (TABOR), revenue received from certain sources is subject to an annual limit determined by the prior year's limit after adjustments for inflation and population growth. Any TABOR revenue received above the cap is to be refunded to taxpayers in the subsequent fiscal year. Revenue subject to TABOR is projected to be above the cap by $295.6 million in FY 2018-19 and $412.2 million in FY 2019-20. TABOR revenue last exceeded the Referendum C cap in FY 2017-18, by $18.5 million.

In FY 2018-19, TABOR refunds of $39.8 million are to be paid out. This amount includes the $18.5 million in excess of the Referendum C cap in FY 2017-18, plus a net $21.3 million remaining to be refunded from the FY 2014-15 refund requirement. Any TABOR refund amount that is not refunded is required to be refunded the next year a refund is due. This $21.3 million has already been set aside and does not require a new expenditure.

Current law specifies three mechanisms by which revenue in excess of the cap is to be refunded to taxpayers: the senior homestead and disabled veterans property tax exemptions, a temporary income tax rate reduction, and a sales tax refund to all taxpayers. The size of the refund determines which refund mechanisms are used. The figure below shows the anticipated refund that will be distributed through each statutorily defined refund mechanism under current law.



$39.5 million of the $39.8 million FY 2017-18 refund obligation will be paid out through the $145.9 million senior homestead and disabled veterans property tax exemption expenditures in FY 2018-19, while the remaining $0.3 million will be paid on outstanding 2015 tax returns as they are resolved. The refund amount is not sufficient to trigger a sales tax refund or temporary income tax rate reduction.

In FY2018-19 and FY 2019-20, the excess revenue is not sufficient to trigger a temporary income tax rate reduction, therefore refunds in excess of the homestead exemption will instead be refunded via a sales tax refund. The FY 2018-19 sales tax refund is estimated to average $40 per taxpayer and will be paid in FY 2019-20, while the FY 2019-20 sales tax refund obligation is estimated to average $69 per taxpayer in FY 2020-21.

In FY 2020-21, required refunds will again exceed homestead exemption refund expenditures by an amount sufficient to fund the temporary income tax rate reduction. FY 2021-22 income tax payments will be reduced by an estimated $45 for taxpayers filing single returns and $159 for taxpayers filing joint returns, on average. The remaining $157.1 million of the FY 2020-21 refund will be disbursed via a sales tax refund in FY 2021-22 and will average $43 per taxpayer, in addition to the income tax rate reduction. The total average refund per taxpayer is shown in the table below according to the fiscal year the refund will be paid.

Average Refund Paid	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Single Filers	$0	$40	$69	$89
Joint Filers	$0	$79	$139	$246

Reference Tables

Table 1: Colorado Economic Variables – History and Forecast

Line No.		Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	June 2019 Forecast 2019	June 2019 Forecast 2020	June 2019 Forecast 2021
	Income									
1	Personal Income (Billions) /A	$249.0	$271.1	$284.1	$289.6	$306.4	$323.8	$340.3	$357.0	$374.1
2	Change	5.2%	8.9%	4.8%	1.9%	5.8%	5.7%	5.1%	4.9%	4.8%
3	Wage and Salary Income (Billions) /A	$129.5	$138.6	$146.5	$151.0	$160.4	$168.8	$177.6	$186.5	$195.6
4	Change	3.7%	7.0%	5.7%	3.1%	6.2%	5.3%	5.2%	5.0%	4.9%
5	Per-Capita Income ($/person) /A	$47,236	$50,662	$52,116	$52,269	$54,561	$56,846	$58,954	$61,073	$63,111
6	Change	3.7%	7.3%	2.9%	0.3%	4.4%	4.2%	3.7%	3.6%	3.3%
	Population & Employment									
7	Population (Thousands)	5,270.5	5,351.2	5,452.1	5,540.9	5,615.9	5,695.6	5,771.9	5,844.7	5,927.4
8	Change	1.5%	1.5%	1.9%	1.6%	1.4%	1.4%	1.3%	1.3%	1.4%
9	Net Migration (Thousands)	45.3	47.7	69.1	59.6	47.6	53.0	50.0	47.0	56.0
10	Unemployment Rate	6.9%	5.0%	3.8%	3.2%	2.7%	3.3%	3.6%	3.8%	4.0%
11	Total Nonagricultural Employment (Thousands)	2,380.5	2,463.7	2,541.0	2,601.8	2,660.4	2,725.4	2,774.5	2,818.8	2,858.3
12	Change	3.0%	3.5%	3.1%	2.4%	2.3%	2.4%	1.8%	1.6%	1.4%
	Construction Variables									
13	Total Housing Permits Issued (Thousands)	27.5	28.7	31.9	39.0	41.9	45.5	39.7	37.7	38.3
14	Change	18.1%	4.3%	11.1%	22.3%	7.5%	8.5%	-12.7%	-5.0%	1.5%
15	Nonresidential Construction Value (Millions) /B	$3,624.0	$4,350.9	$4,990.8	$5,992.1	$6,174.2	$7,943.3	$6,187.3	$6,286.0	$6,557.7
16	Change	16.4%	20.1%	14.7%	20.1%	3.0%	28.7%	-22.1%	1.6%	4.3%
	Prices & Sales Variables									
17	West Texas Intermediate (WTI) Crude Oil Spot Price ($/barrel) /C	$97.94	$93.26	$48.69	$43.14	$50.88	$64.94	$56.76	$57.61	$58.92
18	Change	4.0%	-4.8%	-47.8%	-11.4%	17.9%	27.6%	-12.6%	1.5%	2.3%
19	Denver-Aurora-Lakewood Consumer Price Index (1982-84=100) /D	230.8	237.2	240.0	246.6	255.0	262.0	267.2	273.1	279.1
20	Change	2.8%	2.8%	1.2%	2.8%	3.4%	2.7%	2.0%	2.2%	2.2%

/A Personal Income as reported by the federal Bureau of Economic Analysis includes: wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory and capital consumption adjustments, rental income of persons with capital consumption adjustments, personal dividend income, personal interest income, and personal current transfer receipts, less contributions from government social insurance.

/B Nonresidential Construction Value is reported by Dodge Analytics (McGraw-Hill Construction) and includes new construction, additions, and major remodeling projects predominately at commercial and manufacturing facilities, educational institutions, and medical and government buildings. Nonresidential does not include non-building projects (such as streets, highways, bridges and utilities).

/C The West Texas Intermediate crude oil price series replaces the Retail Trade series, which has been removed due to a lack of data.

/D In 2018 the geography and data frequency of this series were revised. 2017 and prior years represent Denver-Boulder-Greeley regional prices.

Table 2: National Economic Variables – History and Forecast

Line No.		Actual						June 2019 Forecast		
		2013	2014	2015	2016	2017	2018	2019	2020	2021
	Inflation-Adjusted & Current Dollar Income Accounts									
1	Inflation-Adjusted Gross Domestic Product (Billions) /A	$16,495.4	$16,899.8	$17,386.7	$17,659.2	$18,050.7	$18,566.4	$19,021.3	$19,363.7	$19,712.2
2	Change	1.8%	2.5%	2.9%	1.6%	2.2%	2.9%	2.5%	1.8%	1.8%
3	Personal Income (Billions) /B	$14,181.1	$14,991.8	$15,719.5	$16,125.1	$16,830.9	$17,582.4	$18,356.0	$19,090.3	$19,815.7
4	Change	1.2%	5.7%	4.9%	2.6%	4.4%	4.5%	4.4%	4.0%	3.8%
5	Per-Capita Income ($/person)	$44,869	$47,087	$49,010	$49,912	$51,764	$53,741	$55,705	$57,519	$59,284
6	Change	0.6%	4.9%	4.1%	1.8%	3.7%	3.8%	3.7%	3.3%	3.1%
7	Wage and Salary Income (Billions) /B	$7,113.2	$7,473.2	$7,854.4	$8,080.7	$8,453.8	$8,835.0	$9,276.1	$9,684.2	$10,052.2
8	Change	2.7%	5.1%	5.1%	2.9%	4.6%	4.5%	5.0%	4.4%	3.8%
	Population & Employment									
9	Population (Millions)	316.1	318.4	320.7	323.1	325.1	327.2	329.5	331.9	334.3
10	Change	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	0.7%	0.7%	0.7%
11	Unemployment Rate	7.4%	6.2%	5.3%	4.9%	4.4%	3.9%	3.7%	3.8%	4.0%
12	Total Nonagricultural Employment (Millions)	136.4	139.0	141.8	144.4	146.6	149.1	151.3	152.9	154.3
13	Change	1.6%	1.9%	2.1%	1.8%	1.6%	1.7%	1.5%	1.1%	0.9%
	Price Variables									
14	Consumer Price Index (1982-84=100)	233.0	236.7	237.0	240.0	245.1	251.1	256.0	261.3	266.8
15	Change	1.5%	1.6%	0.1%	1.3%	2.1%	2.4%	2.0%	2.1%	2.1%
16	Producer Price Index - All Commodities (1982=100)	203.4	205.3	190.4	185.4	193.5	201.9	204.7	208.8	212.2
17	Change	0.6%	0.9%	-7.3%	-2.6%	4.4%	4.3%	1.4%	2.0%	1.6%
	Other Key Indicators									
18	Pre-Tax Corporate Profits (Billions)	$2,010.7	$2,118.8	$2,057.3	$2,035.0	$2,099.3	$2,262.8	$2,394.0	$2,470.6	$2,613.9
19	Change	0.7%	5.4%	-2.9%	-1.1%	3.2%	7.8%	5.8%	3.2%	5.8%
20	Housing Permits (Millions)	0.991	1.052	1.183	1.207	1.282	1.318	1.339	1.358	1.371
21	Change	19.4%	6.2%	12.4%	2.0%	6.2%	2.8%	1.6%	1.4%	1.0%
22	Retail Trade (Billions)	$5,001.8	$5,215.7	$5,349.5	$5,514.9	$5,750.4	$6,031.9	$6,211.5	$6,408.9	$6,609.6
23	Change	3.6%	4.3%	2.6%	3.1%	4.3%	4.9%	3.0%	3.2%	3.1%

/A U.S. Bureau of Economic Analysis, National Income and Product Accounts. Inflation-adjusted, in 2009 dollars.

