Colorado; Appropriations; General Obligation

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Credit Profile		
US$120.13 mil certs of part (BABs) (Bldg Excellent Schs Today) ser 2010E due 03/15/2031		
Long Term Rating	AA-/Stable	New
US$95.69 mil certs of part (QSCBs) (Bldg Excellent Schs Today) ser 2010D due 06/30/2029		
Long Term Rating	AA-/Stable	New
US$2. mil certs of part (Tax-Exempt) (Bldg Excellent Schs Today) ser 2010F due 06/30/2012		
Long Term Rating	AA-/Stable	New
Colorado ICR due 12/31/2099		
Long Term Rating	AA/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services assigned its 'AA-' rating to Colorado's Building Excellent Schools Today (BEST) series 2010D taxable Qualified School Construction, series 2010E taxable Build America, and series 2010F tax-exempt certificates of participation (COPs). Standard & Poor's also affirmed the state's 'AA' issuer credit rating and its 'AA-' rating and underlying rating (SPUR) on the state's other lease and COPs debt. The ratings reflect our view of:

- A broad and diverse state economy that continues to exhibit better-than-average income, employment, and population trends despite the economic downturn;
- The state's history of making midyear budget corrections, when required, triggered by updated quarterly revenue forecasts;
- The state's good financial performance, linked to close budget monitoring and actions, that have led to solid reserves at year end; and
- The state's very low debt burden, constrained by constitutional limitations on state general obligation (GO) debt.

The preceding credit strengths are offset in part by opinion of:

- Ongoing tax revenue softness, with serious declines in fiscal 2009 followed by more moderate declines in fiscal 2010, and continued adjustments in the current year; and
- Constitutional limits on tax rate increases and revenue growth imposed by the state's taxpayer bill of rights (TABOR) that are effective again after the voter-approved Referendum C exemption expired at the end of fiscal 2010, as well as school spending mandates under voter initiative Amendment 23.

The series 2010D, 2010E, and 2010F BEST COPs are payable from legally available moneys of the state that are annually appropriated as base rental payments under a master lease agreement. Subject to annual appropriation, the state's obligation to pay base rentals is absolute and unconditional and the lease is not subject to abatement. Revenues from state school trust lands, certain lottery proceeds, and participating school districts' matching funds are also pledged to the COPs. While the state plans in practice to use these funds, the rating reflects the state's appropriation pledge. We understand that the proceeds will be used to finance improvements at various schools across the state.

We understand that the state intends to issue the series 2010D bonds as federally taxable qualified school construction bonds (QSCBs) and has elected to receive a direct subsidy payment from the U.S. Treasury under the American Recovery and Reinvestment Act (ARRA) and Hiring Incentives to Restore Employment Act. According to the state, the COPs represent an interest in the semiannual lease payments that will be equal to 100% of COP principal and interest, without deductions for the subsidy. It is our understanding that the state, as detailed in the lease purchase agreement, will annually check the mandatory sinking fund scheduled total for the QSCBs and make up any investment losses.

The state is issuing the series 2010E COPs as Build America COPs, although we understand it is still required to pay 100% of debt service amount regardless of whether it receives the 35% interest subsidy.

The state economy is experiencing some modest retail trade growth and relatively stable recent housing prices, but unemployment remains relatively elevated and nonfarm employment has been uneven in recent months. Population growth continues to be good and according to the U.S. Census Bureau, Colorado was the fourth fastest-growing state in the nation as of July 1, 2009. Employment growth continues to be challenged as nonfarm payroll employment decreased 1% over the past year. Nevertheless, the unemployment rate continues to be below the national average (in September 2010, the state rate was 8.2%, well below the national rate of 9.6%). The housing downturn appears to be bottoming out as housing starts have rebounded to just over 10,000 units in the second quarter of 2010 from 8,600 units in the last quarter of 2009 (seasonally adjusted annual rate and citing Global Insight). The Denver metro area is in line with the average of the 20 metro areas in the August 2010 S&P/Case-Shiller Home Price Index (based on a one-year price change).

