NEW ISSUE – BOOK-ENTRY ONLY **RATINGS:** **Moody's: "MIG1"**
S&P: "SP1+"
See "RATINGS"

*In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Series 2010 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 2010 Notes (the "**Tax Code**"), and interest on the Series 2010 Notes is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code; and interest on the Series 2010 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 2010 Notes as described herein. See "TAX MATTERS."*

$500,000,000
STATE OF COLORADO
GENERAL FUND TAX AND REVENUE ANTICIPATION NOTES
SERIES 2010

Dated: Date of Delivery **Due: June 27, 2011**

The Series 2010 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, 2010 - June 30, 2011 Fiscal Year and paying the costs of issuing the Series 2010 Notes, as described herein.

The Series 2010 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 2010 Notes. Beneficial Ownership Interests in the Series 2010 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 2010 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 2010 Notes, at the rate per annum specified below, is payable on the maturity date of the Series 2010 Notes specified above. The Series 2010 Notes are *not* subject to redemption prior to maturity.

Principal Amount	Interest Rate	Price	Reoffering Yield	CUSIP© No.[1]
$500,000,000	2.000%	100.915	0.290%	196729 BL0

[1] The State takes no responsibility for the accuracy of the CUSIP© information, which is included solely for the convenience of the purchasers of the Series 2010 Notes.

The Series 2010 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 2010-11 that are subject to appropriation for Fiscal Year 2010-11 and not credited to the General Fund as of the date of issuance of the Series 2010 Notes, unexpended proceeds, if any, of the Series 2010 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 2010 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 2010 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 2010 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 Hogan Lovells US LLP, Denver, Colorado, as special counsel to the State. It is expected that the Series 2010 Notes will be available for delivery through the facilities of DTC on or about December 14, 2010.

Dated: December 9, 2010

NOTICES

This Official Statement does not constitute an offer to sell the Series 2010 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 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 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 2010 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 2010 Notes and may not be reproduced or used, in whole or in part, for any other purpose.

The Series 2010 Notes have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have neither confirmed the accuracy nor determined the adequacy of this Official Statement. Any representation to the contrary is unlawful.

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

This Official Statement, including but not limited to the material set forth in "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE," "GENERAL FUND CASH FLOW," "BORROWABLE RESOURCES," and "DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS," 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 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.

SELECTED STATE OFFICIALS AND CONSULTANTS

Department of the Treasury

Cary Kennedy, State Treasurer
Eric Rothaus, Deputy Treasurer
Charles Scheibe, Chief Financial Officer
Helen DiBartolomeo, Chief Investment Officer

State Controller

David J. McDermott

Office of State Planning and Budgeting

Todd Saliman, Director

Bond Counsel

Sherman & Howard L.L.C.
Denver, Colorado

Special Counsel

Hogan Lovells US LLP
Denver, Colorado

Financial Advisor to the State

Stifel, Nicolaus & Company, Inc.
Denver, Colorado

* * *

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OFFICIAL STATEMENT

Relating to

$500,000,000
STATE OF COLORADO
GENERAL FUND TAX AND REVENUE ANTICIPATION NOTES
SERIES 2010

INTRODUCTION

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, including the cover page and appendices hereto and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Series 2010 Notes to potential investors is made only by means of the entire Official Statement.

General

This Official Statement, which includes the cover page, prefatory information and the appendices, furnishes information in connection with the issuance and sale by the State of Colorado (the "**State**") of its $500,000,000* State of Colorado General Fund Tax and Revenue Anticipation Notes, Series 2010 (the "**Series 2010 Notes**"). See "THE SERIES 2010 NOTES" and "THE STATE."

The Series 2010 Notes are issued pursuant to 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.**"); the Supplemental Public Securities Act (the "**Supplemental Public Securities Act**"), being Title 11, Article 57, Part 2, C.R.S.; and a resolution (the "**Authorizing Resolution**") adopted by the State Treasurer (the "**Treasurer**"). The Funds Management Act provides a means of compensating for fluctuations in revenues and expenditures that result in temporary cash flow shortfalls that occur during the fiscal year in the State's General Fund (the "**General Fund**"), which is the State's principal operating fund. The State's fiscal year (the "**Fiscal Year**") is the 12-month period commencing July 1 and ending the following June 30. See "THE SERIES 2010 NOTES – Authorization."

The Series 2010 Notes

Purpose. The Series 2010 Notes are being issued for the purpose of funding anticipated cash flow shortfalls in the General Fund in the Fiscal Year ending June 30, 2011 ("**Fiscal Year 2010-11**") and paying the costs of issuing the Series 2010 Notes. See "APPLICATION OF SERIES 2010 NOTE PROCEEDS."

General Provisions. The Series 2010 Notes will be dated the date of issuance and delivery to the original purchasers thereof (the "**Closing Date**") and will mature on June 27, 2011 (the "**Maturity Date**"). Interest on the Series 2010 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 2010 Notes are not subject to redemption prior to maturity. See "THE SERIES 2010 NOTES – General Provisions."

Book-Entry Only System. The Series 2010 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 2010 Notes. Ownership interests in the Series 2010 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 2010 Notes by the rules and operating procedures applicable to the DTC book-entry system as described in "THE SERIES 2010 NOTES – General Provisions" and "APPENDIX C – DTC BOOK-ENTRY SYSTEM." References in this Official Statement to the registered owners or the owners of the Series 2010 Notes mean Cede & Co., or such other nominee as may be designated by DTC, and not the Beneficial Owners.

Security and Sources of Payment

The Series 2010 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 Treasurer believes will be sufficient for the repayment of the Series 2010 Notes:

- Any cash income or other cash receipts duly credited to the General Fund for Fiscal Year 2010-11 that are subject to appropriation for Fiscal Year 2010-11 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, estate 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 2010 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 a parity with the Series 2010 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 registered owners of the Series 2010 Notes and any Additional Notes. The 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 2010 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 registered owners of the Series 2010 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 a parity with the lien thereon in favor of the registered owners of any Additional Notes that may be issued hereafter.

The Series 2010 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 constitution or statutes of the State. The registered owners and Beneficial Owners of the Series 2010 Notes may not look to any source other than the Pledged Revenues for payment of the Series 2010 Notes.

See generally "THE SERIES 2010 NOTES – Security and Sources of Payment – Additional Notes," "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE," "GENERAL FUND CASH FLOW" and "BORROWABLE RESOURCES."

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 2010 Notes and will deliver its opinion substantially in the form included in this Official Statement as "APPENDIX D – FORM OF OPINION OF BOND COUNSEL." Certain legal matters will be passed upon for the State by the Attorney General of the State and by Hogan Lovells US LLP, Denver, Colorado, as special counsel to the State.