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

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

Line No.	Category	Actual FY 2017-18	% Chg	June 2019 Estimate by Fiscal Year FY 2018-19	% Chg	FY 2019-20	% Chg	FY 2020-21	% Chg
	Excise Taxes:								
1	Sales	$3,094.2	9.5%	$3,239.3	4.7%	$3,493.5	7.8%	$3,665.0	4.9%
2	Use	$309.9	19.4%	$343.4	10.8%	$353.6	3.0%	$368.8	4.3%
3	Cigarette	$34.6	-5.5%	$33.1	-4.1%	$31.8	-4.2%	$30.8	-3.1%
4	Tobacco Products	$16.4	-22.7%	$22.4	36.4%	$22.9	2.6%	$23.2	1.3%
5	Liquor	$46.5	3.3%	$47.6	2.3%	$48.3	1.6%	$47.6	-1.5%
6	**Total Excise**	**$3,501.6**	**9.8%**	**$3,685.8**	**5.3%**	**$3,950.2**	**7.2%**	**$4,135.4**	**4.7%**
	Income Taxes:								
7	Net Individual Income	$7,577.2	12.1%	$8,205.5	8.3%	$8,582.3	4.6%	$8,939.9	4.2%
8	Net Corporate Income	$781.9	53.5%	$964.0	23.3%	$936.4	-2.9%	$1,001.5	7.0%
9	**Total Income**	**$8,359.1**	**15.0%**	**$9,169.4**	**9.7%**	**$9,518.8**	**3.8%**	**$9,941.5**	**4.4%**
10	*Less: State Education Fund Diversion*	*$617.0*	*14.3%*	*$678.5*	*10.0%*	*$703.2*	*3.6%*	*$745.6*	*6.0%*
11	**Total Income to General Fund**	**$7,742.1**	**15.0%**	**$8,490.9**	**9.7%**	**$8,815.6**	**3.8%**	**$9,195.8**	**4.3%**
	Other Revenue:								
12	Insurance	$303.6	4.5%	$315.6	3.9%	$327.3	3.7%	$338.9	3.6%
13	Interest Income	$19.5	32.4%	$14.2	-27.2%	$15.1	5.9%	$15.7	4.5%
14	Pari-Mutuel	$0.5	-10.7%	$0.5	-2.0%	$0.5	-2.0%	$0.5	-2.0%
15	Court Receipts	$4.4	7.6%	$4.5	2.3%	$4.6	2.2%	$4.6	0.0%
16	Other Income	$152.2	221.8%	$42.2	-72.3%	$24.6	-41.7%	$25.8	5.1%
17	**Total Other**	**$480.2**	**34.4%**	**$377.0**	**-21.5%**	**$372.0**	**-1.3%**	**$385.6**	**3.6%**
18	**GROSS GENERAL FUND**	**$11,723.9**	**14.1%**	**$12,553.6**	**7.1%**	**$13,137.8**	**4.7%**	**$13,716.8**	**4.4%**

/A Dollars in millions.

Table 4: General Fund Overview /A

Line No.		Actual FY 2017-18	June 2019 Estimate by Fiscal Year FY 2018-19	FY 2019-20	FY 2020-21
Revenue					
1	**Beginning Reserve**	**$614.5**	**$1,344.8**	**$1,252.7**	**$1,145.2**
2	**Gross General Fund Revenue**	**$11,723.9**	**$12,553.6**	**$13,137.8**	**$13,716.8**
3	*Transfers to the General Fund*	$98.6	$16.2	$70.3	$18.2
4	**TOTAL GENERAL FUND AVAILABLE**	**$12,436.9**	**$13,914.6**	**$14,460.8**	**$14,880.1**
Expenditures					
5	**Appropriation Subject to Limit**	**$10,430.9**	**$11,230.5**	**$12,004.9**	**$12,809.7**
6	*Dollar Change (from prior year)*	$646.4	$799.6	$774.4	$804.8
7	*Percent Change (from prior year)*	6.6%	7.7%	6.9%	6.7%
8	**Spending Outside Limit**	**$784.5**	**$1,431.4**	**$1,310.7**	**$1,141.7**
9	*TABOR Refund under Art. X, Section 20, (7) (d)*	$39.8	$295.6	$412.2	$623.0
10	*Homestead Exemption (Net of TABOR Refund)*	$132.3	$106.4	$0.0	$0.0
11	*Other Rebates and Expenditures*	$158.5	$142.5	$145.2	$150.8
12	*Transfers for Capital Construction*	$112.1	$180.5	$225.7	$89.4
13	*Transfers for Transportation*	$79.0	$495.0	$300.0	$50.0
14	*Transfers to State Education Fund*	$25.3	$25.0	$40.3	$0.0
15	*Transfers to Other Funds*	$208.6	$186.3	$187.3	$228.4
16	*Other Expenditures Exempt from General Fund Appropriations Limit*	$29.0	$0.0	$0.0	$0.0
17	**TOTAL GENERAL FUND OBLIGATIONS**	**$11,215.5**	**$12,661.9**	**$13,315.6**	**$13,951.4**
18	*Percent Change (from prior year)*	7.6%	12.9%	5.2%	4.8%
19	Reversions and Accounting Adjustments	-$123.3	$0.0	$0.0	$0.0
Reserves					
20	**Year-End General Fund Balance**	**$1,344.8**	**$1,252.7**	**$1,145.2**	**$928.7**
21	*Year-End General Fund as a % of Appropriations*	12.9%	11.2%	9.5%	7.3%
22	*General Fund Statutory Reserve*	$674.9	$814.2	$870.4	$928.7
23	*Above/Below Statutory Reserve*	$669.9	$438.5	$274.8	$0.0

/A FY 2020-21 expenditures will be adopted in future budget legislation. Therefore, the expenditures and fund balance projections shown are illustrative only. Dollars in millions.

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

Line No.		Actual FY 2017-18	June 2019 Estimate by Fiscal Year FY 2018-19	FY 2019-20	FY 2020-21
Revenue					
1	**Beginning Reserves**	**$716.6**	**$1,553.4**	**$1,412.3**	**$1,340.9**
2	*State Education Fund*	$102.2	$208.7	$159.6	$195.7
3	*General Fund*	$614.5	$1,344.8	$1,252.7	$1,145.2
4	**Gross State Education Fund Revenue**	**$645.2**	**$710.6**	**$750.9**	**$753.1**
5	**Gross General Fund Revenue /B**	**$11,822.5**	**$12,569.9**	**$13,208.1**	**$13,735.0**
6	**TOTAL FUNDS AVAILABLE FOR EXPENDITURE**	**$13,184.3**	**$14,833.9**	**$15,371.3**	**$15,828.9**
Expenditures					
7	General Fund Expenditures /C	$11,215.5	$12,661.9	$13,315.6	$13,951.4
8	State Education Fund Expenditures	$540.7	$759.7	$714.8	$752.6
9	**TOTAL OBLIGATIONS**	**$11,756.2**	**$13,421.6**	**$14,030.4**	**$14,704.0**
10	*Percent Change (from prior year)*	5.0%	14.2%	4.5%	4.8%
11	*Reversions and Accounting Adjustments*	-$125.3	$0.0	$0.0	$0.0
Reserves					
12	**Year-End Balance**	**$1,553.4**	**$1,412.3**	**$1,340.9**	**$1,124.9**
13	State Education Fund	$208.7	$159.6	$195.7	$196.2
14	General Fund	$1,344.8	$1,252.7	$1,145.2	$928.7
15	*General Fund Above/Below Statutory Reserve*	$669.9	$438.5	$274.8	$0.0

/A FY 2020-21 expenditures will be adopted in future budget legislation. Therefore, the expenditures and fund balance projections shown are illustrative only. Dollars in millions.
/B This amount includes transfers to the General Fund.
/C General Fund expenditures include appropriations subject to the limit of 5.0% of Colorado personal income as well as all spending outside the limit.

Table 6: Cash Fund Revenue Subject to TABOR

Category	Actual	June 2019 Estimate by Fiscal Year		
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Transportation-Related /A	**$1,275.4**	**$1,288.4**	**$1,325.4**	**$1,360.2**
Change	4.4%	1.0%	2.9%	2.6%
Limited Gaming Fund /B	**$106.8**	**$105.4**	**$107.7**	**$110.2**
Change	3.0%	-1.4%	2.2%	2.3%
Capital Construction - Interest	**$4.7**	**$6.2**	**$5.7**	**$5.2**
Change	-0.5%	33.5%	-8.0%	-8.7%
Regulatory Agencies	**$80.5**	**$82.5**	**$87.1**	**$89.0**
Change	6.5%	2.5%	5.6%	2.2%
Insurance-Related	**$17.8**	**$18.8**	**$24.9**	**$23.9**
Change	72.5%	5.5%	32.4%	-4.0%
Severance Tax	**$143.0**	**$241.8**	**$101.5**	**$202.6**
Change	634.3%	69.0%	-58.0%	99.6%
Other Miscellaneous Cash Funds	**$676.1**	**$699.7**	**$743.2**	**$781.1**
Change	4.6%	3.5%	6.2%	5.1%
TOTAL CASH FUND REVENUE	***$2,304.2***	***$2,442.8***	***$2,395.5***	***$2,572.3***
Change	-15.8%	6.0%	-1.9%	7.4%

/A Includes revenue from Senate Bill 09-108 (FASTER) which began in FY 2009-10. Roughly 40% of FASTER-related revenue is directed to State Enterprises. Revenue to State Enterprises is exempt from TABOR and is thus not included in the figures reflected by this table. Dollars in millions.

/B Excludes tax revenue from extended gaming as allowed by Amendment 50 to the Colorado Constitution as this revenue is exempt from TABOR. The portion of limited gaming revenue that is exempt is projected based on the formula outlined in House Bill 09-1272.

Table 7: TABOR and the Referendum C Revenue Limit

Line No.		Actual FY 2017-18	June 2019 Estimate by Fiscal Year FY 2018-19	FY 2019-20	FY 2020-21
	TABOR Revenues:				
1	General Fund /A	$11,416.6	$12,212.9	$12,965.5	$13,507.8
	Percent Change from Prior Year	12.4%	7.0%	6.2%	4.2%
2	Cash Funds /A	$2,304.2	$2,442.8	$2,395.5	$2,572.3
	Percent Change from Prior Year	-15.8%	6.0%	-1.9%	7.4%
3	**Total TABOR Revenues**	**$13,720.9**	**$14,655.7**	**$15,361.0**	**$16,080.1**
	Percent Change from Prior Year	6.4%	6.8%	4.8%	4.7%
	Revenue Limit Calculation:				
4	Previous calendar year population growth	1.7%	1.4%	1.4%	1.3%
5	Previous calendar year inflation	2.8%	3.4%	2.7%	2.0%
6	**Allowable TABOR Growth Rate**	4.5%	4.8%	4.1%	3.4%
7	TABOR Limit /B	$11,220.7	$11,759.3	$12,241.5	$12,657.7
8	General Fund Exempt Revenue Under Ref. C /C	$2,481.6	$2,600.7	$2,707.4	$2,799.4
9	**Revenue Cap Under Ref. C /B, /D**	**$13,702.4**	**$14,360.1**	**$14,948.8**	**$15,457.1**
10	***Amount Above/Below Cap***	**$18.5**	**$295.6**	**$412.2**	**$623.0**
11	***Revenue to be Refunded including Adjustments from Prior Years /E***	**$39.8**	**$295.6**	**$412.2**	**$623.0**
12	TABOR Reserve Requirement	$411.1	$430.8	$448.5	$463.7

/A Amounts differ from the revenue totals reported in Table 3 and Table 6 due to accounting adjustments and because some General Fund revenue is exempt from TABOR. A preliminary estimate for a $150M settlement expected in FY 2018-19 is recorded as exempt pending final determination. Dollars in millions.

/B The TABOR limit and Referendum C cap are adjusted to account for changes in the enterprise status of various state entities.

/C Under Referendum C, a "General Fund Exempt Account" is created in the General Fund. The account consists of money collected in excess of the TABOR limit in accordance with voter-approval of Referendum C.

/D The revenue limit is calculated by applying the "Allowable TABOR Growth Rate" to either "Total TABOR Revenue" or the "Revenue Cap under Ref. C," whichever is smaller. Beginning in FY 2010-11, the revenue limit is based on the highest revenue total from FY 2005-06 to 2009-10 plus the "Allowable TABOR Growth Rate." FY 2007-08 was the highest revenue year during the Referendum C timeout period. SB 17-267 reduced the Referendum C cap by $200 million in FY 2017-18. The lower cap then grows by inflation and population growth in subsequent years.

/E These adjustments are the result of: (a) changes that were made to State accounting records for years in which TABOR refunds occurred that resulted in changes in required refunds to taxpayers, and (b) the refund to taxpayers in previous years was different than the actual amount required. Such adjustments are held by the State until a future year in which a TABOR refund occurs when they adjust the total refund amount distributed to taxpayers.