As actual results for fiscal 2010 were coming in below budget, falling revenues projections led to continuing budget challenges, although the state implemented ongoing budget actions, including expenditures reductions, throughout the year. However, the declines in gross general fund revenues in fiscal 2010 were much more modest than the prior-year declines (down 4.3% in fiscal 2010, compared with a 12.9% decline in fiscal 2009). As indicated by the Office of State Planning and Budget's (OSPB) September 2009 forecast, gross general fund revenues were projected to increase by 4.1%; subsequent quarterly forecasts revised this figure downward and the OSPB preliminary actual results (September 2010) for fiscal 2010 show a 4.3% decline. Much of this difference is linked to lower individual income tax revenues, which decreased by $640 million, or by 5.8%, between fiscal 2009 and 2010. Sales and use taxes also dropped, but corporate income taxes increased modestly. The state took repeated and timely action to address revenue projection changes for fiscal 2010 after the budget was adopted. The governor submitted budget-balancing actions throughout the year (August, December, January, and February); the two initial actions had the largest impact. These included departmental savings, cash fund program reductions, the use of ARRA funds, and the suspension of certain tax exemptions. Unaudited final results for fiscal 2010 show an ending fund balance of $146 million, or 2.2% of appropriated expenditures on a budgetary basis, which is modestly above the 2% fund balance requirement for this year. This ending result did not include any special year-end transfers. State officials consider fiscal 2010 results to be close to final.

For the current fiscal year (fiscal 2011), the state projects a modest recovery in revenues, with muted employment and income figures weighing down tax revenues. For fiscal 2011, the OSPB September 2010 projections show gross general fund revenues of $6.8 billion, or a 5.5% increase over the prior year. This projection reduced these revenues by approximately $280 million from OSPB's forecast three months prior. Officials attribute the overall improved fiscal 2011 projection to increases in individual income tax revenue ($193 million, or 4.7%) and sales and use taxes ($168 million, or 8.1%, and including other excise items). Changes in state exemptions, laws, and accounting are

projected to bring a portion of the gains for both of these revenue streams. Without changes made by the state to accrual accounting adjustments and certain general legislative actions, individual income tax revenues would be projected to increase by only 2.8%. This data show that personal income bottomed out in 2009 and increased modestly more recently. Nonagricultural employment decreased by 4.5% in 2009, and the state expects it to contract by 1.7% in 2010. Softness in both of these areas has affected individual income tax revenues. Certain tax exemptions and credits for sales and use taxes went away and without these changes, this revenue stream would be projected to grow by only 0.8%. The state's forecast attributes the modest sales and use tax growth to lower household wealth and income. Corporate incomes taxes, which are projected to make up a modest 5% of gross general fund revenues, are projected to decline by a slight 3.8% in fiscal 2011.

The fiscal 2011 budget, which state officials report addressed a $1.2 billion shortfall as adopted, has already undergone adjustments. Revised revenue forecasts in the last two quarterly forecasts have led the state to make budget reductions for fiscal 2011. Near the beginning of the fiscal year, the OSPB June forecast showed a $59 million gap. This gap, combined with federal Medicaid funding that came in $67 million below budget, led to $128 million in budget-balancing actions taken in August 2010. The September 2010 OSPB forecast show a further $262 million general fund gap as a result of revised expenditures. The governor has submitted a $297 million plan that would result in the statutory reserve of an estimated 2.5% at year end and would be used to address $35 million of an anticipated fiscal 2012 shortfall. The largest component of the governor's October budget-balancing act involves a multistep process that would shift funds from the general fund, higher education, and K-12 education to produce $156 million in savings. The $156 million in federal education jobs fund program would go to K-12 districts to make up for a similarly sized loss of funds. Although the state cannot direct the use of the education jobs fund program dollars, districts could use these funds to avoid shortfalls. The plan also transfers in $55 million from the local government severance tax fund and $10 million from the perpetual base account of the severance tax trust fund. Finally, the plan would delay Medicaid fee-for-service payments by two weeks, netting an estimated $55 million. This last action is notable because the state has historically not pushed forward payables for budget savings, unlike some other Western states. State officials mentioned that if the revenues came in better than projected, they would not push out Medicaid payments. For fiscal 2011, the general fund statutory reserve requirement is 4% of appropriations; however, the governor is required to take budget action so as to keep it at 2% of appropriations. Based on the September 2010 OSPB forecast, at 2% of appropriations, the general fund statutory reserve would be $135.5 million.

Governor Ritter released a budget request in early November for fiscal 2012. This request would address a shortfall of $715 million, which represents 9.7% of the OSPB-projected general fund revenue for the same year. The September 2010 OSPB forecast projects an 8.7% increase in gross general fund revenues for fiscal 2012 over the prior year, which is linked to anticipated overall economic improvement. The largest single factor driving this projected increase is 10.3% individual income tax growth over the prior year (a $440 million increase). Sales and use tax revenues are projected to increase by 4.3%. Governor Ritter's request would institute "cost avoidance" for K-12 education funding increases of $379 million that would have otherwise occurred. It would reduce general fund expenditures by $302 million, carry forward $45 million from fiscal 2011 budget actions, institute $210 million in revenue increases (including $98 million in cash fund transfers in), and gain $158 million from reducing the reserve requirement to 2% from 4%. Governor-elect Hickenlooper could have his own budget thoughts when his term starts in 2011.

