NEW ISSUE – BOOK-ENTRY ONLY

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

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Series 2020 Notes is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2020 Notes (the "Tax Code"), and interest on the Series 2020 Notes is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code; and interest on the Series 2020 Notes is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date of delivery of the Series 2020 Notes as described herein. See "TAX MATTERS" herein.

$600,000,000
STATE OF COLORADO
GENERAL FUND TAX AND REVENUE ANTICIPATION NOTES
SERIES 2020

Dated: Date of Delivery **Maturity Date: June 25, 2021**

The Series 2020 Notes are being issued for the purpose of funding anticipated cash flow shortfalls in the State's General Fund in the State's July 1, 2020 - June 30, 2021 Fiscal Year and paying the costs of issuing the Series 2020 Notes, as described herein.

The Series 2020 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 2020 Notes. Beneficial Ownership Interests in the Series 2020 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 2020 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 2020 Notes, at the rate per annum specified below, is payable on the maturity date of the Series 2020 Notes specified above. The Series 2020 Notes are *not* subject to redemption prior to maturity.

Principal Amount	Interest Rate	Price	Reoffering Yield	CUSIP No.†
$225,000,000	4.00%	103.388	0.17%	196729 CL9
375,000,000	4.00	103.379	0.18	196729 CL9

The Series 2020 Notes are special, limited obligations of the State payable solely from and secured by a pledge of Pledged Revenues consisting of cash income or other cash receipts duly credited to the General Fund for Fiscal Year 2020-21 that are subject to appropriation for Fiscal Year 2020-21 and not credited to the General Fund as of the date of issuance of the Series 2020 Notes, unexpended proceeds, if any, of the Series 2020 Notes and any parity obligations that may be issued hereafter and, to the extent permitted by law, proceeds of internal borrowing from other State funds, all as described herein. The Series 2020 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 constitution or laws of the State.

An investment in the Series 2020 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 2020 Notes are offered when, as and if issued, subject to the approving opinion of Sherman & Howard L.L.C., 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. It is expected that the Series 2020 Notes will be available for delivery through the facilities of DTC on or about August 6, 2020.

Dated: July 30, 2020

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† 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 2020 Notes and only as of the issuance of the Series 2020 Notes. The State takes no responsibility for the accuracy of such data now or at any time in the future.

PRELIMINARY NOTICES

This Official Statement does not constitute an offer to sell the Series 2020 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 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 2020 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 2020 Notes and may not be reproduced or used, in whole or in part, for any other purpose.

The Series 2020 Notes have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have neither confirmed the accuracy nor determined the adequacy of this Official Statement. Any representation to the contrary is unlawful.

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

This Official Statement, including but not limited to the material set forth in "BORROWABLE RESOURCES," "DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS," "APPENDIX A – THE STATE GENERAL FUND," "APPENDIX B – OSPB JUNE 2020 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. See also "COVID-19 AND STATE FINANCES" and "INVESTMENT CONSIDERATIONS – Impact of COVID-19 on State Finances – Budgets and Revenue Forecasts."

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OFFICIAL STATEMENT

Relating to

$600,000,000
STATE OF COLORADO
GENERAL FUND TAX AND REVENUE ANTICIPATION NOTES
SERIES 2020

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 $600,000,000 State of Colorado General Fund Tax and Revenue Anticipation Notes, Series 2020 (the "Series 2020 Notes"). See "THE SERIES 2020 NOTES" and "THE STATE."

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 to obtain information essential to the making of an informed investment decision. The offering of Series 2020 Notes to prospective investors is made only by means of the entire Official Statement.

General Statement Regarding COVID-19

The coronavirus disease 2019 ("COVID-19") pandemic is currently altering the behavior of individuals and businesses in a manner that is having significant negative effects on global, national, state and local economies, including the economy of the State. COVID-19 has caused a substantial reduction in revenues to the State while also necessitating a significant increase in expenditures for public health emergency response costs. The ever-evolving impact of COVID-19 and the public health response thereto has made economic, financial and operational planning and forecasting more difficult. Certain aspects of the current and prospective impact of COVID-19 on the finances and operations of the State are discussed in greater detail in this Official Statement. Prospective investors are advised to fully and carefully review all the information included in this Official Statement in order to make an informed investment decision, paying particular attention to the information herein regarding the current and forecasted impact on the finances and operations of the State as the result of COVID-19. See also "Investment Considerations" in this section, as well as "COVID-19 AND STATE FINANCES," "INVESTMENT CONSIDERATIONS – Impact of COVID-19 on State Finances – Budgets and Revenue Forecasts," "APPENDIX A – THE STATE GENERAL FUND" and "APPENDIX B – OSPB JUNE 2020 REVENUE FORECAST."

Changes from Preliminary Official Statement

This Official Statement contains information that was either not available or differs from that contained in the Preliminary Official Statement dated July 22, 2020, including, without limitation, the interest rates, prices, reoffering yields, CUSIP numbers, original purchasers and purchase price paid by the original purchasers of the Series 2020 Notes. In addition, the Fiscal Year 2019-20 Actual and Estimated General Fund Cash Flow table in Appendix A has been revised to correct the actual July 2019 and estimated total Other General Fund Revenue amounts; all other amounts in the table are unchanged. Accordingly, prospective investors should read this Official Statement in its entirety.

Authority and Purpose

The Funds Management Act of 1986 (the "Funds Management Act"), being Title 24, Article 75, Part 9, Colorado Revised Statutes, as amended ("C.R.S."), authorizes the State Treasurer to issue and sell notes from time to time payable from the anticipated revenues of any one or more funds or groups of accounts to which State moneys are credited in order to accomplish any of the purposes of such Act, including the alleviation of cash flow shortfalls in any such fund or group of accounts.

The Funds Management Act provides a means of compensating for the fluctuations in revenues and expenditures that occur in the State's General Fund, which is the State's principal operating fund, during the "Fiscal Year" (July 1-June 30), and result in temporary cash flow shortfalls in the General Fund. The Series 2020 Notes are being issued for the purpose of funding anticipated cash flow shortfalls in the General Fund in the Fiscal Year beginning July 1, 2020, and ending June 30, 2021 ("Fiscal Year 2020-21"), and paying the costs of issuing the Series 2020 Notes. See "APPLICATION OF PROCEEDS OF THE SERIES 2020 NOTES."

The Series 2020 Notes

Authorization. The Series 2020 Notes are issued under the authority of the Constitution of the State of Colorado (the "State Constitution") and laws of the State, particularly the Funds Management Act and the Supplemental Public Securities Act, being Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Public Securities Act"); and pursuant to a resolution (the "Authorizing Resolution") adopted by the Treasurer of the State (the "State Treasurer"). See "THE SERIES 2020 NOTES – Authorization."

General Provisions. The Series 2020 Notes will be dated the date of issuance and delivery to the original purchasers thereof (the "Closing Date") and will mature on June 25, 2021 (the "Maturity Date"). Interest on the Series 2020 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 Maturity Date. The Series 2020 Notes are not subject to redemption prior to maturity. See "THE SERIES 2020 NOTES – General Provisions."

Book-Entry Only System. The Series 2020 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 2020 Notes. Ownership interests in the Series 2020 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 2020 Notes by the rules and operating procedures applicable to the DTC book-entry system as described in "THE SERIES 2020 NOTES – General Provisions" and "APPENDIX F – DTC BOOK-ENTRY SYSTEM." As used in this Official Statement, the term "Owners" of the Series 2020 Notes means the persons or entities in whose names the Series 2020 Notes are registered on the registration books kept by UMB Bank, n.a., Kansas City, Missouri, as the registrar (the "Registrar") for the Series 2020 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 2020 Notes are special, limited obligations of the State payable solely from and secured by a pledge of the "Pledged Revenues," consisting of the following, which the State Treasurer believes will be sufficient for the repayment of the Series 2020 Notes:

- Any cash income or other cash receipts duly credited to the General Fund for Fiscal Year 2020-21 that are subject to appropriation for Fiscal Year 2020-21 and not yet credited to the General Fund as of the Closing Date ("Current General Fund Revenues"). Current General Fund Revenues are comprised generally of receipts from corporate and individual income taxes, sales and use taxes, certain excise taxes, insurance taxes, federal funds, interest on investments of certain State funds and revenues from pari-mutuel wagering, courts, charges for services and other sources.

- Unexpended proceeds, if any, of the Series 2020 Notes and any additional general fund tax and revenue anticipation notes issued pursuant to the Funds Management Act and in accordance with the Authorizing Resolution that are payable from and secured by a pledge of all or any portion of the Pledged Revenues on parity with the Series 2020 Notes ("Additional Notes").

- To the extent permitted by law, proceeds of internal borrowing from other State funds ("Borrowable Resources").

Pursuant to the Authorizing Resolution, a restricted account within the General Fund (the "Note Payment Account") established by the State Controller (the "State Controller") is pledged to the Owners of the Series 2020 Notes and to the registered owners of any Additional Notes. The State Treasurer covenants in the Authorizing Resolution to credit the Pledged Revenues to the Note Payment Account so that the amount therein will be sufficient to pay the principal of and interest on the Series 2020 Notes and any Additional Notes due on the Maturity Date, and to take certain measures required by the Authorizing Resolution if and to the extent that the Note Payment Account contains less than the required amount. The Owners of the Series 2020 Notes will be equally and ratably secured by a first lien on the Note Payment Account and the moneys and investments deposited therein, which lien will be on parity with the lien thereon in favor of the registered owners of any Additional Notes that may be issued hereafter.

The Series 2020 Notes do not constitute a debt, indebtedness or multiple fiscal year financial obligation of the State within the meaning of any applicable provision of the State Constitution or State statutes. The Owners and Beneficial Owners of the Series 2020 Notes may not look to any source other than the Pledged Revenues for payment of the Series 2020 Notes.

See generally "THE SERIES 2020 NOTES – Security and Sources of Payment – Additional Notes," "STATE FINANCIAL INFORMATION – State Funds – *The General Fund*," "BORROWABLE RESOURCES," "APPENDIX A – THE STATE GENERAL FUND" and "APPENDIX B – OSPB JUNE 2020 REVENUE FORECAST."

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 this Official Statement in reliance upon Development Research Partners, Inc., as experts in the preparation of economic and demographic analyses. Potential investors should read such Appendix in its entirety for information with respect to the economic and demographic status of the State.

Investment Considerations

An investment in the Series 2020 Notes involves risk. Prospective investors are urged to read this Official Statement in its entirety in order to obtain information essential to the making of an informed investment decision, giving particular attention to the matters discussed in "COVID-19 AND STATE FINANCES" and "INVESTMENT CONSIDERATIONS," including specifically, but without limitation, the sections thereof captioned "Impact of COVID-19 on State Finances" and "Budgets and Revenue Forecasts."

Legal and Tax Matters

Sherman & Howard L.L.C., Denver, Colorado, is serving as bond counsel ("Bond Counsel") in connection with the issuance of the Series 2020 Notes and will deliver its opinion substantially in the form appended to this Official Statement. 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."

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Series 2020 Notes is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2020 Notes (the "Tax Code"), and interest on the Series 2020 Notes is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code; and interest on the Series 2020 Notes is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date of delivery of the Series 2020 Notes as described herein. See also "LEGAL MATTERS," "TAX MATTERS" and "APPENDIX G – FORM OF OPINION OF BOND COUNSEL."

Continuing Disclosure

In accordance with Subsection (d)(3) of Securities and Exchange Commission Rule 15c2-12, promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), which Subsection applies to offerings of municipal securities having a stated maturity of 18 months or less, such as the Series 2020 Notes, the State 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, but will undertake in the Authorizing Resolution to provide notice of the occurrence of certain events as described in "THE SERIES 2020 NOTES – Security and Sources of Payment – *Note Payment Account*" and "CONTINUING DISCLOSURE."

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

Additional Information

Brief descriptions of the Series 2020 Notes, the State, the Authorizing Resolution, the Funds Management Act and certain other statutes, reports, documents and instruments are included in this Official Statement. The descriptions of the statutes, reports, documents or other instruments included herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each such statute, report, document or other instrument. Copies of the Authorizing Resolution and certain other documents referred to herein may be obtained from Stifel (the "Financial Advisor"), 1401 Lawrence Street, Suite 900, Denver, Colorado 80202, Attention: Robyn Moore, telephone number (303) 291-5370.

Forward Looking Statements

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

Miscellaneous

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

Information contained in this Official Statement has been obtained from officers, employees and records of the State 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 2020 Notes.

COVID-19 AND STATE FINANCES

The coronavirus disease 2019, previously defined herein as COVID-19, is currently altering the behavior of businesses and people in a manner that is having significant negative effects on global, national, state and local economies, including the economy of the State. Throughout the nation, including Colorado, state and local governments and public health entities have issued orders, made recommendations and implemented various measures intended to mitigate the effects of the pandemic, prevent further spread and protect against overwhelming health care resources, while also attempting to minimize the economic impact of the pandemic and the public health response thereto on individuals, businesses and governmental entities. So called "shelter-in-place" public health orders implemented throughout the nation, including Colorado, have either required or resulted in the closure or limited operation of many businesses and limited physical contact, although such restrictions are now being gradually eased. The impact of these changing restrictions on the spread of COVID-19 is not yet known, and it is not possible to predict whether there may be further outbreaks of the disease and possibly lead to the resumption of shelter-in-place measures. COVID-19 has also resulted in a severe reduction in travel, as well an unprecedented rise in unemployment claims since mid-March 2020 both nationally and in the State. The unemployment rate in the State increased from 2.5% in February 2020 to a peak of 12.2% in April 2020 primarily due to the impact of COVID-19, but has since declined to 10.5% in June 2020 as employers in the State have begun to re-open. In addition, deadlines for filing federal and State income tax returns have been extended from April 15, 2020, to July 15, 2020. The CDPHE provides information relating to COVID-19 and related developments in the State on its website, covid19.colorado.gov. Reference to such website is presented herein for informational purposes only and the information or links contained therein are not incorporated into, nor are part of, this Official Statement.

COVID-19 has resulted in a significant loss of revenue to the State in Fiscal Year 2019-20, and it is expected that COVID-19 will have a similar impact on State revenues in Fiscal Year 2020-21. The State is also incurring significant expenses in health care costs related to COVID-19 attributable to (i) expanded testing of vulnerable populations, (ii) scaling up epidemiology and contact tracing, (iii) increasing testing capacity at the Colorado State Lab, including new equipment, supplies and personnel, and (iv) improving coordination to rapidly respond to and contain disease outbreaks.

The State relies on revenue estimation as the basis for budgeting and establishing aggregate funds available for expenditure in connection with its appropriation process. By statute, the 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, 2020 (the "OSPB June 2020 Revenue Forecast"), and is included in its entirety in this Official Statement. The OSPB June 2020 Revenue Forecast incorporates the potential impact of COVID-19 in its assumptions as the basis of its forecast of significantly lower revenues to the General Fund for Fiscal Years 2019-20 through 2021-22, and anticipates substantial reductions in various sources of State revenue as a result of COVID-19, including, but not limited to, personal income tax, corporate income tax, sales taxes and severance taxes. After an increase of 7.2% in Fiscal Year 2018-19, General Fund revenue is forecast to decrease by 4.9% in Fiscal Year 2019-20 and by another 10.5% in Fiscal Year 2020-21. The OSPB June 2020 Revenue Forecast states that it reflects the latest projections of the impacts that COVID-19 may have on State revenues and expenditures, as well as a preliminary analysis of legislation passed by the General Assembly in the regular session which recently adjourned on June 15, 2020, but cautions that the epidemiological course of COVID-19 and the duration and depth of the recession caused by the pandemic are highly uncertain. In addition, the budget outlook in the OSPB June 2020 Revenue Forecast is based on OSPB's economic forecast therein, which is noted to be subject to elevated risks associated with the unfolding developments of COVID-19. See "APPENDIX A – THE STATE GENERAL FUND – General Fund Revenue Sources – General Fund Overview" and "APPENDIX B – OSPB JUNE 2020 REVENUE FORECAST."

Numerous actions have been taken by the State to address the fiscal impact of COVID-19 on State finances, including, without limitation, the following. On March 11, 2020, Governor Polis (the "Governor") issued Executive Order D 2020 003 (as amended and extended by Executive Orders D 2020 018, D 2020 032, D 2020 058, D 2020 076, D 2020 109 and D 2020 125) which declared a disaster emergency pursuant to the Colorado Disaster Emergency Act (Section 24-33.5-701, *et seq.*, C.R.S.), thereby triggering certain provisions under State law, including the use of the emergency reserve mandated by Article X, Section 20 of the State Constitution, entitled the Taxpayer's Bill of Rights and commonly known as "TABOR." These Executive Orders also directed the use of various State funds for disaster emergency response purposes. On March 25, 2020, the Governor also requested the President of the United States to declare a major disaster for the State pursuant to the federal Stafford Disaster Relief and Emergency Assistance Act (HR 2707), which request was approved on March 28, 2020. On March 30, 2020, the OSPB provided guidance to departments and agencies of the State regarding fiscal conservation to reduce the use of State resources for non-emergency purposes, and on April 30, 2020, in accordance with Section 24-75-201.5, C.R.S., the Governor issued Executive Order D 2020 050 (which was subsequently rescinded as discussed below) in anticipation that the interim revenue forecast that was to be released by the OSPB on May 12, 2020 (the "OSPB May 2020 Revenue Forecast"), would show rapidly declining revenues and that appropriated spending would result in the use of one-half or more of the Fiscal Year 2019-20 required Unappropriated Reserve (as defined in "INVESTMENT CONSIDERATIONS – Budgets and Revenue Forecasts"). Such Executive Order (i) declared that there are not sufficient revenues available for expenditure during Fiscal Year 2019-20 to carry on the functions of the State government and to support its agencies and institutions such that the suspension of portions of programs and services set forth out in the Executive Order are necessary, (ii) directed the Director of the OSPB to submit in writing to the Joint Budget Committee (the "Joint Budget Committee") of the State legislature, known as the "General Assembly," and to the members of the General Assembly the contents of such Executive Order for reducing such General Fund expenditures by $228.7 million in an attempt to maintain the required Fiscal Year 2019-20 Unappropriated Reserve, and (iii) directed the suspension or discontinuance of portions of programs and services as specified therein through the end of Fiscal Year 2019-20. See also "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations – *Revenues and Unappropriated Amounts*," "APPENDIX A – THE STATE GENERAL FUND – General Fund Revenue Sources – General Fund Overview – *Revenue Shortfalls*" and "APPENDIX B – OSPB JUNE 2020

REVENUE FORECAST." Executive Order D 2020 050 was rescinded by the Governor by Executive Order D 2020 113 issued on June 23, 2020, following passage by the General Assembly on June 12, 2020, and signature of the Governor on June 22, 2020, of HB 20-1360 (the annual Long Appropriation Bill (the "Long Bill") discussed in "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations"), which included an addendum to the Fiscal Year 2019-20 budget that replicated the cuts made by Executive Order D 2020 050 and therefore made such Executive Order unnecessary.

Due to concerns regarding the spread of COVID-19, the General Assembly suspended the 2020 regular legislative session from March 16, 2020, through May 25, 2020, although the Joint Budget Committee continued to work with the Governor's office during this period to reduce spending and balance the budget for Fiscal Year 2019-20. After reconvening on May 26, 2020, the General Assembly, based upon recommendations of the Joint Budget Committee and OSPB, adopted legislation to balance the budget for Fiscal Year 2019-20 and provide a balanced budget for Fiscal Year 2020-21, including a reduction in the Unappropriated Reserve requirement for Fiscal Years 2019-20 through 2021-22 and a suspension for Fiscal Year 2020-21 of the State's annual distribution to the Public Employee's Retirement Association ("PERA") to fund unfunded actuarial accrued liabilities in the benefit plans administered by PERA for State employees. However, such legislation was based upon the OSPB May 2020 Revenue Forecast, and additional budget cuts and/or actions to increase the amount of money in the General Fund may be necessary to ensure balanced budgets for Fiscal Year 2019-20 and/or Fiscal Year 2020-21 based upon the OSPB June 2020 Revenue Forecast and subsequent revenue forecasts. See also "INVESTMENT CONSIDERATIONS – Budgets and Revenue Forecasts," "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations," "DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS – Pension and Other Post-Employment Benefits," "APPENDIX A – THE STATE GENERAL FUND," "APPENDIX B – OSPB JUNE 2020 REVENUE FORECAST" and "APPENDIX E – STATE PENSION SYSTEM."

The Governor's office has formulated an emergency funding plan to cover the costs of its COVID-19 response, which entails progressively identifying funding by source. First, agencies and the Governor's office have been identifying all available federal funds to cover the COVID-19 response, including, without limitation, funds provided by the Family First Coronavirus Response Act (HR 6201), the CARES Act (HR 748) and the Paycheck Protection Program and Health Care Enhancement Act (HR 266). For costs not able to be covered by federal funds, agencies and the Governor's office plan to use the State emergency funds. Finally, agencies have been working with the OSPB and the Joint Budget Committee to identify needs as part of the regular budget and planning process.

On May 18, 2020, the Governor issued Executive Order D 2020 070 (as amended by Executive Order D 2020 080) to allocate $1.674 billion in federal funds received under the CARES Act, including, among others, the following: $48 million for Fiscal Year 2019-20 and $157 million for Fiscal Year 2020-21 to the Disaster Emergency Fund to respond directly to the COVID-19 emergency such as by addressing medical or public health needs, which funds are to be available for current and planned public health expenses; $510 million for Fiscal Year 2019-20 to the Colorado Department of Education for expenditures associated with actions to facilitate compliance with COVID-19-related public health measures, including facilitating distance learning and social distancing for in-person contact hours, mitigating lost learning and the provision of economic support in connection with the COVID-19 emergency to stimulate the economy by supporting Colorado's workforce through increasing free instructional hours for the State's kindergarten through 12th grade education system; $37 million for Fiscal Year 2020-21 to the State Education Fund for expenditures incurred to respond to second-order effects of the COVID-19 emergency, in particular the increased number of at-risk pupils due to the COVID-19-driven recession; $450 million for Fiscal Year 2019-20 to the Colorado Department of Higher Education for expenditures associated with actions to facilitate compliance with COVID-19-related public health measures public health measures and with the provision of economic support in connection with the COVID-19 emergency to stimulate the economy by supporting Colorado's workforce through increasing student retention and completions at State institutions of public higher education; $28.92 million in Fiscal Year 2019-20 and $55.92 million in Fiscal Year 2020-21 for payroll expenses and other necessary expenditures for public safety, public health, health care, human services and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 emergency; $275 million for Fiscal Years 2019-20 and 2020-21 for units of local governments that did not receive a direct distribution of funds in the CARES Act, for eligible expenses pursuant to the CARES Act; and $70 million to the State's General Fund for eligible expenditures pursuant to the CARES Act Coronavirus Relief Fund.

As of June 19, 2020, OSPB estimates that the State has approximately $19.7 million in uncommitted Disaster Emergency Fund resources for the remainder of Fiscal Year 2019-20 and beyond. An additional $157 million in Disaster Emergency Fund resources allocated from Title V of the CARES Act became available on July 1, 2020. The General Assembly identified $426.6 million in total assets as part of the Fiscal Year 2019-20 State Emergency Reserve. Of that total, $23 million was transferred for emergency use. Depending on the magnitude and timing of any additional federal funding for disaster response and the need for emergency funding, the State will continue to use available emergency resources as necessary. It is not possible to predict with any certainty at this point the timing and amounts of such receipts or withdrawals. The State Treasurer is closely monitoring the General Fund cash flows and will evaluate potential cash management options, as necessary. There can be no assurances that the fiscal stress and cash pressures currently facing the State will not continue or become more difficult.

The next OSPB revenue forecast is scheduled to be released in September of 2020. General Fund revenue projections in future OSPB revenue forecasts may be materially different from the OSPB June 2020 Revenue Forecast, particularly due to the ever-evolving impact of COVID-19, which has made forecasting more difficult. The State cannot predict (i) the duration or extent of the COVID-19 pandemic, (ii) the duration or expansion of related business closings, public health orders, regulations and legislation or (iii) the ongoing impact of the foregoing on global, national, state and local economies, including the economy of the State. As a result, the State cannot determine with any confidence the full extent of the impact of COVID-19 on the State, the General Fund and other sources of Pledged Revenues. However, there is expected to be a material adverse effect on the State's finances, which in turn could adversely affect the State's ability to pay the Series 2020 Notes. See also "INVESTMENT CONSIDERATIONS – Impact of COVID-19 on State Finances – Budgets and Revenue Forecasts" and the preliminary notice in this Official Statement regarding forward-looking statements.

APPLICATION OF PROCEEDS OF THE SERIES 2020 NOTES

The Series 2020 Notes are being issued for the purpose of funding anticipated cash flow shortfalls in the General Fund in Fiscal Year 2020-21 and paying the costs of issuing the Series 2020 Notes.

Timing differences between revenue collections and disbursements have caused the State to engage in interfund borrowing and the issuance of General Fund tax and revenue anticipation notes from time to time in order to meet the obligations of the General Fund in a timely manner. Without interfund borrowing or the issuance of the Series 2020 Notes, the State forecasts that the General Fund would incur cumulative cash shortfalls in Fiscal Year 2020-21. The proceeds of the Series 2020 Notes after payment of costs and expenses relating to the issuance and sale of the Series 2020 Notes, or approximately $620,092,700, will be deposited in the General Fund and used both to alleviate cash flow shortfalls and finance the State's daily operations in anticipation of taxes and other revenues to be received later in Fiscal Year 2020-21. The costs and expenses relating to the issuance and sale of the Series 2020 Notes, including underwriting discount, are approximately $201,550.

See "THE SERIES 2020 NOTES – Authorization," "STATE FINANCIAL INFORMATION – State Funds – *The General Fund*," "BORROWABLE RESOURCES," "UNDERWRITING," "APPENDIX A – THE STATE GENERAL FUND" and "APPENDIX B – OSPB JUNE 2020 REVENUE FORECAST."

THE SERIES 2020 NOTES

The following is a summary of certain provisions of the Series 2020 Notes during such time as the Series 2020 Notes are subject to the DTC book-entry system. Reference is hereby made to the Authorizing Resolution in its entirety for the detailed provisions pertaining to the Series 2020 Notes, including provisions applicable upon discontinuance of participation in the DTC book-entry system.

Authorization

The Series 2020 Notes are being issued under the authority of the State Constitution and State laws, particularly the Funds Management Act and the Supplemental Public Securities Act, and pursuant to the Authorizing Resolution.

The Funds Management Act authorizes the State Treasurer to issue and sell notes from time to time payable from the anticipated revenues of any one or more funds or groups of accounts to which State moneys are credited to accomplish any of the purposes of such Act, including the alleviation of cash flow shortfalls in any such fund or group of accounts. The aggregate principal amount of outstanding notes payable from any fund or group of accounts is limited to 50% of the amount of revenues of such fund or group of accounts anticipated but not yet credited to the fund or group of accounts for the applicable Fiscal Year, excluding the proceeds of notes or other borrowing credited to such fund or group of accounts and any income from the investment of revenues or the proceeds of such borrowings. It is forecast that approximately $10,687.5 million in revenues (excluding the proceeds of the Series 2020 Notes or other borrowings and investment income of revenues and such proceeds) will be credited to the General Fund for Fiscal Year 2020-21, thereby imposing a limit of approximately $5,343.8 million in General Fund notes for Fiscal Year 2020-21. See "APPENDIX A – THE STATE GENERAL FUND – General Fund Cash Flow" and "Additional Notes" below.