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APPENDIX C

STATE OF COLORADO COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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APPENDIX D

CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information was prepared and provided by Development Research Partners, Inc. to give prospective investors general information concerning selected economic and demographic conditions existing in Colorado as of the dates indicated. See also "INTRODUCTION – State Economic and Demographic Information." The statistics have been obtained from the referenced sources and represent the most current information available as of May 2019 from the sources indicated; however, since certain information is released with a significant time lag, the information in some cases will not be indicative of existing or future economic and demographic conditions. Further, the reported data has not been adjusted to reflect economic trends, notably inflation. Finally, other economic and demographic information concerning the State not presented herein may be available, and prospective investors may want to review such information prior to making their investment decision. *The following information is not to be relied upon as a representation or guarantee of the State or any officer or employee of or advisor to the State*. See also "APPENDIX A – THE STATE GENERAL FUND – Revenue Estimation; OSPB Revenue and Economic Forecasts" and "APPENDIX B – OSPB JUNE 2019 REVENUE FORECAST."

Overview

Colorado, the most populous state in the Rocky Mountain region, has three distinct geographic and economic areas. The eastern half of the State consists of the eastern plains, which are flat, open and largely devoted to agriculture. The Front Range lies along the eastern base of the Rocky Mountains and contains most of the State's metropolitan areas. The western half of the State – which includes the Rocky Mountains and the Western Slope – includes many acres of national park and forest land and significant reserves of minerals, natural gas and other resources.

The State's population and wealth are concentrated in the Front Range, principally in four major metropolitan areas: Denver/Boulder, Colorado Springs, Fort Collins/Greeley and Pueblo. Denver, the State's capital, is the economic center of the State and the Rocky Mountain region. About 56% of the State's population and 62% of its jobs are located in the Denver/Boulder metropolitan area, which is a hub for transportation, communication, financial activities and professional and business services. The aerospace, bioscience and energy industries are also key contributors to economic growth in the Denver/Boulder metropolitan area and the State as a whole.

The State's economic performance depends heavily on economic performance at the national level. See also "APPENDIX A – THE STATE GENERAL FUND – OSPB Revenue and Economic Forecasts" and "APPENDIX B – OSPB JUNE 2019 REVENUE FORECAST."

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Population and Age Distribution

The following table provides population figures for Colorado and the United States for the past 10 years.

Population Estimates (as of July 1)

	Colorado		United States	
	Population (millions)	% Change	Population (millions)	% Change
2008	4.9	1.7%	304.0	0.9%
2009	5.0	1.5%	306.7	0.9%
2010	5.1	1.5%	309.3	0.9%
2011	5.1	1.4%	311.6	0.7%
2012	5.2	1.4%	313.9	0.7%
2013	5.3	1.5%	316.1	0.7%
2014	5.3	1.5%	318.4	0.7%
2015	5.4	1.9%	320.7	0.7%
2016	5.5	1.6%	323.1	0.7%
2017	5.6	1.4%	325.1	0.6%
2018	5.7	1.4%	327.2	0.6%

Note: Figures for 2008 through 2017 are estimates. The U.S. 2018 count is an estimate, and the 2016 count for Colorado is a forecast.

Sources: Colorado Division of Local Government, State Demography Office; U.S. Census Bureau, Population Estimates Program.

The following table provides the age distribution for the most recent year available for the State's population and the population nationwide.

Age Distribution, July 1

	Colorado, 2018		United States, 2017	
	Population (millions)	% of total	Population (millions)	% of total
Under 18	1.27	22.2%	73.66	22.6%
18 to 24	0.55	9.8%	30.62	9.4%
25 to 44	1.63	28.6%	86.22	26.5%
45 to 64	1.43	25.2%	84.37	25.9%
65+	0.81	14.2%	50.86	15.6%
Total	5.69	100.0%	325.72	100.0%
Median Age	37.4		39.4	

Note: Totals may not add due to rounding. The U.S. 2017 count is an estimate, and the Colorado 2018 count is a forecast.

Sources: Colorado Division of Local Government, State Demography Office; U.S. Census Bureau, Population Estimates Program.

Income

The following table provides annual per capita personal income figures for Colorado, the Rocky Mountain Region, and the United States.

Per Capita Personal Income in Current Dollars[1]

	Colorado		Rocky Mountain Region[2]		United States	
	Income	% Change	Income	% Change	Income	% Change
2013	$47,236		$42,669		$44,851	
2014	$50,662	7.3%	$45,268	6.1%	$47,060	4.9%
2015	$52,116	2.9%	$47,000	3.8%	$48,985	4.1%
2016	$52,269	0.3%	$47,451	1.0%	$49,883	1.8%
2017	$54,561	4.4%	$49,207	3.7%	$51,731	3.7%
2018	$56,846	4.2%	$51,226	4.1%	$53,712	3.8%

[1] Per capita personal income is total personal income divided by the July 1 population estimate.

[2] The Rocky Mountain Region includes Colorado, Idaho, Montana, Utah, and Wyoming.

Source: U.S. Bureau of Economic Analysis

Employment

The following table provides labor force, total employment, and unemployment statistics for the State.

Civilian Labor Force, Total Employment, and Unemployment Rates, Not Seasonally Adjusted

	Colorado Civilian Labor Force (thousands)	% Change	Colorado Total Employment (thousands)[1]	% Change	Annual Average Unemployment Rate: Colorado	Annual Average Unemployment Rate: United States
2014	2,802.5		2,662.4		5.0%	6.2%
2015	2,828.9	0.9%	2,719.5	2.1%	3.9%	5.3%
2016	2,896.8	2.4%	2,803.4	3.1%	3.2%	4.9%
2017	2,992.4	3.3%	2,911.1	3.8%	2.7%	4.4%
2018	3,096.4	3.5%	2,994.8	2.9%	3.3%	3.9%
Year-to-date averages through March:						
2018	3,045.7		2,949.1		3.2%	4.3%
2019	3,125.1	2.6%	3,013.0	2.2%	3.6%	4.1%

[1] Includes the self-employed, unpaid family workers, and other groups not included in statistics that show employment by industry.

Sources: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics; Labor Force Statistics from the Current Population Survey.

The following table shows Colorado employment by industry for the past five years. Industry designations are based on the North American Industrial Classification System. Employment includes only those workers covered by unemployment insurance; most workers in the state are covered.

Average Annual Number of Employees by Industry

Industry	2014	2015	2016	2017	2018	Most Recent Quarter: 2018Q3	Most Recent Quarter: 2018Q4	Most Recent Quarter: % Change
Private Sector								
Agriculture, Forestry, Fishing, and Hunting	14,935	15,624	16,469	17,598	18,131	19,541	17,734	-9.2%
Mining	33,847	30,565	23,573	25,578	28,200	28,497	28,746	0.9%
Utilities	8,140	8,202	8,239	8,079	8,030	8,045	8,039	-0.1%
Construction	142,140	148,638	155,139	163,452	173,063	177,957	175,819	-1.2%
Manufacturing	136,216	140,831	142,381	144,064	147,270	148,068	148,218	0.1%
Wholesale Trade	99,825	103,253	104,882	106,726	108,257	108,908	109,218	0.3%
Retail Trade	254,942	263,104	269,032	270,783	272,644	273,048	277,953	1.8%
Transportation and Warehousing	65,180	67,287	68,327	72,554	77,469	77,023	82,031	6.5%
Information	70,001	70,599	71,730	71,643	74,992	75,225	75,371	0.2%
Finance and Insurance	103,623	106,344	108,970	111,293	112,624	112,926	112,990	0.1%
Real Estate and Rental and Leasing	44,497	46,944	48,707	50,566	52,152	52,618	52,772	0.3%
Professional and Technical Services	196,684	204,586	210,093	215,783	224,620	225,808	229,479	1.6%
Management of Companies and Enterprises	35,406	36,488	36,833	39,018	40,839	41,274	41,625	0.9%
Administrative and Waste Services	154,121	157,385	158,535	158,041	158,512	164,554	159,162	-3.3%
Educational Services	32,965	33,847	34,992	35,375	36,694	36,025	37,360	3.7%
Health Care and Social Assistance	261,428	275,183	287,168	291,299	298,559	298,537	301,122	0.9%
Arts, Entertainment, and Recreation	48,978	50,707	52,625	55,407	56,848	57,862	54,654	-5.5%
Accommodation and Food Services	251,052	261,704	270,673	277,613	282,491	290,636	280,111	-3.6%
Other Services	72,443	75,157	78,231	82,201	82,029	83,437	82,572	-1.0%
Unclassified	2,783	1,478	759	180	1,886	2,154	3,697	71.6%
Government	388,566	396,853	405,690	412,002	418,297	413,959	422,772	2.1%
Total*	**2,417,769**	**2,494,777**	**2,553,045**	**2,609,255**	**2,673,605**	**2,696,101**	**2,701,446**	**0.2%**

* Industry employment levels may not add to total due to rounding.

Source: Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages.

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The following table shows the largest private sector employers in Colorado based on the most current information available as of May 2019. No independent investigation has been made, and no representation is made herein as to the financial condition of the employers listed below or the likelihood that these employers will maintain their status as major employers in the state. Employment counts for these businesses may have changed since this table was compiled, and other large employers may exist in the State that are not included in the table.

Estimated Largest Private Sector Employers in Colorado

Employer	Type of Business	Estimated Employees[1]
Wal-Mart	General Merchandise	27,200
UCHealth	Healthcare, Research	23,500
The Kroger Co. (King Soopers/City Market)	Supermarkets	22,500
Centura Health	Healthcare	13,000
HealthONE Corporation	Healthcare	11,900
Lockheed Martin Corporation	Aerospace & Defense Related Systems	8,900
SCL Health System	Healthcare	8,700
Comcast	Telecommunications	8,600
Home Depot	Building Materials Retailer	8,400
CenturyLink	Telecommunications	7,800
Target Corporation	General Merchandise	7,600
Safeway Inc.	Supermarkets	7,300
Children's Hospital Colorado	Healthcare	7,200
Kaiser Permanente	Health Maintenance Organization	7,100
Amazon	Warehousing & Distribution Services	6,700
Vail Resorts	Leisure & Hospitality	6,600
United Airlines	Airline	6,100
United Parcel Service	Delivery Services	5,400
Wells Fargo	Banking/Financial Services	5,400
Banner Health	Healthcare	5,100
Oracle	Software & Network Computer Systems	4,600
JBS Swift & Company	Beef Processing/Corporate Office	4,600
FedEx Corp.	Transportation, E-commerce	4,500
Charles Schwab	Financial Services	4,400
Lowe's Companies, Inc.	Building Materials Retailer	4,300

[1] Includes both full-time and part-time employees.

[2] Some workers are also included in the employment count for the University of Colorado System (next table).

Source: Compiled by Development Research Partners from various sources, May 2019.

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The following table shows the largest public sector employers in Colorado based on the most current information available as of May 2019.