The state's financial management practices are considered "good" under Standard & Poor's Financial Management

Assessment (FMA) methodology. An FMA of "good" indicates that practices exist in most areas, although not all may be formalized or regularly monitored by government officials.

BEST is a state program to fund capital construction in Colorado's K-12 schools. This program is backed by the state's credit, but in practice uses revenues (rental income and royalties) from state school trust lands and a portion of lottery proceeds, paired with matching funds from participating school districts. The school trust lands were granted to Colorado at statehood in order to benefit schools. Matching funds from participating schools are generally required, based on relative wealth and ability to pay, and exemptions are few. The current issuance is the third round following the initial round in mid-2009. The state has designed BEST as an ongoing program.

Constitutional prohibitions on GO debt have resulted in very low debt levels. State tax-supported general fund debt, which consists entirely of COPs and lease obligations, totals $1.4 billion, or roughly $273 per capita. Including $948 million in transportation debt not paid out of the general fund as well as the state's new Bridge Enterprise debt, state debt is $517 per capita. The state has added programs in recent years for appropriation-backed state issuances, although nearly all of these programs depend on independent or previously committed funding for debt service. This includes the Higher Education Capital Construction Lease Purchase Financing Program (fiscal 2009), Justice & History Centers COPs (fiscal 2010), and the BEST program. The issuance of state-backed leases for these projects represents a departure from historical state practice, which has generally limited the inclusion of the state's appropriation pledge to long-term debt issuance. State officials indicate that the next round of planned debt issuance under the BEST program would be in late 2011. These officials also indicated that they have no immediate plans for additional general fund debt.

The state's overall liquidity is strong and is supported by strong nongeneral fund internally borrowable resources. However, general fund cash levels have been negative recently and liquidity needs have been supported by nongeneral fund resources. As of the end of July 2010, general fund cash was a negative $746 million; two months later in September 2010, general fund cash was approximately negative $1 billion. However, borrowable nongeneral fund cash resources at month end have exceeded $2 billion in recent years and generally have been over $3 billion in most months. At the end of September 2010, actual borrowable bash was $3.56 billion and when netted against the negative $1 billion general fund, cash was $2.56 billion. The state has regularly borrowed via tax and revenue anticipation notes (TRANs) for general fund liquidity. In recent years, this borrowing occurred in the summer and has ranged from $350 million to $650 million in the last five years. However in 2010, the state has not yet completed its general fund TRAN borrowing due to the potential (but unrealized) impact of recent voter initiatives, and the state plans to issue $500 million in TRANs in December 2010 for fiscal 2011. The largest holdings in the state's investment portfolio are federal agencies' debt ($2.77 billion) and U.S. treasury notes ($675 million) out of a total of just over $5 billion in September 2010.

Outlook

The stable outlook reflects our view that, despite the current national recession, the state's economic fundamentals are strong. The outlook also recognizes management's demonstrated willingness to implement interim budget adjustments in support of the general fund's fiscal position in response to slowing or declining revenues. Colorado has a long history of voter initiatives; although the three recent November 2010 initiatives (each with potentially significant budget impacts) did not pass, the fact that these initiatives reappear regularly provides some uncertainty. If the state's principal revenues streams were to grow consistently and the state consistently maintains strong

reserves, we could raise the rating. If the state broke with its recent trend of timely budget action or revenue streams were to decline such that the budget fell significantly out of structural balance, we could lower the rating. Additionally, if liquidity were to become a challenge for the state, the rating could be lowered.