General Provisions

The Series 2020 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 2020 Notes. Beneficial Ownership Interests in the Series 2020 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 2020 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 2020 Notes will be dated as of the Closing Date, mature on the 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) specified on the cover page of this Official Statement. Interest on the Series 2020 Notes will accrue from the Closing Date and will be payable on the Maturity Date. The principal of and interest on the Series 2020 Notes will be payable by UMB Bank, n.a., Kansas City, Missouri, as paying agent for the Series 2020 Notes (the "Paying Agent"), on the Maturity Date to Cede & Co., as the Owner of the Series

2020 Notes, for subsequent credit to the accounts of the Beneficial Owners. See "APPENDIX F – DTC BOOK-ENTRY SYSTEM." Interest on the Series 2020 Notes will cease to accrue on the Maturity Date.

The Series 2020 Notes are not subject to redemption prior to the Maturity Date.

UMB Bank, n.a., Kansas City, Missouri, will also serve as the Registrar for the Series 2020 Notes, subject to the provisions of the DTC book-entry system.

None of the State, the State Treasurer, the Deputy Treasurer, the Chief Financial Officer of the Department of the Treasury, the State Controller, the Paying Agent, the Registrar or the Financial Advisor has any responsibility or obligation to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant, (ii) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the Owners of the Series 2020 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 2020 Notes, (iv) any consent given or other action taken by DTC or its nominee as the owner of Series 2020 Notes or (v) any other related matter.

Security and Sources of Payment

Limited Obligations. The Series 2020 Notes are special, limited obligations of the State payable solely from the Pledged Revenues, which the State Treasurer believes will be sufficient for the repayment of the Series 2020 Notes. The State pledges to the payment of principal of and interest on the Series 2020 Notes Pledged Revenues in an amount sufficient to pay the principal of and interest on the Series 2020 Notes on the Maturity Date. The Series 2020 Notes do not constitute a debt, indebtedness or multiple fiscal year financial obligation of the State within the meaning of any applicable provision of the State Constitution or State statutes. The Owners and Beneficial Owners of the Series 2020 Notes may not look to any source other than the Pledged Revenues for payment of the Series 2020 Notes. See also "*Limitations on Obligations of the State*" hereafter in this section.

The Pledged Revenues. The Pledged Revenues consist of (i) Current General Fund Revenues, (ii) the unexpended proceeds, if any, of the Series 2020 Notes and any Additional Notes and (iii) Borrowable Resources.

Current General Fund Revenues. Current General Fund Revenues are comprised of any cash income or other cash receipts duly credited to the General Fund for Fiscal Year 2020-21 that are subject to appropriation for Fiscal Year 2020-21 and not yet credited to the General Fund as of the Closing Date. Current General Fund Revenues include, generally, receipts from corporate and individual income taxes, sales and use taxes, certain excise taxes, insurance taxes, interest on investments of certain State funds and revenues from pari-mutuel wagering, courts, charges for services and other sources.

Current General Fund Revenues do not include the proceeds of the Series 2020 Notes or Additional Notes or certain moneys that are legally required to be paid to other funds, including, among others: (i) those moneys or revenues that are required to be credited to the Old Age Pension Fund and the State Education Fund, except to the extent determined to be in excess of the requirements of such funds and transferred to the General Fund; and (ii) moneys received from the federal government that are not subject to appropriation or are restricted to a particular purpose or use. In addition, the Series 2020 Notes are not payable from General Fund or other State revenues that are subject to accrual to the General Fund in any Fiscal Year after Fiscal Year 2020-21.

See "APPENDIX A – THE STATE GENERAL FUND" and "APPENDIX B – OSPB JUNE 2020 REVENUE FORECAST," as well as "COVID-19 AND STATE FINANCES" and "INVESTMENT CONSIDERATIONS – Impact of COVID-19 on State Finances – Budgets and Revenue Forecasts."

Borrowable Resources. The Pledged Revenues also include Borrowable Resources, being, to the extent permitted by law, proceeds of internal borrowing from other State funds. These State funds consist of over 600 funds and accounts of the State other than the General Fund. See "BORROWABLE RESOURCES" for a more detailed discussion of the State funds constituting the Borrowable Resources.

Note Payment Account. The Note Payment Account of the General Fund is created pursuant to the Authorizing Resolution and is to be held by the State Treasurer on behalf of the State and used solely to pay the Series 2020 Notes and any Additional Notes. The Note Payment Account is pledged to the payment of the principal of and interest on the Series 2020 Notes and any Additional Notes on the Maturity Date, and the Owners of the Series 2020 Notes and the registered owners of any Additional Notes are equally and ratably secured by an exclusive first lien on the Note Payment Account and the moneys deposited therein. Moneys held in the Note Payment 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.

In order to provide for the payment of the principal of and interest on the Series 2020 Notes and any Additional Notes, the State Treasurer covenants to credit Pledged Revenues to the Note Payment Account in such amount as will cause the balance in the Note Payment Account on June 15, 2021, to be at least equal to the principal of and interest on the Series 2020 Notes and any Additional Notes due on the Maturity Date.

If on June 15, 2021, the balance in the Note Payment Account is less than the amount required, the State Treasurer covenants to: (i) give notice of such deficiency to the Paying Agent, the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access ("EMMA") system and to DTC or any successor depository; and (ii) until the balance in the Note Payment Account satisfies such requirement, (a) credit to the Note Payment Account all Current General Fund Revenues then available and thereafter received, and (b) borrow (to the extent permitted by law) for credit to the Note Payment Account from other State funds. Such notice is to be given by electronic transmission unless the designated recipient thereof has otherwise requested the State Treasurer to use another means of transmission. In the event the designated recipient does not utilize electronic transmission and has not otherwise requested a specific means of transmission from the State Treasurer, such notice is to be by first-class mail, postage prepaid.

The State Treasurer covenants that moneys in the Note Payment Account not immediately needed will be invested only in investments maturing on or before the Maturity Date and authorized by (i) the Funds Management Act, (ii) Title 24, Article 36, C.R.S., or (iii) to the extent applicable, Title 24, Article 75, Part 6, C.R.S. Investment earnings on moneys held in the Note Payment Account are to be retained in the Note Payment Account until the balance therein equals or exceeds the principal of and interest due on the Series 2020 Notes and Additional Notes, if any, on the Maturity Date. See "FINANCIAL INFORMATION – Investment and Deposit of State Funds" and "APPENDIX A – THE STATE GENERAL FUND – Investment Policies – Investment of the State Pool."

The State Treasurer covenants to prepare, on or about the 25th day of October 2020, January 2021 and April 2021, written projections of Current General Fund Revenues, Current General Fund Expenditures, General Fund balances and legally available amounts in other State funds for each month remaining in the Current Fiscal Year, which projections are to be based on the quarterly revenue projections approved by the OSPB or any successor in function. See "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations" and "APPENDIX A – THE STATE GENERAL FUND – Revenue Estimation; OSPB Revenue and Economic Forecasts."

If at any time such projections show that Current General Fund Revenues will be insufficient to permit the required credits to the Note Payment Account, the State Treasurer covenants in the Authorizing

Resolution to: (i) immediately give notice of such determination to the MSRB (via EMMA) and to DTC or any successor securities depository; and (ii) until there has been credited to the Note Payment Account an amount equal to the amount by which the required credits are projected to be insufficient, (a) credit all Current General Fund Revenues then available and thereafter received to the Note Payment Account to the extent required, and (b) transfer from other State funds (to the extent permitted by law) for credit to the Note Payment Account to the extent required. The State Treasurer also covenants in the Authorizing Resolution to make no repayment of moneys transferred from any other funds of the State unless after taking into account the amount of the repayment, the amount credited to the Note Payment Account will equal or exceed the principal and interest due on the Series 2020 Notes on the Maturity Date. See also "CONTINUING DISCLOSURE."

For a discussion of the anticipated cash flow to the General Fund, the sources thereof and the procedures to be followed for and the limitations on interfund borrowing, see generally "STATE FINANCIAL INFORMATION – State Funds – *The General Fund*," "BORROWABLE RESOURCES" and "APPENDIX A – THE STATE GENERAL FUND."

Limitations on Obligations of the State. The Authorizing Resolution provides that no provision thereof or of the Series 2020 Notes shall be construed or interpreted: (a) to directly or indirectly obligate the State to make any payment in Fiscal Year 2020-21 in excess of amounts appropriated for such Fiscal Year; (b) as creating a debt or an indebtedness of the State within the meaning of any applicable provision of the State Constitution or State statutes; (c) as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the State within the meaning of TABOR for which adequate cash reserves have not been pledged irrevocably and held for payment in all future fiscal years; (d) as a delegation of governmental powers by the State; (e) 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 (f) 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.

Additional Notes

Subject to the limitation on the amount of General Fund notes that may be issued pursuant to the Funds Management Act as discussed in "Authorization" above, the Authorizing Resolution authorizes the State Treasurer to issue Additional Notes payable from and secured by a pledge of all or a portion of the Pledged Revenues on parity with (but not superior to) the pledge in favor of the Owners of the Series 2020 Notes. The Additional Notes may have such details as the State Treasurer may determine; provided, however, that the Additional Notes are required to be (i) non-redeemable prior to the Maturity Date, (ii) due and payable as to both principal and interest on the Maturity Date and (iii) payable from the Note Payment Account. The State Treasurer currently does not anticipate issuing any Additional Notes, but reserves the right to do so.

Defaults and Remedies

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

- Payment of the principal of or interest on any of the Series 2020 Notes is not made on the Maturity Date;

- The balance credited to the Note Payment Account on June 15, 2021, is less than the principal and interest due on the Series 2020 Notes and Additional Notes, if any, on the Maturity Date; or

- The State fails to observe or perform any condition, agreement or covenant contained in the Authorizing Resolution or the Series 2020 Notes and such failure continues for 15 days after receipt by the State Treasurer of written notice from any Owner of the Series 2020 Notes.

Upon the occurrence of any Event of Default, the Authorizing Resolution provides that any Owner of the Series 2020 Notes may: (i) sue or commence an action or proceeding to collect sums due and owing on the Series 2020 Notes or to enforce and protect such Owner's rights under the Authorizing Resolution and the Series 2020 Notes; (ii) compel, to the extent permitted by law, by mandamus or otherwise, the performance by the State of any covenant in the Authorizing Resolution or the Series 2020 Notes; or (iii) examine the books and records of the State and require the State Treasurer to account for all moneys and investments constituting the Pledged Revenues as if the State Treasurer were the trustee of an express trust. Neither principal of nor interest on the Series 2020 Notes may be accelerated as a consequence of any Event of Default.

If on the Maturity Date the moneys in the Note Payment Account are not sufficient to pay the principal of and interest on the Series 2020 Notes and Additional Notes, if any, the State Treasurer is to direct the Paying Agent to ratably apply the moneys in the Note Payment Account to the payment of the principal and interest then due and unpaid upon the Series 2020 Notes and Additional Notes, if any, without preference or priority of principal over interest or of interest over principal, or of any Series 2020 Note or Additional Notes, if any, over any other Series 2020 Note or Additional Notes, if any, 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 Authorizing Resolution for the benefit of the Owners of the Series 2020 Notes that the State Treasurer will not take any action or omit to take any action with respect to the Series 2020 Notes, the proceeds thereof or other funds of the State if such action or omission would (i) cause the interest on the Series 2020 Notes to lose its exclusion from gross income for federal income tax purposes under the Tax Code, (ii) cause interest on the Series 2020 Notes to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code or (iii) cause interest on the Series 2020 Notes to lose its exclusion from State taxable income or State alternative minimum taxable income under present State law. This covenant is to remain in full force and effect notwithstanding the payment in full of the Series 2020 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 2020 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 2020 Notes.

Limited Obligations

The Series 2020 Notes are special, limited obligations of the State payable solely from and secured by a pledge of the Pledged Revenues, consisting of (i) Current General Fund Revenues, (ii) the unexpended proceeds, if any, of the Series 2020 Notes and any Additional Notes and (iii) Borrowable

Resources. The State has not pledged its General Fund, taxing power or revenues, other than the Pledged Revenues, to the payment of the Series 2020 Notes. The Series 2020 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, and no governmental entity has pledged its faith and credit for the payment of the Series 2020 Notes. If an Event of Default under the Authorizing Resolution should occur, the State may not have sufficient Pledged Revenues to pay the principal of and/or the interest on the Series 2020 Notes. See "THE SERIES 2020 NOTES – Security and Sources of Payment – Defaults and Remedies."

Impact of COVID-19 on State Finances

As discussed in "COVID-19 AND STATE FINANCES," the COVID-19 pandemic already has had, and is forecast to continue to have, a significant adverse impact on the finances of the State. The State cannot predict (i) the duration or extent of the COVID-19 pandemic, (ii) the duration or expansion of related business closings, public health orders, regulations and legislation or (iii) what impact, or to what extent, the COVID-19 pandemic will continue to have on global, national, state and local economies, including the economy of the State. It is too soon to determine with any confidence the full extent of the impact of COVID-19 on the State, the General Fund and the Borrowable Resources. However, such impact is expected to have a material adverse effect on the State's finances, which in turn could adversely affect the State's ability to pay the Series 2020 Notes. See also "Budgets and Revenue Forecasts" in this section, as well as "APPENDIX A – THE STATE GENERAL FUND" and "APPENDIX B – OSPB JUNE 2020 REVENUE FORECAST."

Budgets and Revenue Forecasts

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

The State relies on revenue estimation as the basis for budgeting and establishing aggregate funds available for expenditure for its appropriation process. By statute, the OSPB is responsible for developing the General Fund revenue estimate. The most recent OSPB revenue forecast was issued on June 19, 2020 (the "OSPB June 2020 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 2020 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 does not take into account the timing of when such amounts are received or paid. If an unanticipated cash shortfall were to occur in late Fiscal Year 2020-21, it may adversely affect the State's ability to pay the Series 2020 Notes. See "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations," "APPENDIX

A – THE STATE GENERAL FUND – Revenue Estimation; OSPB Revenue and Economic Forecasts" and "APPENDIX B – OSPB JUNE 2020 REVENUE FORECAST."

As discussed in "COVID-19 AND STATE FINANCES," COVID-19 has already resulted, and is forecast to continue to result, in a significant loss of revenue to the State. The OSPB June 2020 Revenue Forecast projects that General Fund revenues in Fiscal Year 2019-20 will decrease by $617.0 million (4.9%) over Fiscal Year 2018-19, and that General Fund revenues in Fiscal Year 2020-21 will further decrease by $1,259.5 million (10.5%) over Fiscal Year 2019-20. The OSPB June 2020 Revenue Forecast states that the State ended Fiscal Year 2018-19 with reserves of $448.3 million above the 7.25% Unappropriated Reserve requirement applicable to such Fiscal Year, and forecasts that the State will end Fiscal Year 2019-20 with reserves of $393.0 million above the 3.07% Unappropriated Reserve requirement applicable to such Fiscal Year and will end Fiscal Year 2020-21 with reserves of $171.4 million above the 2.86% Unappropriated Reserve requirement applicable to such Fiscal Year. These figures are based on revenue and budget information available when the OSPB June 2020 Revenue Forecast was completed, as well as a preliminary analysis of legislation passed by the General Assembly in the regular session which recently adjourned on June 15, 2020, and as such are subject to change in subsequent OSPB revenue forecasts based on new information on revenue and expenditures. See "STATE FINANCIAL INFORMATION – Budget process and Other Considerations – *Revenues and Unappropriated Amounts*."

The next OSPB revenue forecast is scheduled to be released in September of 2020. General Fund revenue projections in this and subsequent OSPB revenue forecasts may be materially different from the OSPB June 2020 Revenue Forecast, particularly due to the ever-evolving impact of COVID-19, which has made forecasting more difficult. If a revenue shortfall is projected for Fiscal Year 2020-21 and subsequent forecast 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 2020-21 may adversely affect the State's ability to pay the Series 2020 Notes. See "Impact of COVID-19 on State Finances" in this section, as well as "COVID-19 AND STATE FINANCES," "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations," "APPENDIX A – THE STATE GENERAL FUND – Revenue Estimation; OSPB Revenue and Economic Forecasts – *Revenue Shortfalls*" and "APPENDIX B – OSPB JUNE 2020 REVENUE FORECAST."

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

Additional Notes

The Authorizing Resolution permits the State to issue Additional Notes upon satisfaction of certain conditions provided therein and in the Funds Management Act. If Additional Notes are issued, they would be payable from and secured by a pledge of the Pledged Revenues on parity with the pledge securing the Series 2020 Notes and could therefore adversely impact the investment security for the Series 2020 Notes. The State Treasurer currently does not anticipate issuing any Additional Notes, but reserves the right to do so. See "THE SERIES 2020 NOTES – Authorization – Additional Notes."

Loss of Tax Exemption

As discussed in "TAX MATTERS," the interest on the Series 2020 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 Authorizing Resolution.

Future Changes in Laws

Various State laws and constitutional provisions apply 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 affairs of the State, the availability of and appropriation of funds by the State or the ability of the State to pay the Series 2020 Notes. See also "LITIGATION, GOVERNMENTAL IMMUNITY AND SELF-INSURANCE – Current Litigation" for a discussion of certain pending litigation the outcome of which could potentially have a material adverse impact on the State's finances.

Cyber Security Risks

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

THE STATE

General Profile

Colorado became the 38th state of the United States of America when it was admitted to the union in 1876. Its borders encompass 103,718 square miles of the high plains and the Rocky Mountains, with elevations ranging from 3,315 to 14,433 feet above sea level. The current population of the State is approximately 5.76 million. The State's major economic sectors include agriculture, professional and business services, manufacturing, technology, tourism, energy production and mining. Considerable economic activity is generated in support of these sectors by government, wholesale and retail trade, transportation, communications, public utilities, finance, insurance, real estate and other services. See also "APPENDIX C – STATE OF COLORADO COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019" and "APPENDIX D – CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION" for additional information about the State.

Organization

The State maintains a separation of powers utilizing three branches of government: executive, legislative and judicial. The executive branch comprises four major elected officials: the Governor, State Treasurer, Attorney General and Secretary of State. The chief executive power is allocated to the

Governor, who has responsibility for administering the budget and managing the executive branch. The State Constitution empowers the General Assembly to establish up to 20 principal departments in the executive branch. Most departments of the State report directly to the Governor; however, the Departments of Treasury, Law and State report to their respective elected officials, and the Department of Education reports to the elected State Board of Education. The elected officials serve four year terms. The current term of such officials commenced in January of 2019 (following the general election held in November of 2018) and will expire on the second Tuesday in January of 2023. No elected executive official may serve more than two consecutive terms in the same office.

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

STATE FINANCIAL INFORMATION

The State Treasurer

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

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

Taxpayer's Bill of Rights

General. 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 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 2019-20 and 2020-21 have been estimated in the OSPB June 2020 Revenue Forecast to be $421.8 million and $381.5 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, in Fiscal Year 2017-18, TABOR revenues exceeded the TABOR limit and resulted in the State being $18.5 million above the ESRC, again triggering a TABOR refund, and in Fiscal Year 2018-19, TABOR revenues exceeded the TABOR limit and resulted in the State being $428.3 million above the ESRC, again triggering a TABOR refund. TABOR revenues are forecast in the OSPB June 2020 Revenue Forecast to exceed the TABOR limit in Fiscal Years 2019-20 and 2020-21 but not to exceed the ESRC.

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

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

Voter Approval to Retain and Spend Certain Marijuana Taxes Associated with Proposition AA. At the general election held on November 3, 2015, the State's voters authorized the State to retain and spend $66.1 million in sales and excise taxes on the sale of marijuana and marijuana products ("Marijuana Taxes") authorized by Proposition AA approved by the State's voters in November of 2013 that otherwise would have been subject to a required refund to taxpayers in Fiscal Year 2015-16 pursuant to TABOR. HB 15-1367, which referred the measure to the State's voters as Proposition BB, also provides for the allocation of the retained amount for public school capital construction, for various purposes such as law enforcement, youth programs and marijuana education and prevention programs and for use by the General Fund for any purpose. For more information on how these amounts are treated in the General Fund, see the discussion in "General Fund and State Education Fund Budget" in the OSPB June 2020 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 2020 Notes. Voter approval under TABOR is not required for the issuance of the Series 2020 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 2020 Notes and any Additional Notes.

State Funds

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

Other Funds. The State also maintains a large number of statutorily created special funds for which specific revenues are designated for specific purposes. Some of these special funds are considered Borrowable Resources available to pay the principal of and interest on the Series 2020 Notes and on education loan anticipation notes issued by the State. See "BORROWABLE RESOURCES" and "DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS – Note Issues of the State."

Budget Process and Other Considerations

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

Phase II (Legislative). The Joint Budget Committee, consisting of three members from each house of the General Assembly, develops the legislative budget proposal embodied in the Long Bill, which is introduced in and approved by the General Assembly. Following receipt of testimony by State departments and agencies, the Joint Budget Committee marks up the Long Bill and directs the manner in which appropriated funds are to be spent. The Long Bill includes: (i) General Fund appropriations, supported by general purpose revenue such as taxes; (ii) General Fund Exempt appropriations primarily funded by TABOR-exempt or excess TABOR revenues retained under Referendum C; (iii) cash fund appropriations supported primarily by grants, transfers and departmental charges for services; (iv) reappropriated amounts funded by transfers and earnings appropriated elsewhere in the Long Bill; and (v) estimates of federal funds to be expended that are not subject to legislative appropriation. Under current practice, after it is reported to the General Assembly, the Long Bill is reviewed and debated in party caucuses in each house. Amendments may be offered by each house, and the Joint Budget Committee generally is designated as a conference committee to reconcile differences. The Long Bill has always been adopted prior to commencement of the Fiscal Year in July. Specific bills creating new programs or amending tax policy are considered separately from the Long Bill in the legislative process. The General Assembly 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 2014-15 through 2020-21. See also "APPENDIX A – THE STATE GENERAL FUND – General Fund Overview."

State of Colorado
Unappropriated Reserve Requirement

Fiscal Years	Unappropriated Reserve Requirement[1,2,3,4]
2014-15	6.50%
2015-16	5.60
2016-17	6.00
2017-18	6.50
2018-19	7.25
2019-20	3.07
2020-21	2.86

[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 2020 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% for Fiscal Year 2018-19. The legislation also removed the exemption of General Fund appropriations for lease purchase agreement payments made in connection with certificates of participation from the reserve calculation requirements.

[4] Per HB 20-1383, the Unappropriated Reserve requirement was reduced to 3.07% for Fiscal Year 2019-20 and 2.86% for Fiscal Years 2020-21 and 2021-22 and then reverts to 7.25% for Fiscal Years 2022-23 and thereafter.

Source: State Treasurer's Office

The OSPB June 2020 Revenue Forecast states that the State ended Fiscal Year 2018-19 with reserves of $448.3 million above the 7.25% Unappropriated Reserve requirement applicable to such Fiscal Year, and forecasts that the State will end Fiscal Year 2019-20 with reserves of $393.0 million above the 3.07% Unappropriated Reserve requirement applicable to such Fiscal Year and will end Fiscal Year 2020-21 with reserves of $171.4 million above the 2.86% Unappropriated Reserve requirement applicable to such Fiscal Year. These figures are based on revenue and budget information available when the OSPB June 2020 Revenue Forecast was completed, as well as a preliminary analysis of legislation passed by the General Assembly in the regular session which recently adjourned on June 15, 2020, and as such are subject to change in subsequent OSPB revenue forecasts based on new information on revenue and expenditures.

See also generally "APPENDIX A – THE STATE GENERAL FUND – General Fund Overview – Revenue Estimation; OSPB Revenue and Economic Forecasts" and "APPENDIX B – OSPB JUNE 2020 REVENUE FORECAST."

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

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

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

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

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

Fiscal Controls and Financial Reporting

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

The State Controller is appointed by the Executive Director of the Department of Personnel & Administration. Except for certain institutions of higher education which have elected to establish their own fiscal rules, the State Controller has statutory responsibility for coordinating all procedures for financial administration and financial control in order to integrate them into an adequate and unified system, conducting all central accounting and issuing warrants or checks for payment of claims against the State. The State Controller prepares 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 2018-19 (the "Fiscal Year 2018-19 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 audited financial statements included in the State's Fiscal Year 2018-19 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 cash flow schedules include all financial activity reported specifically in the General Purpose Revenue Fund on a cash basis, while the Fund level financial statements and revenue estimates are primarily prepared on the modified accrual basis of accounting. Revenue estimates are prepared for those revenues that are related primarily to the general taxing powers of the State and to a lesser degree include intergovernmental transactions, charges for services and receipts from the federal government. The General Fund as defined in the financial statements includes revenues and expenditures for certain special cash receipts that are related to fees, permits and other charges rather than to the general taxing power of the State. See also "APPENDIX A – THE STATE GENERAL FUND – General" for a discussion of the distinction between the statutory General Fund and the GAAP General Fund.

Financial Audits

Financial and post-performance audits of all State agencies are performed by the State Auditor (the "Auditor") through the Auditor's staff as assisted by independent accounting firms selected solely by the Auditor. The Auditor is an employee of the legislative branch and is appointed for a term of five years by the General Assembly based on the recommendations of the Legislative Audit Committee of the General Assembly. The present Auditor has been appointed to a term 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 its report included herein, any procedures on the financial statements presented in the Fiscal Year 2018-19 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 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 2018-19 CAFR appended to this Official Statement and "APPENDIX A – THE STATE GENERAL FUND – Investment of the State Pool."

BORROWABLE RESOURCES

The Pledged Revenues include, to the extent permitted by law, any Borrowable Resources, which 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 "APPENDIX A – THE STATE GENERAL FUND – Investment of the State Pool."

The ability of the State Treasurer to pay the Series 2020 Notes from Borrowable Resources will depend upon the availability of funds in the State Treasury that are eligible for investment. See "APPENDIX A – THE STATE GENERAL FUND – General Fund Cash Flow." In addition, the availability of Borrowable Resources may 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 2019-20 and 2020-21. The estimates in the tables are based on various assumptions made by the State Treasurer's office, which are subject to uncertainties, and in particular the uncertainty of the potential impact of COVID-19 on such Borrowable Resources. Inevitably, some assumptions used to develop the forecasted amounts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecasted amounts in the tables and the amounts ultimately realized, and such differences may be material. See also the preliminary notice in this Official Statement regarding forward-looking statements. See also "STATE FINANCIAL INFORMATION – Fiscal Controls and Financial Reporting."

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

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

	Actual											Estimated
	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	1,812.9	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**	**4,407.2**	**4,855.2**	**4,913.1**	**4,995.2**	**4,913.1**	**4,809.5**	**4,951.6**	**4,027.2**
Total General Fund	376.1	213.7	(304.9)	106.9	291.8	(850.9)	(79.8)	(70.9)	(941.3)	(77.8)	294.2	754.3
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	**$4,085.1**	**$4,176.1**	**$4,053.9**	**$4,086.4**	**$4,099.0**	**$3,404.3**	**$4,233.3**	**$4,324.3**	**$3,371.8**	**$4,131.6**	**$4,645.9**	**$4,781.5**

[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 notice in this Official Statement regarding forward-looking statements.