Estimated Largest Public Sector Employers in Colorado

Employer	Estimated Employees[1]
State of Colorado	55,500
Federal Government (except USPS)	42,500
University of Colorado System	23,000
Denver Public Schools	15,600
City & County of Denver	12,400
Jefferson County Public Schools	11,400
U.S. Postal Service	10,300
Douglas County School District RE-1	8,500
Cherry Creek School District 5	7,700
Colorado State University	7,600
Denver Health	7,200
Aurora Public Schools	6,000
Adams 12 Five Star Schools	4,800
Boulder Valley School District RE-2	4,300
Poudre School District R-1	4,100
St. Vrain Valley School District RE-1J	4,000
City of Aurora	4,000
Colorado Springs School District 11	3,900
Academy Schools District 20	3,600
Jefferson County	3,400
Mesa County Valley School District 51	2,900
Regional Transportation District (RTD)	2,900
El Paso County	2,800
Greeley-Evans School District 6	2,600
Arapahoe County	2,600

[1] Includes both full-time and part-time employees.

[2] Some workers are also included in the employment count for UCHealth (previous table).

Source: Compiled by Development Research Partners from various sources, May 2019.

Retail Sales

The following table provides recent annual sales figures as reported for state sales tax purposes.

Colorado Sales and Use Tax Net Collections
Fiscal Years 2014 to 2018

	Sales Tax		Consumer Use Tax		Retailer Use Tax	
	Amount (thousands)	% Change	Amount (thousands)	% Change	Amount (thousands)	% Change
2014	$2,371,992	8.4%	$116,268	5.5%	$125,209	4.9%
2015	$2,561,913	8.0%	$123,175	5.9%	$132,685	6.0%
2016	$2,596,355	1.3%	$111,227	-9.7%	$132,591	-0.1%
2017	$2,719,778	4.8%	$109,037	-2.0%	$149,567	12.8%
2018	$2,906,717	6.9%	$121,158	11.1%	$184,034	23.0%

Source: Colorado Department of Revenue.

The following table provides retail sales totals by industry for the State for the most recent five years and year-to-date available. Retail sales data is only available through February 2016 as the

Colorado Department of Revenue is currently experiencing a system problem that prevents the Retail Sales Reports from being produced.

Colorado Retail Sales by Industry (millions) and Percentage Change from Prior Year

Industry	2011	% Change	2012	% Change	2013	% Change	2014	% Change	2015	% Change	Year-to-date totals through February 2015	Year-to-date totals through February 2016	% Change
Agriculture/Forestry/Fishing	411.7	22.4%	406.2	-1.3%	387.0	-4.7%	440.5	13.8%	500.6	13.6%	27.7	25.5	-8.0%
Mining	3,111.7	22.9%	3,815.6	22.6%	4,611.8	20.9%	5,573.0	20.8%	3,743.4	-32.8%	709.9	348.8	-50.9%
Utilities	7,353.2	-29.1%	7,332.9	-0.3%	7,635.7	4.1%	7,929.0	3.8%	7,612.1	-4.0%	1,453.1	1,340.5	-7.8%
Construction	2,829.3	2.6%	3,396.0	20.0%	3,531.5	4.0%	4,170.5	18.1%	4,685.8	12.4%	530.4	525.2	-1.0%
Manufacturing	15,909.3	52.6%	18,192.1	14.3%	18,747.5	3.1%	19,782.9	5.5%	15,864.8	-19.8%	2,204.8	1,807.1	-18.0%
Wholesale Trade	13,084.9	5.3%	14,012.4	7.1%	15,041.3	7.3%	15,158.8	0.8%	14,427.2	-4.8%	1,725.4	1,769.3	2.5%
Retail Trade													
Motor Vehicle and Auto Parts	12,986.8	15.0%	14,435.4	11.2%	15,667.7	8.5%	17,449.0	11.4%	18,995.4	8.9%	2,696.1	2,739.5	1.6%
Furniture and Furnishings	2,049.0	7.8%	2,265.5	10.6%	2,461.8	8.7%	2,653.3	7.8%	2,868.8	8.1%	396.6	436.5	10.1%
Electronics and Appliances	2,224.2	5.0%	2,077.8	-6.6%	1,998.6	-3.8%	2,258.5	13.0%	2,387.6	5.7%	323.1	326.8	1.1%
Building Materials/Nurseries	4,515.0	2.9%	4,824.6	6.9%	5,298.3	9.8%	5,926.0	11.8%	6,373.2	7.5%	776.8	824.8	6.2%
Food/Beverage Stores	14,433.2	8.0%	15,298.5	6.0%	15,729.9	2.8%	15,964.5	1.5%	16,619.2	4.1%	2,878.8	2,441.1	-15.2%
Health and Personal Care	2,712.1	7.2%	2,886.9	6.4%	3,166.1	9.7%	3,730.3	17.8%	4,384.1	17.5%	576.8	665.4	15.4%
Gas Stations	5,778.1	23.1%	6,011.1	4.0%	5,869.2	-2.4%	5,702.2	-2.8%	4,815.3	-15.6%	609.0	570.6	-6.3%
Clothing and Accessories	3,337.4	7.0%	3,510.2	5.2%	3,559.2	1.4%	3,735.3	4.9%	3,810.6	2.0%	493.3	491.9	-0.3%
Sporting/Hobby/Books/Music	2,680.6	7.8%	2,674.0	-0.2%	2,767.7	3.5%	2,920.2	5.5%	3,009.1	3.0%	430.0	472.7	9.9%
General Merchandise/Warehous	11,722.3	5.7%	12,185.7	4.0%	12,408.3	1.8%	12,850.3	3.6%	13,073.8	1.7%	1,840.2	1,859.4	1.0%
Misc Store Retailers	2,938.6	20.0%	3,147.8	7.1%	3,752.3	19.2%	4,760.9	26.9%	5,256.5	10.4%	730.3	660.8	-9.5%
Non-Store Retailers	1,550.2	-33.7%	1,456.0	-6.1%	1,584.7	8.8%	1,697.1	7.1%	1,742.1	2.7%	247.9	234.5	-5.4%
Total Retail Trade	**66,927.7**	**5.6%**	**70,773.7**	**5.7%**	**74,263.5**	**4.9%**	**79,647.7**	7.3%	**83,335.5**	4.6%	**11,999.1**	**11,724.0**	**-2.3%**
Transportation/Warehouse	593.1	12.1%	710.2	19.8%	828.4	16.6%	978.3	18.1%	931.3	-4.8%	103.5	119.5	15.4%
Information	6,321.8	-8.2%	6,242.2	-1.3%	5,789.3	-7.3%	5,449.8	-5.9%	5,413.0	-0.7%	806.2	758.7	-5.9%
Finance/Insurance	3,085.9	-3.8%	3,130.7	1.5%	2,493.2	-20.4%	1,689.9	-32.2%	2,668.7	57.9%	166.1	390.6	135.1%
Real Estate/Rental/Lease	3,154.3	8.2%	3,240.7	2.7%	3,561.7	9.9%	4,172.9	17.2%	4,389.0	5.2%	700.1	702.8	0.4%
Professional/Scientific/Technical	6,768.8	3.3%	6,818.2	0.7%	7,474.7	9.6%	6,966.6	-6.8%	6,929.3	-0.5%	784.0	705.7	-10.0%
Admin/Support/Waste/Remediatio	1,882.7	3.3%	1,866.1	-0.9%	2,044.5	9.6%	2,070.8	1.3%	2,245.9	8.5%	234.7	247.9	5.6%
Education	487.1	1.5%	490.8	0.8%	478.1	-2.6%	481.6	0.7%	490.5	1.9%	62.6	60.8	-2.9%
Health Care/Social Assistance	6,222.6	3.7%	6,318.5	1.5%	6,827.2	8.1%	7,240.1	6.0%	6,896.1	-4.8%	1,099.5	902.8	-17.9%
Arts/Entertainment/Recreation	987.2	3.3%	1,036.6	5.0%	1,104.4	6.5%	1,169.9	5.9%	1,337.8	14.4%	184.4	206.2	11.8%
Accommodation	3,014.9	10.9%	3,199.2	6.1%	3,375.6	5.5%	3,747.8	11.0%	4,043.4	7.9%	629.9	653.3	3.7%
Food/Drinking Services	8,876.4	6.5%	9,474.1	6.7%	9,976.8	5.3%	10,858.9	8.8%	11,615.6	7.0%	1,785.0	1,902.3	6.6%
Other Services	3,763.6	5.5%	3,867.8	2.8%	4,359.0	12.7%	4,926.4	13.0%	5,441.9	10.5%	699.6	726.7	3.9%
Government	268.2	2.2%	244.5	-8.8%	252.6	3.3%	254.8	0.8%	273.4	7.3%	38.4	39.6	3.0%
Total All Industries	**155,054.2**	**8.0%**	**164,568.4**	**6.1%**	**172,784.0**	**5.0%**	**182,710.0**	5.7%	**182,845.3**	0.1%	**25,944.3**	**24,957.1**	**-3.8%**

Source: Colorado Department of Revenue

Tourism

The following table provides visitor counts for the State's national parks and major recreation areas, Denver area convention attendance figures, and visitor counts for Colorado ski areas.

Colorado Tourism Statistics

	National Parks Visits[1]		Conventions[2]						Skier Visits[3]	
			Conventions		*Delegates*		*Spending*			
	Number (millions)	% Change	Number	% Change	Number (thousands)	% Change	Amount (millions)	% Change	Number (millions)	% Change
2014	6.03		76		289.3		$576.3		12.60	
2015	7.08	17.3%	73	-3.9%	236.8	-18.1%	$546.6	-5.2%	12.54	-0.5%
2016	7.46	5.4%	66	-9.6%	242.7	2.5%	$543.4	-0.6%	13.39	6.8%
2017	7.61	2.0%	84	27.3%	235.6	-2.9%	$518.6	-4.6%	13.12	-2.0%
2018	7.67	0.9%	67	-20.2%	269.4	14.4%	$560.6	8.1%	12.81	-2.4%

1 Count of recreational visitors for all of the State's National Parks Service territories, which include national parks, monuments, historic sites, and recreation areas.

2 Includes only those conventions booked by VISIT DENVER and held at the Colorado Convention Center.

3 Count of skier visits for the season ending in the referenced year.

Sources: National Parks Service; VISIT DENVER, The Convention and Visitor's Bureau; Colorado Ski Country USA; Vail Resorts, Inc.

Residential Housing Starts

The following table provides a five-year history of the State's residential building permit issuance.

New Privately Owned Housing Units Authorized in Colorado

	1 Unit	2 Units	3 & 4 Units	5+ Units	Total Building Permits	% Change
2014	17,104	532	146	10,916	28,698	4.3%
2015	20,025	334	287	11,225	31,871	11.1%
2016	21,577	556	242	16,599	38,974	22.3%
2017	24,338	344	415	15,576	40,673	4.4%
2018	29,061	452	520	15,448	45,481	11.8%
Year-to-date totals through April:						
2018	10,011	52	131	6,330	16,524	
2019	7,754	136	243	4,339	12,472	
% change	*-22.5%*	*161.5%*	*85.5%*	*-31.5%*	*-24.5%*	

Source: U.S. Census Bureau.

Residential Foreclosures

The following table provides a five-year history of foreclosure filings and sales in Colorado. The foreclosure filing is the event that begins the foreclosure process. In general, a borrower who is at least three months delinquent will receive a filing notice from the Public Trustee for the county in which the property is located. At this point, the property is in foreclosure.

Because a foreclosure filing can be cured or withdrawn before the home is sold at auction, not all filings result in foreclosure sales. Foreclosure sales at auction generally proceed between 110 and 125 days after the initial filing. Once a foreclosure sale is completed, the eviction process begins.

Foreclosure Filings and Sales in Colorado

	Foreclosure Filings[1]	% Change	Foreclosure Sales at Auction	% Change
2014	11,235	-26.7%	6,003	-35.6%
2015	8,241	-26.6%	4,209	-29.9%
2016	7,666	-7.0%	3,128	-25.7%
2017	6,680	-12.9%	2,100	-32.9%
2018	5,884	-11.9%	1,461	-30.4%

[1] Some filings may have been subsequently cured or withdrawn and may not have resulted in sales at auction.