November Voter Initiatives

Colorado voters rejected all three major tax-related ballot measures that would have, in our view, materially changed the state's budgeting framework. Amendment 60 would have revised the state's property tax system by, among other provisions, limiting local governments' ability to seek voter approval to permanently maintain property taxes above constitutional limits. In addition, it would have reduced property taxes that flow to schools for operations by half by 2020, with corresponding state funding increases and limited new revenues. Although this measure would have reduced statewide property taxes, voters could have potentially seen higher sales, income, or other taxes as well as reduced services, and the measure would have created immediate budgetary challenges for a state that has made difficult budget decisions in recent years. Amendment 61 would have restricted borrowing flexibility by prohibiting the state from issuing any new debt (including cash flow borrowing) after 2010, prohibiting appropriation debt, and setting a limit on local governments' ability to issue debt to 10% of assessed taxable value. For local government, the measure would have required all debt to be amortized over 10 years, which is a much shorter horizon than is typical in the state, in our experience. We believe that, had it been passed, this measure would have likely curtailed the amount of local government borrowing in the state. Finally, Proposition 101 would have reduced income taxes, vehicle taxes, and telecommunication fees and taxes, which we believe would have created a significant budgetary challenge for the state and affected local government revenues.

Financial Management Assessment: 'Good'

The state's financial management practices are considered "good" under Standard & Poor's Financial Management Assessment (FMA) methodology. An FMA of "good" indicates that practices exist in most areas, although not all may be formalized or regularly monitored by government officials. Highlights of the state's management techniques include:

- Quarterly monitoring of revenue and expenditures, coupled with the statutory requirement to initiate midyear adjustments to ensure adequate reserves;
- Formal revenue and expenditure forecasting that utilizes outside sources and consultants to support budgetary projections;
- A statutory budgetary general fund balance target equal to 4% of expenditures with a requirement that governor act to balance the budget if projections show this reserve falling below 2%; and
- Detailed and formal investment management policies, including public posting and quarterly review of investment results.

The state lacks a formal debt management policy as well as a formal multiyear, statewide capital improvement plan, although various departments maintain independent plans subject to legislative approval.

Economy -- Slowing, Though Outpacing Nation Overall

The state's population continues to grow at a healthy although somewhat tempered pace, increasing 16% between 2000 and 2010 to 5.16 million (data from the U.S. Census Bureau and Global Insight). In-migration has resulted in high education levels and a larger-than-average proportion of the state's population being of working age, resulting in above-average incomes compared with the nation as a whole. Even in the current difficult economic climate, in 2009 and 2010 the state's population increased by 1.7%, including continued in-migration. As the recession has deepened, Colorado unemployment rate has continued to grow but it still trending well below the national rate. In September 2010, the state rate of 8.2% was higher than in 2009, but still well below the national rate of 9.6% for the same period. The state's September quarterly report is projecting a 7.9% yearly unemployment rate for 2010 and a slightly lower level in 2011.

Statewide income levels are slightly above the national average. State per capita effective buying income is 108% of the nation, while median household effective buying income is 107% of the national average. Retail trade, a driver of state sales tax revenues, dropped by 10.5% in 2009 but is projected to increase by 5.3% in calendar 2010. Per capita retail spending is 106% of the national level.

Residential permit activity totaled 45,900 in 2005. Since then, it has dropped by 13% in 2006, 23% in 2007, 36% in 2008, and 51% in 2009. The OSPB is projecting a 19% increase in 2010 from a much depressed base level in the previous year. The decline in housing starts has affected employment, as have losses related to real estate activity. However, home prices statewide have not dropped as significantly as in other parts of the nation, particularly in faster-growing western states and Florida. The Denver metro area (which contains more than half the state's residents) has seen housing price declines although prices have been relatively flat more recently. The S&P/Case-Shiller Home Price Index in August 2010 showed that single-family home prices in the Denver metro area were down 1.25% from a year earlier. The Denver metro area was a mid-level performer among the 20 metro areas that make up the index.

Continued Softening Revenue Streams

Gross general fund revenues declined by 12.9% in fiscal 2009 and by 4.3% for fiscal 2010. Additionally, the fiscal 2010 decreases were more gradual than in fiscal 2009 -- that year, many of the declines occurred in the second half of the year, giving officials less time to adjust the budget. The two biggest general fund revenue streams (individual income taxes and sales and use taxes) declined in fiscal 2010, while the third largest (corporate income taxes) increased, although more modestly compared to the other two.

Individual income taxes are the dominant source of general fund revenues. They accounted for approximately two-thirds (64%) of total general fund revenues in fiscal 2009 and 63% of fiscal 2010 revenues, according to preliminary results. Individual income taxes declined by 12.9% in fiscal 2009 ($640 million) -- the same percentage as the overall general fund revenue decline, which underlines the impact of this revenue stream. Significant job losses, lowered salaries, and financial market turmoil have all affected individual income in fiscal 2009. In fiscal 2010, there was a further 5.8% decline due to higher unemployment and uneven job growth. OSPB projects 4.7% growth in fiscal 2011.