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

Source: State Treasurer's Office

State of Colorado
Estimated Borrowable Resources
Fiscal Year 2020-21 [1,2,3]

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

	July 2020	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	June 2021
Aviation Fund	$ 20.2	$ 20.6	$ 21.0	$ 20.1	$ 21.3	$ 21.0	$ 20.4	$ 21.5	$ 22.5	$ 21.5	$ 21.3	$ 21.7
Capital Construction Fund	60.8	64.1	63.0	59.6	55.3	52.5	45.6	36.4	31.8	38.9	24.6	25.1
College Scholarship Fund	17.7	18.9	6.8	6.8	17.2	68.0	67.0	45.1	17.0	18.3	17.9	12.4
Colorado Student Obligation Bond Authority – Administration	53.7	54.6	67.5	65.7	62.9	51.8	55.1	53.9	54.2	53.7	54.4	69.7
Hazardous Substance Fund	10.3	10.2	10.6	10.6	10.5	10.2	10.5	10.3	10.2	10.4	10.5	10.8
Higher Education Funds [4]	1,233.8	1,518.4	1,674.5	1,621.7	1,557.0	1,488.3	1,654.5	1,719.1	1,719.3	1,648.2	1,542.6	1,630.0
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	42.7	47.1	32.1	40.4	47.5	38.6	45.7	48.7	32.5	41.1	50.0	34.7
Mineral Impact Fund	91.3	100.8	62.2	75.2	85.5	72.9	81.2	90.7	82.8	96.0	107.1	82.4
School Capital Construction Assistance	484.0	556.9	542.7	534.0	558.8	575.5	590.9	673.1	626.1	629.9	675.0	683.0
State and Local Severance Tax Funds	154.2	153.6	144.5	149.9	139.9	148.8	151.3	154.2	159.9	169.0	175.0	173.7
State Public School Fund	2.5	1.3	3.1	1.7	0.4	1.8	0.6	0.1	2.2	1.1	0.7	0.2
Tobacco Tax Funds	2.3	2.4	2.1	2.4	2.5	2.2	2.5	2.6	2.2	2.4	2.5	0.2
Water Conservation Construction Fund	244.6	249.8	287.3	282.8	276.6	291.8	284.6	274.9	287.3	307.0	314.5	324.2
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	1,347.7	1,340.1	1,520.5	1,304.0	1,435.3	2,233.0	2,136.5	2,210.0	1,736.2	1,661.8	2,062.0	924.6
Total Borrowable Resources	**3,841.9**	**4,160.4**	**4,461.1**	**4,206.3**	**4,309.3**	**5,102.0**	**5,203.7**	**5,411.9**	**4,854.7**	**4,780.0**	**5,148.8**	**4,019.5**
Total General Fund	418.4	233.5	(299.6)	15.5	175.9	(952.9)	(241.6)	(235.1)	(1,090.8)	(304.8)	37.7	476.0
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	**$3,660.2**	**$3,793.9**	**$3,561.5**	**$3,621.8**	**$3,885.2**	**$3,549.2**	**$4,362.0**	**$4,576.8**	**$3,163.9**	**$3,875.2**	**$4,586.6**	**$4,495.5**

[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 notice in this Official Statement regarding forward-looking statements.

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

Source: State Treasurer's Office

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 2020 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 2018-19 CAFR appended to this Official Statement for a discussion of the outstanding lease-purchase agreements entered into by the State as of June 30, 2019, as well as the aggregate minimum lease payments due under such lease-purchase agreements entered into by the State for Fiscal Years 2018-19 and thereafter. See also Note 21 to the State's Fiscal Year 2018-19 CAFR appended to this Official Statement for a discussion of lease-purchase agreements entered into by the State after June 30, 2019, but before publication of the Fiscal Year 2018-19 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 2018-19 CAFR appended to this Official Statement for a discussion of the outstanding lease/rental agreements entered into by the State as of June 30, 2019, as well as the aggregate minimum payment obligations under such agreements in Fiscal Years 2018-19 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 2018-19 CAFR appended to this Official Statement for a discussion of such bonds and notes outstanding as of June 30, 2019, and of those issued after June 30, 2019, but before publication of the Fiscal Year 2018-19 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 2018-19 CAFR appended to this Official Statement.

See also the Statistical Section of the State's Fiscal Year 2018-19 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 Series 2020 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 for local school districts in anticipation of local school district revenues to be collected at a later date. See Notes 10 and 21 to the State's Fiscal Year 2018-19 CAFR appended to this Official Statement for a discussion of State tax and revenue anticipation notes outstanding as of June 30, 2019, and of such notes issued after June 30, 2019, but before publication of the Fiscal Year 2018-19 CAFR. After publication of the Fiscal Year 2018-19 CAFR, the State issued $400 million of Education Loan Program Tax and Revenue Anticipation Notes, Series 2019B. The State plans to issue $410 million of Education Loan Program Tax and Revenue Anticipation Notes, Series 2020A, about the same time as the issuance of the Series 2020 Notes. All tax and revenue anticipation notes that have been issued by the State have been paid in full and on time.

See also the Statistical Section of the State's Fiscal Year 2018-19 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 2018-19 CAFR appended to this Official Statement, as well as PERA's Comprehensive Annual Financial Report for calendar year 2019 (the "PERA 2019 CAFR"). The information in the State's Fiscal Year 2018-19 CAFR regarding PERA is derived from PERA's

Comprehensive Annual Financial Report for calendar year 2018 (the "PERA 2018 CAFR"), while the information in this Official Statement is derived from the PERA 2019 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 2019 CAFR reports that at December 31, 2019, the actuarial value of assets of the State Division Plan was approximately $14.922 billion and the actuarial accrued liability, or "AAL," of the Plan was approximately $25.718 billion, resulting in an unfunded actuarial accrued liability, or "UAAL," of approximately $10.796 billion, a funded ratio of 58.0% and an amortization period, after consideration of HB 20-1379 (discussed below), of 27 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, 2019, the Plan had an unfunded accrued liability of approximately $9.898 billion and a funded ratio of 61.5%.

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, 2019, the Health Care Trust Fund had a UAAL of approximately $1.099 billion, a funded ratio of 24.1% and an amortization period, both before and after consideration of HB 20-1379 (discussed below) and of HB 20-1394 (which is applicable only to the Judicial Division), of 20 years. Because the Health Care Trust Fund is a cost-sharing, multiple employer plan, PERA's actuary has not determined the portion of the unfunded actuarial accrued liability that applies to each Division participant. The benefit provided by the Health Care Trust Fund is a fixed limited subsidy of the retiree's health care insurance premium payment, and the retiree bears all risk of medical cost inflation. See Notes 9 and 11 to the PERA 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 2018-19 CAFR of approximately $19.531 billion at June 30, 2019, compared to a reported net pension liability in the State's Fiscal Year 2018-19 CAFR of approximately $19.382 billion at June 30, 2018. Schedules presenting the State's proportionate share of the net pension liability for its retirement plan as of June 30, 2014-2018, 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 2018-19 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 2018-19 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 and GASB 75."

GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" ("GASB 75"), is effective for fiscal years beginning after June 15, 2017, and accordingly was first implemented in the State's Fiscal Year 2018-19 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.

Impact of COVID-19 on State Distributions to PERA. Due to the actual and forecast impact of COVID-19 on the State's revenues in Fiscal Years 2019-20 and 2020-21, HB 20-1379 suspended for Fiscal Year 2020-21 the State's annual distribution to PERA to fund unfunded actuarial accrued liabilities in the benefit plans administered by PERA for State employees. See "APPENDIX E – STATE PENSION SYSTEM – Funding of the State Division Plan – *Statutorily Required Contributions*."

Effect of Pension Liability on the Series 2020 Notes. The Series 2020 Notes are short-term obligations maturing on June 25, 2021. Therefore, the State's current pension liability is not expected to adversely affect the State's ability to pay the Series 2020 Notes. See also the discussion of the State's pension liability in the Management's Discussion and Analysis in the State's Fiscal Year 2018-19 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 2020 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 2020 Notes or questioning or affecting the validity of the Series 2020 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 Authorizing Resolution and to secure the Series 2020 Notes in the manner provided in the Authorizing Resolution and the Funds Management Act.

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 2018-19 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 2018-19 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. and Standard & Poor's, a division of The McGraw-Hill Companies, Inc., have assigned to the Series 2020 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 2020 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 2020 Notes. The State has not undertaken any responsibility to oppose any such revision, suspension or withdrawal.

CONTINUING DISCLOSURE

Series 2020 Notes

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, which exemption applies to offerings of municipal securities having a stated maturity of 18 months or less, such as the Series 2020 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 Authorizing Resolution, for the benefit of the Owners and Beneficial Owners of the Series 2020 Notes, that during such time as any of the Series 2020 Notes are outstanding, the State Treasurer will provide to the MSRB: (a) notice of any actual or projected deficiency in the Note Payment Account, as discussed in "THE SERIES 2020 NOTES – Security and Sources of Payment – Note Payment Account"; and (b) in a timely manner, not in excess of ten Business Days (defined in the Authorizing Resolution as any day on which financial institutions are open for business in the State) 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 2020 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 2020 Notes; (iv) modifications to rights of owners of the Series 2020 Notes, if material; (v) defeasances; and (vi) rating changes; as well as the following events to the extent applicable to the Series 2020 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 2020 Note calls, if material, and tender offers; (e) release, substitution or sale of property securing repayment of the Series 2020 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 (within the meaning of Rule 15c2-12) of the State, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the State, any of which affect the Owners and Beneficial Owners of the Series 2020 Notes, if material; and (j) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the State, 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 2020 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 continuing disclosure undertaking obligations of the State Treasurer does not constitute an Event of Default under the Authorizing Resolution, and none of the rights and remedies provided in the Authorizing Resolution for Events of Default will be available to the Owners or Beneficial Owners of the Series 2020 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 discussed below.

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 such Fiscal Years 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 2006-2010 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

Additional information concerning the compliance 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 2020 Notes, as well as the treatment of interest on the Series 2020 Notes for purposes of federal and State income taxation, are subject to the approving legal opinion of Sherman & Howard L.L.C., 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 2020 Notes.

TAX MATTERS

Federal Tax Treatment of Interest on the Series 2020 Notes

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Series 2020 Notes is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2020 Notes (the "Tax Code"), interest on the Series 2020 Notes is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code.

The Tax Code imposes several requirements which must be met with respect to the Series 2020 Notes in order for the interest thereon to be excluded from gross income and alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Series 2020 Notes. These requirements include: (a) limitations as to the use of proceeds of the Series 2020 Notes; (b) limitations on the extent to which proceeds of the Series 2020 Notes may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Series 2020 Notes above the yield on the Series 2020 Notes to be paid to the United States Treasury. The State Treasurer has covenanted and represented in the Authorizing Resolution not to take or omit to take any action with respect to the Series 2020 Notes, the proceeds thereof or any other funds of the State if such action or omission would cause the interest on the Series 2020 Notes to lose its exclusion from gross income and alternative minimum taxable income under the Tax Code. Bond Counsel's opinion as to the exclusion of interest on the Series 2020 Notes from gross income and alternative minimum taxable income is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the State Treasurer to comply with these requirements could cause the interest on the Series 2020 Notes to be included in gross income and alternative minimum taxable income from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the State Treasurer and other certifications and representations furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications or representations by independent investigation.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Series 2020 Notes. Owners of the Series 2020 Notes should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Series 2020 Notes made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Series 2020 Notes were sold at a premium, representing a difference between the original offering price of those Series 2020 Notes and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such Series 2020 Notes may realize a taxable gain upon their disposition, even if such Series 2020 Notes are sold or redeemed for an amount equal to the owner's acquisition cost.

IRS Audit Program

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Series 2020 Notes. If an audit is commenced, the market value of the Series 2020 Notes may be adversely affected. Under current audit procedures, the Service will treat the State as the taxpayer and the owners may have no right to participate in such procedures. The State Treasurer has covenanted in the Authorizing Resolution not to take any action that would cause the interest on the Series 2020 Notes to lose its exclusion from gross income for federal income tax purposes. None of the State, the Financial Advisor or Bond Counsel is responsible for paying or reimbursing any Owner or Beneficial Owner for any audit or litigation costs relating to the Series 2020 Notes.

Colorado Tax Treatment of Series 2020 Notes

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Series 2020 Notes is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date of delivery of the Series 2020 Notes.

Other

Bond Counsel's opinion relates only to the exclusion of interest on the Series 2020 Notes from gross income and alternative minimum taxable income under federal and Colorado income tax laws as described above and will state that no opinion is expressed regarding other federal or state tax consequences arising from the receipt or accrual of interest on or ownership or disposition of the Series 2020 Notes. Owners of the Series 2020 Notes should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Series 2020 Notes. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to federal and state tax laws may be pending now or could be proposed in the future which, if enacted into law, could adversely affect the value of the Series 2020 Notes, the exclusion of interest on the Series 2020 Notes from gross income, alternative minimum taxable income, Colorado taxable income, Colorado alternative minimum taxable income or any combination thereof from the date of issuance of the Series 2020 Notes or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Series 2020 Notes. Owners of the Series 2020 Notes are advised to consult with their own tax advisors with respect to such matters.

UNDERWRITING

The Series 2020 Notes will be purchased from the State by J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC, RBC Capital Markets, LLC, and Wells Fargo Bank, N.A., Municipal Finance Group (collectively, the "Underwriters"), pursuant to a competitive sale conducted by the State, for an aggregate purchase price of $620,246,500, being the aggregate principal amount of the Series 2020 Notes plus an aggregate original issue premium of $20,294,250 and less an aggregate underwriting discount of $47,750.

Morgan Stanley & Co., LLC, has provided the following information for inclusion in this Official Statement: Morgan Stanley & Co. LLC, one of the Underwriters of the Series 2020 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 2020 Notes.

FINANCIAL ADVISOR

Stifel, Denver, Colorado, is acting as Financial Advisor to the State in connection with the issuance of the Series 2020 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 2020 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 2020 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 2020 Notes, copies of the Authorizing Resolution and certain other documents referred to herein may be obtained from the Financial Advisor at Stifel, 1401 Lawrence Street, Suite 900, Denver, Colorado 80202, Attention: Robyn Moore, telephone number (303) 291-5370. 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.

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OFFICIAL STATEMENT CERTIFICATION

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

By: /s/ David L. Young
State Treasurer

APPENDIX A

THE STATE GENERAL FUND

The Series 2020 Notes are being issued for the purpose of funding anticipated cash flow shortfalls in the State's General Fund in Fiscal Year 2020-21. The Series 2020 Notes are special, limited obligations of the State payable solely from the Pledged Revenues, which include, without limitation, Current General Fund Revenues. See generally "THE SERIES 2020 NOTES." This Appendix contains a discussion of the General Fund, including the estimated cash flows for the General Fund for Fiscal Year 2020-21. See also "APPENDIX B – OSPB JUNE 2020 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 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 2018-19 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 2019-20 and 2020-21. See also "Revenue Estimation; OSPB Revenue and Economic Forecasts" in this Appendix and "APPENDIX B – OSPB JUNE 2020 REVENUE FORECAST," as well as "COVID-19 AND STATE FINANCES," "INVESTMENT CONSIDERATIONS – Impact of COVID-19 on State Finances – Budgets and Revenue Forecasts" and the preliminary notice in this Official Statement regarding forward-looking statements.

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State of Colorado
General Fund Revenue Sources[1]
Fiscal Years 2014-15 through 2020-21
(Accrual basis; dollar amounts expressed in millions)

	Actual										**OSPB June 2020 Revenue Forecast**			
	Fiscal Year 2014-15		**Fiscal Year 2015-16**		**Fiscal Year 2016-17**		**Fiscal Year 2017-18**		**Fiscal Year 2018-19**		**Fiscal Year 2019-20**		**Fiscal Year 2020-21**	
Revenue Source	**Amount**	**% Change**	**Amount**	**% Change**	**Amount**	**% Change**	**Amount**	**% Change**	**Amount**	**% Change**	**Amount**	**% Change**	**Amount**	**% Change**
Excise Taxes:														
Sales Tax[1]	$2,619.2	8.0%	$2,652.6	1.3%	$ 2,826.1	6.5%	$ 3,094.2	9.5%	$3,246.6	4.9%	$3,303.2	1.7%	$3,132.4	(5.2)%
Use Tax	260.3	7.8	241.2	(7.3)	259.5	7.6	309.9	19.4	345.5	11.5	243.5	(29.5)	240.9	(1.1)
Cigarette Tax	37.9	3.6	37.2	(1.8)	36.6	(1.7)	34.6	(5.5)	32.6	(5.8)	32.4	(0.6)	31.4	(3.1)
Tobacco Products	17.8	5.3	21.1	18.5	21.2	0.6	16.4	(22.7)	22.3	35.8	19.0	(14.8)	24.5	29.3
Liquor Tax	41.5	2.8	43.6	5.0	45.0	3.3	46.5	3.3	48.3	3.9	49.9	3.4	51.5	3.2
Total Excise Taxes	2,976.7	7.8	2,995.7	0.6	3,188.4	6.4	3,501.6	9.8	3,695.3	5.5%	3,648.0	(1.3)	3,480.8	(4.6)
Income Taxes:														
Net Individual Income Tax	6,350.1	11.5	6,526.5	2.8	6,760.9	3.6	7,577.2	12.1	8,247.0	8.8	7,944.8	(3.7)	6,794.9	(14.5)
Net Corporate Income Tax	692.9	(3.9)	652.3	(5.8)	509.3	(21.9)	781.9	53.5	919.8	17.6	606.8	(34.0)	576.0	(5.1
Total Income Taxes	7,043	9.8	7,178.8	1.9	7,270.2	1.3	8,359.1	15.0	9,166.8	9.7	8,551.5	(6.7)	7,370.9	(13.8)
Less State Education Fund Diversion[2]	(519.8)	8.6	(522.6)	0.5	(540.0)	(3.3)	(617.0)	(14.3)	(692.8)	12.3	(631.7)	(8.8)	(552.8)	(12.5)
Total Income Taxes to the General Fund	6,523.1	9.9	6,656.2	2.0	6,730.2	1.1	7,742.1	15.0	8,474.0	9.5	7,919.8	(6.5)	6,818.0	(13.9)
Other Revenues:														
Insurance	256.7	7.4	280.3	9.2	290.5	3.6	303.6	4.5	314.7	3.6	328.5	4.4	339.0	3.2
Interest Income	8.9	(41.7)	12.4	40.3	14.7	18.6	19.5	32.4	26.5	35.8	24.8	(6.4)	24.0	(3.3)
Pari-Mutuel	0.6	0.2	0.6	0.5	0.6	(6.6)	0.5	(10.7)	0.5	(1.7)	0.5	(2.0)	0.5	(2.0)
Court Receipts	2.6	0.3	3.5	34.5	4.1	17.5	4.4	7.6	4.2	(5.3)	4.3	2.4	4.3	0.0
Other Income[3]	34.0	59.3	22.6	(33.7)	47.3	109.7	152.2	221.7	48.9	(67.9)	21.1	(56.9)	20.9	(0.8)
Total Other	302.7	8.4	319.4	5.5	357.2	11.8	480.2	34.4	394.8	(17.8)	379.2	(3.9)	388.7	2.5%
Gross General Fund	**$9,802.6**	**9.2%**	**$9,971.4**	**1.7%**	**$10,275.8**	**3.1%**	**$11,723.9**	**14.1%**	**$12,564.1**	**7.2%**	**$11,947.0**	**(4.9)%**	**$10,687.5**	**(10.5)%**

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

[2] 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 2014-15 through 2018-19, as well as the forecasts for Fiscal Years 2019-20 and 2020-21 from the OSPB June 2020 Revenue Forecast. The overview incorporates the budget under current law as of the publication of the OSPB June 2020 Revenue Forecast for Fiscal Years 2019-20 and 2020-21. 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 2020 REVENUE FORECAST," as well as "INVESTMENT CONSIDERATIONS – Impact of COVID-19 on State Finances" the preliminary notice in this Official Statement regarding forward-looking statements.

State of Colorado
General Fund Overview
Fiscal Years 2014-15 through 2020-21

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

	Actual (Unaudited) [1]					OSPB June 2020 Revenue Forecast	
	Fiscal Year 2014-15	**Fiscal Year 2015-16**	**Fiscal Year 2016-17**	**Fiscal Year 2017-18**	**Fiscal Year 2018-19**	**Fiscal Year 2019-20**	**Fiscal Year 2020-21** [2]
Revenue							
Beginning Reserve	**$ 435.9**	**$ 689.6**	**$ 512.7**	**$ 614.5**	**$ 1,366.0**	**$ 1,262.5**	**$ 754.3**
Gross General Fund Revenue	**9,802.6**	**9,971.4**	**10,275.8**	**11,723.9**	**12,564.0**	**11,947.0**	**10,687.5**
Transfers to the General Fund	64.9	24.1	44.8	98.6	17.2	180.2	321.6
TOTAL GENERAL FUND AVAILABLE	**10,303.4**	**10,685.1**	**10,833.4**	**12,436.9**	**13,947.2**	**13,389.7**	**11,763.5**
Expenditures							
Appropriation Subject to Limit [3]	**8,869.0**	**9,335.6**	**9,784.5**	**10,430.9**	**11,258.7**	**11,769.8**	**10,649.2**
Dollar Change From Prior Year	650.3	466.6	448.9	646.4	827.8	511.1	(1,120.6)
Percent Change From Prior Year	7.9%	5.3%	4.8%	6.6%	7.9%	4.5%	(9.5)%
Spending Outside Limit	**785.7**	**895.1**	**640.1**	**784.5**	**1,596.3**	**865.6**	**638.2**
TABOR Refund under Subsection (7)(d) [4]	169.7	--	--	39.8	428.5	--	--
TABOR Refund under Subsection (3)(c) [5]	58.0	(58.0)	--	--	--	--	--
Homestead Exemption (Net of TABOR Refund) [4]	--	--	--	132.3	106.4	--	164.2
Other Rebates and Expenditures [6]	257.4	281.3	285.0	158.5	159.7	143.0	141.8
Transfers for Capital Construction [7]	248.5	271.1	84.5	112.1	180.5	198.6	23.0
Transfers for Transportation [7]	--	199.2	79.0	79.0	495.0	300.0	0.0
Transfers to State Education Fund	25.3	25.3	25.3	25.3	25.0	40.3	113.0
Transfers to Other Funds [8]	42.2	176.2	164.8	208.6	201.1	183.6	196.2
Other Expenditures Exempt from General Fund Appropriations Limit [9]	0.5	--	1.5	29.0	0.0	0.0	0.0
TOTAL GENERAL FUND OBLIGATIONS	**9,654.7**	**10,230.7**	**10,424.6**	**11,215.5**	**12,855.0**	**12,635.4**	**11,287.5**
Percent Change from Prior Year	10.2%	5.7%	1.9%	7.6%	14.6%	(1.7)%	(10.7%)
Reversions and Accounting Adjustments [10]	(60.6)	(58.3)	(205.7)	(123.3)	(170.3)	0.0	0.0
Reserves							
Year-End General Fund Balance	**709.2**	**512.7**	**614.5**	**1,344.8**	**1,262.5**	**754.3**	**476.0**
Year-End General Fund as a % of Appropriations	8.0%	5.5%	6.3%	12.9%	11.2%	6.4%	4.5%
General Fund Statutory Reserve Amount [11]	576.5	463.9	584.3	674.9	814.2	361.3	304.6
Unappropriated Reserve Percentage [11]	6.50%	5.60%	6.00%	6.50%	7.25%	3.07%	2.86%
Amount Above (Below) Statutory Reserve [12]	132.7	48.8	30.2	669.9	448.3	393.0	171.4

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 The Fiscal Year 2020-21 expenditures are based on preliminary analysis of legislation passed by the General Assembly in 2020. See "INVESTMENT CONSIDERATIONS – Impact of COVID-19 on State Finances – Budgets and Revenue Forecasts."

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

4 Current law requires TABOR refunds to be accounted for in the year the excess revenue is collected, although the refunds are actually made in subsequent fiscal years. The refund applicable to excess revenue collected in Fiscal Year 2018-19 is being made via an income tax rate reduction and the senior and disabled veteran homestead exemption. See "STATE FINANCIAL INFORMATION – Taxpayers' Bill of Rights – *Fiscal Year Revenue and Spending Limits; Referendum C*" and "APPENDIX B – OSPB JUNE 2020 REVENUE FORECAST – Taxpayer's Bill of Rights: Revenue Limit."

5 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 3 to this table and Note 1 to the table in "General Fund Revenue Sources" above.

[Notes continued on next page]

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

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

[8] State law requires transfers of General Fund money to various State cash funds. This line item includes transfers of amounts credited to the General Fund from the retail marijuana sales tax to a cash fund. See Note 1 to the table in "General Fund Revenue Sources" above. 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.

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

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

[11] 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."

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

Source: Office of State Planning and Budgeting

Revenue Estimation; OSPB Revenue and Economic Forecasts

Revenue Estimating Process. The State relies on revenue estimation as the basis for establishing aggregate funds available for expenditure for its appropriation process. By statute, the OSPB is responsible for developing a General Fund revenue estimate. No later than June 20th prior to the beginning of each Fiscal Year, and no later than September 20th, December 20th and March 20th within each Fiscal Year, the Governor, with the assistance of the State Controller and the OSPB, is required to make an estimate of General Fund revenues for the current and certain future years. The revenue estimates are not binding on the General Assembly in determining the amount of General Fund revenues available for appropriation for the ensuing Fiscal Year. The revenue estimates may be subject to more frequent review and adjustment in response to significant changes in economic conditions, policy decisions and actual revenue flow. For instance, due to the rapid and severe impact of COVID-19 on the State's economy, the OSPB prepared an interim revenue forecast dated May 12, 2020, previously defined herein as the OSPB May 2020 Revenue Forecast. See "COVID-19 AND STATE FINANCES."

The most recent OSPB revenue forecast was issued on June 19, 2020, and is included in this Official Statement as "APPENDIX B – OSPB JUNE 2020 REVENUE FORECAST." The OSPB June 2020 Revenue Forecast projects revenues for Fiscal Years 2019-20 through 2021-22. The amounts forecast for Fiscal Years 2019-20 and 2020-21 are summarized in "General Fund Revenue Sources" and "General Fund Overview" in this Appendix. See also "INVESTMENT CONSIDERATIONS – Impact of COVID-19 on State Finances – Budgets and Revenue Forecasts" and the preliminary notice in this Official Statement regarding forward-looking statements.

The OSPB begins estimating revenue by obtaining macroeconomic forecasts for national and State variables. The national forecast for the OSPB June 2020 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.

Section 24-75-201.5, C.R.S., provides that 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.

Pursuant to the foregoing requirement, in anticipation that the OSPB May 2020 Revenue Forecast would show rapidly declining revenues and that appropriated spending would result in the use of one-half or more of the Fiscal Year 2019-20 required Unappropriated Reserve, the Governor issued Executive Order D 2020 050 on April 30, 2020 (which was subsequently rescinded as discussed below), which (i) declared that there are not sufficient revenues available for expenditure during Fiscal Year 2019-20 to carry on the functions of the State government and to support its agencies and institutions such that the suspension of portions of programs and services set forth out in the Executive Order are necessary, (ii) directed the Director of the OSPB to submit in writing to the Joint Budget Committee and the members of the General Assembly the contents of such Executive Order for reducing such General Fund expenditures by $228.7 million in an attempt to maintain the required Fiscal Year 2019-20 Unappropriated Reserve, and (iii) directed the suspension or discontinuance of portions of programs and services as specified therein through the end of Fiscal Year 2019-20. Executive Order D 2020 050 was rescinded by Executive Order D 2020 113 issued on June 23, 2020, following passage by the General Assembly on June 12, 2020, and signature of the Governor on June 22, 2020, of the annual Long Bill discussed in "STATE FINANCIAL INFORMATION – Budget Process and Other Considerations") which included an addendum to the Fiscal Year 2019-20 budget that replicated the cuts made by Executive Order D 2020 050 and therefore made such Executive Order unnecessary.