Source: Colorado Division of Housing

* * *

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APPENDIX E

STATE PENSION SYSTEM

The information included in this Appendix is based on information compiled and presented in the Public Employees' Retirement Association ("PERA") Comprehensive Annual Financial Report for the Plan Year ended December 31, 2018 (the "PERA 2018 CAFR"). The PERA 2018 CAFR was prepared by PERA staff employees and the firm of Segal Consulting, PERA's independent actuary, and audited by CliftonLarsonAllen LLP, PERA's independent public accounting firm. The valuations and other assessments of PERA constitute forward looking information as described in the preliminary notices in this Official Statement because they are based on assumptions about future events. The assumptions underlying the valuations and assessments may prove to be inaccurate and may be changed by PERA and its representatives and consultants to reflect actual results and future projections as additional information becomes available. The State takes no responsibility for the accuracy, validity or completeness of such information, valuations and assessments. The PERA 2018 CAFR is not incorporated in this Official Statement by reference or otherwise, and the State makes no representations regarding the accuracy of the information in the PERA 2018 CAFR.

The information in the State's Fiscal Year 2017-18 CAFR regarding PERA is derived from the PERA Comprehensive Annual Financial Report for the Plan Year ended December 31, 2017, while the information in this Official Statement regarding PERA is derived from the PERA 2018 CAFR.

General Description

Overview. The State of Colorado, like most other state and local governments, provides post-employment benefits to its employees based on their work tenure and earnings history. By statute, the State created PERA, which administers cost-sharing, multiple-employer defined benefit plans to provide retirement, death and disability benefits through the State Division Trust Fund (generally for State employees) (the "State Division"), the School Division Trust Fund (for employees of school districts), the Local Government Division Trust Fund (for employees of numerous municipalities and other local governmental entities), the Judicial Division Trust Fund (for judges in the State) and the Denver Public Schools Division (for employees of DPS). The defined benefit plan for the State Division is referred to herein as the "State Division Plan."

As described in more detail under the caption "Funding of the State Division Plan" below, the State Division Plan is funded with payments made by the State and by each employee the amounts of which are determined and established by statute. Benefits provided through the State Division Plan are paid from the State Division Trust Fund. State employees hired after 2005 may, in lieu of participating in the State Division Plan, elect to participate in a defined contribution plan (the "State Division DC Plan") which is also administered by PERA. However, the majority of State employees participate in the State Division Plan. The State has no obligation to make contributions or fund benefits in Divisions other than the State Division and Judicial Division of PERA. See Notes 1 and 8 to the financial statements in the PERA 2018 CAFR for a discussion of the membership in the State Division Plan and the State Division DC Plan, respectively. See also Management's Discussion and Analysis and Notes 6-8 to the financial statements in the State's Fiscal Year 2017-18 CAFR appended to this Official Statement for a description of the State Division Plan and the State Division DC Plan.

Because the majority of State employees participate in the State Division Plan and not in the State Division DC Plan, and the number of judges employed by the State that participate in the Judicial Division is relatively small in comparison to the number of other State employees, the disclosure in "DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS – Pension and Other Post-Employment Benefits" in the body of this Official Statement and in this Appendix relates only to the State Division Plan.

The State does not participate in the federal Old-Age, Survivors and Disability Insurance (Social Security) program.

PERA. PERA is a legal entity created by statute in 1931 that is separate from the State as further described in Article 51 of Title 24, C.R.S. (the "PERA Act"). Management of PERA is vested in a 16-member Board of Trustees (the "PERA Board"). PERA has fiduciary responsibility for several separate divisions, including the State Division, the School Division, the Local Government Division, the Judicial Division and the Denver Public Schools Division. The State represents the majority, but not all, of the State Division employers and employees. Each Division operates as a separate legal trust. PERA also operates two cost-sharing, multiple-employer post-employment benefit plans through the Health Care Trust Fund and the Denver Public Schools Health Care Trust Fund that provide health care premium subsidies to participating PERA benefit recipients who choose to enroll in one of PERA's health care plans. PERA's financial statements, which include all of its Divisions and trusts, may be obtained by writing to PERA at P.O. Box 5800, Denver, Colorado 80217-5800, by calling the PERA Infoline at 1-800-759-7372 or by visiting http://www.copera.org. *The reference to PERA's website is included herein for informational purposes only, and information available on such website or in PERA's financial statements, or any other information provided by PERA, is not incorporated in this Official Statement by reference or otherwise, nor does the State make any representations regarding the accuracy of any such information.*

Basic Provisions of the State Division Plan

Members of the State Division Plan who meet minimum age and service requirements are eligible to receive a monthly retirement benefit based on their employment and earnings history with the State. Calculation of retirement benefits, and eligibility requirements, differ depending on the employee's original hire date. In response to funding challenges, the General Assembly has enacted changes to State Division Plan benefits at various times. Some of such changes have been applied prospectively to newly hired employees. As a result, there are several tiers of employee benefits and related provisions that are based on employee hire dates and other factors. See Notes 6-8 to the financial statements in the State's Fiscal Year 2017-18 CAFR appended to this Official Statement, the PERA 2018 CAFR and the PERA Act for a discussion of eligibility requirements and the various tiers of benefits under the State Division Plan. See also the Statistical Section of the PERA 2018 CAFR for various statistics regarding members, retirees, survivors and benefit payments for the State Division Plan.

Implementation by PERA of GASB 67

In 2012, GASB issued Statement No. 67, "Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25" ("GASB 67"), which establishes new standards for financial reporting and note disclosure by defined benefit pension plans administered through qualified trusts, and note disclosure requirements for defined contribution pension plans administered through qualified trusts. GASB 67 is effective for accounting periods beginning after June 15, 2013, and, accordingly, PERA implemented GASB 67 beginning with its Comprehensive Annual Financial Report for the Plan Year ended December 31, 2014.

The objective of GASB 67 as stated therein is to improve financial reporting by state and local governmental pension plans. The requirements of GASB 67 are intended to improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information. A related statement, GASB Statement No. 68, "Accounting and Financial Reporting for Pensions," applies to governmental employers and was implemented by the State beginning with the State's Fiscal Year 2014-15 CAFR. See "Implementation of Changes in Pension Accounting Standards Applicable to the State – GASB 68" below.

GASB 67 establishes a shift in financial disclosure requirements from a funding-based approach to an accounting-based approach. Implementation of GASB 67 requires the preparation of two actuarial valuations, one for funding purposes and one for accounting and financial disclosure purposes. The purpose of the funding valuation is to guide the PERA Board's actions necessary to ensure the long-term sustainability of PERA's trust funds. The funding valuation aids this action by allowing PERA to assess the sufficiency of the current statutory contribution rates and analyze the sufficiency of future contributions to meet current and future benefit obligations. The actuarial valuation for accounting purposes emphasizes the obligation an employer incurs to employees through the employment-exchange process. The primary purpose of the valuation for accounting purposes is to provide a consistent, standardized methodology that allows comparability of amounts and increased transparency of the pension liability across U.S. pension plans complying with this new reporting standard. To accomplish this, GASB 67 requires a different approach for determining net pension liability as compared to the previously disclosed unfunded actuarial accrued liability[1] ("UAAL"). Net pension liability is to be measured as the total pension liability[2] of the plan less the amount of the plan's fiduciary net position[3].

Another major change in the new standard is the rate used to discount projected benefit payments. The new standard states the long-term expected rate of return on the investments of the plan should be applied only to available plan assets that are expected to be invested using a strategy to achieve that return. If there comes a point in the projections when plan fiduciary net position and contributions related to active and inactive employees are no longer projected to be greater than or equal to projected benefit payments related to those employees and administrative expenses (crossover point), then from that point forward the plan will be required to discount the projected benefit payments after the crossover point using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

GASB 67 also enhances the standards for footnote disclosure and required supplementary information for pension plans, including, among other things, disclosing the plan's net pension liability, ratio of fiduciary net position to total pension liability and actuarial methods and assumptions.

Actuarial Valuations

Many of the measures used to determine and evaluate the financial condition and funding status of the State Division Plan are based on actuarial valuations. An actuarial valuation is the determination, as of the actuarial valuation date, of the service cost, total pension liability and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by GASB. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial valuations for each of PERA's defined benefit plans, including the State Division Plan, are prepared by PERA's actuaries based on a set of actuarial methods and assumptions that by State law are the responsibility of the PERA Board. The valuations for the State Division Plan examine the assets of the Plan compared to actuarial liabilities, compare past and future trends and determine the net pension liability of the Plan. The actuarial valuation for funding purposes applies an asset valuation method that recognizes a four-year smoothed market value of assets for purposes of determining the UAAL, while the actuarial valuation for accounting and financial reporting purposes applies the fair value of assets (determined in conformity with GASB standards) to determine the net pension liability. See the

[1] Unfunded actuarial accrued liability is the difference between the actuarial accrued liability, or "AAL" (being the excess of the present value of a pension fund's total of future benefits (payable to the plan participants) and fund administration expenses over the present value of the future normal cost of those benefits), over the valuation assets of the fund.

[2] Total pension liability is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of plan member service in conformity with the requirements of GASB 67. For purposes of application to the requirements of GASB 67, AAL is the equivalent of total pension liability.

[3] Fiduciary net position equals assets plus deferred outflows of resources and less liabilities and deferred inflows of resources at the end of the plan's reporting period.

Actuarial Section of the PERA 2018 CAFR for a discussion of other actuarial methods and assumptions used in the actuarial valuations of the State Division Plan.

The PERA 2018 CAFR states that the PERA Board studies all economic and demographic actuarial assumptions at least every five years and approves changes to those assumptions. Recently, the PERA Board has reviewed the economic assumptions on a more frequent basis. The PERA Board last completed an experience study in 2016, and the next experience study is planned in 2020.

No assurance can be given that any of the assumptions underlying the actuarial valuations of the State Division Plan will reflect the actual results experienced by the Plan. Variances between the assumptions and actual results may cause an increase or decrease in the actuarial value of Plan assets, the net pension liability of the Plan and other valuation and performance measures determined on the basis of such actuarial valuations.

Funding of the State Division Plan

Statutorily Required Contributions. The State Division Plan is funded with payments made by the State and by each eligible employee as provided in the PERA Act. The State's contributions to the Plan are based on percentages of employee wages and are set by statute. These contribution percentages are referred to herein as the statutorily required contribution, or "SRC," of the State. During 2018, the baseline SRC that was required to be made by the State for most State employees was 10.15% (12.85% for State Troopers and Colorado Bureau of Investigation ("CBI") agents). Effective July 1, 2019, this rate increased for most State employees to 10.4% (13.1% for State Troopers and CBI agents). As required by statute, participants in the State Division Plan are also required to contribute a portion of their wages to the Plan. During 2018, the participant contribution rate was 8.0% of includable compensation (10.0% for State Troopers and CBI agents). This rate is to increase incrementally a total of 2% over a period of three years commencing July 1, 2019, when the rate increased to 8.75% (10.75% for State Troopers and CBI agents). See the PERA 2018 CAFR for additional information, as well as historical SRC and participant contribution rates.