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Series 2010 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 2010 Notes (the "**Tax Code**"), and interest on the Series 2010 Notes is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code; and interest on the Series 2010 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 2010 Notes as described herein. See also "LEGAL MATTERS," "TAX MATTERS" and "APPENDIX D – FORM OF OPINION OF BOND COUNSEL."

Continuing Disclosure

In accordance with the exemption set forth in paragraph (d)(3) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"), no undertaking to report annual financial information or operating data as set forth in the final Official Statement, or audited financial statements, will be provided by the State in connection with the Series 2010 Notes as the Series 2010 Notes have a stated maturity of less than 18 months. However, the Treasurer nevertheless undertakes in the Authorizing Resolution to provide monthly disclosure of certain financial information, and, as required by Rule 15c2-12, to provide notice of certain events if they occur, as described in "THE SERIES 2010A NOTES – Security and Sources of Payment – *Notes Payment Account; – Monthly Disclosures*" and "CONTINUING DISCLOSURE."

State Economic and Demographic Information

This Official Statement contains economic and demographic information about the State prepared by Development Research Partners for use by the State. See **Appendix B** – "SELECTED STATE ECONOMIC AND DEMOGRAPHIC INFORMATION."

Development Research Partners has consented to the inclusion of such information in this Official Statement. Neither the State nor the Underwriters intends to assume responsibility for the accuracy, completeness or fairness of the information contained in **Appendix B**. The information in **Appendix B -** "SELECTED STATE ECONOMIC AND DEMOGRAPHIC INFORMATION" has been included in the Official Statement in reliance upon the authority of Development Research Partners as experts in the preparation of economic and demographic analyses. Potential investors should read **Appendix B** in its entirety for information with respect to the economic and demographic status of the State.

Additional Information

Brief descriptions of the Series 2010 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, Nicolaus & Company, Inc. (the "**Financial Advisor**"), 1125 Seventeenth Street, Suite 1600, Denver, Colorado 80202, Attention: Vicki Mattox or Sara Brown, telephone number (303) 291-5230.

Investment Considerations

An investment in the Series 2010 Notes involves risk. Prospective investors are urged to read this Official Statement in its entirety, giving particular attention to the matters discussed in "INVESTMENT CONSIDERATIONS," in order to obtain information essential to the making of an informed investment decision.

Forward Looking Statements

This Official Statement, and particularly the sections hereof captioned "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE," "GENERAL FUND CASH FLOW," "BORROWABLE RESOURCES," and "DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS," contains statements relating to future results that are "forward looking statements" as defined in the federal Private Securities Litigation Reform Act of 1995. 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 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.

Miscellaneous

The cover page, 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 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 registered owners or Beneficial Owners of the Series 2010 Notes.

APPLICATION OF SERIES 2010 NOTE PROCEEDS

The Series 2010 Notes are being issued for the purpose of funding anticipated cash flow shortfalls in the General Fund in Fiscal Year 2010-11 and paying the costs of issuing the Series 2010 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 2010 Notes, the State forecasts that the General Fund would incur cumulative cash shortfalls in Fiscal Year 2010-11. The proceeds of the Series 2010 Notes remaining after payment of costs and expenses relating to the issuance and sale of the Series 2010 Notes, or approximately $504,441,500, 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 2010-11. The costs and expenses relating to the issuance and sale of the Series 2010 Notes, including underwriting discount, are approximately $133,500.

See "THE SERIES 2010 NOTES – Authorization," "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE," "GENERAL FUND CASH FLOW," "BORROWABLE RESOURCES" and "UNDERWRITING."

THE SERIES 2010 NOTES

The following is a summary of certain provisions of the Series 2010 Notes during such time as the Series 2010 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 2010 Notes, including provisions applicable upon discontinuance of participation in the DTC book-entry system.

Authorization

The Series 2010 Notes are being issued pursuant to the Funds Management Act, the Supplemental Public Securities Act and the Authorizing Resolution.

The Funds Management Act authorizes the 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 $6,810 million of revenues (excluding the proceeds of the Series 2010 Notes or other borrowings and investment income of revenues and such proceeds) will be credited to the General Fund for Fiscal Year 2010-11, thereby imposing a limit of approximately $3,405 million in General Fund notes for Fiscal Year 2010-11. See "Additional Notes" below.

General Provisions

The Series 2010 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 2010 Notes. Beneficial Ownership Interests in the Series

2010 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 2010 Notes by the rules and operating procedures applicable to the DTC book-entry system as described in "APPENDIX C – DTC BOOK-ENTRY SYSTEM." References in this Official Statement to the registered owners or the owners of the Series 2010 Notes mean Cede & Co. or such other nominee as may be designated by DTC, and not the Beneficial Owners.

The Series 2010 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 2010 Notes will accrue from the Closing Date and will be payable on the Maturity Date. The principal of and interest on the Series 2010 Notes will be payable by the Treasurer, as paying agent for the Series 2010 Notes, on the Maturity Date to Cede & Co., as the registered owner of the Series 2010 Notes, for subsequent credit to the accounts of the Beneficial Owners. See "APPENDIX C – DTC BOOK-ENTRY SYSTEM." Interest on the Series 2010 Notes will cease to accrue on the Maturity Date.

The Series 2010 Notes are <u>not</u> subject to redemption prior to the Maturity Date.

The Deputy Treasurer will serve as the registrar for the Series 2010 Notes, subject to the provisions of the DTC book-entry system.

Neither the State, the Treasurer, the Deputy Treasurer, the Chief Financial Officer of the Department of the Treasury nor the Financial Advisor has any responsibility or obligation to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant, (ii) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the registered owners of the Series 2010 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 2010 Notes, (iv) any consent given or other action taken by DTC or its nominee as the owner of Series 2010 Notes or (v) any other related matter.

Security and Sources of Payment

Limited Obligations. The Series 2010 Notes are special, limited obligations of the State payable solely from the Pledged Revenues, which the Treasurer believes will be sufficient for the repayment of the Series 2010 Notes. The State pledges to the payment of principal of and interest on the Series 2010 Notes Pledged Revenues in an amount sufficient to pay the principal of and interest on the Series 2010 Notes on the Maturity Date. The Series 2010 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 constitution or statutes of the State. The registered owners and Beneficial Owners of the Series 2010 Notes may not look to any source other than the Pledged Revenues for payment of the Series 2010 Notes.

The Pledged Revenues. The Pledged Revenues consist of (i) Current General Fund Revenues, (ii) the unexpended proceeds, if any, of the Series 2010 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 2010-11 that are subject to appropriation for Fiscal Year 2010-11 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, estate 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.