Sales and use taxes are the second-largest general fund revenue source (31% in fiscal 2009 and preliminary fiscal

2010). After five straight years of growth, sales and use tax revenue dropped by 9.1%, or $210 million, in fiscal 2009, which OPSB attributes to a large decrease in auto sales and overall lower spending linked to declines in disposable income. Revenues declined by an additional 6% in fiscal 2010, and OSPB projects that the removal of certain exemptions (as well as some stabilization in consumer spending) will increase sales and use tax revenue by 8.7% in fiscal 2011 (excluding other excise items).

Corporate income tax revenue has historically been the most volatile of the state's major revenue streams. It made up 4% of fiscal 2009 general fund revenues and a preliminary 6% of fiscal 2010's. In fiscal 2009, this revenue stream fell a large 42% ($215 million) from the prior year, exceeding previous state projections. These declines reflect the market challenges of the last year, as well as various state credits and programs that corporations use that can make this revenue stream more volatile. In fiscal 2010, revenues rose by 27% ($80 million) from a relatively low base. According to its September 2010 report, the OSPB is projecting a 3.8% decrease for fiscal 2011.

The state also has a history of making midyear reductions as well, if required, to respond to weaker revenue conditions. In the middle of the two most recent fiscal years, in response to the slowing revenue climate, the governor has implemented midyear budget actions that have included a hiring freeze, deferred capital spending, expenditures cuts, and fund sweeps. For the current fiscal year, the governor's current proposed spending reductions are a timely response to executive and legislative branch June and September 2010 revenue projections.

Fiscal-Year 2009 Financial Results

Fiscal 2009 was a challenging year for state finances, with gross general fund revenues decreasing by 12.9%, or $1 billion, from the previous year on a budgetary basis. Management attributes the decline primarily to lower individual income tax revenues, which made up 64% of general fund revenues in fiscal 2009. Sales and use taxes (including much smaller excise items and constituting 33% of the fiscal 2009 total) and corporate income tax revenues (4% of the total) also dropped. Most of the revenue declines occurred mid-fiscal year, which gave the state less time to make adjustments that encompassed a full year of spending. Steps taken to balance the fiscal 2009 budget included reducing growth of general fund appropriations, which had been subject to a 6% limit, to only 4.2% (down from prior forecasts). The state also transferred in $346 million in balances from various outside funds (primarily special purpose cash funds). Improved federal Medicaid funding, as part of the federal stimulus, added $214 million. The unappropriated reserve, which had previously been required to total 4% of appropriations (on a budgetary basis), was relaxed to a 2% requirement. Finally, special legislation required the treasurer and controller to temporarily transfer $458 million to the general fund from certain cash funds; the amount was returned immediately in the new fiscal year. These funds did not represent a long-term balancing action, but did allow the state to make spending reductions for fiscal 2010 that would cover an entire year's worth of expenditures. With these actions, the ending reserve was $440 million, or 6.0% of appropriations on a budgetary basis, meeting the 2% year-end reserve requirement. On an audited GAAP basis, the state ended fiscal 2009 (June 30) with a total general fund balance of $335 million, equal to 3.6% of total expenditures (lower than the budgetary balance due to a number of GAAP-based accruals). A $166 million portion of the fund balance was unreserved.

Debt -- Limited By Constitution

Debt is low given the state constitution's prohibition on long-term GO debt. Colorado's appropriation financing has historically been limited; however, the state has recently taken certain ongoing revenues (mineral revenues, rental

income, royalties, etc.), which in practice pay the bonds, and issued appropriation-backed debt backed by the state. Additionally, the state regularly issues general fund cash flow notes that mature within the fiscal year. For general fund cash flow purposes, the state has in recent years issued between $350 million and $650 million in TRANs with an upcoming issuance for general fund purposes of $500 million for fiscal 2011 cash flow purposes. The state also has historically issued notes to fund the state's required interest-free cash flow loan programs to schools. The school cash flow loan notes are secured by repayments from the participating school districts as well as various state-specific money.

As of Dec. 31, 2009, the state's Public Employees' Retirement Association (PERA) pension fund (excluding the health care fund) had a 68.9% funded ratio, down from 69.8% in 2008 and 75.1% in 2007. The total unfunded actuarial accrued liability in 2009 was $16.9 billion, or $3,306 per capita. Since Dec. 31, 2004, total actuarial accrued liabilities have increased by 32%, or $4.1 billion, on an absolute basis.