The General Assembly enacted legislation in 2004, 2006 and 2010 to gradually increase employer contributions to the State Division Plan by authorizing the Amortization Equalization Disbursement ("AED") and the Supplemental Amortization Equalization Disbursement ("SAED") in order to shorten the amount of time over which the unfunded liability of the Plan is amortized. Both the AED and the SAED are paid by the State as contributions to the State Division Plan as a percentage of employee wages, but the SAED payment comes from moneys that would otherwise have been used to provide market-based salary increases to employees. The AED and the SAED applicable to the State Division Plan were effective as of January 1, 2006, and January 1, 2008, respectively, and were each initially payable at the rate of 0.5% of total covered payroll with annual increases in the contribution rate through 2017. As of June 30, 2018, the AED and SAED rates applicable to the State Division Plan were each 5.0%, and the total SRC applicable to the State Division Plan (net of 1.02% apportioned to the Health Care Trust Fund per the PERA Act) was 19.13% of employee wages. In addition, SB 18-200, enacted by the General Assembly in 2018, provides for automatic adjustments to employee and employer contribution rates within certain statutory parameters so as to stay within the legislation's 30-year funding goal as discussed in "Funding Status of the State Division Plan" below. Previously, such adjustments required action by the General Assembly. SB 18-200 also provides that effective January 1, 2021, and every year thereafter, employer contribution rates for the State Division Plan are to be adjusted to include a defined contribution supplement. See also Note 6 to the State's Fiscal Year 2017-18 CAFR appended to this Official Statement and both the Management's Discussion and Analysis and Note 4 to the financial statements in the PERA 2018 CAFR.

Changes to the statutorily required contributions to the State Division Plan by the State and its employees, or to other provisions of the Plan, could be made by the General Assembly through future legislative action, which changes could impact the SRC, the funding status and/or the financial condition of the Plan as described herein. The State cannot predict if or when any such legislative changes might be enacted or the impact that any such changes, if enacted, might have on the State Division Plan or the State's funding obligations with respect to the Plan.

The SRC is paid from the State General Fund as well as from certain federal funds and State cash funds and is typically paid from the same funding source as the employee's salary and other benefits. Although the rate of the SRC is set by statute, payment of the SRC nevertheless is subject to annual appropriation through the State budgeting process as described in "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations" in the body of this Official Statement. The State has consistently contributed the full amount of the SRC to the State Division Plan.

Actuarially Determined Contribution. As a result of the shift in financial disclosure requirements under GASB 67 from a funding-based approach to an accounting-based approach, the historical disclosure and use of the annual required contribution[1], or "ARC," as a funding benchmark by PERA was no longer required. Rather, this philosophical shift necessitated the development and use of a plan-specific actuarially determined contribution ("ADC") benchmark against which to gauge the adequacy of the SRC for the State Division Plan. The ADC represents the amount needed to fund benefits over time, and constitutes a target or recommended employer contribution for the reporting period determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted. An ADC deficiency arises when actual employer contributions are less than the ADC, and interest accrues on the ADC deficiency at the plan's expected long-term rate of return. See "*Historical ADC and State Contributions*" below.

Change in PERA Funding Policy. In response to the new GASB 67 standards, the PERA Board adopted a revised pension funding policy in March 2015 (and last revised in November 2018) with regard to its trust funds. The purpose of the revised funding policy, as stated in the PERA 2018 CAFR, is to: (i) define the overall funding benchmarks of PERA's defined benefit pension trust funds; (ii) assess the adequacy of the contribution rates which are set by the General Assembly by comparing these rates to an ADC rate; and (iii) define the annual actuarial metrics that will assist the PERA Board in assessing the sustainability of the plan. The results of these three items are intended to guide the PERA Board when considering whether to pursue or support proposed legislation pertaining to changes in plan contribution and/or benefit provisions. See "*Statutorily Required Contributions*" above.

Historical ADC and State Contributions. The following table sets forth for each of the years 2009-2018 (i) the ADC for the State Division Plan, (ii) the annual contribution deficiency and (iii) the actual contribution as a percentage of covered employee payroll. The State annually contributes the full amount of the SRC to the State Division Plan; however, these amounts have been less than the applicable ARC or ADC. During this period the State has not made any contributions to the State Division Plan in excess of the SRC.

The ADC rates, as a percentage of covered payroll, used to determine the ADC amounts in Table 1 below are calculated as of December 31 two years prior to the end of the year in which the ADC amounts are reported. The following actuarial methods and assumptions from the December 31, 2016, actuarial valuation were used to determine contribution rates reported in the table for the year ended December 31, 2018: (i) the actuarial cost method is based on the entry age of participants; (ii) the Plan's amortization period is based on a level percent of payroll over a 30-year closed period layered 28 years; (iii) for valuation purposes the actuarial value of assets is based on gains and losses smoothed in over a four-year period as permitted by GASB standards; (iv) price inflation is assumed to be 2.40%; (v) real

[1] Prior to 2014, PERA used the ARC as a funding benchmark against which to gauge the adequacy of the SRC for the State Division Plan. The ARC is the actuarially determined amount that would be required if the State were to fund each year's normal cost (*i.e.*, the present value of the benefits that the State Division Plan projects to become payable in the future that are attributable to a valuation year's payroll) in the State Division Plan plus an annual amortization of the UAAL assuming that the UAAL will be fully funded over a maximum 30-year period. The difference between the ARC and the SRC constitutes either a contribution deficiency or excess contributions. For historical information regarding the ARC, see PERA's Comprehensive Annual Financial Report for calendar year 2013.

wage growth is assumed to be 1.10%; (vi) salary increases (including assumed wage inflation of 3.50%) are projected to range from 3.50% to 10.45%; (vii) the long-term investment rate of return (net of pension plan investment expense, including price inflation) is assumed to be 7.25%; and (viii) cost of living adjustments for pre-2007 hires are assumed to be 2.00% per year and cost of living adjustments for post-2006 hires are assumed to be financed by the Annual Increase Reserve described in footnote 2 to the table. Other assumptions include, without limitation, future retiree participation and contribution rates and mortality rates. For further information, see Note 3 to the required supplementary information for the Division trust funds and the Actuarial Section in the PERA 2018 CAFR.

Table 1
Employer Contributions
State Division
(Dollar Amounts in Thousands)

Calendar Year	ADC Rate[1]	Covered Employee Payroll	Annual Increase Reserve Contribution[2]	ADC Contribution[3]	Contributions in Relation to the ADC	Annual Contribution Deficiency	Actual Contribution as a Percentage of Covered Employee Payroll
2018	26.30%	$2,898,827	$15,919	$778,311	$661,653	$116,658	22.82%
2017	22.71	2,774,207	14,355	644,377	563,977	80,400	20.33
2016	22.31	2,710,651	12,838	617,584	521,804	95,780	19.25
2015	22.35	2,641,867	11,400	601,857	484,005	117,852	18.32
2014	20.45	2,564,670	9,984	534,459	444,372	90,087	17.33
2013	20.01	2,474,965	--	495,241	393,218	102,023	15.89
2012	16.52	2,384,934	--	393,991	328,055	65,936	13.76
2011	13.63	2,393,791	--	326,274	277,122	49,152	11.58
2010	18.93	2,392,080	--	452,821	282,640	170,181	11.82
2009	17.91	2,384,137	--	426,999	293,234	133,765	12.30

[1] See the discussion preceding this table regarding the actuarial methods and assumptions used in determining the ADC rates.

[2] The Annual Increase Reserve, or "AIR," was established in 2007 and is used to provide post-retirement benefit increases for members hired on or after January 1, 2007. The AIR is financed by an allocation from employer statutory contributions made on behalf of such members equal to 100% of pensionable payroll and through an allocation of purchase of service dollars. For further information see the PERA 2018 CAFR.

[3] The ADC contribution equals the sum of (i) the ADC rate times the covered employee payroll, plus (ii) the AIR.

Source: PERA 2018 CAFR

The Management's Discussion and Analysis in the PERA 2018 CAFR states that, using the funding policy approved by the PERA Board on March 20, 2015, as amended in January 2018, and the 2017 actuarial funding valuation based on an assumed 7.25% investment rate of return and discount rate, the 2019 ADC for the State Division Fund needed to meet the layered, 30-year closed amortization period will be 23.28%, and using the funding policy approved by the PERA Board on March 20, 2015, as last amended in November 2018, and the 2018 actuarial funding valuation based on an assumed 7.25% investment rate of return and discount rate, the 2020 ADC for the State Division Fund needed to meet the layered, 30-year closed amortization period will be 23.69%.

For historical information regarding employer contributions based on the ARC, see PERA's Comprehensive Annual Financial Report for calendar year 2013 and Note 6 to the State's Fiscal Year 2017-18 CAFR appended to this Official Statement.

Funding Status of the State Division Plan

The State Division Plan currently is significantly underfunded. As discussed in "Funding of the State Division Plan – *Statutorily Required Contributions*" above, the AED and SAED were implemented in 2006 and 2008, respectively, and other changes were made to the Plan design by SB 10-001, all in an effort to improve the funding status of the State Division Plan. However, investment returns on Plan assets declined following the global economic downturn that began in 2008. As a result, the actuarial assumptions as to the investment rate of return on Plan assets and the discount rate on actuarially accrued liabilities were lowered by the PERA Board from 8.50% to 8.00% in 2009, to 7.50% at the end of 2013 and to 7.25% as of

December 31, 2017, and other economic assumptions, including the amortization period, were changed over this period as well, to reflect actual results and new estimates about the future. Notwithstanding these changes, PERA reported that at December 31, 2016, the State Division Plan a UAAL of approximately $11.644 billion and a funded ratio (*i.e.*, the actuarial value of Plan assets divided by the AAL) of only 54.6%, which UAAL would have amortized over a 65-year period based on contribution rates as of the date of calculation.

In order to address the funding status of PERA's defined benefit plans, including the State Division Plan, in 2018 the General Assembly enacted SB 18-200 which made changes to the defined benefit plans administered by PERA with the goal of eliminating the UAAL of such plans, and thereby reach a 100% funded ratio for each of such plans, within a 30-year period. Among other things, SB 18-200 phases-in a 2% increase in contribution rates for most employees, suspended the cost of living adjustment for retirees through 2019, changes the definition of salary and highest average salary, reduces maximum annual cost of living adjustments, adjusts employee and employer contribution rates, funds unfunded PERA liability from political subdivisions that terminate their affiliation with PERA and provides for a direct annual allocation to PERA from the State General Fund of $225 million (actual dollars) beginning with Fiscal Year 2018-19. SB 18-200 also provides for automatic adjustments to employee and employer contribution rates, annual cost of living increases and the State's annual direct contribution to PERA within certain statutory parameters so as to stay within the 30-year funding goal. Previously, such adjustments required action by the General Assembly. For further information regarding SB 18-200, see Note 6 to the State's 2017-18 CAFR appended to this Official Statement and the PERA 2018 CAFR.

The PERA 2018 CAFR reports that, at December 31, 2018, the actuarial value of assets of the State Division Plan was approximately $14.304 billion and the AAL of the Plan was approximately $25.509 billion, resulting in a UAAL of approximately $11.206 billion, a funded ratio of 56.1% and an amortization period of 35 years[1]. The actuarial value of assets of the State Division Plan is determined by using an asset valuation method of smoothing the difference between the market value of assets and the actuarial value of assets over a four-year period to prevent extreme fluctuations that may result from short-term or cyclical economic and market conditions. Based on the market value of assets of the State Division Plan, the PERA 2018 CAFR reports that at December 31, 2018, the UAAL of the Plan was approximately $11.672 billion and the funded ratio was 54.2%.