Current General Fund Revenues do not include the proceeds of the Series 2010 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, the State Education Fund, the Stabilization Fund and the Health and Medical Care Fund, except to the extent determined to be in excess of the requirements of such funds and transferred to the General Fund; (ii) that portion of sales tax revenues required to be credited to municipalities and counties of the State; and (iii) 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 2010 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 2010-11. See "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE" and "GENERAL FUND CASH FLOW."

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 Treasurer on behalf of the State and used solely to pay the Series 2010 Notes and any Additional Notes. The Note Payment Account is pledged to the payment of the principal of and interest on the Series 2010 Notes and any Additional Notes on the Maturity Date, and the registered owners of the Series 2010 Notes and 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 2010 Notes and any Additional Notes, the 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, 2011, to be at least equal to the principal of and interest on the Series 2010 Notes and any Additional Notes due on the Maturity Date.

If on June 15, 2011, the balance in the Note Payment Account is less than the amount required, the Treasurer covenants to: (i) give notice of such deficiency to 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 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 Treasurer, such notice is to be by first-class mail, postage prepaid.

The 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 2010 Notes and Additional Notes, if any, on the Maturity Date. See "FINANCIAL INFORMATION – Investment and Deposit of State Funds" and "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE – Investment Policies – Investment of the State Pool."

Monthly Disclosure. The Treasurer covenants in the Authorizing Resolution to prepare on or about the 25th day of each month, beginning in December 2010, to be distributed as soon as possible thereafter, written projections of (i) Current General Fund Revenues, (ii) any cash expenditure or other cash disbursement that may be made from any cash income or cash receipts duly credited to the General Fund for Fiscal Year 2010-11, (iii) General Fund balances and (iv) borrowable amounts in other State funds for such month and each month remaining in Fiscal Year 2010-11. For the purposes of preparing the projections, the Treasurer is to use the quarterly revenue projections prepared by the Office of State Planning and Budgeting (the "**OSPB**"). See "FINANCIAL OPERATIONS – Budget Process" and "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE – Revenue Estimation – OSPB Revenue and Economic Forecasts."

The Treasurer also covenants to prepare on or about the 25th day of each month, commencing in December 2010, to be distributed as soon as possible thereafter, a table showing the investment by category of the moneys in the State pool for the immediately proceeding month. Such table is to be substantially in the form set forth in "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE – Investment Policies – Investment of the State Pool."

The Treasurer covenants to provide the projections and table of investments for each month on or before the last business day of the following month to the MSRB in the manner provided in "*Note Payment Account*" above. See also "CONTINUING DISCLOSURE."

If at any time a monthly projection shows that Pledged Revenues will be insufficient to permit the required credits to the Note Payment Account, the Treasurer is required under the Authorizing Resolution to: (i) immediately give notice of such determination to the MSRB and to DTC or any successor securities depository; and (ii) credit to the Note Payment Account all Current General Fund Revenues then available and thereafter received, and borrow from other State funds (to the extent permitted by law) for credit to the Note Payment Account, 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. The Treasurer also covenants in the Authorizing Resolution to make no repayment of moneys borrowed from any other funds of the State until the amount on deposit in the Note Payment Account is at least equal to the principal and interest due on the Series 2010 Notes and any Additional Notes on the Maturity Date.

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 "FINANCIAL OPERATIONS," "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE," "GENERAL FUND CASH FLOW" and "BORROWABLE RESOURCES."

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 Treasurer to issue Additional Notes payable from and secured by a pledge of all or a portion of the Pledged Revenues on a parity with (but not superior to) the pledge in favor of the registered owners of the Series 2010 Notes. The Additional Notes may have such details as the 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 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 2010 Notes is not made on the Maturity Date;

- The balance credited to the Note Payment Account on June 15, 2011, is less than the principal and interest due on the Series 2010 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 2010 Notes and such failure continues for 15 days after receipt of written notice by the Treasurer from any registered owner of the Series 2010 Notes.

Upon the occurrence of any Event of Default, the Authorizing Resolution provides that any registered owner of the Series 2010 Notes may: (i) sue or commence an action or proceeding to collect sums due and owing on the Series 2010 Notes or to enforce and protect such registered owner's rights under the Authorizing Resolution and the Series 2010 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 2010 Notes; or (iii) examine the books and records of the State and require the Treasurer to account for all moneys and investments constituting the Pledged Revenues as if the Treasurer were the trustee of an express trust. Neither principal of nor interest on the Series 2010 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 2010 Notes and Additional Notes, if any, the Treasurer is 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 2010 Notes and Additional Notes, if any, without preference or priority of principal over interest or of interest over principal, or of any Series 2010 Note or Additional Notes, if any, over any other Series 2010 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 Treasurer covenants in the Authorizing Resolution for the benefit of the registered owners of the Series 2010 Notes that the Treasurer will not take any action or omit to take any action with respect to the Series 2010 Notes, the proceeds thereof or other funds of the State if such action or omission would cause the interest on the Series 2010 Notes to lose its exclusion from gross income for federal income tax purposes under the Tax Code and the U.S. Treasury Regulations promulgated thereunder. This covenant is to remain in full force and effect notwithstanding the payment in full of the Series 2010 Notes until the date on which all obligations of the 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 2010 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 2010 Notes.

Limited Obligations

The Series 2010 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 2010 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 2010 Notes. The Series 2010 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, and no governmental entity has pledged its faith and credit for the payment of the Series 2010 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 2010 Notes. See "THE SERIES 2010 NOTES – Security and Sources of Payment – Defaults and Remedies."

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 "FINANCIAL OPERATIONS – Budget Process – *Revenues and Unappropriated Amounts; – Expenditures: The Balanced Budget and Statutory Spending Limitation*."

The State relies on revenue estimation as the basis for budgeting and establishing aggregate funds available for expenditure for its appropriation process. By statute, the Governor's Office of State Planning and Budgeting ("**OSPB**") is responsible for developing the General Fund revenue estimate. The most recent OSPB revenue forecast was issued on September 20, 2010 (the "**OSPB September 2010 Revenue Forecast"**) and is summarized in this Official Statement. See "HISTORICAL AND PROJECTED GENERAL FUND OPERATIONS – Revenue Estimation" and "– OSPB Revenue and Economic Forecasts." Additionally, 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 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 an 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 2010-11, it may adversely affect the State's ability to repay the Series 2010 Notes. See "STATE FINANCIAL INFORMATION – Budget Process," "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE – Revenue Estimation," and "GENERAL FUND CASH FLOW."

Projected Fiscal Year 2010-11 Budgetary Shortfall

As noted above, the State Constitution requires that expenditures for any Fiscal Year not exceed revenues for such Fiscal Year. According to the OSPB September 2010 Revenue Forecast, after adjusting for the August 23, 2010 budget balancing actions taken by the Governor to address a shortfall forecasted in the OSPB June 2010 revenue forecast, a revised shortfall is projected to be $256.9 million for Fiscal Year 2010-11.