The next OSPB revenue forecast is scheduled to be released in September of 2020. General Fund revenue projections in this and subsequent OSPB revenue forecasts may be materially different from the OSPB June 2020 Revenue Forecast, particularly due to the ever-evolving impact of COVID-19, which has made forecasting more difficult. If a revenue shortfall is projected for Fiscal Year 2020-21 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 "INVESTMENT CONSIDERATIONS – Impact of COVID-19 on State Finances – Budgets and Revenue Forecasts" and the preliminary notice in this Official Statement regarding forward-looking statements.

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 2018-19 and 2019-20 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 2018-19 and 2019-20 for which information is available.

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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	June 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	$ 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	1,598.0
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	821.2
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	1,091.5
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	920.9
Money Market	350.0	255.0	540.0	450.0	470.0	350.0	480.0	440.0	380.0	625.0	345.0	515.0
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	4,034.6
Certificates of Deposit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Totals	**$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**	**$8,981.5**

[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 2019-20
(Amounts expressed in millions)[1]

	July 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	June 2020
Agency CMOs	$ 0.2	$ 0.2	$ 0.2	$ 0.2	$ 41.6	$ 41.6	$ 41.6	$ 41.6	$ 41.5	$ 41.6	$ 41.5	$ 103.6
Commercial Paper	2,190.9	1,854.6	1,477.4	1,814.2	1,993.5	2,074.0	2,610.7	2,149.7	1,109.1	1,219.9	1,155.4	385.0
U.S. Treasury Notes	757.1	702.8	809.2	895.1	931.6	939.8	897.8	1,173.5	1,105.9	1,128.5	1,506.3	1,212.7
Federal Agencies	804.6	913.2	806.9	600.2	520.7	379.7	694.7	714.5	880.5	929.6	844.7	371.3
Asset-Backed Securities	901.0	863.9	930.1	915.8	875.6	804.8	683.8	683.9	674.8	666.8	666.3	634.5
Money Market	430.0	235.0	460.0	515.0	560.0	604.0	410.0	445.0	925.0	3,017.0	2,327.0	2,942.0
Corporates	4,458.6	4,704.7	4,717.2	4,369.6	3,955.6	3,938.5	4,214.9	3,991.7	4,709.3	3,918.7	3,686.2	3,693.1
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	**$9,542.4**	**$9,274.4**	**$9,201.0**	**$9,110.1**	**$8,878.6**	**$8,782.4**	**$9,553.5**	**$9,199.9**	**$9,446.1**	**$10,922.1**	**$10,227.4**	**$9,342.2**

[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 2020 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 2019-20 and 2020-21 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 elsewhere in this Appendix. See also "STATE FINANCIAL INFORMATION – Fiscal Controls and Financial Reporting."

Monthly cash flow projections for Fiscal Years 2019-20 and 2020-21 are based upon (i) the General Fund appropriations for Fiscal Years 2019-20 and 2020-21 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 2020 Revenue Forecast discussed in "Revenue Estimation; OSPB Revenue and Economic Forecasts" above. Unforeseen events or variations from underlying assumptions, including, without limitation, those associated with COVID-19, may cause an increase or decrease in receipts and/or disbursements from those projected for a given month, which may adversely affect the projections of estimated cash flows. Additionally, the timing of transactions from month to month may vary from the forecasts. Therefore, there are likely to be differences between the forecasted and actual results, and such differences may be material. See the preliminary notice in this Official Statement regarding forward-looking statements, as well as "INVESTMENT CONSIDERATIONS – Impact of COVID-19 on State Finances – Budgets and Revenue Forecasts."

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

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

	Actual											Estimated	
	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	$ 1,139.7												$ 1,139.7
Revenues:													
General Fund Revenue:													
Sales and Use Tax	233.0	$ 331.8	$ 345.0	$ 332.8	$ 280.4	$ 284.2	$ 340.7	$ 258.0	$ 261.8	$ 292.4	$ 282.8	$ 303.8	3,546.7
Individual Income Tax	390.7	562.4	788.2	720.1	570.3	605.5	816.6	226.5	311.2	890.1	616.0	815.4	7,313.1
Corporate Income Tax	23.7	7.8	185.7	69.6	(29.7)	42.0	35.4	5.6	57.8	93.4	19.0	96.4	606.8
Other	24.6	7.0	(17.5)	(66.0)	(40.4)	(51.5)	(3.1)	70.5	70.9	291.4	(49.2)	243.7	480.4
Total General Fund Revenue	672.0	909.1	1,301.4	1,056.5	780.6	880.2	1,189.7	560.6	701.8	1,567.3	868.6	1,459.2	11,947.0
Federal Revenue	483.5	578.8	740.5	471.4	640.4	740.3	617.4	635.6	763.3	545.1	644.1	1,345.1	8,205.5
Total Revenues	1,155.6	1,487.9	2,041.8	1,527.9	1,421.0	1,620.4	1,807.0	1,196.2	1,465.1	2,112.4	1,512.7	2,804.3	20,152.5
Expenditures:													
Payroll	152.4	164.3	163.2	164.2	165.8	152.8	162.4	156.8	158.8	153.9	155.9	170.3	1,920.8
Medical Assistance	484.7	558.4	405.8	400.4	606.6	513.8	346.9	556.7	441.3	738.5	735.7	492.4	6,281.1
Public School Distribution	830.2	(14.2)	906.3	0.2	2.0	910.3	3.3	0.4	910.7	0.4	0.2	2.4	3,552.2
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	251.5	310.5	264.8	254.3	288.2	251.5	258.6	291.3	3,132.0
Other	484.8	643.5	759.3	308.8	206.0	828.0	287.1	201.2	547.6	4.6	(82.6)	476.6	4,664.9
Total Expenditures:	(2,101.5)	(1,670.7)	(2,561.6)	(1,094.9)	(1,236.0)	(2,757.9)	(1,064.8)	(1,169.8)	(2,347.0)	(1,149.3)	(1,068.2)	(1,432.0)	(19,653.7)
Total Revenues and Beginning Cash and Investments Minus Total Expenditures	193.8	(182.8)	(519.8)	433.0	185.0	(1,137.5)	742.2	26.5	(881.9)	963.1	444.6	1,372.3	1,638.5
Revenue Accrual Adjustment	155.6	(20.1)	2.1	6.5	(31.4)	4.4	1.9	(0.3)	(1.9)	10.0	(51.4)	(17.3)	58.2
Expenditure Accrual Adjustment	(122.6)	40.6	(0.9)	(27.8)	31.3	(9.6)	27.0	(17.3)	13.5	70.3	(21.1)	(292.6)	(309.3)
Extraordinary Items Impacting Cash:	193.8	(182.8)	(519.8)	433.0	185.0	(1,137.5)	742.2	26.5	(881.9)	963.1	444.6	1,372.3	1,638.5
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	--	--	--	--	--	--	--	--	--	--	--	--	--
Actual/Projected Monthly Cash Change	376.1	(162.4)	(518.6)	411.8	184.9	(1,142.7)	771.1	8.9	(870.4)	863.5	372.0	460.1	754.3
General Fund Cash Balance End of Month	**$ 376.1**	**$ 213.7**	**$ (304.9)**	**$ 106.9**	**$ 291.8**	**$ (850.9)**	**$ (79.8)**	**$ (70.9)**	**$ (941.3)**	**$ (77.8)**	**$ 294.2**	**$ 754.3**	

[1] General Fund revenues in this table are derived from the OSPB June 2020 Revenue Forecast. All other amounts are estimates made by the State Treasurer's office based on various assumptions and are subject to change. No representation or guaranty is made herein that such forecasted amounts will be realized. See the preliminary notice in this Official Statement regarding forward-looking statements.

Source: State Treasurer's Office

State of Colorado
Estimated General Fund Cash Flow
Fiscal Year 2020-21[1]
Current Law

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

	July 2020	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	June 2021	Total
Beginning Cash and Investments Balance	$ 754.3												$ 754.3
Revenues:													
General Fund Revenue:													
Sales and Use Tax	233.0	291.0	302.6	291.9	274.4	278.1	333.4	252.5	256.2	286.2	276.7	297.3	3,373.3
Individual Income Tax	390.7	437.6	613.2	560.3	499.3	530.1	710.0	195.8	272.5	779.3	539.3	713.9	6,242.1
Corporate Income Tax	23.7	5.1	122.2	45.8	(35.2)	49.8	42.0	6.6	68.5	110.7	22.6	114.2	576.0
Other	52.6	(1.0)	10.9	(46.4)	(18.9)	(46.6)	11.3	61.9	49.7	268.7	(37.9)	219.8	524.1
Total General Fund Revenue	672.0	732.7	1,048.9	851.5	719.6	811.4	1,096.7	516.8	646.9	1,444.8	800.8	1,345.2	10,687.5
Federal Revenue	483.5	594.0	759.9	483.8	649.8	751.2	626.5	645.0	774.5	553.2	653.6	1,365.0	8,340.1
Total Revenues	1,155.6	1,326.7	1,808.8	1,335.3	1,369.5	1,562.6	1,723.2	1,161.8	1,421.5	1,998.0	1,454.4	2,710.2	19,027.5
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	501.1	540.9	215.5	178.8	770.7	263.8	175.5	501.1	(20.4)	(105.4)	444.5	3,950.9
Total Expenditures:	(2,101.5)	(1,528.3)	(2,343.2)	(1,001.5)	(1,204.4)	(2,687.4)	(1,037.6)	(1,139.9)	(2,287.0)	(1,119.9)	(1,040.9)	(1,395.4)	(18,887.0)
Total Revenues and Beginning Cash and Investments Minus Total Expenditures	(191.6)	(201.6)	(534.4)	333.8	165.0	(1,124.8)	685.6	21.9	(865.5)	878.1	413.5	1,314.8	894.8
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)	36.8	(0.8)	(25.2)	27.4	(8.4)	23.6	(15.2)	11.8	61.6	(18.5)	(256.5)	(285.9)
Extraordinary Items Impacting Cash:													
TABOR Refund	--	--	--	--	--	--	--	--	--	--	--	--	--
Net Transfer In/Out – From/To Cash Funds Per Statute	--	--	--	--	--	--	--	--	--	--	--	--	--
Homestead Exemption	--	--	--	--	--	--	--	--	--	(164.0)	--	--	(164.0)
General Fund Notes – Including Interest	600.0	--	--	--	--	--	--	--	--	--	--	(602.4)	(2.4)
Capital Construction Transfer	(23.0)	--	--	--	--	--	--	--	--	--	--	--	(23.0)
General Fund Reserve Transfer to Highway Users Tax Fund	--	--	--	--	--	--	--	--	--	--	--	--	--
State Education Fund Transfer	--	--	--	--	--	--	--	--	--	--	--	--	--
Projected Monthly Cash Change	418.4	(184.9)	(533.1)	315.1	160.4	(1,128.8)	711.2	6.5	(855.6)	786.0	342.5	438.2	476.0
General Fund Cash Balance End of Month	**$ 418.4**	**$ 233.5**	**$ (299.6)**	**$ 15.5**	**$ 175.9**	**$ (952.9)**	**$ (241.6)**	**$ (235.1)**	**$ (1,090.8)**	**$ (304.8)**	**$ 37.7**	**$ 476.0**	

[1] General Fund revenues in this table are derived from the OSPB June 2020 Revenue Forecast. All other amounts are estimates made by the State Treasurer's office based on various assumptions and are subject to change. No representation or guaranty is made herein that such forecasted amounts will be realized. See the preliminary notice in this Official Statement regarding forward-looking statements.

Source: State Treasurer's Office

APPENDIX B

OSPB JUNE 2020 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 2019-20 through 2021-22. 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, 2020, 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. See also "COVID-19 AND STATE FINANCES" and "INVESTMENT CONSIDERATIONS – Impact of COVID-19 on State Finances – Budgets and Revenue Forecasts." Therefore, there are likely to be differences between forecasted and actual results, and such differences may be material. No representation or guaranty is made herein as to the accuracy of the forecasts. See also the preliminary notice in this Official Statement regarding forward looking statements.

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June 19, 2020

STATE OF COLORADO

Governor’s Office of State Planning and Budgeting

COLORADO ECONOMIC AND FISCAL OUTLOOK

Contents

Jared Polis – Governor
Lauren Larson – Budget Director
Luke Teater – Deputy Director
Edmond Toy – Senior Economist
Leila Al-Hamoodah – Economist
Kevin Amirehsani – Tax Policy Analyst
Caitlin McKennie – Economist
Jeanni Stefanik – Economist
Jacob Greenspon – Dukakis Fellow

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

Forecast in Brief

NATIONAL ECONOMIC OUTLOOK

After two months of precipitous declines, the U.S. economy appears to have begun to grow slightly in May and June, though from extremely low levels. The U.S. economy added more than 2.5 million jobs in May after losing more than 22 million in March and April, and retail sales grew by 7.9 percent after declining by 16 percent in April. Despite this improvement, the recovery is expected to be slow and contingent upon public health conditions and federal relief measures.

COLORADO ECONOMIC OUTLOOK

Colorado lost more than 300,000 jobs in March and April, and the unemployment rate rose to 11.3 percent. Despite these dire numbers, the state's large professional services sector is helping Colorado weather the COVID-19 recession better than most other states. Other critical industries, however, such as tourism and energy, have been severely impacted and are expected to face lengthy recoveries.

GENERAL FUND REVENUE

General Fund revenue is expected to fall by 4.9 percent in FY 2019-20 and by another 10.5 percent in FY 2020-21. The GF revenue forecast was revised up by net of $216.9 million over the forecast period, primarily due to technical and legislative changes that increase revenue.

CASH FUND REVENUE

Cash fund revenue is projected to decline by 4.3 percent in FY 2019-20 and 3.5 percent in FY 2020-21, as the COVID-19 pandemic causes significant reductions to revenue collections from fuel taxes, gaming taxes, and severance taxes. Cash fund revenue is expected to grow by 5.6 percent in FY 2021-22.

TABOR

Revenue subject to TABOR is not expected to exceed the Referendum C cap during this forecast period. The $428.3 million rebate incurred in FY 2018-19 is currently being distributed to taxpayers via an income tax rate reduction and the Senior and Disabled Veteran Homestead Exemption.

GENERAL FUND RESERVE

With these updated revenue projections, the General Fund reserve is projected to end FY 2020-21 $171.4 million above the statutory reserve amount of 2.86 percent of appropriations based on preliminary analysis of legislation passed by the General Assembly.

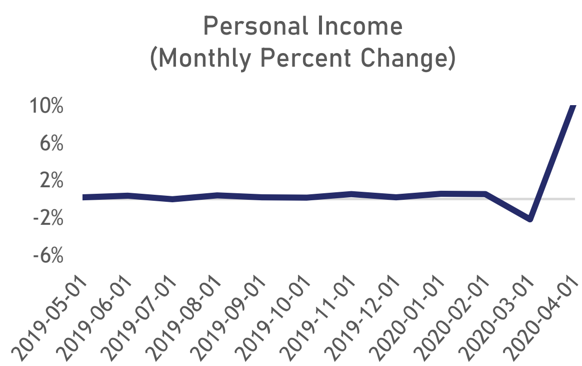
Economic Outlook

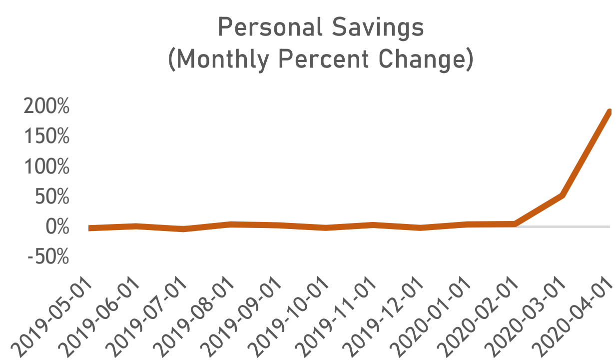
Colorado's overall economic activity remains significantly below February levels. The state lost more than 300,000 jobs in March and April, and the unemployment rate grew from a record-low of 2.5 percent in February to a record-high of 11.3 percent in April.

After sharp declines in March and April, preliminary indications are that economic activity increased slightly in May and June. The U.S. added more than 2.5 million jobs in May, the largest one-month increase on record, but only slightly more than 10 percent of the jobs that were lost in March and April. Despite recent improvements, the economy remains in crisis. While this recession is likely to be the shortest on record, it is also likely to be the deepest. The economic recovery is expected to be slow and contingent upon public health conditions.

Personal Income and Savings

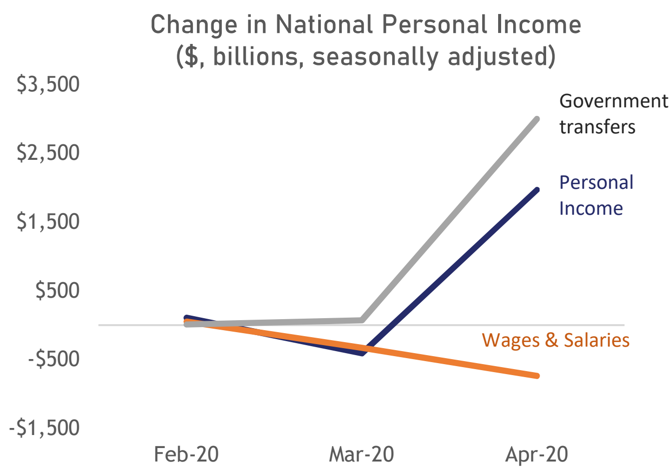
As stay-at-home orders were implemented in March in many areas across the country, personal income experienced a month-over-month decline of 2 percent in March. However, personal income rose by more than 10 percent in April. At the same time, personal savings—the difference between income and expenditures—rose by nearly 200 percent from March to April. These monthly increases in personal income and personal savings are the largest on record (since 1959).





Source: Bureau of Economic Analysis

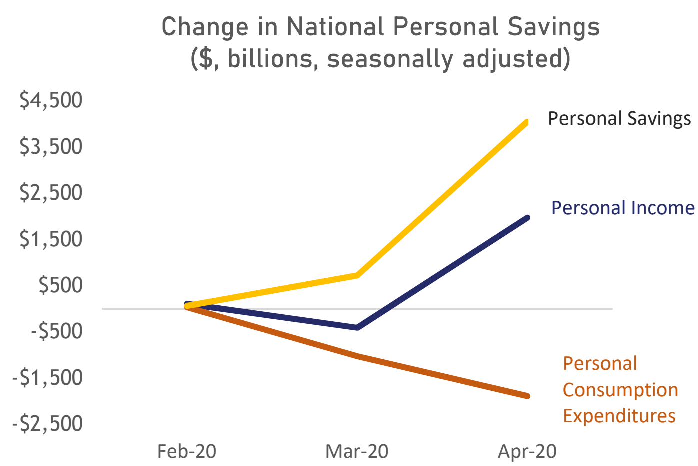
The reasons for these changes reflect the unique circumstances of the pandemic-induced recession and federal economic relief actions. Wages and salaries comprise the largest component of personal income, and they steadily declined during March and April. However, it was more than offset by an increase in government transfers to individuals (i.e., stimulus checks and enhanced unemployment benefits), and personal income actually increased sharply in April. This shows that in the aggregate, federal relief actions successfully transferred money to



Source: Bureau of Economic Analysis

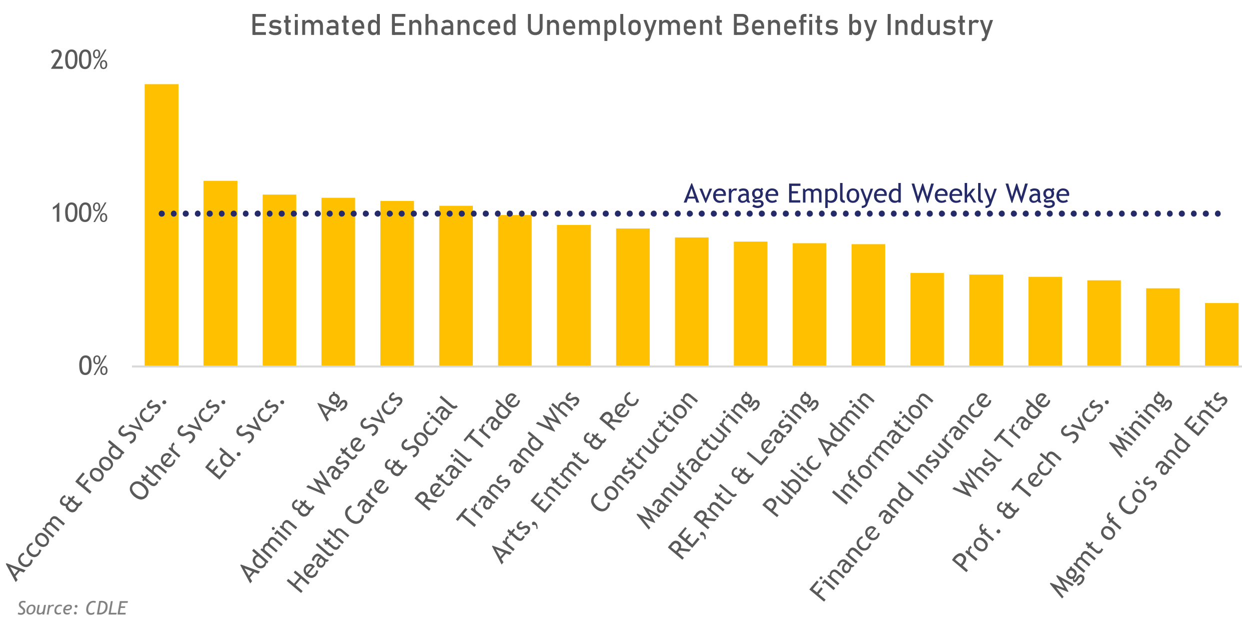
individuals to help them weather the otherwise deleterious impacts of sharply curtailed business activity. These data also suggest that ending the federal relief could lead to a precipitous drop in income unless wages are salaries rise sharply with the gradual reopening of the economy.

As personal income rose sharply in April, people reduced their spending as they stayed at home, businesses shuttered, and uncertainty dampened consumer appetite for large purchases. This led to a dramatic increase in personal savings, as shown in the accompanying graph. Three observations emerge. First, while federal relief dollars buoyed personal income, it probably did not create the scale of economic growth that would ordinarily be expected with such a large infusion of money. The drop in consumer spending probably would have been even steeper without the federal relief, but store closures and stay-at-home orders reduced opportunities to spend. Second, the growth in personal savings will likely fuel economic growth as people spend money to satisfy pent up demand, as long as the health risks of COVID-19 are kept at an acceptable level. And third, that fuel of personal savings will create only a temporary boost to the economy, as the high level of personal savings were made possible by federal relief dollars that will soon end under current law.



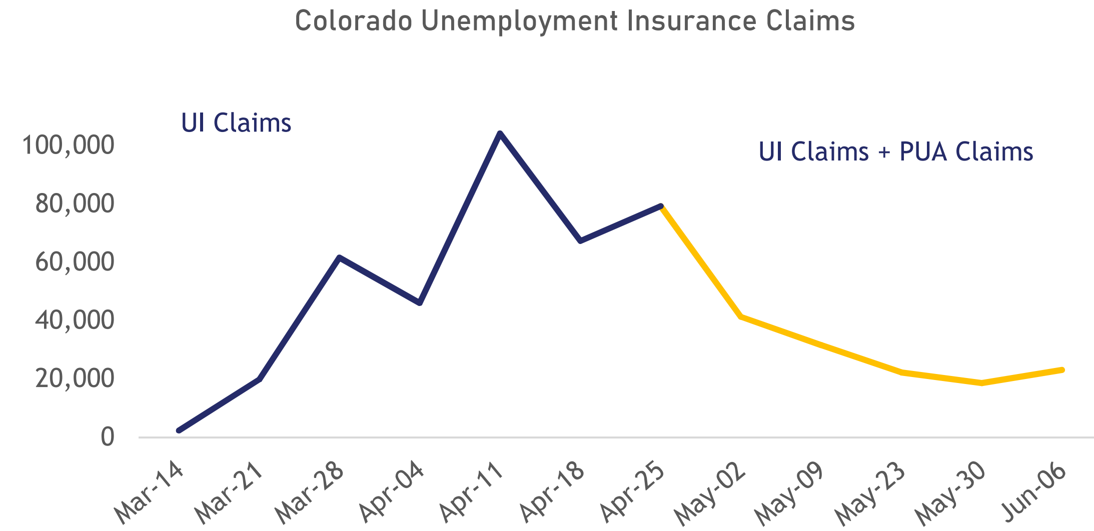
Employment

Nationally, unemployment remains elevated, reaching 14.7 percent in April, with a decline to 13.3 percent in May. In addition, 2.5 million jobs were added in May, the first month of job growth since February. Colorado's unemployment rate increased to 11.3 percent in April, up from 5.2 percent in March, and while May data were not available at the time of publication, a slight reduction was expected. Hours worked have declined, but the subsidies from enhanced unemployment benefits through the federal pandemic unemployment assistance (PUA) have allowed for many low-paid workers to earn more than 100 percent of their prior weekly wage income. The enhanced benefits are set to expire July 31st, posing a risk to unemployed individuals as well as to overall economic and consumer activity.



While historically tight labor markets have reduced the number of involuntary part-time workers in recent years to about 3.0 percent of the labor force, April saw an increase to 3.6 percent. Temporary layoffs rose from an average of 0.2 percent to 1.1 percent of the labor force. Prior to the COVID-19 pandemic, the Colorado Work-Share Program, which is an alternative to laying off employees through a reduction of normal weekly work hours, had 6 companies with active programs. As of June 1st there were 986 active workshare programs in Colorado, representing approximately 0.5 percent of employers, with the State covering an average weekly wage reduction of 31 percent. [1] Since the onset of the COVID-19 pandemic, unemployment insurance claims and PUA claims, commencing on April 25th, increased significantly. However, new claims are stabilizing.