For further information, see Management's Discussion and Analysis in the State's Fiscal Year 2017-18 CAFR appended to this Official Statement, as well as Management's Discussion and Analysis, Notes 10 and 12 to the financial statements, Note 2 to the required supplementary information for the Division trust funds and the Actuarial Section in the PERA 2018 CAFR.

Table 2 below sets forth for each of the years 2009-2018 the UAAL, the funded ratio and related information for the State Division Plan based on the actuarial value of Plan assets, and Table 3 below sets forth such information based on the market value of Plan assets.

The actuarial valuation for funding purposes in the PERA 2018 CAFR was performed as of December 31, 2018, and the actuarial valuation for accounting and financial reporting purposes in the PERA 2018 CAFR was performed as of December 31, 2017, and the total pension liability was rolled forward to the measurement date of December 31, 2018, utilizing generally accepted actuarial techniques.

[1] This amortization period is based on the actuarial valuation for funding purposes as of December 31, 2018, and exceeds the SB 18-200 goal of funding 100% of the AAL of the State Division Plan within 30 years because it does not include the full effect of legislation enacted in 2006, 2010 and 2018, which is designed to lower the normal cost over time as new members are added to the Plan, allow a greater proportion of the State's contribution to the Plan to be used to amortize the unfunded liability and increase future contributions to the Plan in order to accelerate the amortization of the UAAL. On a projected basis, when including the anticipated adjustments to take effect July 1, 2020, resulting from the automatic adjustment provisions of SB 18-200, the amortization period for the State Division Plan is 34 years. For further information, see the PERA 2018 CAFR.

When calculating the AAL of the State Division Plan in Tables 2 and 3 below, the following actuarial methods, assumptions and inputs, among others, were used: (i) price inflation is assumed to be 2.40%; (ii) real wage growth is assumed to be 1.10%; (iii) salary increases (including assumed wage inflation of 3.50%) are projected to range from 3.50% to 9.17%; (iv) the long-term investment rate of return (net of pension plan investment expense, including price inflation) and discount rate are assumed to be 7.25%; and (v) cost of living adjustments for pre-2007 hires are assumed to be 0% through 2019 and 1.50% per year compounded annually thereafter, and cost of living adjustments for post-2006 hires are assumed to be financed by the AIR. Other assumptions include, without limitation, future retiree participation and contribution rates and mortality rates. For further information, see Note 10 to the financial statements and the Actuarial Section in the PERA 2018 CAFR.

Table 2
Historical Funding Progress of State Division Plan
Actuarial Value of Plan Assets
(Dollar Amounts in Thousands)

Valuation Date (December 31)	Actuarial Value of Plan Assets[1]	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Employer Payroll	UAAL as Percentage of Employer Payroll
2018	$14,303,726	$25,509,852	$11,206,126	56.1%	$2,898,827	386.6%
2017	14,256,410	24,782,085	10,525,675	57.5	2,774,207	379.4
2016	14,026,332	25,669,916	11,643,584	54.6	2,710,651	429.5
2015	13,882,820	24,085,671	10,202,851	57.6	2,641,867	386.2
2014	13,523,488	23,408,321	9,884,833	57.8	2,564,670	385.4
2013	13,129,460	22,843,725	9,714,265	57.5	2,474,965	392.5
2012	12,538,675	21,191,495	8,652,820	59.2	2,384,934	362.8
2011	12,010,045	20,826,543	8,816,498	57.7	2,393,791	368.3
2010	12,791,946	20,356,176	7,564,230	62.8	2,392,080	316.2
2009	13,382,736	19,977,217	6,594,481	67.0	2,384,137	276.6

[1] The actuarial value of Plan assets is based on gains and losses smoothed in over a four-year period as permitted by GASB standards.

Source: PERA 2018 CAFR

Table 3
Historical Funding Progress of State Division Plan
Market Value of Plan Assets
(Dollar Amounts in Thousands)

Valuation Date (December 31)	Market Value of Plan Assets[1]	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Employer Payroll	UAAL as Percentage of Employer Payroll
2018	$13,837,863	$25,509,852	$11,671,989	54.2%	$2,898,827	402.6%
2017	15,105,378	24,782,085	9,676,707	61.0	2,774,207	348.8
2016	13,538,772	25,669,916	12,131,144	52.7	2,710,651	447.5
2015	13,391,398	24,085,671	10,694,273	55.6	2,641,867	404.8
2014	13,956,630	23,408,321	9,451,691	59.6	2,564,670	368.5
2013	13,935,754	22,843,725	8,907,971	61.0	2,474,965	359.9
2012	12,766,459	21,191,495	8,425,036	60.2	2,384,934	353.3
2011	12,001,770	20,826,543	8,824,773	57.6	2,393,791	368.7
2010	12,487,105	20,356,176	7,869,071	61.3	2,392,080	329.0
2009	11,611,758	19,977,217	8,365,459	58.1	2,384,137	350.9

[1] The market value of Plan assets is the fair value of the assets determined in conformity with GASB standards. See the Investment Section of the PERA 2018 CAFR.

Source: PERA Comprehensive Annual Financial Reports for calendar years 2009 through 2018

Since contribution rates to the State Division Plan are fixed by statute, unless changes are made to such rates or changes are made to Plan provisions to reduce benefit payments, improvements in the funding status of the State Division Plan are expected to come primarily from increases in investment returns on Plan assets or changes in the actuarial assumptions used to determine the value of Plan assets and the AAL. Changes to contribution rates or other Plan provisions, or the use of alternative Plan funding strategies, would require legislative action by the General Assembly, of which there can be no assurance.

Fiduciary Net Position of the State Division Plan

The Statement of Fiduciary Net Position of the State Division Plan as of December 31, 2018, is included in PERA's basic financial statements set forth in the Financial Section of the PERA 2018 CAFR. The following table sets forth for each of the years 2009-2018 the changes in fiduciary net position of the State Division Plan.

Table 4
Changes in Fiduciary Net Position
State Division
(Cash Basis; Dollar Amounts in Thousands)

	For the Year Ended December 31,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
ADDITIONS										
Employer contributions	$ 583,164	$ 563,977	$ 521,804	$ 484,005	$ 444,372	$ 401,658	$ 335,073	$ 283,222	$ 287,624	$ 297,240
Nonemployer contributions	78,489	--	--	--	--	--	--	--	--	--
Member contributions	236,313	228,978	223,005	217,980	211,610	202,799	227,058	258,678	223,240	194,168
Purchased service	25,227	27,442	24,528	26,946	22,446	22,241	16,358	11,277	12,496	8,830
Net investment income (loss)	(497,562)	2,391,683	947,981	210,337	780,762	1,931,658	1,511,244	232,669	1,553,142	1,742,571
Other	7,888	15,860	8,708	5,023	3,289	4,869	150	331	1	3
Total additions	433,519	3,227,940	1,726,026	944,291	1,462,479	2,563,225	2,089,883	786,177	2,076,503	2,242,812
DEDUCTIONS										
Benefit payments	1,608,534	1,554,290	1,483,828	1,417,862	1,352,293	1,295,780	1,231,922	1,174,707	1,122,435	1,071,725
Refunds	65,253	58,696	60,137	63,567	61,152	68,735	69,221	70,090	68,844	58,416
Disability insurance premiums	2,093	2,035	2,106	2,088	2,309	2,229	1,570	1,685	1,661	2,004
Administrative expenses	11,903	11,745	11,271	10,779	10,067	9,780	8,568	8,685	8,942	8,729
Other	3,017	3,652	3,040	3,406	3,171	3,593	3,911	(4,546)	(726)	(1,519)
Total deductions	1,690.800	1,630,418	1,560,382	1,497,702	1,428,992	1,380,117	1,315,192	1,250,621	1,201,156	1,139,355
Change in fiduciary net position	(1,257,281)	1,597,522	165,644	(553,411)	33,487	1,183,108	774,691	(464,444)	875,347	1,103,457
Fiduciary net position held at beginning of year	15,223,702	13,626,180	13,460,536	14,013,947	13,980,460	12,797,352	12,022,661	12,487,105	11,611,758	10,508,301
Fiduciary net position held at end of year	$13,966,421	$15,223,702	$13,626,180	$13,460,536	$14,013,947	$13,980,460	$12,797,352	$12,022,661	$12,487,105	$11,611,758

Source: PERA 2018 CAFR

Net Pension Liability of the State Division Plan

As noted above, GASB 67 requires a different approach for determining net pension liability as compared to the previously disclosed UAAL, and also requires disclosing the plan's net pension liability and ratio of fiduciary net position to total pension liability. The schedule of net pension liability presents multi-year trend information about whether the fiduciary net position is increasing or decreasing over time relative to total pension liability.

The following table sets forth for the years 2013-2018 (the only years for which information is available) the net pension liability and related information regarding the State Division Plan. The required supplemental information in the PERA 2018 CAFR includes a schedule showing the sources of the changes in net pension liability for 2014-2018 (information for 2013 is not available). See also "Implementation of Changes in Pension Accounting Standards Applicable to the State – GASB 68" hereafter.

Table 5
Net Pension Liability
State Division[1,2]
(Dollar Amounts in Thousands)

	For the Year Ended December 31,					
	2018	2017	2016	2015	2014	2013
Total pension liability[3, 4]	$25,345,094	$35,241,684	$31,994,311	$23,991,569	$23,420,461	$22,888,431
Plan fiduciary net position	13,966,421	15,223,702	13,626,180	13,460,536	14,013,947	13,980,460
Net pension liability	$11,378,673	$20,017,982	$18,368,131	$10,531,033	$ 9,406,514	$ 8,907,971
Net pension liability as a percentage of total pension liability	55.11%	43.20%	42.59%	56.11%	59.84%	61.08%
Covered employee payroll	2,898,827	$ 2,774,207	$ 2,710,651	$ 2,641,867	$ 2,564,670	$ 2,474,965
Net pension liability as a percentage of covered employee payroll	392.53%	721.57%	677.63%	398.62%	366.77%	359.92%

1 Information for years prior to 2013 is not available.

2 Government accounting standards require that pension liabilities for financial reporting purposes be measured using the plan provisions in effect at the pension plan's year-end. Therefore, unlike the tables in "Funding Status of the State Division Plan" above, the changes made by SB 18-200 are not reflected in this table for years 2013-2017.

3 The total pension liability as of December 31, 2018, was determined by actuarial valuations as of December 31, 2017, and accepted actuarial procedures were applied to roll-forward the total pension liability to December 31, 2018. The actuarial valuations as of December 31, 2017, used the key actuarial methods, assumptions or other inputs discussed in "Funding Status of the State Division Plan" above, except that the fair value (or market value) of assets, rather than a four-year smoothed market value of assets, was used to determine the net pension liability.

4 The decrease in the total pension liability at December 31, 2018, is primarily due to changing from a blended discount rate to a discount rate equal to the long-term assumed rate of return in accordance with GASB 67 as explained in the PERA 2018 CAFR.

Source: PERA 2018 CAFR

Investment of State Division Plan Assets

State law authorizes the investment of PERA's funds by the PERA Board, subject to the following limitations:

- The aggregate amount of investment trust shares, corporate stocks, corporate bonds and convertible debentures cannot exceed 65% of the book value of the fund.
- Neither common nor preferred stock of a single corporation can exceed 5% of the book value of the fund.
- The fund cannot acquire more than 12% of the outstanding stocks or bonds of a single corporation.

See Note 5 to the financial statements and the Investment Section of the PERA 2018 CAFR for additional discussion of PERA's investment responsibilities and investment policies.