If the OSPB forecast projects a budgetary shortfall in excess of one-half of the Unappropriated Reserve (as further described under "FINANCIAL OPERATIONS – Budget Process – *Revenues and Unappropriated Amounts*") requirement for the current Fiscal Year, by statute the Governor is required to take certain budget balancing measures to ensure that the Unappropriated Reserve as of the close of such Fiscal Year will be at least one-half of the required amount. See "HISTORICAL AND PROJECTED GENERAL FUND OPERATIONS – Revenue Estimation – Revenue Shortfalls" and "– OSPB Revenue and Economic Forecasts."

The amount of budgetary shortfall projected in the OSPB September 2010 Revenue Forecast is in excess of the one-half of the 4% Unappropriated Reserve requirement for Fiscal Year 2010-11. Accordingly, in compliance with the State law, on October 22, 2010 the Governor presented a budget balancing plan providing balancing measures totaling $296.5 million to the General Fund, including $226.6 million in General Fund expenditure reductions (primarily to K-12 education programs), $65.4 million associated with net transfers to the General Fund from cash funds (primarily from severance tax funds) and $4.5 million reflecting a reduction of the required Unappropriated Reserve since such reserve is a percentage of the Fiscal Year 2010-11 General Fund expenditures which are to be reduced. While many of the Governor's budget balancing actions have already been made operational by the executive branch, as required by statute, the General Assembly must adopt certain portions of the Governor's plans through legislative action prior to the Fiscal Year 2010-11 budget being balanced.

The next OSPB revenue forecast will be released on December 20, 2010. General Fund revenue projections in the new forecast may be materially different from the September revenue forecast and may project an additional revenue shortfall. Due to the volatility in the State and national economies, on average the last six forecasts from OSPB have been significantly lower than the immediately preceding forecast, and such volatility may be reflected in the December 2010 forecast. If an additional revenue shortfall is projected for Fiscal Year 2010-11, further budget cuts will be necessary to ensure the balanced budget.

Additional Notes

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 inside cover of this Official Statement regarding forward-looking statements.

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 a parity with the pledge securing the Series 2010 Notes and could therefore adversely impact the investment security for the Series 2010 Notes. The Treasurer currently does not anticipate issuing any Additional Notes, but reserves the right to do so. See "THE SERIES 2010 NOTES – Authorization;" and "– Additional Notes."

Loss of Tax Exemption

As discussed in "TAX MATTERS," the interest on the Series 2010 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.

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 104,247 square miles of the high plains and the Rocky Mountains, with elevations ranging from 3,350 to 14,431 feet above sea level. The current population of the State is approximately 5 million. The State's major economic sectors include agriculture, 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 A – STATE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2009 AND STATE OF COLORADO UNAUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010" and "APPENDIX B – SELECTED 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 State legislature, known as 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 expires on the second Tuesday in January, 2011, and each office was subject to a general election in November 2010. No elected executive official may serve more than two consecutive terms in the same office.

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

FINANCIAL OPERATIONS

The Treasurer

The State constitution provides that the Treasurer is to be the custodian of public funds in the Treasurer's care, subject to legislative direction concerning safekeeping and management of such funds. The Treasurer is the head of the statutorily created Department of the Treasury (the "**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 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 Treasury under procedures prescribed by law or by fiscal rules promulgated by the Office of the State Controller. The Treasurer and the Office of the State Controller may authorize any department, institution or agency collecting or receiving State moneys to deposit such moneys to a depository to the Treasurer's credit in lieu of transmitting such moneys to the Treasury

The Treasurer has discretion to invest in a broad range of interest-bearing securities described by statute. See "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE – Investment Policies." All interest derived from the deposit and investment of State moneys must be credited to the General Fund unless otherwise expressly provided by law.

Tax and Revenue Anticipation Notes

The Funds Management Act authorizes the Treasurer, on behalf of the State, to issue and sell notes payable from the anticipated revenues of any one or more funds or groups of accounts to meet temporary cash flow shortfalls. Since 1984, with the exception of each of Fiscal Years 1990-91, 1991-92 and 1998-99, the State has issued tax and revenue anticipation notes, such as the Series 2010 Notes, pursuant to the Funds Management Act in order to fund cash flow shortfalls in the General Fund. For each of Fiscal Years 1990-91, 1991-92 and 1998-99, the State funded cash flow shortfalls by use of Borrowable Resources. All tax and revenue anticipation notes issued by the State have been paid in full when due. See also "THE SERIES 2010 NOTES."

Taxpayer's Bill of Rights

The Constitutional Provision. Article X, Section 20 of the State constitution, commonly known as the Taxpayer's Bill of Rights, or "TABOR," imposes various fiscal limits and requirements on the State and its local governments. Overall, TABOR is a limitation on the amount of revenue that may be kept by the State in any particular year, regardless of whether that revenue is spent during the year. 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. TABOR implements these revenue limitations through certain restrictions and limitations on spending, including the following:

(a) Prior voter approval is required for: (i) any increase in State "fiscal year spending" from one year to the next in excess of the percentage change in the U.S. Bureau of Labor Statistics Consumer Price Index for Denver, Boulder and Greeley, all items, all urban consumers, or its successor index, plus the percentage change in State population in the prior calendar year, adjusted for revenue changes approved by voters after 1991; and (ii) any new State tax, State tax rate increase, extension of an expiring State tax, State tax policy change directly causing a net revenue gain to the State or the creation of any State "multiple fiscal year direct or indirect ... debt or other financial obligation." "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. This effectively defines spending as all revenues received by the State other than those items that are specifically excluded.

(b) If revenues received from sources not excluded from fiscal year spending exceed the prior Fiscal Year's spending plus the adjustment described in clause (a)(i) above, the excess must be refunded in the next Fiscal Year unless voters approve a revenue change.

(c) Under TABOR, the State must maintain an emergency reserve equal to 3% of its fiscal year spending (the "**TABOR Reserve**"). The TABOR Reserve 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 Appropriation Bill (the "**Long Bill**"), designates resources that constitute the TABOR Reserve. For Fiscal Year 2010-11, the TABOR Reserve will be comprised of portions of the Major Medical Insurance Fund ($94.0 million) and the Wildlife Cash Fund ($100.0 million), as well as certain State properties, as designated by the Governor equaling $70.7 million.

Statutes Implementing TABOR. A number of statutes implementing TABOR have been enacted by the General Assembly, including those that (i) define the revenues and spending included in the State's fiscal year revenue and spending for purposes of the revenue and spending limits of TABOR, (ii) specify the accounting treatment of refunds owed by the State under TABOR and (iii) define State operations that qualify as "enterprises" excluded from TABOR.