[1] Colorado Department of Labor and Employment



Source: CDLE

Professional Services

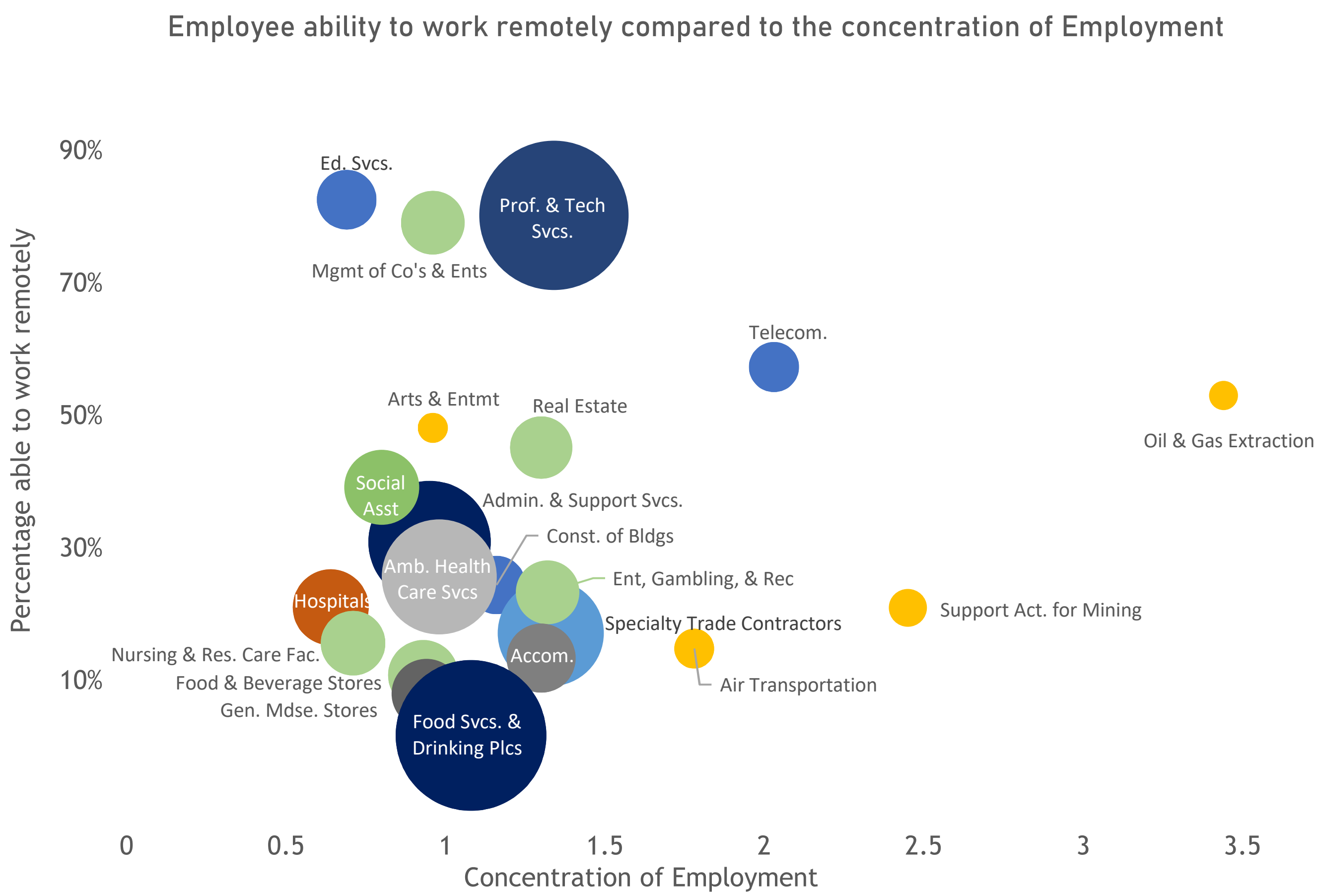
One factor that has softened the economic impact of COVID-19 in Colorado is the strength of the state's professional, scientific, and technical services sector. Over one in ten Colorado residents works in this sector and the state has the 5th highest concentration of professional services employment in the U.S. Professional service workers tend to be well-educated and earn 74 percent more than the Colorado statewide average.

Professional services jobs are more resilient to the COVID-19 shock. Four in five workers in this sector can work from home, compared to two in five statewide. Estimates suggest that only 10 percent of professional services jobs are at risk due to coronavirus.[2]

Moreover, Colorado's professional service sector appears to be more resilient than that of other states. Compared to the national average, Colorado professional services small businesses reported less negative effects on their businesses, fewer missed loan and other payments, smaller decreases in revenue, fewer temporary closures, and fewer supply chain disruptions. Among the 18 states reporting data up until mid-May, Colorado had the 4th lowest rate of unemployment insurance claims filed by professional services workers as a share of the sector's total employment in 2019.

[2] McKinsey & Company analysis of COVID-19 and Colorado's economy

Source: Bureau of Labor Statistics



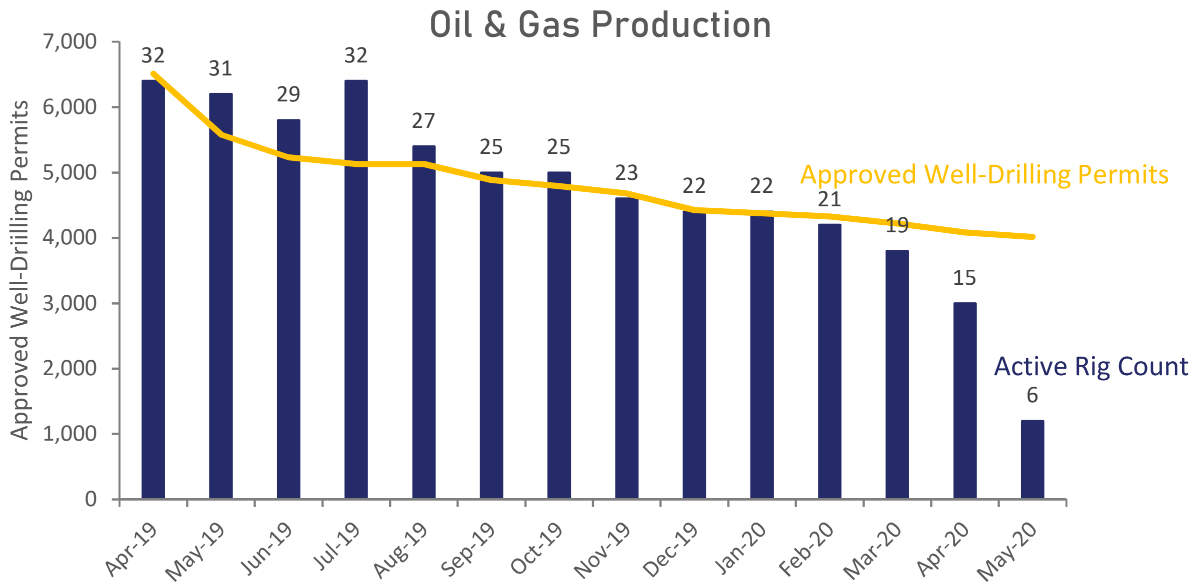
This may be explained in part by the composition of Colorado's professional services sector. Compared to U.S. averages, Colorado has higher employment in architectural and engineering services and lower employment in legal services and accounting, tax preparation, bookkeeping, and payroll services. Colorado's professional services sector may be outperforming other states owing to a lower level of exposure to subsectors most immediately impacted by the pandemic. However, even firms in these relatively well-insulated subsectors may lose business due to broad-based reductions in economic activity as the COVID-19 economic recession continues.

Oil & Gas

U.S. energy activity decreased sharply during the first quarter of 2020. The sector faced coinciding supply and demand challenges as broad-based reductions in economic activity led to a collapse in demand while Saudi Arabia and Russia flooded the market with oil in efforts to win a price war. U.S. producers responded rapidly, and domestic crude oil production fell by more than 1 million barrels per day in May, resulting in the swiftest non-hurricane related decline in history.[3] Secondary effects initiated by virus-related impacts influenced a further decline in fuel demand

[3] International Energy Association (IEA).

as mobility and air travel declined and global storage capacity was nearly exceeded. Gasoline demand began to recover in May and June as mobility has increased.



Colorado producers have adapted to volatile market conditions more quickly than in prior years by cutting their capital budgets and production levels. New well permit submissions were down 96 percent in April from the year prior, as producers withdrew more permits than were submitted. By mid-June there were only six oil rigs operating in the state. This number is down from 37 a year ago and is the lowest it has been in 28 years.

Colorado's oil and gas industry outlook has improved slightly since the March forecast. Although the majority of regional energy firms do not expect prices to return to profitable levels for more than a year, modest price growth is expected throughout the forecast period as the economy recovers.[4]

Consumer Spending

Retail trade was significantly reduced by the pandemic in April. The closure of malls and other retailers and consumers' continued concern about the risk of public spaces severely restricted consumer activity in retail.

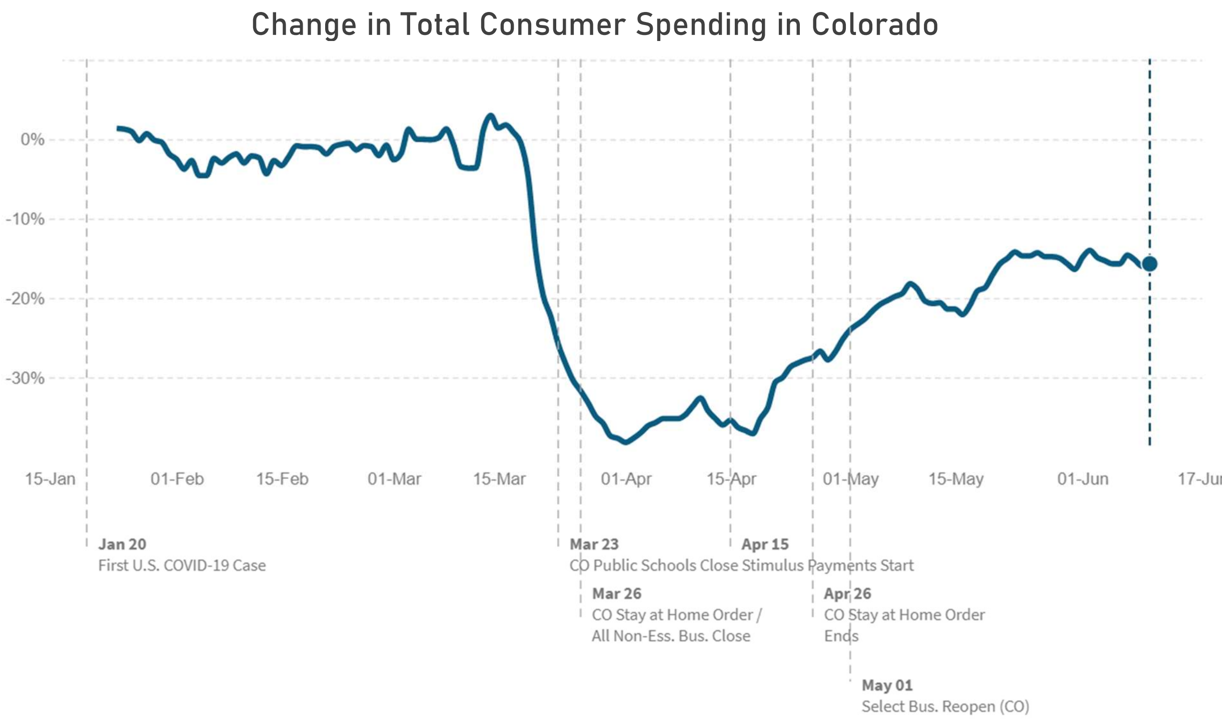
National retail sales in April were down 21.6 percent from the prior year, which surpassed March to become the largest monthly decline ever recorded in the data series.[5] Stores selling clothing, furniture, electronics, and sporting goods continued to struggle, with sales declines of 50 percent or greater. Auto dealers, restaurants and bars, and gas stations also continued to suffer. Online

[4] Kansas City Federal Reserve Energy Industry Report.

[5] U.S. Census Bureau.

purchases and grocery stores have been the primary beneficiaries of the change in consumer spending patterns, but have not compensated for declines in other sectors. Colorado's retail sector cut 32,700 jobs in April as compared to the prior year, or 12 percent of its April 2019 employment.[6]

However, April may have been the low point in consumer spending. Data on debit and credit card purchases in Colorado suggest that consumer spending hit a low in early- to mid-April, with spending on April 1st down 38 percent as compared to January and increasing since. As of June 10th, Colorado consumer spending was 15.7 percent lower than spending in January. On the national level, retail sales rose 17.7 percent in May, resulting in sales that were just 6.1 percent lower than May of 2019.[7]



Source: Opportunity Insights Economic Tracker, based on data from Affinity Solutions

Data also show that consumers are becoming more optimistic about the economic outlook, which may lead to continued increases in consumer activity in coming months. While May consumer expectations reached the University of Michigan survey's lowest level since October 2013 at 65.9, they subsequently rose to 73.1 in June.[8] Consumer sentiment similarly rose.

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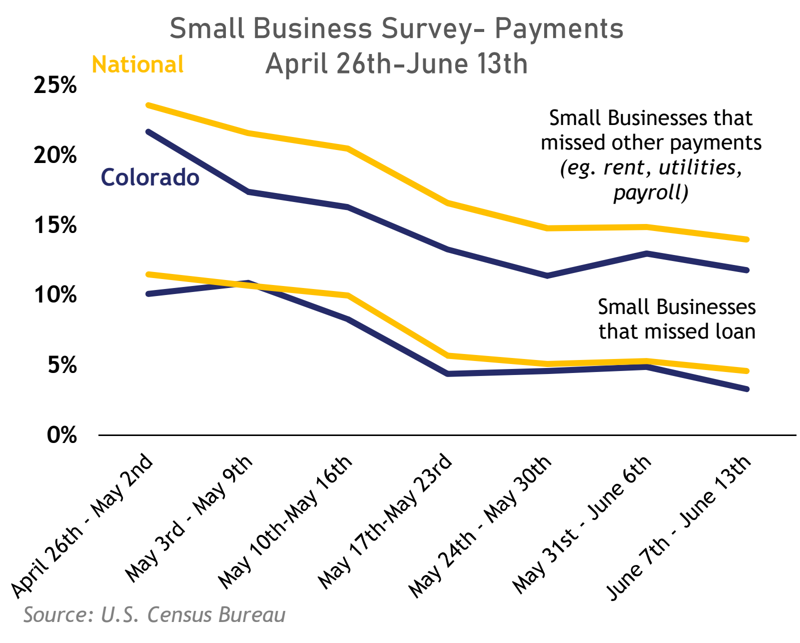
[6] Colorado Department of Labor and Employment.
[7] U.S. Census Bureau.
[8] University of Michigan – Survey of Consumers.

Small Business

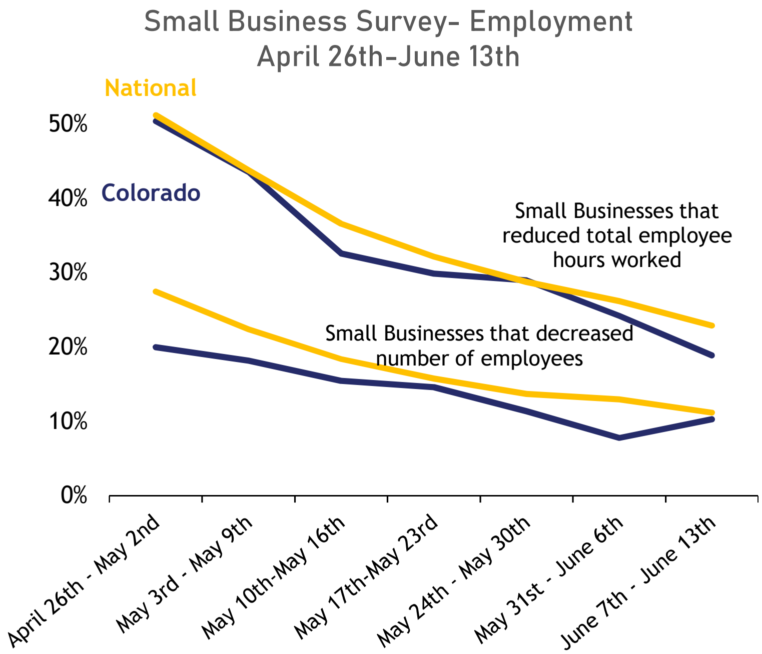
Overall, the situation for small businesses in Colorado appears to be stabilizing. While a still-high 46 percent of small businesses reported revenue decreases in early June, this had fallen from 68 percent of businesses in late April, in line with national averages. A gradually increasing share of Colorado small businesses reported increasing revenue. In early June 26 percent of businesses earned between $50,000 and $200,000 in weekly revenues, up from 11 percent a month before, while the share that earned over $200,000 increased from 2 percent to 17 percent in the same period.

This can be explained partly by the decreasing share of Colorado small businesses experiencing supply chain disruptions or temporary closures, in line with national trends. In the second week of June only 15 percent of small businesses temporarily closed for at least a day, compared to the 36 percent in Colorado that temporarily closed the week of April 26 to May 2. While supply chain disruptions for Colorado small businesses spiked in early May near national levels at 42 percent, by the beginning of June they had decreased to 34 percent of all firms. However, over half of small businesses in Retail Trade, Accommodation and Food Services, and Health Care and Social Assistance experienced supply chain disruptions in early June.

Fewer disruptions to operations and increased revenue have meant that fewer businesses are now missing payments. Only 3 percent of small businesses reported having missed a loan payment by the second week of June--half as many as in late April. While over four times as many small businesses reported having missed other payments (such as rent, utilities, or payroll), this share had also fallen by half since late April, when 22 percent of small businesses missed other payments.



Moreover, fewer firms are cutting labor costs. The share of small businesses that reduced total employee hours in the prior week fell from 50 percent to 20 percent over May. In the second week of June only 10 percent of firms decreased their staff counts, half as many as in the end of April. However this stabilization could also indicate a 'bottoming out': the share of firms cutting staff or hours could be now unchanged simply because



Source: U.S. Census Bureau

many had already earlier cut as much as possible without having to substantially reduce their operations. Also, the fact that Paycheck Protection Program (PPP) forgiveness is conditional on re-hiring may explain some businesses' preference for reducing hours instead of employees.

As the crisis continues, Colorado small businesses increasingly expect prolonged disruption. 37 percent believe it will take more than 6 months before they return to their usual level of operations (up from 30 percent in late April), and only 17 percent think they will return to normal within 3 months, compared to 27 percent who believed that in late April.

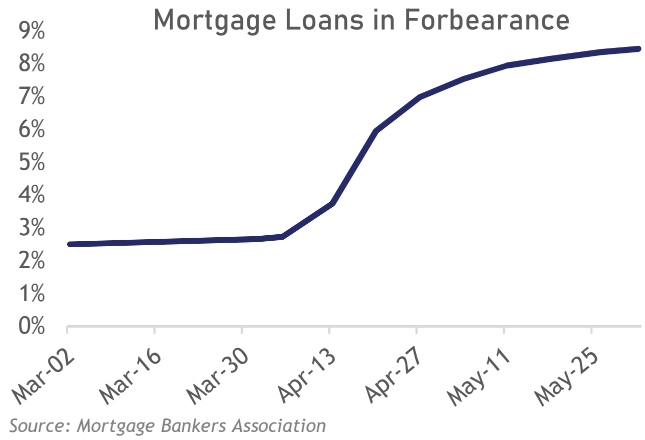
Businesses appear to be preparing for this difficult period by increasing their cash reserves, with 63 percent of Colorado small businesses have enough cash on hand for 1 month of operations or more, up from 46 percent in late April. The share of businesses with enough cash on hand for less than a month fell from 44 percent to 30 percent from late April to mid-June (although this could also reflect some businesses without much cash on hand having closed down).

While some of this cash may be from revenues increasing, much is likely drawn from government support. A large share of Colorado small businesses have received financial assistance. As of mid June, 68 percent of small businesses had received (PPP) assistance (95 percent of applicants) and 1 in 6 had received Economic Injury Disaster Loans (EIDL).

Housing

Prior to the COVID-19 pandemic, Colorado had some of the lowest mortgage delinquency rates in the country with just 2.46 percent of all loans delinquent in the first quarter of 2020.[9] Defaults and delinquencies on mortgages have remained lower than the unemployment rate would suggest, with policy interventions – such as the expanded unemployment insurance benefits, federal economic relief payments, and forbearance provisions – relieving the burden on households from debt and bill payments and lost employment income.

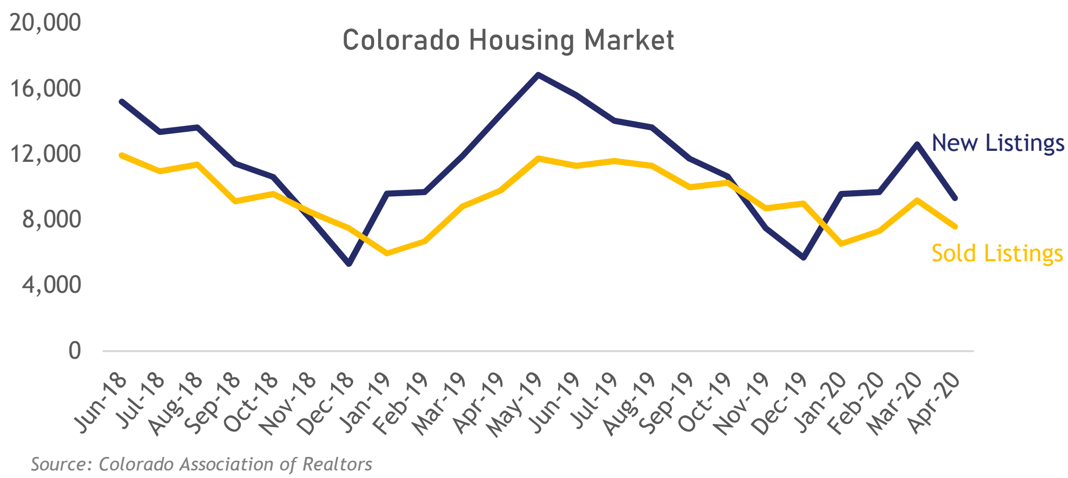
[9] Federal Housing Finance Agency



According to the Mortgage Bankers Association, mortgage forbearance increased from 2.50 percent in March to 8.46 percent as of June 1st, with an estimated 4.2 million homeowners now in forbearance plans nationwide. Delinquencies and foreclosures may rise further as the protections for mortgage borrowers are lifted. The Federal Housing Finance Agency, however, recently extended the forbearance period and expanded eligibility for borrowers in forbearance to refinance or purchase a new home, allowing those borrowers to benefit from record low mortgage interest rates.

Renters appear to be staying current with rent payments. The National Multifamily Housing Council reported that 95.1 percent of apartment households have made a full or partial payment of their May rent, only slightly down from 96.6 percent last year. Despite the relatively high rent payment rates seen so far, the expiration of the expanded UI benefits in July and the approaching end of eviction moratoriums mean that renters will face increasing challenges in coming months.

After a strong start for new listings in 2020, social distancing measures made it more difficult for potential buyers to view homes. Home listings decreased by 35 percent and sold listings fell by 22.6 percent compared in April compared to a year ago. Through April, new listings saw a drop by 9.7 percent and sold listings decrease of 2.1 percent compared to the same time period last year.[10]



[10] Colorado Association of Realtors

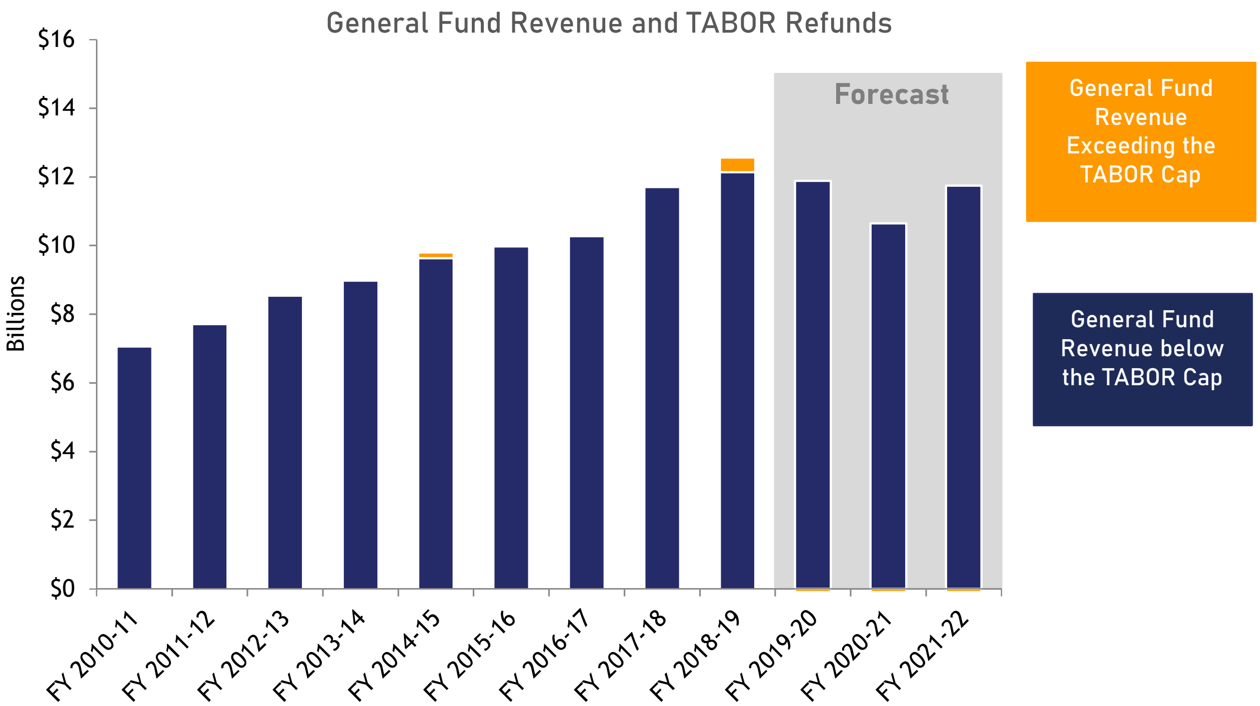
Forecast Risks

Any current economic forecast is dependent on the course of a virus that has proven difficult both to predict and to contain. A "second wave" of infections poses a significant downside risk to this forecast, while there is some upside risk if a vaccine or treatment is developed more quickly than expected. Additionally, while the immediate economic impacts of the pandemic are visible and well-known, the second-order economic impacts are more difficult to foresee. Finally, federal fiscal relief so far, while significant, has only been intended as a short-term intervention. In addition to the one-time federal stimulus checks to taxpayers, the Paycheck Protection Program was designed to offer businesses short-term funding, while expanded unemployment benefits are scheduled to expire in July. The economy faces significant risks this summer if federal relief measures are not extended.

Revenue Outlook – General Fund

General Fund revenue is expected to fall by 4.9 percent in FY 2019-20 and by another 10.5 percent in FY 2020-21. The GF revenue forecast was revised up by net of $216.9 million over the forecast period. This increase is due to above-forecast May collections as well as technical and legislative changes which increase revenue.

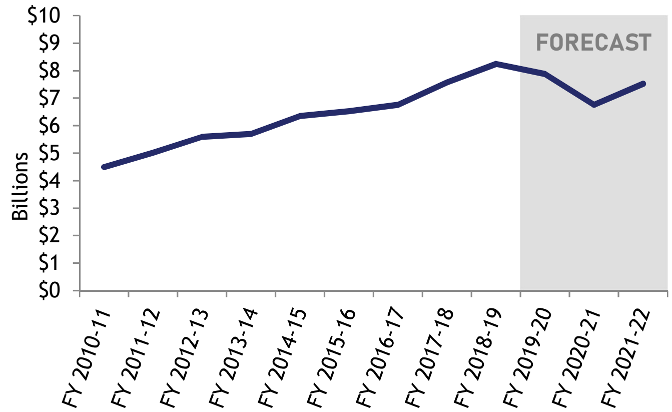
Three major revenue sources together make up 96 percent of total General Fund revenue: individual income taxes, corporate income taxes, and sales and use taxes. General Fund revenue from the other remaining General Fund sources, such as interest earnings, taxes paid by insurers on premiums, and excise taxes on tobacco products and liquor, make up the remaining 4 percent.