Implementation of Changes in Pension Accounting Standards Applicable to the State – GASB 68 and GASB 75

GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" ("GASB 68") is a GASB pronouncement that is related to GASB 67 and applicable to governmental entities, such as the State, that provide their employees with pension benefits. GASB 68 is effective for fiscal years beginning after June 15, 2014, and accordingly has been implemented beginning with the State's Fiscal Year 2014-15 CAFR. GASB 68 revises and establishes new financial reporting requirements for governmental entities, and, among other things, requires cost-sharing employers participating in defined benefit plans to record their proportionate share of the unfunded pension liability. See Table 2 in this Appendix for the UAAL of the State Division Plan for the years 2009-2018 as set forth in the PERA 2018 CAFR.

The State reported a net pension liability in the State's Fiscal Year 2017-18 CAFR of approximately $19.382 billion at June 30, 2018, compared to a reported net pension liability in the State's Fiscal Year 2016-17 CAFR of approximately $17.854 billion at June 30, 2017. The amounts presented for each

Division were determined as of the calendar year-end that occurred within the Fiscal Year. See also Note 6 to the State's Fiscal Year 2017-18 CAFR appended to this Official Statement for a description of the methodology utilized to determine these amounts.

There is a difference between the net pension liability for the State reported by PERA and the State in their respective financial statements. The difference results from PERA's inclusion of employers in the State Division and the Judicial Division which are not included in the State's financial statement reporting entity. The PERA Board has statutory authority to assign employers to the State Division and Judicial Division that are not part of the State's financial statement reporting entity as defined by GASB Statement No. 14, as amended by GASB Statements No. 39 and 61. Examples of these employers in the State Division include Pinnacol Insurance, Fire and Police Pension Association and District Attorneys. Denver County Courts is the only Judicial Division employer that is not part of the State's financial statement reporting entity. The State includes in its financial statements a percentage of the net pension liability reported by PERA in its financial statements for each Division to determine the State's proportionate share in accordance with requirements of GASB 68. Additional information concerning the State's reporting entity can found in Note 1 to the State's Fiscal Year 2017-18 CAFR appended to this Official Statement, and additional information concerning the proportionate share calculation can be found in Note 6 of the State's Fiscal Year 2017-18 CAFR.

The State's proportionate share of the net pension liability at the end of calendar years 2013-2017 in accordance with requirements of GASB 68 is set forth in the following table.

Table 6
State's (Primary Government's) Proportionate
Share of the Net Pension Liability[1]
(Amounts in Thousands)

	Calendar Year 2017		Calendar Year 2016		Calendar Year 2015		Calendar Year 2014		Calendar Year 2013	
	State Division	Judicial Division	State Division	Judicial Division	State Division	Judicial Division	State Division	Judicial Division	State Division	Judicial Division
State's proportion of the net pension liability (asset)	95.37%	93.99%	95.49%	94.17%	95.71%	93.98%	95.85%	93.60%	95.86%	93.44%
State's proportionate Share of Net Pension liability (asset)	$19,091,149	218,136	$17,539,728	$239,423	$10,079,252	$172,824	$9,016,144	$129,499	$8,539,181	$102,756
State's covered-employee payroll	$ 2,796,014	46,764	$ 2,751,094	$ 46,320	$ 2,687,152	$ 44,159	$2,586,800	$ 40,114	$2,570,286	$ 37,203
State's proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	682.80%	466.46%	637.55%	516.89%	375.09%	391.37%	348.54%	322.83%	332.23%	276.20%
Plan fiduciary net position as a percentage of the total pension liability	43.20%	58.70%	42.59%	53.19%	56.11%	60.13%	59.84%	66.89%	61.00%	77.41%

[1] The amounts presented for each Fiscal Year were determined as of the calendar year-end that occurred within the Fiscal Year and were calculated as described in Note 6 to the Financial Statements and Note RSI-2 to the Required Supplementary Information in the State's Fiscal Year 2017-18 CAFR appended to this Official Statement.

Source: State Fiscal Year 2017-18 CAFR

A 10 year history of the State's contribution to PERA for the State and Judicial Divisions is also included in Note RSI-2 to the Required Supplementary Information in the State's Fiscal Year 2017-18 CAFR appended to this Official Statement. See also "Overall Financial Position and Results of Operations" in the Management's Discussion and Analysis and Notes 1 and 6-8 to the Financial Statements in the State's Fiscal Year 2017-18 CAFR.

GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" ("GASB 75"), is effective for fiscal years beginning after June 15, 2017, and accordingly was first implemented in the State's Fiscal Year 2017-18 CAFR. GASB 75 requires, for purposes of governmental financial reporting, that the State recognize a liability for its proportionate share of the net Other Post-Employment Benefits ("OPEB") liability (of all employers for benefits provided through the OPEB plan), *i.e.*, the collective net OPEB liability. The State is also required to recognize OPEB expense and report deferred outflows of resources and deferred inflows of resources related to OPEB for its proportionate shares of collective OPEB expense and collective deferred outflows of resources and deferred inflows of resources related to OPEB. GASB 75 also requires additional footnote disclosures about the pension trust fund in the financial statements.

Effect of Pension Liability on the Series 2019A Notes

The Series 2019A Notes are short-term obligations maturing on June 29, 2020, and are payable from Pledged Revenues which are expected to consist primarily of amounts received by the State Treasurer from the Participating Districts on or before June 25, 2020, as repayment of their Program Loans and a portion of the proceeds of the Series 2019A Notes deposited to the ETRANS 2019-20 Repayment Account as discussed in "THE SERIES 2019A NOTES – Security and Sources of Payment." Therefore, the State's current pension liability and the State's current plans to address such liability are not expected to adversely affect the State's ability to pay the Series 2019A Notes. See also Management's Discussion and Analysis in the State's Fiscal Year 2017-18 CAFR appended to this Official Statement, and particularly the section thereof captioned "CONDITIONS EXPECTED TO AFFECT FUTURE OPERATIONS – Pension Plan Contributions."

* * *

APPENDIX F

DTC BOOK-ENTRY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from DTC and contains statements that are believed to describe accurately DTC, the method of effecting book-entry transfers of securities distributed through DTC and certain related matters, but the State takes no responsibility for the accuracy or completeness of such statements. Beneficial Owners should confirm the following information with DTC or the DTC Participants.

None of the State, the State Treasurer, the Deputy State Treasurer, the Chief Financial Officer of the Department of the Treasury, the State Controller or the Financial Advisor has any responsibility or obligation to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant, (ii) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the Owners of the Series 2019A Notes under the Authorizing Resolution, (iii) the payment by DTC or any DTC Participant of any amounts received under the Authorizing Resolution with respect to the Series 2019A Notes, (iv) any consent given or other action taken by DTC or its nominee as the owner of Series 2019A Notes or (v) any other related matter.

DTC will act as securities depository for the Series 2019A Notes. The Series 2019A Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019A Note certificate, in the aggregate principal amount of the Series 2019A Notes, will be issued and deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at http://www.dtcc.com and http://www.dtc.org. The State undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on such websites as described in the preceding sentence, including, but not limited to, updates of such information or links to other internet sites accessed through the aforementioned websites.

Purchases of Series 2019A Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019A Notes on DTC's records. The ownership interest of each Beneficial Owner is in turn recorded on the records of Direct and Indirect Participants. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019A Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2019A Notes except in the event that use of the book-entry system for the Series 2019A Notes is discontinued.

To facilitate subsequent transfers, all Series 2019A Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019A Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not cause any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019A Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019A Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019A Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019A Notes, such as redemptions, defaults and proposed amendments to the Authorizing Resolution. For example, Beneficial Owners of Series 2019A Notes may wish to ascertain that the nominee holding the Series 2019A Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2019A Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019A Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments with respect to the Series 2019A Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the State or the State Treasurer on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, the paying agent or the State, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments with respect to the Series 2019A Notes to Cede & Co., or to such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the State or the paying agent, disbursement of such payments to Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2019A Notes at any time by giving reasonable notice to the State. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2019A Note certificates are required to be printed and delivered to the appropriate Owners of the Series 2019A Notes.

The State may at any time decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository) with respect to the Series 2019A Notes. In that event, Series 2019A Note certificates will be printed and delivered to DTC.

APPENDIX G

FORM OF OPINION OF BOND COUNSEL

KUTAK ROCK LLP
DENVER, COLORADO

[Closing Date]

The Honorable Dave Young
Treasurer of the State of Colorado

Morgan Stanley & Co. LLC

$400,000,000
State of Colorado
Education Loan Program Tax and Revenue Anticipation Notes
Series 2019A

Ladies and Gentlemen:

We have examined the laws of the State of Colorado (the "State"), the laws of the United States of America relevant to the opinions herein, and a certified transcript of the record of the proceedings taken preliminary to and simultaneously with the issuance by the State Treasurer (the "Treasurer") of the "State of Colorado, Education Loan Program, Tax and Revenue Anticipation Notes, Series 2019A," in the aggregate principal amount of $400,000,000 dated as of the date of their issuance (the "Notes").

The Notes mature, bear interest, are transferable and payable, as to principal and interest at the times, in the manner, and subject to the conditions and limitations, provided in the resolution of the State Treasurer, adopted and approved on July 11, 2019, authorizing the issuance of the Notes (the "Resolution"). Proceeds of the Notes will be used to, among other things, fund loans to participating State school districts (the "Participating Districts") pursuant to a loan program administered by the State Treasurer.

As to questions of fact material to our opinion, we have relied upon representations of the State and Participating Districts contained in the certified proceedings and other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon such examination and, for purposes of paragraph 3 below, assuming continuous compliance with the covenants and representations contained in such proceedings and other documents, it is our opinion as Bond Counsel that under existing laws, regulations, rulings and judicial decisions:

1. The State is duly created and validly existing as a body corporate and politic with the corporate power to issue the Notes and perform the agreements on its part contained therein.

2. The Notes have been duly authorized, executed and delivered by the State and are valid and binding obligations of the State, enforceable against the State in accordance with the terms of the Resolution. The "Series 2019-20 Education Loan Program Tax and Revenue Anticipation Notes Repayment Account", to be established pursuant to the terms of the Resolution, and the Pledged Revenues, as defined in the Resolution, are irrevocably pledged to the payment of the principal of and interest on the Notes when due. The owners of the Notes are equally and ratably secured by a first lien,

but not an exclusive first lien, on the Series 2019-20 Education Loan Program Tax and Revenue Anticipation Notes Repayment Account and the moneys credited thereto.

3. Interest on the Notes is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Notwithstanding Bond Counsel's opinion that interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax, such interest will be included in adjusted current earnings of certain corporations. The opinions expressed in the preceding sentences assume the accuracy of certain representations and compliance by the State and Participating Districts with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended, that must be met subsequent to the issuance of the Notes. Failure to comply with such requirements could cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes.

4. Interest on the Notes is not included in Colorado taxable income or Colorado alternative minimum taxable income under present Colorado income tax laws.

It is to be understood that the rights of the owners of the Notes and the enforceability of the Note may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the reasonable exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise of judicial discretion in appropriate cases in accordance with general principles of equity.

We express no opinion herein as to any matter not specifically set forth above. In particular, but without limitation, we express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes.

The scope of our engagement has not extended beyond the examinations and the rendering of the opinions expressed herein. Our engagement as Bond Counsel with respect to the transaction referred to herein terminates upon the date of this letter. We assume no obligation to review or supplement this letter subsequent to its date, whether by reason of a change in the current laws, by legislative or regulatory action, by judicial decision or for any other reason. No one other than the addressees hereof shall be entitled to rely upon this opinion without our prior written consent.

Very truly yours,

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