The "Ratchet Down" Effect of TABOR on State Revenues; Curative Measures. As discussed above, TABOR limits year-to-year increases in revenues, and therefore spending, to the percentage change in the U.S. Bureau of Labor Statistics Consumer Price Index for Denver, Boulder and Greeley, all items, all urban consumers, or its successor index, plus the percentage change in State population in the prior calendar year, plus any voter approved revenue (*i.e.*, tax) increase. There are no provisions in TABOR to account for cyclical revenue swings. This originally produced a "ratchet down" effect whenever State revenues declined from one Fiscal Year to the next and then rebounded in subsequent years. The ratcheting down occurred as the result of the TABOR requirements that the State's revenue base be reduced to the lower amount, without limitation, but that the State's revenue base may be increased only to the extent of the limitations stated above, with any excess to be refunded. Such a ratcheting down occurred between Fiscal Years 2000-01 and 2002-03, when TABOR revenues declined by 13.1%, followed by an increase of 8.0% in Fiscal Year 2003-04.

Legislation enacted during the 2002 legislative session, described in "The Growth Dividend" below, mitigated the "ratcheting down" effect of TABOR through the decennial census adjustment. Referendum C, a statutory provision approved by the State’s voters on November 1, 2005 and described in "Colorado Economic Recovery Act of 2005" below, eliminated the "ratcheting down" of revenue available for expenditure by creating a new Excess State Revenue Cap and allowing the State to retain and spend revenue up to the new Excess State Revenue Cap (as adjusted) which new cap never ratchets down. See "Colorado Economic Recovery Act of 2005" below describing Referendum C. Revenue collected above the Excess State Revenue Cap (as adjusted) must be refunded to the taxpayers in the next Fiscal Year.

The Growth Dividend. House Bill ("**HB**") 02-1310 and SB 02-179 enabled the State to recoup refunds previously paid as the result of the TABOR limits having been computed during the 1990s using population estimates that were too low when compared to the 2000 census figure. This undercount resulted in lower TABOR limits and higher refunds than would have occurred using more accurate population figures. The percentage by which population was underestimated and the process for recovering the related excess refunds was called the "growth dividend." Such legislation allowed the State to recoup the prior decade's excess refunds by cumulatively increasing the spending limit in the current decade up to the growth dividend percentage over a period not to exceed nine years. The growth dividend was completely used before the expiration of the nine-year period through the elimination of the TABOR surplus in Fiscal Year 2003-04 and reduction of the TABOR surplus in Fiscal Year 2004-05. The adjustment allowed the State to keep $283.3 million in additional revenue in Fiscal Year 2003-04 and $187.2 million in Fiscal Year 2004-05.

In the event the 2010 census reflects an undercounting of population figures during the relevant period, the same growth dividend mechanics for recouping excess refunds would be applicable.

Colorado Economic Recovery Act of 2005. During the 2005 legislative session, the General Assembly and the Governor agreed to four pieces of legislation that mitigated the effects of TABOR in an effort to relieve State budget challenges. Three of these measures, collectively referred to herein as "The Colorado Economic Recovery Act of 2005," were designed primarily to provide additional revenues for State operations, as well as addressing the methodology for the allocation of additional revenues by subsequent appropriation. Implementation of two measures included in the Colorado Economic Recovery Act of 2005 required Statewide voter approval, and on November 1, 2005, one of these measures, referred to as "Referendum C," was approved by State voters and later codified as Sections 24-77-103.6 and 24-77-106.5, C.R.S.

Referendum C permitted the State to retain and appropriate State revenues in excess of the then-current TABOR limit on State spending for the period of July 1, 2005, through June 30, 2010 (Fiscal Years 2005-06 through 2009-10), thus making all revenues received by the State during this period available for appropriation. Referendum C did not, however, eliminate the 6% limit on the annual growth of total appropriations from the General Fund. The 6% limit was eliminated for Fiscal Year 2009-10 and thereafter by SB 09-228. See "—Budget Process – *Expenditures: The Balanced Budget and Statutory Spending Limitation*" below under this caption.

Referendum C establishes an "Excess State Revenues Cap" that serves as the new limit on State fiscal year spending beginning in Fiscal Year 2010-11. The Excess State Revenues Cap is an amount equal to the highest total State revenues for a Fiscal Year from the period of Fiscal Year 2005-06 through Fiscal Year 2009-10. Since the highest total State revenues during this period were achieved during Fiscal Year 2007-08, the State revenues in such Fiscal Year became the base year for calculating the Excess State Revenue Cap. In each subsequent Fiscal Year, the Excess State Revenues Cap is adjusted for inflation and a percentage change in State population, as well as such sum for the qualification or disqualification of enterprises. For purposes of the Excess State Revenues Cap, inflation, the percentage change in State population and the qualification or disqualification of an enterprise or debt service changes retain their meanings as they currently exist under TABOR and State law.

Referendum C also creates in the General Fund the "General Fund Exempt Account," to consist of the moneys collected by the State in excess of the TABOR limit. Moneys in the General Fund Exempt Account, once appropriated, may be used to fund: (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. HB 05-1350 specifies how moneys in the General Fund Exempt Account are to be appropriated or transferred under Referendum C.

Referendum C provides that, for each Fiscal Year that the State retains and spends State revenues in excess of the TABOR limit on State fiscal year spending, the Director of Research of the Colorado Legislative Council is to prepare by October 15th an excess State revenues legislative report that identifies the amount of excess State revenues retained by the State and describes how such excess State revenues have been expended. Referendum C requires that the report be published and made available on the official web site of the Colorado General Assembly. In addition, the Office of the State Controller is required to prepare a report each Fiscal Year that identifies revenues that the State is authorized to retain pursuant to Referendum C and to certify the same no later than September 1st following the end of the Fiscal Year.

Accordingly, in Fiscal Years 2005-06, 2006-07 and 2007-08, the State was allowed to retain $1.116 billion, $1.308 billion and $1.169 billion, respectively. State revenues did not exceed the TABOR limit in either Fiscal Year 2008-09 or Fiscal Year 2009-10. See **Appendix E** – "THE STATE GENERAL FUND – General Fund Overview."

Effect of TABOR on the Series 2010 Notes. Voter approval under TABOR is not required for the issuance of the Series 2010 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 2010 Notes and any Additional Notes.

Budget Process

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 by the Governor for each department to the Joint Budget Committee of the General Assembly (the "**JBC**"), as described below. In January, the Governor makes additional budget recommendations to the JBC for the budget of all branches of the State government, except that the elected executive officials, the judicial branch and the legislative branch make recommendations to the JBC for their own budgets.