Individual Income Tax

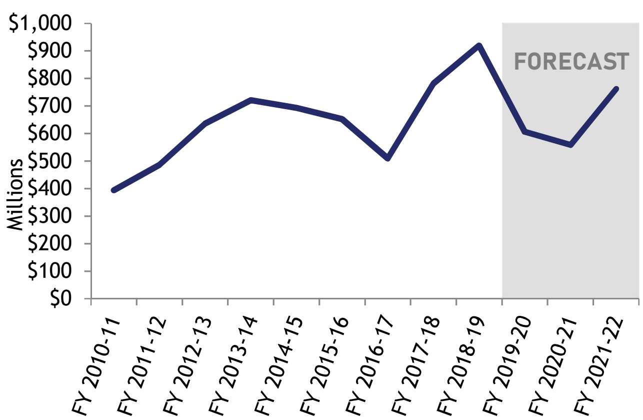
Individual income tax revenue is projected to decrease 3.7 percent in FY 2019-20 and 14.5 percent in FY 2020-21. Relative to May projections, the forecast was revised upward by $163.6 million in FY 2019-20 and downward by $240.4 million in FY 2020-21.

Individual income tax collections are extremely volatile during periods of economic change. While the duration of the economic impact from the virus is currently unknown, significant workforce reductions will lead to decreases in personal income and in tax collections, with fewer revenues from capital gains and a reduction in proprietor business income. Individual income tax collections are anticipated to remain below historical norms due to higher unemployment rates. The passage of HB20-1420 will result in additional individual income tax revenue collections over the forecast period.



Corporate Income Tax

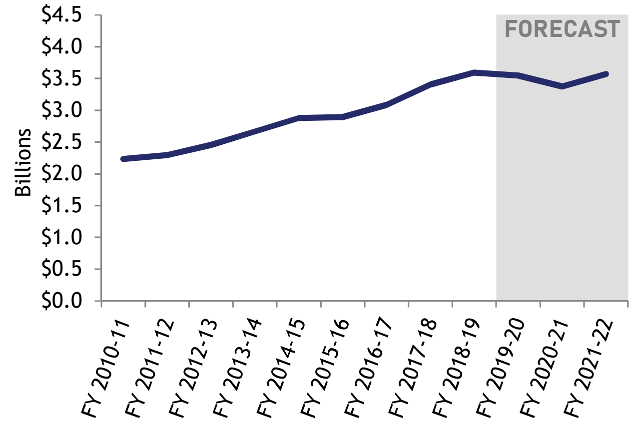
Corporate income tax collections are projected to fall to $606.8 million in FY 2019-20, which is a 34.0 percent decline from FY 2018-19. Some of this decline was previously anticipated because FY 2018-19 corporate income tax receipts were unusually high due to a large settlement agreement with a delinquent taxpayer. Corporate income tax receipts are expected to show a more moderate decline (5.1 percent) in FY 2020-21 before increasing by 33.2 percent in FY 2021-22.



Corporate income tax collections are more volatile than many other sources of revenue as firms frequently make accounting adjustments to alter the timing and size of their tax liability. Although the State is nearly at the end of its fiscal year, there is an unusually high level of uncertainty in estimating corporate income tax revenue for FY 2019-20 because many taxpayers are taking advantage of the extension of tax filing deadlines.

Sales and Use Taxes

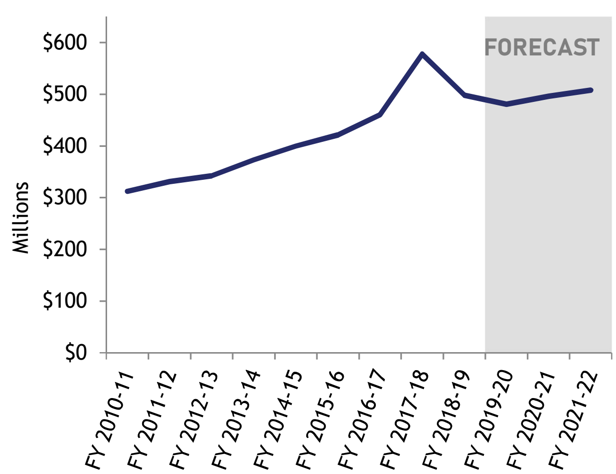
Sales tax revenue is expected to grow 1.0 percent in FY 2019-20 before declining by 5.7 percent in FY 2020-21. Collections are expected to grow by 6.2 percent in FY 2021-22. Relative to the May forecast, projections were revised upwards by $109.3 million, $109.4 million and $4.3 million in those years respectively. These modifications factor in high collections levels in FY 2019-20 to date and the severe impacts and ongoing risks associated with the COVID-19 pandemic.



Sales tax collections are closely tied to the strength of sales in several sectors which have experienced major disruptions from COVID-19 (i.e. accommodation, motor vehicle and parts dealers, retail/wholesale merchandise stores, and food services/drinking places). Consumer spending was suppressed as social distancing measures resulted in reduced financial transactions within these sectors. Consumer activity has increased steadily since, though the swift pace of the rebound is likely to slow once business operations that can easily reopen do so. Sales tax revenue collections are not expected to return to pre-pandemic levels until FY 2021-22. Sales tax from online retailers, however, will result in higher tax revenues than would otherwise have been collected.

Use tax is projected to decline by 29.5 percent to $243.5 million in FY 2019-20, followed by a further year-over-year decline of 1.1 percent to $240.9 million in FY 2020-21. FY 2021-22 is expected to see an incremental increase of 2.3 percent. Use tax is a companion to sales tax and is paid by Colorado residents and businesses on purchases that did not collect 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, in addition to individuals paying taxes on online purchases where the retailer did not collect taxes. Use tax collections are expected to continue to decline as more retailers remit sales taxes directly to the state, resulting in fewer use taxes due.

Other General Fund Revenue

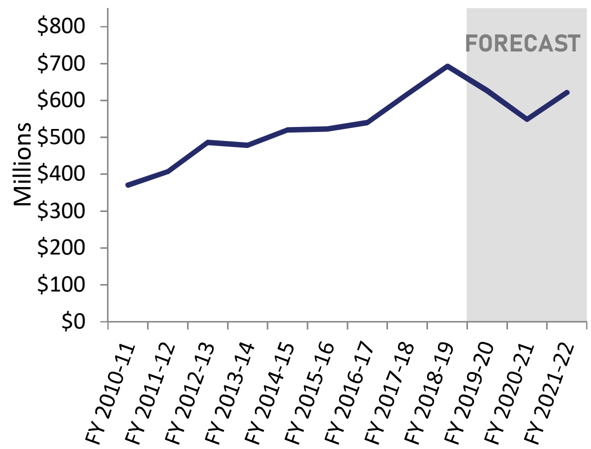


Other General Fund revenue is expected to decrease 3.5 percent in FY 2019-20, followed by growth of 3.3 percent in FY 2020-21 and 2.4 percent FY 2021-22. Major components of this revenue category include excise taxes on cigarettes, tobacco, and liquor, as well as insurance revenue and interest income.

The reduction in FY 2019-20 primarily results from a large, one-time settlement payment totaling $18.7 million from corporations in FY 2018-19 in relation to violations of consumer protection laws.

State Education Fund

Revenue to the State Education Fund from income taxes is expected to decline 8.8 percent in FY 2019-20 and 12.5 percent in FY 2020-21. This does not include transfers from other funds. The forecast for State Education Fund revenue was revised from the May forecast in conjunction with the revisions to the forecasts for individual and corporate income tax collections.



The Colorado Constitution requires that 1/3 of 1 percent of Colorado taxable income be credited to the State Education Fund. As the State Education Fund revenue is derived from taxable income, it follows the trends in individual income and corporate income tax revenue collections discussed in this section.

Revenue Outlook – Cash Funds

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

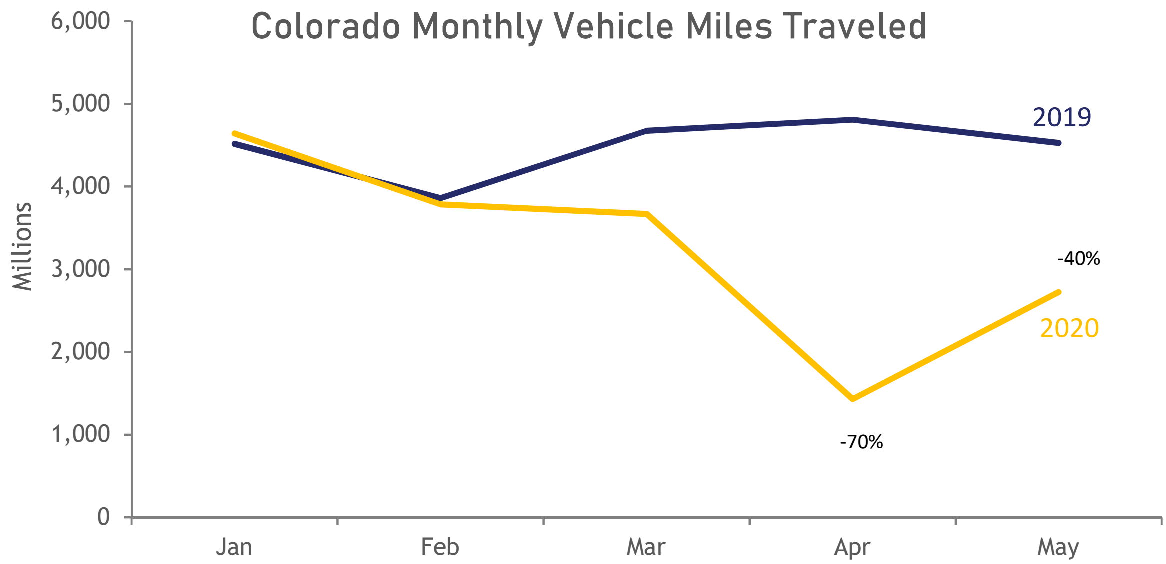
Total cash fund revenue subject to TABOR is projected at $2.3 billion in FY 2019-20, a decrease of 4.3 percent from the prior fiscal year. This is a reduction from the May projections for FY 2019-20 of 0.3 percent. In FY 2020-21 cash fund revenue is projected decline a further 3.5 percent, before growing by 5.6 percent in FY 2021-22.

Transportation

Transportation-related cash fund revenue is projected to decrease by 5.2 percent in FY 2019-20 and grow by 1.4 percent in FY 2020-21. These forecasts have been revised downward since May, by $6.0 million, or 0.5 percent, in FY 2019-20 and by $7.5 million, or 0.6 percent, in FY 2020-21.

Transportation Revenue	Actual FY 18-19	Forecast FY 19-20	Forecast FY 20-21	Forecast FY 21-22
Highway Users Tax Fund (HUTF)				
Motor and Special Fuel Taxes	**$654.9**	**$622.3**	**$625.1**	**$652.2**
Change	1.5%	-5.0%	0.5%	4.3%
Total Registrations	**$265.7**	**$261.6**	**$264.6**	**$278.6**
Change	1.4%	-1.5%	1.1%	5.3%
Other HUTF Receipts	**$188.2**	**$184.4**	**$191.9**	**$204.9**
Change	-6.1%	-2.0%	4.1%	6.8%
Total HUTF	**$1,108.7**	**$1,068.2**	**$1,081.6**	**$1,135.6**
Change	0.1%	-3.7%	1.3%	5.0%
State Highway Fund	**$39.8**	**$30.3**	**$28.8**	**$29.7**
Change	-2.0%	-24.1%	-4.8%	3.2%
Other Transportation Funds	**$126.8**	**$111.4**	**$116.1**	**$123.2**
Change	-0.5%	-12.1%	4.2%	6.2%
Total Transportation Funds	***$1,275.9***	***$1,209.8***	***$1,226.5***	***$1,288.5***
Change	*0.0%*	*-5.2%*	*1.4%*	*5.1%*

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 largest



Sources: FHWA, Streetlight Data

portion of transportation cash funds is the HUTF, which is comprised of motor fuel taxes and registration fees.

The COVID-19 crisis prompted the closure of businesses and increased the number of employees working remotely while also creating a decline in tourist travel. The continued COVID containment efforts have reduced the number of daily commuters and vehicle miles traveled throughout the state, causing fuel tax revenues to decline 44 percent overall from March through May compared to the same time period in 2019.

Limited Gaming

Revenues from limited gaming were revised to $79.4 million in FY 2019-20, a modest increase relative to the May forecast due to the reopening of casinos in Black Hawk, Central City and Cripple Creek in mid-June. However, this is still a 37 percent reduction from FY 2018-19 gaming revenues due to casino closures from mid-March to mid-June. Gaming activity is expected to remain depressed once casinos reopen due to social distancing measures and public concerns about the safety of engaging in activities in crowded public spaces. However, consumers have been eager to return to casinos as other states have re-opened. As a result, revenues for FY 2020-21 were revised upward to $90.4 million, and $102.9 million FY 2021-22.

The distribution of gaming revenue to limited gaming recipients and extended limited gaming recipients was modified by HB 20-1399 and HB 20-1400. These bills suspended for two years the distributions of the State's share of revenue to program recipients, and temporarily modified the distribution between limited gaming and extended limited gaming recipients, respectively. These modified distributions are shown in the table below.

Of this revenue in FY 2019-20, $68.3 million will be subject to TABOR and $66.5 million will be classified as "base limited gaming revenue." Most of the remainder, $15 million, will be classified as "extended limited gaming revenue" under Amendment 50. In FY 2020-21, $72.8 million will be subject to TABOR, of which $71.2 million will be classified as limited gaming revenue and $15.7 million will be classified as extended gaming revenue.

Distribution of Limited Gaming Revenues	Actual FY 18-19	Forecast FY 19-20	Forecast FY 20-21	Forecast FY 21-22
A. Total Limited Gaming Revenues	**$125.0**	**$79.4**	**$90.4**	**$102.9**
Annual Percent Change	-1.7%	-36.5%	13.9%	13.9%
B. Base Limited Gaming Revenues	**$104.8**	**$66.5**	**$71.2**	**$83.4**
Annual Percent Change	-0.2%	-36.5%	7.1%	17.1%
C. Gaming Revenue Subject to TABOR	**$107.0**	**$68.3**	**$72.8**	**$85.1**
Annual Percent Change	0.2%	-36.2%	6.7%	16.8%
D. Total Amount to Base Revenue Recipients	**$93.9**	**$49.4**	**$59.7**	**$71.5**
Amount to State Historical Society (28%)	$26.3	$13.8	$16.7	$20.0
Amount to Counties (12%)	$11.3	$5.9	$7.2	$8.6
Amount to Cities (10%)	$9.4	$4.9	$6.0	$7.2
Amount to Distribute to Remaining Programs (State Share) (50%)	$46.9	$24.7	$29.8	$35.8
Amount to Local Government Impact Fund	$5.4	$0.0	$0.0	$5.4
Colorado Tourism Promotion Fund	$15.0	$0.0	$0.0	$15.0
Creative Industries Cash Fund	$2.0	$0.0	$0.0	$2.0
Film, Television, and Media Operational Account	$0.5	$0.0	$0.0	$0.5
Advanced Industries Acceleration Fund	$5.5	$0.0	$0.0	$5.5
Innovative Higher Education Research Fund	$2.1	$0.0	$0.0	$2.1
Transfer to the General Fund	$16.4	$24.7	$29.8	$5.3
E. Total Amount to Amendment 50 Revenue Recipients	**$17.9**	**$15.0**	**$15.7**	**$16.4**
Community Colleges, Mesa and Adams State (78%)	$14.0	$11.7	$12.2	$12.8
Counties (12%)	$2.2	$1.8	$1.9	$2.0
Cities (10%)	$1.8	$1.5	$1.6	$1.6

In November 2019, Colorado voters approved Proposition DD, which legalized sports betting and authorized a tax on sports betting proceeds to fund water projects. Revenues from the tax on sports betting proceeds are not subject to TABOR, while revenues from licensing fees of sports betting operators are. Estimates of new revenue from those fees are around $2 million per year. Revenues from the tax on proceeds and operator licensing fees will be accounted for separately from the gaming funds reported here. Revenue from operator licensing fees is accounted for as miscellaneous cash fund revenue in Table 6 in the appendix. Revenue collection associated with sports betting licenses began in December 2019 and sports betting began in May 2020.

Severance

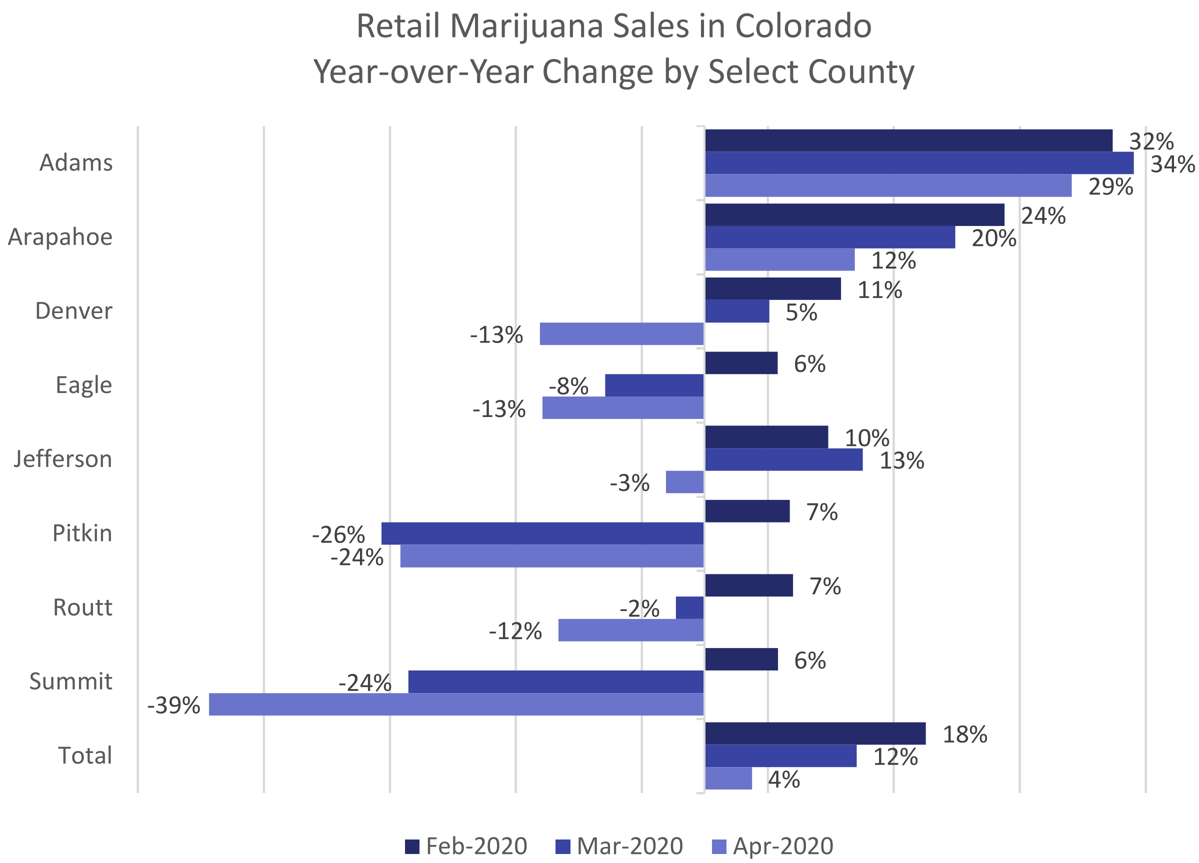
Severance tax revenue is expected to decline to $160.4 million in FY 2019-20, a decrease of 37.1 percent from the fiscal year prior. This is a 7.9 percent upward revision from the May 2020 forecast due to stronger than expected collection levels in March and April. Collection levels in FY 2020-21 are projected to decline to $52.7 million, a downward revision relative to the May 2020 forecast. Both supply and demand shocks have led to lower production responses by producers across the state. Revenue is expected to rebound moderately in FY 2021-22 to $74.8 million. As the economy recovers, oil prices are anticipated to increase modestly, causing a projected increase in production activity and revenue levels in FY 2021-22.

Marijuana

Marijuana sales have grown at a strong pace in FY 2019-20, leading to a forecasted revenue growth rate of 18.3 percent year over year, to $310.3 million. This is a 2.9 percent increase from the May 2020 forecast due to strong collections in March and April. Revenue in FY 2020-21 is expected to increase modestly to $315.0 million. This differs from the May 2020 forecast which anticipated a FY 2020-21 revenue decline.

Tax Revenue from the Marijuana Industry	Actual FY 18-19	Forecast FY 19-20	Forecast FY 20-21	Forecast FY 21-22
Proposition AA Taxes				
Retail Marijuana 15% Special Sales Tax	$193.3	$219.5	$223.0	$232.7
Retail Marijuana 15% Excise Tax	$58.4	$79.1	$80.4	$83.9
Total Proposition AA Taxes	**$251.8**	**$298.6**	**$303.4**	**$316.6**
2.9% Sales Tax (Subject to TABOR)				
Medical Marijuana 2.9% State Sales Tax	$9.4	$10.3	$10.4	$10.4
Retail Marijuana 2.9% State Sales Tax	$1.0	$1.3	$1.2	$1.3
Total 2.9% Sales Taxes	**$10.4**	**$11.6**	**$11.7**	**$11.7**
Total Marijuana Taxes	**$262.2**	**$310.3**	**$315.0**	**$328.3**

Contrary to the May forecast, sales are expected to continue growing in FY 2020-21, due to growth in sales in March and April 2020. However, this growth is anticipated to occur at a slower rate than prior to the pandemic due to suppressed tourist activity in the state and lower wages among Colorado workers. Estimates prepared for the Department of Revenue suggest tourists accounted for 7 to 9 percent of marijuana consumed between 2014 and 2017. Retail marijuana sales in several Colorado mountain communities including Summit, Pitkin, Routt, and Eagle counties declined significantly year-over-year in March and April.



The revenue from Proposition AA sales tax goes first to the General Fund, then 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 forecasted distribution of marijuana tax revenue is shown in the table below.

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 2018-19 Actual	$262.2	$19.3	$27.1	$52.6	$5.8	$21.9	$135.4
FY 2019-20 Projected	$310.3	$22.0	$30.7	$79.1	$0.0	$24.9	$153.6
FY 2020-21 Projected	$315.0	$22.3	$31.2	$80.4	$0.0	$25.3	$155.9
FY 2021-22 Projected	$328.3	$23.3	$32.6	$83.9	$0.0	$26.4	$162.2

Federal Mineral Lease

Federal Mineral Lease (FML) revenue is expected to decline 43.1 percent to $64.8 million in FY 2019-20 followed by a marginal year-over-year increase of 5.1 percent in FY 2020-21 to $68.1 million and a further increase of 28.3 percent in FY 2021-22 to $87.4 million. These projections have been revised marginally upwards since the May forecast largely in part due to a slight but continuous increase in demand for oil and gas and slightly better expectations for the energy industry moving forward.

Fiscal Year	Bonus Payments	Non-Bonus Payments	Total FML	% Change
FY 2018-19 Final	$2.8	$111.0	$113.8	32.1%
FY 2019-20 Projected	$1.9	$62.9	$64.8	-43.1%
FY 2020-21 Projected	$2.0	$66.1	$68.1	5.1%
FY 2021-22 Projected	$2.6	$84.8	$87.4	28.3%

Oil and gas prices on average are anticipated to remain below producer breakeven points throughout FY 2019-20 as well as the first quarter of FY 2020-21 before improving to levels that incentivize increased production activity by energy firms. FML revenues are projected to see a moderate rebound in FY 2021-22 as the market balances and the overall economy recovers. While FML revenue is exempt from TABOR, it is included here because a portion of the money is distributed to the Public School Fund, where it is used for the State's share of K-12 school finance.

Other Cash Funds

The State receives revenue from a variety of other cash funds as well. This includes cash fund revenue to the Department of Regulatory Agencies (DORA), which is projected to increase 7.3 percent to $84.5 million in FY 2019-20 and 3.8 percent to $87.8 million in FY 2020-21. 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 and has been adjusted downward on expectations of a slight decline in the workers compensation insurance industry. The forecasted revenue is $25.7 million in FY 2019-20, with a 21.8 percent decline in FY 2020-21 to $20.1 million.

Finally, the "Other Miscellaneous Cash Funds" category includes revenue from over 300 cash fund programs, which generally collect revenue from fines, fees, and interest earnings. This broad category is less sensitive to general economic conditions than revenue sources like income and severance taxes. Compared to the May 2020 forecast, the miscellaneous cash fund forecast has been revised downward but is still showing year-over-year growth. Revenue to these funds is expected to be $779.0 million in FY 2019-20 and $785.8 million in FY 2020-21.

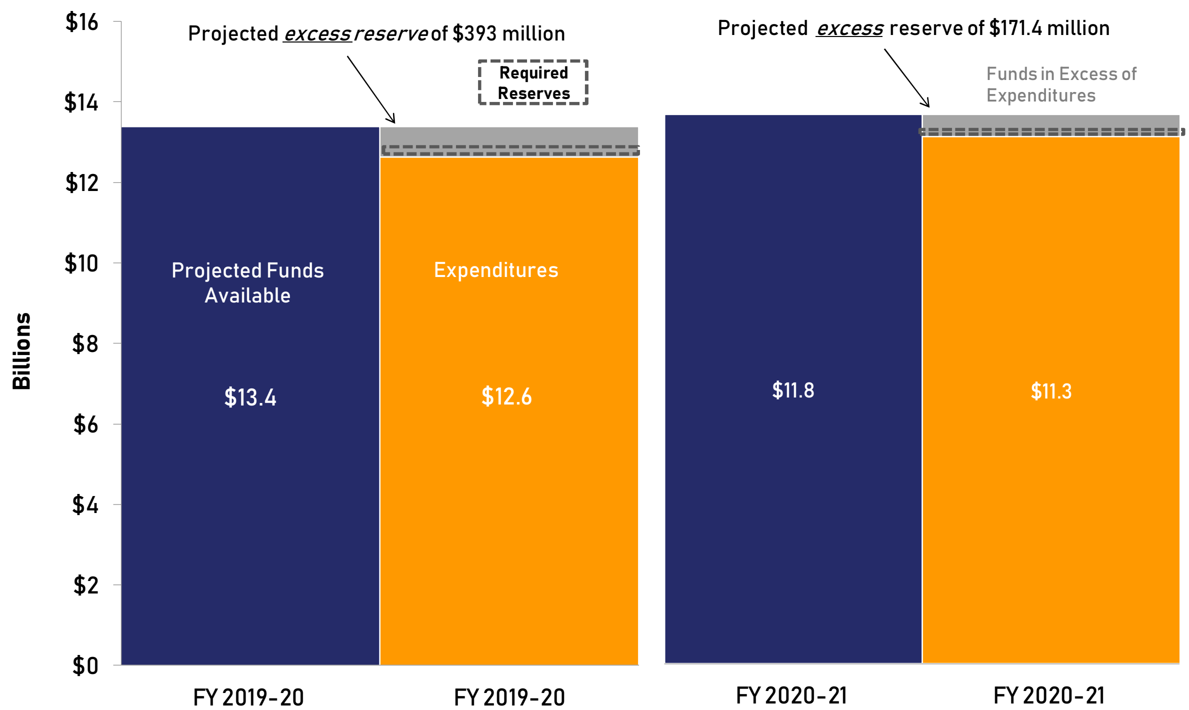
Budget Outlook

General Fund

General Fund revenue is projected to decrease by 4.9 percent in FY 2019-20 and 10.5 percent in FY 2020-21, after growing by 7.2 percent in FY 2018-19. The General Fund revenue forecast for FY 2019-20 is $311.2 million, or 2.7 percent, higher than estimated in May. The forecast for FY 2020-21 is $82.3 million, or 0.8 percent, lower than the May forecast.