The state recently passed a pension reform law concerning PERA. Senate Bill No. 1, from the last session, was signed into law by the governor in February 2010. This law is meant to address the long-term health of the PERA pension program through increased contributions and decreased long-term liability. Among the actions taken, the basic cost-of-living increases are changed to the lesser of 2% or inflation (with certain cases having slightly different calculations). The law also took steps to reduce "spiking" of the pension in the last year by capping calculated salary increases. It also increased the retirement age.

Colorado's other postretirement employee benefits plan is funded through the PERA and is a cost-sharing, multiemployer plan with a health care trust fund in place. The estimated liability is $1.5 billion as of Dec. 31, 2009. For the same time period, PERA's report notes a 14.8% funded ratio; however, this ratio aggregates data for informational purposes from state employees, some school district employees, some local districts, and judicial employees. Colorado's share of this liability has not been calculated.

TABOR And Other Voter Initiatives

The TABOR voter initiative, passed in 1992, limits growth in state revenues to inflation plus population growth rates. Revenues fell below the TABOR limit in fiscals 2002 and 2003, which could have triggered a permanent "ratchet down" in permitted revenues if Colorado hadn't modified its calculation of state population. After a four-year absence of TABOR revenues, the state again had excess TABOR revenue in fiscal 2005. Referendum C, which passed in November 2005, put a temporary moratorium on TABOR, allowing the state to retain more than $6 billion in revenues from fiscals 2006 to 2010. Referendum C had the effect of raising revenues that can be kept in the general fund. TABOR limits resumed in fiscal 2011, reset at the highest state revenue level of the preceding five years. The OSPB wrote it its September 2010 report that the forecast revenue limit is not a current concern given that projected revenues are $1 billion below the TABOR threshold.

The state must also contend with prior voter initiative Amendment 23, which increases local school funding 1% over inflation for 10 years, and another voter initiative that lowers residential assessment ratios compared with commercial property. Combined, these two initiatives have had the effect of increasing state funding for local school operations, and increasingly crowding out general fund appropriations for other purposes. The state has recently used the interpretation of various "factors" in calculating Amendment 23 funding in order to effectively get some budget relief.

Related Criteria And Research

- USPF Criteria: GO Debt, Oct. 12, 2006
- USPF Criteria: Appropriation-Backed Obligations, June 13, 2007

Ratings Detail (As Of November 24, 2010)		
Colorado bldg Excellent Schs Today certs of part (Qualified Sch Construction) ser 2009A		
Long Term Rating	AA-/Stable	Affirmed
Colorado certs of part (Taxable BABs) (Bldg Excellent Schs Today) ser 2010B		
Long Term Rating	AA-/Stable	Affirmed
Colorado certs of part (Tax-Exempt) (Bldg Excellent Schs Today) ser 2010C		
Long Term Rating	AA-/Stable	Affirmed
Colorado rfdg certs of part (Colorado St Penitentiary Ii Proj) ser 2010 due 02/15/2018		
Long Term Rating	AA-/Stable	Affirmed
Colorado rfdg certs of part (Ucdhsc Fitzsimons Academic Projects) ser 2009		
Long Term Rating	AA-/Stable	Affirmed
Colorado taxable certs of part (Justice & History Center (Babs)) ser 2009B		
Long Term Rating	AA-/Stable	Affirmed
Colorado COP hgr ed cap Construction lse Pur Fing ser 2008		
Long Term Rating	AA-/Stable	Affirmed
Colorado Higher ed cap constr lse purch fincg prog certs of part ser 2009		
Long Term Rating	AA-/Stable	Affirmed
Colorado Tax Exempt certs of part (Justice & History Center) ser 2009A		
Long Term Rating	AA-/Stable	Affirmed
Colorado certs of part bnds (Fleet Management Prog) ser 2005A		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
Colorado certs of part (Colorado State Penitentiary Ii Proj) 2006B		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
Colorado (UCDHSC Fitzsimons Academic Projs) certs of part ser 2005B		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
Colorado (Fleet Management Prog) ser 2006A		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
Capitol Pkg Auth, Colorado		
Colorado		
Capitol Pkg Auth (Colorado) certs of part Ser 2004		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
Colorado Dept of Transp, Colorado		
Colorado		
Colorado Dept of Transp Colorado certs of part ser 2004		

Ratings Detail (As Of November 24, 2010) **(cont.)**		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
Grand Junction Colorado St Lsg Auth Inc., Colorado		
Colorado		
Grand Junction Colorado St Lsg Auth Inc. (Colorado) (CBI Laboratory Facs Proj) ser 2006		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

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