Phase II (Legislative). The JBC, consisting of three members from each house of the General Assembly, develops the legislative budget proposal embodied in the Long Bill which is introduced in and approved by the General Assembly. Following receipt of testimony by State departments and agencies, the JBC marks up the Long Bill and directs the manner in which appropriated funds are to be spent. The Long Bill includes: (i) General Fund appropriations, supported by general purpose revenue such as taxes; (ii) General Fund Exempt appropriations primarily funded by TABOR-exempt or excess TABOR revenues retained under Referendum C; (iii) cash fund appropriations supported primarily by grants, transfers and departmental charges for services; (iv) reappropriated amounts funded by transfers and earnings appropriated elsewhere in the Long Bill; and (v) estimates of federal funds to be expended that are not subject to legislative appropriation. The Long Bill usually is reported to the General Assembly in March or April with a narrative text. Under current practice, the Long Bill is reviewed and debated in party caucuses in each house. Amendments may be offered by each house, and the JBC generally is designated as a conference committee to reconcile differences. The Long Bill always has been adopted prior to commencement of the Fiscal Year in July. Specific bills creating new programs or amending tax policy are considered separately from the Long Bill in the legislative process. The General Assembly takes action on these specific bills, some of which include additional appropriations separate from the Long Bill. The Long Bill for Fiscal Year 2010-11 was adopted by the General Assembly on April 19, 2010.

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. The Long Bill for Fiscal Year 2010-11 was approved in part and disapproved in part by the Governor on April 29, 2010. A new Governor was elected in the November 2010 election, and will take office in January 2011. The new Governor could modify the Fiscal Year 2010-11 budget balancing plans and the Fiscal Year 2011-12 budget proposal submitted by the current Governor to the JBC; however, the General Assembly retains the final approval authority over the Fiscal Years 2010-11 and 2011-12 budgets.

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 Unappropriated Reserve 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. 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. The Unappropriated Reserve for Fiscal Year 2010-11 is designated at 4% of the amount appropriated for expenditure from the General Fund in such Fiscal Year.

See "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE – Overview of Historical and Projected General Fund Operations – Revenue Estimation – Revenue Shortfalls."

Expenditures: The Balanced Budget and Statutory Spending Limitation. The State constitution requires that expenditures for any Fiscal Year not exceed available resources for such Fiscal Year. Total unrestricted General Fund appropriations for each Fiscal Year are limited as provided in Section 24-75-201.1, C.R.S. For the Fiscal Years discussed in this Official Statement to and including Fiscal Year 2008-09, 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) the lesser of (a) 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) or (b) 6% over General Fund appropriations for the previous Fiscal Year. Per SB 09-228, for Fiscal Years 2009-10 and thereafter, total General Fund appropriations are limited to the sum of the amount stated in (i) above plus an amount equal to 5% of Colorado personal income.

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 appropriations 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. The excess funds appropriated as the result of such declaration are not to be included in calculating the maximum level of General Fund appropriations in subsequent Fiscal Years.

Surplus General Fund Revenues. Section 24-75-218, C.R.S., provides that, commencing with Fiscal Year 2003-04, whenever the State has surplus revenues in excess of the Unappropriated Reserve requirement, two-thirds of such excess is to be credited to the Highway Users Tax Fund and one-third of such excess is to be credited to the Capital Construction Fund. The State had such surpluses in Fiscal Years 2006-07, 2007-08 and 2009-10. However, pursuant to SB 09-228, no transfer to Highway Users Tax Fund and to the Capital Construction Fund is required for Fiscal Year 2009-10 and for all subsequent years. However, the State has been making annual transfers to the Capital Construction Fund to fund certain debt service and ongoing and future capital construction projects. See "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE – Overview of Historical and Projected General Fund Operations."

See also "Taxpayers' Bill of Rights" above for a discussion of spending limits imposed on the State by TABOR and changes to these limits as the result of Referendum C. In addition, through TABOR, the State Constitution imposes restrictions on increases in fiscal year spending without voter approval and requires the State to maintain a TABOR Reserve. See "Taxpayer's Bill of Rights" under this caption for a discussion of the effects of the State Constitution on the State's financial operations.

Fiscal Controls and Financial Reporting

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

The State Controller is appointed by the Executive Director of the Department of Personnel and 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 for payment of claims against the State. The State Controller prepares a comprehensive annual financial report in accordance with generally accepted accounting principles ("**GAAP**") applicable to governmental entities, with certain statutory exceptions.

Basis of Accounting

For a detailed description of the State's basis of accounting, see Note 5 to the State's Fiscal Year 2008-09 Comprehensive Annual Financial Report appended to this Official Statement as part of **Appendix A**.

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 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.

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, 2011. 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 State's Fiscal Year 2008-09 Comprehensive Annual Financial Report, including the State Auditor's Opinion thereon, and the State's unaudited Fiscal Year 2009-10 Basic Financial Statements are appended to this Official Statement as **Appendix A**. The State of Colorado Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2010 is expected to be released to the public by the State and be available on or about December 31, 2010. The Office of the State Auditor, being the State's independent auditor, has not been engaged to perform and has not performed since the date of the State Auditor's report included herein, any procedures on the financial statements in the Fiscal Year 2008-09 Comprehensive Annual Financial Report or the Fiscal Year 2009-10 Basic Financial Statements, nor has the Office of the State Auditor performed any procedures relating to this Official Statement.

Investment and Deposit of State Funds

The 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 U.S. public and non-public fixed income securities. In making such investments, the 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 Treasurer is also required to formulate investment policies regarding the liquidity, maturity and diversification appropriate to each Fund or pool of funds in the Treasurer's custody available for investment. In accordance with this directive, the 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 fund.

The 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 Note 14 to the State's unaudited Fiscal Year 2009-10 Basic Financial Statements appended to this Official Statement as part of **Appendix A** and "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE – Investment of the State Pool."

HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE

General Fund Revenue Sources

The following is a description of the revenue sources to the General Fund. The major revenue sources are the individual income tax, the general sales and use tax and the corporate income tax. In Fiscal Year 2009-10, individual and corporate income taxes comprised approximately 65.7% of total General Fund revenues, and general sales and use taxes contributed approximately 29.2% of total General Fund revenues (General Fund revenues described above are before State Education Fund diversions). The OSPB forecasts that gross General Fund revenue will grow at a compound average annual rate of 6.4% between Fiscal Year 2009-10 and Fiscal Year 2012-13.