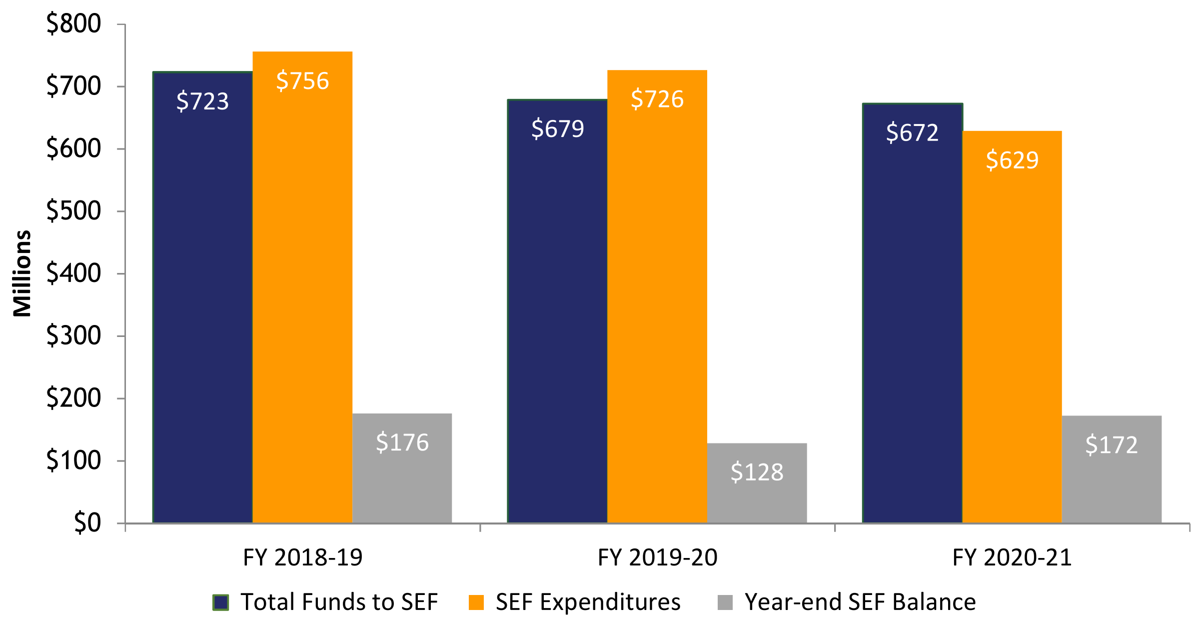
The General Fund reserve was $448.3 million above the required statutory reserve amount of 7.25 percent of appropriations in FY 2018-19. The General Assembly modified the statutory reserve requirement in HB 20-1383. Under that law, the statutory reserve requirement is 3.07 percent of appropriations in FY 2019-20, 2.86 percent of appropriations in FY 2020-21 and FY 2021-22, and 7.25 percent of appropriations in FY 2022-23. Under this forecast, the General Fund reserve is projected to be $393.0 million above the statutory reserve amount in FY 2019-20. In FY 2020-21, the State's General Fund reserve is projected to be $171.4 million above the statutory reserve amount under this revenue forecast and preliminary analysis of legislation passed by the General Assembly.

The below chart summarizes total projected General Fund revenue available, total obligations, and reserve levels for FY 2019-20 and FY 2020-21.



State Education Fund

The State Education Fund's year-end balance was $176.0 million in FY 2018-19 and is projected to decline to $128.2 million in FY 2019-20. 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 2019 School Finance Act. The FY 2020-21 ending balance is projected to be $214.1 million. This amount is significantly higher than projected in May because it is based on recent legislation, rather than the Governor's January budget request, and incorporates revenue forecast revisions. The figure below summarizes total State Education Fund revenue, expenditures, and ending balances for FY 2018-19 through FY 2020-21 under the FY 2020-21 based on preliminary analysis of 2020 legislation.



Forecast Risks

This budget outlook is based on OSPB's economic forecast as detailed in Tables 1 and 2 of the Reference Tables at the end of this document. This economic forecast is subject to elevated risks associated with the unfolding developments of COVID-19.

The forecast reflects the latest projections of the impacts that COVID-19 may have on State revenues and expenditures, yet the epidemiological course of COVID-19 and the duration and depth of the recession are highly uncertain. Although economic conditions could be more positive than described in this forecast, the risks to the budget outlook are balanced to the downside.

Supplemental Materials

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

TABOR Outlook

Under Article X, Section 20 of the State Constitution, the Taxpayer's Bill of Rights (TABOR), revenue received from certain sources is subject to an annual limit determined by the prior year's limit after adjustments for inflation and population growth. Any TABOR revenue received above the cap is to be refunded to taxpayers in the subsequent fiscal year. Revenue subject to TABOR exceeded the revenue cap by $428.3 million in FY 2018-19 and is not projected to be above the cap for the duration of the forecast period.

Current law specifies three mechanisms by which revenue in excess of the cap is to be refunded to taxpayers: the senior homestead and disabled veterans property tax exemptions, a temporary income tax rate reduction (from 4.63 percent to 4.50 percent), and a sales tax refund. The size of the refund determines which refund mechanisms are utilized.

An estimated $270.5 million of the $428.5 million refund obligation from FY 2018-19 is being distributed as an income tax rate reduction, while $151.2 million is being refunded via the senior homestead and disabled veterans property tax exemption expenditures in FY 2019-20. Any difference between estimated refunds and actual refunds will be corrected in the next fiscal year in which a refund is owed.

No refunds are projected for FY 2019-20 or the duration of the forecast period.

Reference Tables

Table 1: Colorado Economic Variables – History and Forecast

Line No.		Actual						June 2020 Forecast		
		2014	2015	2016	2017	2018	2019	2020	2021	2022
	Income									
1	Personal Income (Billions) /A	$271.3	$284.2	$289.6	$310.8	$332.9	$351.9	$358.6	$360.4	$381.7
2	Change	8.8%	4.8%	1.9%	7.3%	7.1%	5.7%	1.9%	0.5%	5.9%
3	Wage and Salary Income (Billions) /A	$138.6	$146.5	$151.0	$160.7	$170.1	$181.0	$171.8	$173.1	$179.7
4	Change	7.0%	5.7%	3.1%	6.4%	5.8%	6.4%	-5.1%	0.8%	3.8%
5	Per-Capita Income ($/person) /A	$50,711	$52,147	$52,278	$55,374	$58,500	$61,111	$61,655	$61,533	$64,582
6	Change	7.2%	2.8%	0.3%	5.9%	5.6%	4.5%	0.9%	-0.2%	5.0%
	Population & Employment									
7	Population (Thousands)	5,350.1	5,450.6	5,539.2	5,611.9	5,691.3	5,758.7	5,816.3	5,857.0	5,909.8
8	Change	1.5%	1.9%	1.6%	1.3%	1.4%	1.2%	1.0%	0.7%	0.9%
9	Net Migration (Thousands)	48.4	69.7	58.4	44.8	53.2	42.0	30.0	20.0	35.0
10	Unemployment Rate	5.0%	3.9%	3.2%	2.7%	3.3%	3.0%	9.9%	7.9%	6.2%
11	Total Nonagricultural Employment (Thousands)	2,463.7	2,541.0	2,601.8	2,660.4	2,725.3	2,779.8	2,626.9	2,674.2	2,754.4
12	Change	3.5%	3.1%	2.4%	2.3%	2.4%	2.0%	-5.5%	1.8%	3.0%
	Construction Variables									
13	Total Housing Permits Issued (Thousands)	29.2	31.1	38.4	41.9	45.5	42.0	35.6	39.2	41.4
14	Change	7.0%	6.4%	23.6%	9.2%	8.5%	-7.7%	-15.2%	10.1%	5.6%
15	Nonresidential Construction Value (Millions) /B	$4,350.9	$4,990.8	$5,989.0	$6,148.4	$8,057.6	$4,776.1	$3,935.5	$4,006.4	$4,250.8
16	Change	20.1%	14.7%	20.0%	2.7%	31.1%	-40.7%	-17.6%	1.8%	6.1%
	Prices & Sales Variables									
17	Retail Trade (Billions)	$90.5	$95.0	$98.5	$104.1	$109.2	$113.7	$109.7	$113.2	$118.7
18	Change	7.6%	4.9%	3.7%	5.7%	4.8%	4.2%	-3.5%	3.2%	4.8%
19	Denver-Aurora-Lakewood Consumer Price Index (1982-84=100) /C	237.2	240.0	246.6	255.0	262.0	267.0	272.1	277.2	283.3
20	Change	2.8%	1.2%	2.8%	3.4%	2.7%	1.9%	1.9%	1.9%	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 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 2020 Forecast		
		2014	2015	2016	2017	2018	2019	2020	2021	2022
	Inflation-Adjusted & Current Dollar Income Accounts									
1	Inflation-Adjusted Gross Domestic Product (Billions) /A	$16,912.0	$17,403.8	$17,688.9	$18,108.1	$18,638.2	$19,072.5	$17,928.2	$18,394.3	$19,461.2
2	Change	2.5%	2.9%	1.6%	2.4%	2.9%	2.3%	-6.0%	2.6%	5.8%
3	Personal Income (Billions) /B	$14,991.7	$15,717.8	$16,121.2	$16,878.8	$17,819.2	$18,624.2	$18,940.8	$18,997.6	$19,985.5
4	Change	5.7%	4.8%	2.6%	4.7%	5.6%	4.5%	1.7%	0.3%	5.2%
5	Per-Capita Income ($/person)	$47,099	$49,021	$49,920	$51,937	$54,545	$56,740	$56,062	$56,620	$59,606
6	Change	5.0%	4.1%	1.8%	4.0%	5.0%	4.0%	-1.2%	1.0%	5.3%
7	Wage and Salary Income (Billions) /B	$7,475.2	$7,856.7	$8,083.5	$8,462.1	$8,888.5	$9,323.0	$8,810.2	$8,836.7	$9,145.9
8	Change	5.1%	5.1%	2.9%	4.7%	5.0%	4.9%	-5.5%	0.3%	3.5%
	Population & Employment									
9	Population (Millions)	318.3	320.6	322.9	325.0	326.7	328.2	329.9	331.5	333.2
10	Change	0.7%	0.7%	0.7%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%
11	Unemployment Rate	6.2%	5.3%	4.9%	4.4%	3.9%	3.7%	10.3%	8.0%	6.4%
12	Total Nonagricultural Employment (Millions)	138.9	141.8	144.3	146.6	148.9	150.9	142.2	143.9	147.1
13	Change	1.9%	2.1%	1.8%	1.6%	1.6%	1.4%	-5.8%	1.2%	2.2%
	Price Variables									
14	Consumer Price Index (1982-84=100)	236.7	237.0	240.0	245.1	251.1	255.7	259.0	263.6	269.4
15	Change	1.6%	0.1%	1.3%	2.1%	2.4%	1.8%	1.3%	1.8%	2.2%
16	Producer Price Index - All Commodities (1982=100)	205.3	190.4	185.4	193.5	202.0	199.8	188.4	192.2	201.2
17	Change	0.9%	-7.3%	-2.6%	4.4%	4.4%	-1.1%	-5.7%	2.0%	4.7%
	Other Key Indicators									
18	Pre-Tax Corporate Profits (Billions)	$2,120.2	$2,061.5	$2,011.5	$2,005.9	$2,074.6	$2,091.2	$1,850.7	$2,098.7	$2,243.5
19	Change	5.4%	-2.8%	-2.4%	-0.3%	3.4%	0.8%	-11.5%	13.4%	6.9%
20	Housing Permits (Millions)	1.052	1.183	1.207	1.282	1.329	1.370	1.051	1.449	1.855
21	Change	6.2%	12.4%	2.0%	6.2%	3.7%	3.1%	-23.3%	37.9%	28.0%
22	Retail Trade (Billions)	$5,215.7	$5,349.5	$5,509.3	$5,740.6	$6,021.1	$6,235.7	$5,998.8	$6,208.7	$6,488.1
23	Change	4.3%	2.6%	3.0%	4.2%	4.9%	3.6%	-3.8%	3.5%	4.5%

/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 2018-19	% Chg	June 2020 Estimate by Fiscal Year FY 2019-20	% Chg	FY 2020-21	% Chg	FY 2021-22	% Chg
	Excise Taxes:								
1	Sales	$3,246.6	4.9%	$3,303.2	1.7%	$3,132.4	-5.2%	$3,323.7	6.1%
2	Use	$345.5	11.5%	$243.5	-29.5%	$240.9	-1.1%	$246.5	2.3%
3	Cigarette	$32.6	-5.8%	$32.4	-0.6%	$31.4	-3.1%	$30.4	-3.2%
4	Tobacco Products	$22.3	35.8%	$19.0	-14.8%	$24.5	29.3%	$25.9	5.6%
5	Liquor	$48.3	3.9%	$49.9	3.4%	$51.5	3.2%	$52.6	2.1%
6	**Total Excise**	**$3,695.3**	**5.5%**	**$3,648.0**	**-1.3%**	**$3,480.8**	**-4.6%**	**$3,679.2**	**5.7%**
	Income Taxes:								
7	Net Individual Income	$8,247.0	8.8%	$7,944.8	-3.7%	$6,794.9	-14.5%	$7,529.5	10.8%
8	Net Corporate Income	$919.8	17.6%	$606.8	-34.0%	$576.0	-5.1%	$767.3	33.2%
9	**Total Income**	**$9,166.8**	**9.7%**	**$8,551.5**	**-6.7%**	**$7,370.9**	**-13.8%**	**$8,296.9**	**12.6%**
10	*Less: State Education Fund Diversion*	*$692.8*	*12.3%*	*$631.7*	*-8.8%*	*$552.8*	*-12.5%*	*$622.3*	*12.6%*
11	**Total Income to General Fund**	**$8,474.0**	**9.5%**	**$7,919.8**	**-6.5%**	**$6,818.0**	**-13.9%**	**$7,674.6**	**12.6%**
	Other Revenue:								
12	Insurance	$314.7	3.6%	$328.5	4.4%	$339.0	3.2%	$349.7	3.2%
13	Interest Income	$26.5	35.8%	$24.8	-6.4%	$24.0	-3.3%	$24.3	1.3%
14	Pari-Mutuel	$0.5	-1.7%	$0.5	-2.0%	$0.5	-2.0%	$0.5	-2.0%
15	Court Receipts	$4.2	-5.3%	$4.3	2.4%	$4.3	0.0%	$4.3	0.0%
16	Other Income	$48.9	-67.9%	$21.1	-56.9%	$20.9	-0.8%	$20.5	-2.1%
17	**Total Other**	**$394.7**	**-17.8%**	**$379.2**	**-3.9%**	**$388.7**	**2.5%**	**$399.3**	**2.7%**
18	**GROSS GENERAL FUND**	**$12,564.0**	**7.2%**	**$11,947.0**	**-4.9%**	**$10,687.5**	**-10.5%**	**$11,753.0**	**10.0%**

/A Dollars in millions.

Table 4: General Fund Overview /A

Line No.		Actual	June 2020 Estimate by Fiscal Year		
		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Revenue					
1	**Beginning Reserve**	**$1,366.0**	**$1,262.5**	**$754.3**	**$476.0**
2	**Gross General Fund Revenue**	**$12,564.0**	**$11,947.0**	**$10,687.5**	**$11,753.0**
3	*Transfers to the General Fund*	$17.2	$180.2	$321.6	$8.3
4	**TOTAL GENERAL FUND AVAILABLE**	**$13,947.2**	**$13,389.7**	**$11,763.5**	**$12,237.3**
Expenditures					
5	**Appropriation Subject to Limit**	**$11,258.7**	**$11,769.8**	**$10,649.2**	**$11,287.5**
6	*Dollar Change (from prior year)*	$827.8	$511.1	-$1,120.6	$638.3
7	*Percent Change (from prior year)*	7.9%	4.5%	-9.5%	6.0%
8	**Spending Outside Limit**	**$1,596.3**	**$865.6**	**$638.2**	**$627.0**
9	*TABOR Refund under Art. X, Section 20, (7) (d)*	$428.5	$0.0	$0.0	$0.0
10	*Homestead Exemption (Net of TABOR Refund)*	$106.4	$0.0	$164.2	$174.9
11	*Other Rebates and Expenditures*	$159.7	$143.0	$141.8	$145.5
12	*Transfers for Capital Construction*	$180.5	$198.6	$23.0	$50.0
13	*Transfers for Transportation*	$495.0	$300.0	$0.0	$0.0
14	*Transfers to State Education Fund*	$25.0	$40.3	$113.0	$23.0
15	*Transfers to Other Funds*	$201.1	$183.6	$196.2	$233.5
16	*Other Expenditures Exempt from General Fund Appropriations Limit*	$0.0	$0.0	$0.0	$0.0
17	**TOTAL GENERAL FUND OBLIGATIONS**	**$12,855.0**	**$12,635.4**	**$11,287.5**	**$11,914.5**
18	*Percent Change (from prior year)*	14.6%	-1.7%	-10.7%	5.6%
19	Reversions and Accounting Adjustments	-$170.3	$0.0	$0.0	$0.0
Reserves					
20	**Year-End General Fund Balance**	**$1,262.5**	**$754.3**	**$476.0**	**$322.8**
21	*Year-End General Fund as a % of Appropriations*	11.2%	6.4%	4.5%	2.9%
22	*General Fund Statutory Reserve*	$814.2	$361.3	$304.6	$322.8
23	*Above/Below Statutory Reserve*	$448.3	$393.0	$171.4	$0.0

/A FY 2020-21 expenditures based on preliminary analysis of legislation passed by the General Assembly in 2020. FY 2021-22 expenditures will be adopted in future budget legislation. Therefore, FY 2021-22 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 2018-19	June 2020 Estimate by Fiscal Year FY 2019-20	FY 2020-21	FY 2021-22
Revenue					
1	**Beginning Reserves**	**$1,574.6**	**$1,438.5**	**$882.5**	**$690.1**
2	*State Education Fund*	$208.7	$176.0	$128.2	$214.1
3	*General Fund*	$1,366.0	$1,262.5	$754.3	$476.0
4	**Gross State Education Fund Revenue**	**$723.1**	**$678.5**	**$714.6**	**$651.7**
5	**Gross General Fund Revenue /B**	**$12,581.3**	**$12,127.2**	**$11,009.1**	**$11,761.3**
6	**TOTAL FUNDS AVAILABLE FOR EXPENDITURE**	**$14,879.0**	**$14,244.2**	**$12,606.3**	**$13,103.1**
Expenditures					
7	General Fund Expenditures /C	$12,684.7	$12,635.4	$11,287.5	$11,914.5
8	State Education Fund Expenditures	$759.6	$726.4	$628.6	$721.1
9	**TOTAL OBLIGATIONS**	**$13,444.3**	**$13,361.8**	**$11,916.1**	**$12,635.6**
10	*Percent Change (from prior year)*	14.4%	-0.6%	-10.8%	6.0%
11	*Reversions and Accounting Adjustments*	-$174.2	$0.0	$0.0	$0.0
Reserves					
12	**Year-End Balance**	**$1,438.5**	**$882.5**	**$690.1**	**$467.6**
13	State Education Fund	$176.0	$128.2	$214.1	$144.8
14	General Fund	$1,262.5	$754.3	$476.0	$322.8
15	*General Fund Above/Below Statutory Reserve*	$448.3	$393.0	$171.4	$0.0

/A FY 2020-21 expenditures based on preliminary analysis of legislation passed by the General Assembly in 2020. FY 2021-22 expenditures will be adopted in future budget legislation. Therefore, FY 2021-22 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 percent of Colorado personal income as well as all spending outside the limit.

Table 6: Cash Fund Revenue Subject to TABOR /A

Line No.	Category	Actual FY 2018-19	June 2020 Estimate by Fiscal Year FY 2019-20	FY 2020-21	FY 2021-22
1	**Transportation-Related /A**	**$1,275.9**	**$1,209.8**	**$1,226.5**	**$1,288.5**
2	Change	0.0%	-5.2%	1.4%	5.1%
3	**Limited Gaming Fund /B**	**$107.0**	**$68.3**	**$72.8**	**$85.1**
4	Change	0.2%	-36.2%	6.7%	16.8%
5	**Capital Construction - Interest**	**$4.7**	**$5.6**	**$5.6**	**$5.6**
6	Change	1.6%	18.0%	0.4%	0.4%
7	**Regulatory Agencies**	**$78.8**	**$84.5**	**$87.8**	**$88.9**
8	Change	-2.1%	7.3%	3.8%	1.3%
9	**Insurance-Related**	**$22.6**	**$25.7**	**$20.1**	**$21.0**
10	Change	26.7%	13.8%	-21.8%	4.5%
11	**Severance Tax**	**$255.2**	**$160.4**	**$52.7**	**$74.8**
12	Change	78.4%	-37.1%	-67.1%	41.9%
13	**Other Miscellaneous Cash Funds**	**$693.8**	**$779.0**	**$785.8**	**$812.3**
14	Change	2.6%	12.3%	0.0%	3.4%
15	**TOTAL CASH FUND REVENUE**	***$2,438.0***	***$2,333.3***	***$2,251.3***	***$2,376.2***
16	Change	5.8%	-4.3%	-3.5%	5.6%

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

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

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

Line No.		Actual FY 2018-19	June 2020 Estimate by Fiscal Year FY 2019-20	FY 2020-21	FY 2021-22
	TABOR Revenues:				
1	General Fund /A	$12,350.4	$11,727.5	$10,464.5	$11,520.3
	Percent Change from Prior Year	8.2%	-5.0%	-10.8%	10.1%
2	Cash Funds /A	$2,438.0	$2,333.3	$2,251.3	$2,376.2
	Percent Change from Prior Year	5.8%	-4.3%	-3.5%	5.6%
3	**Total TABOR Revenues**	**$14,788.4**	**$14,060.9**	**$12,715.8**	**$13,896.5**
	Percent Change from Prior Year	7.8%	-4.9%	-9.6%	9.3%
	Revenue Limit Calculation:				
4	Previous calendar year population growth	1.4%	1.4%	1.2%	1.0%
5	Previous calendar year inflation	3.4%	2.7%	1.9%	1.9%
6	**Allowable TABOR Growth Rate**	**4.8%**	**4.1%**	**3.1%**	**2.9%**
7	TABOR Limit /B	$11,759.3	$12,241.5	$12,621.0	$12,987.0
8	General Fund Exempt Revenue Under Ref. C /C	$2,600.7	$1,819.4	$94.9	$909.6
9	**Revenue Cap Under Ref. C /B /D**	**$14,360.1**	**$14,948.8**	**$15,412.3**	**$15,859.2**
10	***Amount Above/Below Cap***	**$428.3**	**-$888.0**	**-$2,696.4**	**-$1,962.7**
11	***Revenue to be Refunded including Adjustments from Prior Years /E***	**$428.5**	**$0.0**	**$0.0**	**$0.0**
12	TABOR Reserve Requirement	$430.8	$421.8	$381.5	$416.9

/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. Dollars in millions.

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

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

/D The revenue limit is calculated by applying the "Allowable TABOR Growth Rate" to either "Total TABOR Revenue" or the "Revenue Cap under Ref. C," whichever is smaller. Beginning in FY 2010-11, the revenue limit is based on the highest revenue total from FY 2005-06 to 2009-10 plus the "Allowable TABOR Growth Rate." FY 2007-08 was the highest revenue year during the Referendum C timeout period. SB 17-267 reduced the Referendum C cap by $200 million in FY 2017-18. 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, 2019

(Pagination reflects the original printed document)

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 2020 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 2020 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 2020 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
2009	5.0	1.7%	306.7	0.9%
2010	5.1	1.5%	309.3	0.9%
2011	5.1	1.5%	311.6	0.7%
2012	5.2	1.4%	313.8	0.7%
2013	5.3	1.5%	316.0	0.7%
2014	5.4	1.5%	318.3	0.7%
2015	5.5	1.9%	320.6	0.7%
2016	5.5	1.6%	322.9	0.7%
2017	5.6	1.3%	325.0	0.6%
2018	5.7	1.4%	326.7	0.5%
2019	5.8	1.3%	328.2	0.5%

Note: Figures for 2009 through 2018 are estimates. The U.S. 2019 count is an estimate, and the 2019 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, 2019		United States, 2019	
	Population (millions)	% of total	Population (millions)	% of total
Under 18	1.26	21.9%	73.04	22.3%
18 to 24	0.56	9.7%	30.22	9.2%
25 to 44	1.66	28.8%	87.60	26.7%
45 to 64	1.44	24.9%	83.32	25.4%
65+	0.84	14.6%	54.06	16.5%
Total	5.77	100.0%	328.24	100.0%
Median Age[1]	37.2		38.2	

[1] U.S. median age is for 2018.
Note: Totals may not add due to rounding. The U.S. 2019 count is an estimate, and the Colorado 2019 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
2014	$50,711		$45,314		$47,071	
2015	$52,147	2.8%	$47,029	3.8%	$48,994	4.1%
2016	$52,278	0.3%	$47,472	0.9%	$49,890	1.8%
2017	$55,374	5.9%	$49,744	4.8%	$51,910	4.0%
2018	$58,500	5.6%	$52,458	5.5%	$54,526	5.0%
2019	$61,348	4.9%	$54,769	4.4%	$56,663	3.9%

[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
2015	2,825.1		2,714.8		3.9%	5.3%
2016	2,891.7	2.4%	2,797.0	3.0%	3.3%	4.9%
2017	2,986.5	3.3%	2,902.7	3.8%	2.8%	4.4%
2018	3,080.7	3.2%	2,983.5	2.8%	3.2%	3.9%
2019	3,148.8	2.2%	3,062.1	2.6%	2.8%	3.7%
Year-to-date averages through April:						
2019	3,110.9		3,011.7		3.2%	3.9%
2020	3,131.6	0.7%	2,952.5	-2.0%	5.7%	6.6%

[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	2015	2016	2017	2018	2019	Most Recent Quarter: 2019Q3	Most Recent Quarter: 2019Q4	% Change
Private Sector								
Agriculture, Forestry, Fishing, and Hunting	15,624	16,469	17,598	18,131	19,743	21,487	19,928	-7.3%
Mining	30,565	23,573	25,578	28,200	28,635	28,879	27,442	-5.0%
Utilities	8,202	8,239	8,079	8,030	8,168	8,236	8,197	-0.5%
Construction	148,638	155,139	163,452	173,063	178,867	184,398	181,044	-1.8%
Manufacturing	140,831	142,381	144,064	147,270	150,109	151,009	150,486	-0.3%
Wholesale Trade	103,253	104,882	106,726	108,257	110,218	110,913	111,582	0.6%
Retail Trade	263,104	269,032	270,783	272,644	272,176	271,230	277,157	2.2%
Transportation and Warehousing	67,287	68,327	72,554	77,469	83,417	83,358	88,601	6.3%
Information	70,599	71,730	71,643	74,992	76,296	76,174	77,245	1.4%
Finance and Insurance	106,344	108,970	111,293	112,624	112,761	112,775	113,068	0.3%
Real Estate and Rental and Leasing	46,944	48,707	50,566	52,152	54,474	55,072	55,567	0.9%
Professional and Technical Services	204,586	210,093	215,783	224,620	235,424	237,358	240,765	1.4%
Management of Companies and Enterprises	36,488	36,833	39,018	40,839	42,317	42,756	42,897	0.3%
Administrative and Waste Services	157,385	158,535	158,041	158,512	161,846	168,827	163,982	-2.9%
Educational Services	33,847	34,992	35,375	36,694	37,674	37,062	38,489	3.9%
Health Care and Social Assistance	275,183	287,168	291,299	298,559	303,803	304,452	306,898	0.8%
Arts, Entertainment, and Recreation	50,707	52,625	55,407	56,848	58,975	60,941	57,072	-6.3%
Accommodation and Food Services	261,704	270,673	277,613	282,491	285,929	295,571	283,722	-4.0%
Other Services	75,157	78,231	82,201	82,029	84,557	86,145	85,292	-1.0%
Unclassified	1,478	759	180	1,886	2,636	679	1,202	77.0%
Government	396,853	405,690	412,002	418,297	427,979	424,026	432,960	2.1%
Total*	**2,494,777**	**2,553,045**	**2,609,255**	**2,673,605**	**2,736,002**	**2,761,346**	**2,763,595**	**0.1%**

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

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

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	27,500
UCHealth	Healthcare, Research	23,500
The Kroger Co. (King Soopers/City Market)	Supermarkets	20,900
Centura Health	Healthcare	14,500
HealthONE Corporation	Healthcare	12,400
Lockheed Martin Corporation	Aerospace & Defense Related Systems	10,500
SCL Health System	Healthcare	10,000
Comcast	Telecommunications	9,000
Amazon	Warehousing & Distribution Services	8,100
Home Depot	Building Materials Retailer	8,000
Children's Hospital Colorado	Healthcare	7,800
CenturyLink	Telecommunications	7,800
Target Corporation	General Merchandise	7,600
Safeway Inc.	Supermarkets	7,300
United Airlines	Airline	7,000
Kaiser Permanente	Health Maintenance Organization	6,700
JBS Swift & Company	Beef Processing/Corporate Office	6,000
Vail Resorts	Leisure & Hospitality	5,600
United Parcel Service	Logistics	5,400
Banner Health	Healthcare	5,200
Wells Fargo	Banking/Financial Services	5,100
FedEx Corp.	Logistics	4,500
Southwest Airlines	Airline	4,500
Ball Corporation	Aerospace, Containers	4,400
Oracle	Software & Network Computer Systems	4,400

[1] Figures include both full-time and part-time employees.

Source: Compiled by Development Research Partners from various sources, May 2020.

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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 2020.

Estimated Largest Public Sector Employers in Colorado

Employer	Estimated Employees[1]
State of Colorado	57,300
Federal Government (except USPS)	42,800
University of Colorado System	24,300
Denver Public Schools	15,400
City & County of Denver	12,300
Jefferson County Public Schools	11,300
U.S. Postal Service	9,000
Douglas County School District RE-1	8,700
Cherry Creek School District 5	7,800
Colorado State University	7,700
Denver Health	7,600
Aurora Public Schools	5,400
Adams 12 Five Star Schools	5,000
Boulder Valley School District RE-2	4,300
Poudre School District R-1	4,200
St. Vrain Valley School District RE-1J	4,100
City of Aurora	4,000
Colorado Springs School District 11	3,900
Academy Schools District 20	3,600
Jefferson County	3,400
U.S. Department of Veterans Affairs	3,200
Mesa County Valley School District 51	3,000
El Paso County	2,800
Regional Transportation District (RTD)	2,800
School District 49	2,700

[1] Includes both full-time and part-time employees.
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 2015 to 2019

	Sales Tax		Consumer Use Tax		Retailer Use Tax	
	Amount (thousands)	% Change	Amount (thousands)	% Change	Amount (thousands)	% Change
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%
2019	$3,031,974	4.3%	$124,947	3.1%	$218,136	18.5%

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

											Year-to-date totals through February		
Industry	**2015**	**% Change**	**2016**	**% Change**	**2017**	**% Change**	**2018**	**% Change**	**2019**	**% Change**	**2019**	**2020**	**% Change**
Agriculture/Forestry/Fishing	500.6	13.6%	559.5	11.8%	417.9	-25.3%	587.2	40.5%	521.1	-11.3%	24.8	36.6	47.6%
Mining	3,743.4	-32.8%	2,485.9	-33.6%	3,665.9	47.5%	4,411.7	20.3%	3,938.3	-10.7%	549.0	519.4	-5.4%
Utilities	7,612.1	-4.0%	7,301.0	-4.1%	7,570.4	3.7%	7,665.8	1.3%	8,031.0	4.8%	1,502.1	1,364.0	-9.2%
Construction	4,685.8	12.4%	4,740.5	1.2%	5,133.6	8.3%	5,758.0	12.2%	6,124.0	6.4%	744.7	804.4	8.0%
Manufacturing	15,864.8	-19.8%	14,679.1	-7.5%	16,217.9	10.5%	17,360.8	7.0%	15,992.7	-7.9%	2,134.7	2,313.0	8.4%
Wholesale Trade	14,427.2	-4.8%	14,874.5	3.1%	14,530.3	-2.3%	15,407.4	6.0%	18,109.6	17.5%	2,153.3	2,708.3	25.8%
Retail Trade													
Motor Vehicle and Auto Parts	18,995.4	8.9%	19,692.9	3.7%	20,614.6	4.7%	21,190.4	2.8%	21,986.4	3.8%	3,000.0	3,383.5	12.8%
Furniture and Furnishings	2,868.8	8.1%	3,019.6	5.3%	3,126.0	3.5%	3,265.9	4.5%	3,371.4	3.2%	469.3	494.2	5.3%
Electronics and Appliances	2,387.6	5.7%	2,534.3	6.1%	2,617.2	3.3%	2,830.3	8.1%	2,956.9	4.5%	412.9	436.6	5.7%
Building Materials/Nurseries	6,373.2	7.5%	6,800.1	6.7%	7,283.2	7.1%	7,465.8	2.5%	7,413.9	-0.7%	941.3	1,017.0	8.0%
Food/Beverage Stores	16,619.2	4.1%	16,798.7	1.1%	17,655.4	5.1%	18,794.5	6.5%	18,927.9	0.7%	2,122.2	2,962.4	39.6%
Health and Personal Care	4,384.1	17.5%	5,064.2	15.5%	5,355.2	5.7%	5,672.5	5.9%	6,015.3	6.0%	813.1	894.9	10.1%
Gas Stations	4,815.3	-15.6%	4,307.1	-10.6%	4,528.5	5.1%	4,863.8	7.4%	4,556.7	-6.3%	619.2	689.2	11.3%
Clothing and Accessories	3,810.6	2.0%	3,843.5	0.9%	3,848.5	0.1%	3,999.7	3.9%	4,413.8	10.4%	513.6	582.0	13.3%
Sporting/Hobby/Books/Music	3,009.1	3.0%	3,021.7	0.4%	2,879.5	-4.7%	2,960.5	2.8%	3,075.7	3.9%	436.3	488.5	12.0%
General Merchandise/Warehous	13,073.8	1.7%	13,152.7	0.6%	13,758.0	4.6%	14,387.6	4.6%	14,788.7	2.8%	1,999.9	2,197.2	9.9%
Misc Store Retailers	5,256.5	10.4%	5,767.0	9.7%	6,529.4	13.2%	6,645.2	1.8%	7,214.1	8.6%	864.0	933.1	8.0%
Non-Store Retailers	1,742.1	2.7%	2,286.3	31.2%	2,921.3	27.8%	3,279.3	12.3%	5,054.7	54.1%	639.6	1,347.5	110.7%
Total Retail Trade	**83,335.5**	**4.6%**	**86,288.1**	**3.5%**	**91,117.0**	**5.6%**	**95,355.7**	4.7%	**99,775.5**	4.6%	**12,831.2**	**15,426.1**	**20.2%**
Transportation/Warehouse	931.3	-4.8%	864.8	-7.1%	944.6	9.2%	1,292.4	36.8%	1,096.3	-15.2%	135.7	170.9	26.0%
Information	5,413.0	-0.7%	5,238.6	-3.2%	5,382.5	2.7%	4,971.1	-7.6%	5,819.5	17.1%	821.4	600.4	-26.9%
Finance/Insurance	2,668.7	57.9%	2,691.8	0.9%	2,107.9	-21.7%	2,469.4	17.2%	2,761.9	11.8%	397.4	488.2	22.9%
Real Estate/Rental/Lease	4,389.0	5.2%	4,573.3	4.2%	4,875.5	6.6%	5,423.2	11.2%	5,907.9	8.9%	906.5	952.4	5.1%
Professional/Scientific/Technical	6,929.3	-0.5%	6,644.4	-4.1%	6,794.1	2.3%	7,753.2	14.1%	7,859.6	1.4%	793.6	939.3	18.4%
Admin/Support/Waste/Remediatio	2,245.9	8.5%	2,263.2	0.8%	2,357.8	4.2%	2,384.4	1.1%	2,813.2	18.0%	294.6	385.4	30.8%
Education	490.5	1.9%	493.9	0.7%	486.3	-1.5%	500.3	2.9%	434.8	-13.1%	54.4	43.9	-19.2%
Health Care/Social Assistance	6,896.1	-4.8%	6,890.5	-0.1%	7,136.0	3.6%	7,044.5	-1.3%	16,093.3	128.5%	2,514.6	2,737.7	8.9%
Arts/Entertainment/Recreation	1,337.8	14.4%	1,457.8	9.0%	1,564.5	7.3%	1,650.0	5.5%	1,781.7	8.0%	249.5	284.0	13.8%
Accommodation	4,043.4	7.9%	4,338.5	7.3%	4,773.3	10.0%	5,147.4	7.8%	5,771.3	12.1%	850.7	1,017.8	19.7%
Food/Drinking Services	11,615.6	7.0%	12,280.3	5.7%	13,020.4	6.0%	13,798.6	6.0%	14,511.8	5.2%	2,197.2	2,311.6	5.2%
Other Services	5,441.9	10.5%	5,730.4	5.3%	6,182.5	7.9%	6,751.4	9.2%	6,924.2	2.6%	939.6	963.4	2.5%
Government	273.4	7.3%	307.2	12.4%	363.7	18.4%	388.6	6.8%	351.2	-9.6%	40.7	41.4	1.7%
Total All Industries	**182,845.3**	**0.1%**	**184,703.4**	**1.0%**	**194,642.0**	**5.4%**	**206,121.0**	**5.9%**	**224,618.9**	**9.0%**	**30,135.6**	**34,108.2**	**13.2%**

Note: Reporting for 2019 and future years reflect new sourcing rules that may cause variations in the data reported from previous years.
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**
2015	7.08		73		236.8		$546.6		12.55	
2016	7.46	5.4%	66	-9.6%	242.7	2.5%	$543.4	-0.6%	13.39	6.7%
2017	7.62	2.1%	84	27.3%	235.6	-2.9%	$518.6	-4.6%	13.12	-2.0%
2018	7.57	-0.7%	67	-20.2%	269.4	14.4%	$560.6	8.1%	12.81	-2.4%
2019	7.76	2.6%	80	19.4%	254.1	-5.7%	$555.3	-0.9%	13.80	7.7%

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

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

[3] 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
2015	20,025	334	287	11,225	31,871	4.3%
2016	21,577	556	242	16,599	38,974	22.3%
2017	24,338	344	415	15,576	40,673	4.4%
2018	26,134	374	414	15,705	42,627	4.8%
2019	28,059	366	448	13,100	41,973	-1.5%
Year-to-date totals through April:						
2019	7,754	136	243	4,339	12,472	
2020	8,955	60	169	3,919	13,103	
% change	*15.5%*	*-55.9%*	*-30.5%*	*-9.7%*	*5.1%*	

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
2015	8,241	-26.7%	4,209	-35.6%
2016	7,666	-7.0%	3,128	-25.7%
2017	6,680	-12.9%	2,100	-32.9%
2018	5,884	-11.9%	1,461	-30.4%
2019	5,610	-4.7%	1,316	-9.9%

[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, 2019 (the "PERA 2019 CAFR"). The PERA 2019 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 notice in this Official Statement because they are based on assumptions about future events. The assumptions underlying the valuations and assessments may prove to be inaccurate and may be changed by PERA and its representatives and consultants to reflect actual results and future projections as additional information becomes available. Further, the PERA 2019 CAFR notes that the duration and full effects of the COVID-19 pandemic are currently unknown, as the global picture continues to evolve, and that although unprecedented federal fiscal and monetary stimulus have helped to stabilize and soften the impact of economic contraction, the near-term negative impact on PERA'S investment portfolio, as well as the short-medium term impact on PERA'S membership and demographics, remains uncertain. The State takes no responsibility for the accuracy, validity or completeness of such information, valuations and assessments. The PERA 2019 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 2019 CAFR.

The information in the State's Fiscal Year 2018-19 CAFR regarding PERA is derived from the PERA Comprehensive Annual Financial Report for the Plan Year ended December 31, 2018, while the information in this Official Statement regarding PERA is derived from the PERA 2019 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 other than Denver County School District No. 1, commonly known as Denver Public Schools), 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 Denver Public Schools). 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 2019 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 2018-19 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 2018-19 CAFR appended to this Official Statement, the PERA 2019 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 2019 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 and GASB 75" hereafter.

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

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

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

Actuarial Valuations

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

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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.

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 Actuarial Section of the PERA 2019 CAFR for a discussion of other actuarial methods and assumptions used in the actuarial valuations of the State Division Plan.

The PERA 2019 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.

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. Effective July 1, 2019, the baseline SRC that is required to be made by the State for most State employees was increased from 10.15% to 10.40% of includable compensation (from 12.85% to 13.10% for State Troopers and Colorado Bureau of Investigation ("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. Per SB 18-200 discussed in the next paragraph, the participant contribution rate is to increase incrementally a total of 2% over a period of three years commencing July 1, 2019, which resulted in an increase in the member contribution rate effective July 1, 2019, from 8.0% to 8.75% of includable compensation (from 10.0% to 10.75% of includable compensation for State Troopers and CBI agents). See the PERA 2019 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 July 1, 2019, 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 19.38% of employee wages (22.08% for State Troopers and CBI agents). 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 2018-19 CAFR appended to this Official Statement, as well as the Management's Discussion and Analysis and Note 4 to the financial statements in the PERA 2019 CAFR.

SB 18-200 further requires the State to make an annual direct distribution to PERA of $225 million (actual dollars) from State funds beginning in Fiscal Year 2018-19 and continuing annually on July 1 until there are no unfunded actuarial accrued liabilities in the trust fund of any Division that receives such distribution. PERA is to allocate the distribution to the State Division Trust Fund, the School Division Trust Fund, the Judicial Division Trust Fund and the Denver Public Schools Division Trust Fund based upon the covered payroll of each such Division. *However, per HB 20-1379, due to the actual and forecast impact of COVID-19 on the State's revenues in Fiscal Years 2019-20 and 2020-21, this distribution has been suspended for Fiscal Year 2020-21 only, and thus PERA will not receive a direct distribution from the State until the payment scheduled for July 1, 2021.*

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

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

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

Change in PERA Funding Policy. In response to the new GASB 67 standards, the PERA Board adopted a revised pension funding policy in March 2015 (and last revised in November 2018) with regard to its trust funds. The purpose of the revised funding policy, as stated in the PERA 2019 CAFR, is to:

[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.

(i) define the overall funding benchmarks of PERA's defined benefit pension trust funds; (ii) assess the adequacy of the contribution rates which are set by the General Assembly by comparing these rates to an ADC rate; and (iii) define the annual actuarial metrics that will assist the PERA Board in assessing the sustainability of the plan. The results of these three items are intended to guide the PERA Board when considering whether to pursue or support proposed legislation pertaining to changes in plan contribution and/or benefit provisions. See "*Statutorily Required Contributions*" above.

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

The ADC rates, as a percentage of covered payroll, used to determine the ADC amounts in Table 1 below are calculated as of December 31 two years prior to the end of the year in which the ADC amounts are reported. The following actuarial methods and assumptions from the December 31, 2017, actuarial valuation were used to determine contribution rates reported in the table for the year ended December 31, 2019: (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 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 1.50% 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 2019 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
2019	23.28%	$2,995,453	$17,663	$715,004	$689,370	$ 25,634	23.01%
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

[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 2019 CAFR.

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

Source: PERA 2019 CAFR

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 2018-19 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 distribution to PERA from the State General Fund of $225 million (actual dollars) beginning with Fiscal Year 2018-19, although per HB 20-1379, due to the actual and forecast impact of COVID-19 on the State's revenues in Fiscal Years 2019-20 and 2020-21, this distribution has been suspended for Fiscal Year 2020-21 only as discussed in "Funding of the State Division Plan – *Statutorily Required Contributions*" above. SB 18-200 also provides for automatic adjustments to employee and employer contribution rates, annual cost of living increases and the State's annual direct contribution to PERA within certain statutory parameters so as to stay within the 30-year funding goal. Previously, such adjustments required action by the General Assembly. For further information regarding SB 18-200, see Note 6 to the State's Fiscal Year 2018-19 CAFR appended to this Official Statement and the PERA 2019 CAFR.

The PERA 2019 CAFR reports that at December 31, 2019, the actuarial value of assets of the State Division Plan was approximately $14.922 billion and the AAL of the Plan was approximately $25.718 billion, resulting in a UAAL of approximately $10.796 billion, a funded ratio of 58.0% and an amortization period, both before and after consideration of HB 20-1379, of 27 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.

[1] This amortization period does not include the full effect of legislation enacted in 2006, 2010 and 2018, which includes plan changes designed to lower the normal cost over time as new members are added to the Plan, 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. However, utilizing the assumptions specified in the PERA 2019 CAFR, PERA's independent actuary projects that the goal of funding 100% of the AAL under the PERA revised benefit structure created by SB 18-200 is achievable within a projection period of 24 years, and that the State Division Plan is projected to be 100% funded in 22 years. For further information, see the Actuarial Section of the PERA 2019 CAFR.

Based on the market value of assets of the State Division Plan, the PERA 2019 CAFR reports that at December 31, 2019, the UAAL of the Plan was approximately $9.898 billion and the funded ratio was 61.5%.

For further information, see Management's Discussion and Analysis in the State's Fiscal Year 2018-19 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 2019 CAFR.

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

The actuarial valuation for funding purposes in the PERA 2019 CAFR was performed as of December 31, 2019, and the actuarial valuation for accounting and financial reporting purposes in the PERA 2019 CAFR was performed as of December 31, 2018, and the total pension liability was rolled forward to the measurement date of December 31, 2019, utilizing generally accepted actuarial techniques.

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 1.25% 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 2019 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
2019	$14,922,050	$25,717,648	$10,795,598	58.0%	$2,995,453	360.4%
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

[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 2019 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
2019	$15,819,843	$25,717,648	$ 9,897,805	61.5%	$2,995,453	330.4%
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

[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 2019 CAFR.

Source: PERA Comprehensive Annual Financial Reports for calendar years 2010-2019

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, 2019, is included in PERA's basic financial statements set forth in the Financial Section of the PERA 2019 CAFR. The following table sets forth for each of the past ten years the changes in fiduciary net position of the State Division Plan.

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

	For the Year Ended December 31,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Additions										
Employer contributions	$ 612,282	$ 583,164	$ 563,977	$ 521,804	$ 484,005	$ 444,372	$ 401,658	$ 335,073	$ 283,222	$ 287,624
Nonemployer contributions	77,088	78,489	--	--	--	--	--	--	--	--
Member contributions	257,803	236,313	228,978	223,005	217,980	211,610	202,799	227,058	258,678	223,240
Purchased service	29,494	25,227	27,442	24,528	26,946	22,446	22,241	16,358	11,277	12,496
Net investment income (loss)	2,764,719	(497,562)	2,391,683	947,981	210,337	780,762	1,931,658	1,511,244	232,669	1,553,142
Other	22	7,888	15,860	8,708	5,023	3,289	4,869	150	331	1
Total additions	3,741,408	433,519	3,227,940	1,726,026	944,291	1,462,479	2,563,225	2,089,883	786,177	2,076,503
Deductions										
Benefit payments	1,637,168	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
Refunds	61,832	65,253	58,696	60,137	63,567	61,152	68,735	69,221	70,090	68,844
Disability insurance premiums	1,965	2,093	2,035	2,106	2,088	2,309	2,229	1,570	1,685	1,661
Administrative expenses	11,294	11,903	11,745	11,271	10,779	10,067	9,780	8,568	8,685	8,942
Other	2,707	3,017	3,652	3,040	3,406	3,171	3,593	3,911	(4,546)	(726)
Total deductions	1,714,966	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
Change in fiduciary net position	2,026,442	(1,257,281)	1,597,522	165,644	(553,411)	33,487	1,183,108	774,691	(464,444)	875,347
Fiduciary net position held at beginning 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
Fiduciary net position held at end of year	$15,992,863	$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

Source: PERA 2019 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 2013-2019 (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 2019 CAFR includes a schedule showing the sources of the changes in net pension liability for 2014-2019 (information for 2013 is not available). See also "Implementation of Changes in Pension Accounting Standards Applicable to the State – GASB 68 and GASB 75" hereafter.

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

	For the Year Ended December 31,						
	2019	2018	2017	2016	2015	2014	2013
Total pension liability[3, 4]	$25,696,667	$25,345,094	$35,241,684	$31,994,311	$23,991,569	$23,420,461	$22,888,431
Plan fiduciary net position	15,992,863	13,966,421	15,223,702	13,626,180	13,460,536	14,013,947	13,980,460
Net pension liability	$ 9,703,804	$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	62.24%	55.11%	43.20%	42.59%	56.11%	59.84%	61.08%
Covered employee payroll	$ 2,995,453	$ 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	323.95%	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, 2019, was determined by actuarial valuations as of December 31, 2018, and accepted actuarial procedures were applied to roll-forward the total pension liability to December 31, 2019. The actuarial valuations as of December 31, 2018, 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.

Source: PERA 2019 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 2019 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 past ten years as set forth in the PERA 2019 CAFR.

The State reported a net pension liability in the State's Fiscal Year 2018-19 CAFR of approximately $13.531 billion at June 30, 2019, compared to a reported net pension liability in the State's Fiscal Year 2017-18 CAFR of approximately $19.382 billion at June 30, 2018. 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 2018-19 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 2018-19 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 2018-19 CAFR.

The State's proportionate share of the net pension liability at the end of calendar years 2013-2018 in accordance with requirements of GASB 68 is set forth in the following table.

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

State Division

	Calendar Year					
	2018	2017	2016	2015	2014	2013
State's proportion of the net pension liability	95.95%	95.37%	95.49%	95.71%	95.85%	95.86%
State's proportionate share of net pension liability	$10,918,046	$19,091,149	$17,539,728	$10,079,252	$9,016,144	$8,539,181
State's covered payroll	$ 3,262,962	$ 2,796,014	$ 2,751,094	$ 2,687,152	$2,586,800	$2,570,286
State's proportionate share of the net pension liability as a percentage of its covered payroll	334.61%	682.80%	637.55%	375.09%	348.54%	332.23%
Plan fiduciary net position as a percentage of the total pension liability	55.11%	43.20%	42.59%	56.11%	59.84%	61.00%

Judicial Division

	Calendar Year					
	2018	2017	2016	2015	2014	2013
State's proportion of the net pension liability	94.91%	93.99%	94.17%	93.98%	93.60%	93.44%
State's proportionate share of net pension liability	$134,072	$218,136	$239,423	$172,824	$129,499	$102,756
State's covered payroll	$ 55,706	$ 46,764	$ 46,320	$ 44,159	$ 40,114	$ 37,203
State's proportionate share of the net pension liability as a percentage of its covered payroll	240.68%	466.46%	516.89%	391.37%	322.83%	276.20%
Plan fiduciary net position as a percentage of the total pension liability	68.48%	58.70%	53.19%	60.13%	66.89%	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 2018-19 CAFR appended to this Official Statement.

Source: State Fiscal Year 2018-19 CAFR

A ten year history of the State's contribution to PERA for the State and Judicial Divisions is also included in Note RSI-2 to the Required Supplementary Information in the State's Fiscal Year 2018-19 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 2018-19 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 2018-19 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 2020 Notes

The Series 2020 Notes are short-term obligations maturing on June 25, 2021. Therefore, the State's current pension liability is not expected to adversely affect the State's ability to pay the Series 2020 Notes. See also the discussion of the State's pension liability in Management's Discussion and Analysis in the State's Fiscal Year 2018-19 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 Treasurer, the Chief Financial Officer of the Department of the Treasury, the State Controller, the Paying Agent, the Registrar or the Financial Advisor has any responsibility or obligation to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant, (ii) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the Owners of the Series 2020 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 2020 Notes, (iv) any consent given or other action taken by DTC or its nominee as the owner of Series 2020 Notes or (v) any other related matter.

DTC will act as securities depository for the Series 2020 Notes. The Series 2020 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 2020 Note certificate, in the aggregate principal amount of the Series 2020 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 2020 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 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 2020 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 2020 Notes except in the event that use of the book-entry system for the Series 2020 Notes is discontinued.

To facilitate subsequent transfers, all Series 2020 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 2020 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 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 2020 Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Notes, such as redemptions, defaults and proposed amendments to the Authorizing Resolution. For example, Beneficial Owners of Series 2020 Notes may wish to ascertain that the nominee holding the Series 2020 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 2020 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 2020 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments with respect to the Series 2020 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 2020 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 2020 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 2020 Note certificates are required to be printed and delivered to the appropriate Owners of the Series 2020 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 2020 Notes. In that event, Series 2020 Note certificates will be printed and delivered to DTC.

* * *

APPENDIX G

FORM OF OPINION OF BOND COUNSEL

SHERMAN & HOWARD L.L.C.
DENVER, COLORADO

[Closing Date]

Treasurer of the State of Colorado
200 E. Colfax Avenue
Room 140
State Capitol Building
Denver, Colorado 80203

State of Colorado
General Fund Tax and Revenue Anticipation Notes
Series 2020

Ladies and Gentlemen:

We have acted as bond counsel to the Treasurer of the State of Colorado (the "Treasurer") in connection with the issuance of the "State of Colorado, General Fund Tax and Revenue Anticipation Notes, Series 2020" in the aggregate principal amount of $600,000,000 (the "Notes") pursuant to the resolution of the Treasurer (the "Resolution") adopted and approved on July 30, 2020. In such capacity, we have examined the certified proceedings relating to the Notes and such other documents and such law of the State of Colorado (the "State") and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Resolution.

Regarding questions of fact material to our opinions, we have relied upon the certified proceedings relating to the Notes and other representations and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

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

2. The Notes are valid and binding special, limited obligations of the State, enforceable against the State in accordance with their terms, payable solely from the Pledged Revenues, as provided in the Notes and the Resolution.

3. Pursuant to the Funds Management Act of 1986, part 9 of article 75 of title 24, Colorado Revised Statutes, as amended, the Resolution creates a valid lien on the Note Payment Account and the Pledged Revenues deposited therein for the security of the Notes, to the extent provided in the Notes and the Resolution and subject to the rights of the owners of Additional Notes, if any. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the Pledged Revenues and on the Note Payment Account created by the Resolution.

4. Interest on the Notes (a) is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), (b) is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, and (c) is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date hereof. The opinions expressed in this paragraph assume continuous compliance with the covenants and representations contained in the certified proceedings relating to the Notes and in certain other documents and certain other certifications furnished to us.

The opinions expressed in this opinion letter above are subject to the following:

The obligations of the State incurred pursuant to the Notes and the Resolution may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not opining upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Notes or upon any other federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Notes, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

* * *