Individual Income Tax. The largest source of General Fund revenues is receipts generated by the individual income tax. Individual income tax revenues comprised 60.2% of total General Fund revenues (total receipts before State Education Fund diversions) in Fiscal Year 2009-10, and are forecast by the OSPB to comprise 59.9% of total General Fund revenues in Fiscal Year 2010-11 and 60.6% of total General Fund revenues in Fiscal Year 2011-12. Individual income tax revenues increased by 17.9% in Fiscal Year 2005-06, 11.3% in Fiscal Year 2006-07, 2.1% in Fiscal Year 2007-08, and decreased 12.9% in Fiscal Year 2008-09 and 5.8% in Fiscal Year 2009-10. The OSPB forecasts that Fiscal Year 2010-11 individual income tax revenues will increase by 4.7% over Fiscal Year 2009-10.

Corporate Income Tax. Corporate income tax revenues accounted for 5.5% of total General Fund revenues (total receipts before State Education Fund diversions) in Fiscal Year 2009-10, and are forecast by the OSPB to comprise 5.0% of total General Fund revenues in Fiscal Year 2010-11 and 6.0% of total General Fund revenues in Fiscal Year 2011-12. Corporate tax receipts are the most volatile revenue source for the General Fund. In Fiscal Year 2005-06, corporate income tax receipts increased 42.0% due to one-time revenue received from the repatriation of corporate foreign earnings under the American Jobs Creation Act of 2004. Corporate income tax receipts increased 11.3% in Fiscal Year 2006-07, 2.0% in Fiscal Year 2007-08, and decreased 42.4% in Fiscal Year 2008-09. Corporate income tax receipts increased in Fiscal Year 2009-10 by 27.2%.

Sales and Use Taxes. Sales and use tax receipts accounted for 29.2% of General Fund revenue (total receipts before State Education Fund diversions) in Fiscal Year 2009-10, and are forecast by the OSPB to comprise 30.1% of total General Fund revenues in Fiscal Year 2010-11 and 28.9% of total General Fund revenues in Fiscal Year 2011-12. Sales and use tax revenues increased 5.7% in Fiscal Year 2005-06, 4.1% in Fiscal Year 2006-07, 4.9% in Fiscal Year 2007-08, and decreased 9.1% in Fiscal Year 2008-09 and decreased 6.0% in Fiscal Year 2009-10. Per SB 09-212 and SB 09-275, the State retained the full amount allowable from the 2.9% sales tax rate, without a reduction for administrative costs associated with vendors collecting the tax in Fiscal Year 2009-10 and vendors will continue to remit the full amount of taxes collected for Fiscal Year 2010-11. In addition, the State expects to receive additional sales taxes as a result of the elimination of the sales tax exemptions on cigarettes pursuant to HB 09-1342.

Other Excise Taxes. In addition to the State sales and use tax, the State imposes excise taxes on the sale of cigarettes, tobacco products and liquor. These other excise tax receipts accounted for 1.4% of General Fund revenue (total receipts before State Education Fund diversions) in Fiscal Year 2009-10, and are forecast by the OSPB to comprise 1.2% of total General Fund revenues in Fiscal Year 2010-11. Other excise tax revenues decreased 4.9% in Fiscal Year 2005-06, increased 2.0% in Fiscal Year 2006-07, decreased 0.7% in Fiscal Year 2007-08, decreased 1.7% in Fiscal Year 2008-09 and decreased 3.7% in Fiscal Year 2009-10.

In 2004, Colorado voters passed Amendment 35, which increased the tax on all tobacco products by 20% and increased the tax on cigarettes by $0.60 per pack beginning in 2005. This caused a decline in sales of cigarettes and other tobacco products which in turn contributed to the large decline in other excise tax revenues in Fiscal Year 2005-06 and the decline in tobacco and cigarette tax revenues in Fiscal Year 2006-07 and thereafter. The additional revenues generated by the tax are TABOR exempt. Therefore, while cash collections increased as a result of the additional tax, General Fund revenues declined as the number of cigarette and other tobacco products purchased decreased. The additional cash collections are deposited to the Tobacco Tax Cash Fund created by Amendment 35.

Other Revenues. This category includes a diverse group of revenues such as estate taxes, insurance taxes, pari-mutuel taxes, interest income, court receipts, gaming taxes, and other income, and as a group are relatively volatile. Other revenues accounted for 3.8% of total General Fund revenues (total receipts before State Education Fund diversions) in Fiscal Year 2009-10, and are forecast by the OSPB to comprise 3.7% of total General Fund revenues in Fiscal Year 2010-11 and 3.3% of total General Fund revenues in Fiscal Year 2011-12. As a whole, revenues in this category declined, 17.3% in Fiscal Year 2005-06, 7.2% in Fiscal Year 2006-07, 1.7% in Fiscal Year 2007-08, and 2.2% in Fiscal Year 2008-09. The large decrease in Fiscal Year 2005-06 was a result of HB 06-1201, which redirected approximately $24.0 million of Limited Gaming cash fund revenue that was previously transferred to the General Fund to the Colorado Travel and Tourism Promotion Fund ($18.0 million), the State Council on the Arts Cash Fund ($1.5 million), the Film Incentives Cash Fund ($0.5 million) and the New Jobs Incentives Cash Fund ($3.0 million). SB 07-246 transferred $7.0 million from the Limited Gaming Cash Fund revenues to the Clean Energy Fund, and the remainder of $6.5 million remained in the General Fund. In Fiscal Year 2007-08 and thereafter, all moneys from the Limited Gaming Cash Fund that previously would have been transferred to the General Fund were instead transferred to the Clean Energy Fund. However, to alleviate the shortfall in Fiscal Year 2008-09, approximately $2.8 million was transferred to the General Fund rather than to the Clean Energy Fund. Similar transfers to the General Fund from limited gaming revenues occurred in Fiscal Year 2009-10 in the amount of $16.2 million and are anticipated to be in the amount of $33.2 million in Fiscal Year 2010-11 based on current law. The OSPB forecasts that other revenues will increase 5.1% in Fiscal Year 2010-11 and decrease 5.3% in Fiscal Year 2011-12.

Historical and Projected Major Tax Receipts. The following table sets forth the State's receipts from major taxes for the past five Fiscal Years, as well as current OSPB estimates for Fiscal Years 2010-11 and 2011-12. See also "OSPB Revenue and Economic Forecasts" below and the inside cover of this Official Statement regarding forward-looking statements.

State of Colorado
Receipts from Major Taxes
(Dollar amounts expressed in millions)

	Actual					OSPB Estimate[1]	
	Fiscal Year 2005-06	**Fiscal Year 2006-07**	**Fiscal Year 2007-08**	**Fiscal Year 2008-09**	**Fiscal Year 2009-10**	**Fiscal Year 2010-11**	**Fiscal Year 2011-12**
Individual Income Tax	$4,376.1	$4,870.9	$4,973.7	$4,333.3	$4,083.8	$4,276.8	$4,716.7
Change from Prior Year	17.9%	11.3%	2.1%	(12.9)%	(5.8%)	4.7%	10.3%
Corporate Income Tax	$ 447.4	$497.9	$507.9	$292.5	$372.1	$357.8	$469.6
Change from Prior Year	42.0%	11.3%	2.0%	(42.4)%	27.2%	(3.8)%	31.3%
Sales and Use Tax[2], [3]	$2,123.2	$2,209.5	$2,317.9	$2,107.8	$1,980.7	$2,152.9	$2,245.8
Change from Prior Year	5.7%	4.1%	4.9%	(9.1)%	(6.0)%	8.7%	4.3%
Other Excise Taxes	$92.2	$94.0	$93.3	$91.7	$92.3	$88.6	$91.9
Change from Prior Year	(4.9)%	2.0%	(0.7)%	(1.7)%	(0.6)%	(4.0)%	3.7%
Other Revenues	$282.9	$262.5	$258.1	$252.4	$254.6	$267.7	$253.3
Change from Prior Year	(17.3)%	(7.2)%	(1.7)%	(2.2)%	(1.1)%	5.1%	(5.3)%

(1) OSPB September 2010 Revenue Forecast. Projections for individual, corporate and sales tax revenue in these years incorporate the impact from the Governor's budget balancing proposals, including revenue enhancement proposals from the elimination or suspension of State tax exemptions and credits. See *"Individual Income Tax,"* "*Corporate Income Tax*" and "*Sales and Use Taxes*" above.

(2) For Fiscal Years 2006-07, 2007-08 and 2008-09, a portion of net sales and use tax revenues was required to be diverted to the Highway Users Tax Fund if General Fund revenues were sufficient to fund appropriations and maintain the Unappropriated Reserve. This requirement was repealed for Fiscal Year 2009-10. The full amount of sales and use taxes collected are reported in this table although the amount diverted to the Highway Users Tax Fund is deducted from available revenues in the General Fund Overview table under the heading "Overview of Historical and Projected General Fund Operations."

(3) Sales tax figures for Fiscal Year 2008-09 include the impact of SB 09-212, which reduced vendor allowances from 3.33% to 1.35% of all sales tax revenue. In addition, per SB 09-275, no vendor allowance is allowed in Fiscal Years 2009-10 or 2010-11, and HB 09-1342 eliminated the $0.84 cigarette tax exemption for Fiscal Years 2009-10 and 2010-11.

Source: Office of State Planning and Budgeting

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Overview of Historical and Projected General Fund Operations

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 fund are required to be credited and paid into the General Fund.

The following table summarizes the actual revenues, expenditures and changes in fund balances for the General Fund for Fiscal Year 2005-06 through Fiscal Year 2009-10 and the forecast for Fiscal Years 2010-11 and 2011-12 from the OSPB September 2010 Revenue Forecast, including (for Fiscal Year 2010-11 only) the requested legislation outlined in the Governor's August 23, 2010 budget balancing proposal to the Joint Budget Committee with respect to Fiscal Year 2010-11 General Fund appropriations, transfers to the General Fund and rebates and expenditures. See the inside cover of this Official Statement regarding forward-looking statements.

The table does not reflect the Governor's October 22, 2010 budget balancing proposal since it was prepared after the OSPB September 2010 Revenue Forecast. With respect to prior Fiscal Years, the table assumes State law then in effect for General Fund appropriations, transfers to the General Fund and rebates and expenditures. The table also reflects the effect of the federal Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "**Jobs Act**") enacted in 2003, as it pertained to tax relief for State taxpayers and therefore affected State tax revenues. Specifically, the growth incentives for businesses offered under the Jobs Act (which included a 50% bonus depreciation allowance and a small business expensing provision) had the effect of reducing federal adjusted income, which is the basis for the State's income tax, thus resulting in a corresponding reduction in State income tax revenues through Fiscal Year 2005-06.

The table also assumes the infusion of federal stimulus funding under the Recovery Act for Medicaid over three Fiscal Years, beginning with Fiscal Year 2008-09. Based on the OSPB September 2010 Revenue Forecast, under the Recovery Act, the State received a General Fund expenditure offset of $214.1 million for Federal Medical Assistance Percentage ("**FMAP**") participation in Fiscal Year 2008-09 and an additional total of $418.9 million in State funding in Fiscal Year 2009-10. The projected total State funding offsets to Fiscal Year 2010-11 are estimated to equal $363.8 million. Both the Fiscal Year 2009-10 and projected Fiscal Year 2010-11 General Fund offsets due to FMAP are no longer shown as a separate entry on the table below as these offsets are captured in the "General Fund Appropriations Subject to the Appropriations Limit" entry. To the extent received, these amounts reduced General Fund expenditures and any future funding under the Recovery Act is expected to reduce General Fund expenditure for Medicaid.

The format of the following table is used by the State in developing its annual budget, as discussed in "STATE FINANCIAL INFORMATION – Budget Process." See also the inside cover of this Official Statement regarding forward-looking statements.

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State of Colorado
General Fund Overview
(Dollar amounts expressed in millions; totals may not add due to rounding)

	Actual (Unaudited)[1]					OSPB Forecast	
	Fiscal Year 2005-06	**Fiscal Year 2006-07**	**Fiscal Year 2007-08**	**Fiscal Year 2008-09**	**Fiscal Year 2009-10**[14]	**Fiscal Year 2010-11**	**Fiscal Year 2011-12**
REVENUE:							
Beginning Reserve	$ 237.4	$ 251.7	$ 267.0	$ 283.5	$443.8	$145.8	$135.5
Gross General Fund Revenue [2]:	6,964.6	7,539.8	7,742.9	6,737.8	6,454.6	6,810.0	7,404.0
General Fund	*5,848.5*	*6,231.6*	*6,573.5*	*6,737.8*	*6,454.6*	*6,810.0*	*7,185.0*
General Fund Exempt [3]	*1,116.1*	*1,308.2*	*1,169.4*	--	--	--	*219.0*
Deposit to the State Education Fund [2]	357.2	395.1	407.9	339.9	329.0	333.7	373.4
Gross General Fund Revenue Plus Deposit to the State Education Fund[2]	7,321.8	7,934.9	8,150.8	7,077.7	6,783.6	7,143.7	7,777.4
Diversion to the Highway Users Tax Fund[4]	(220.4)	(228.6)	(238.1)	--	--	--	--
Net Transfers to (from) the General Fund[5]	155.1	--	(5.0)	805.0	(47.6)	90.3	(5.2)
TOTAL REVENUE	7,139.5	7,562.9	7,766.9	7,826.3	6,850.7	7,046.1	7,534.3
EXPENDITURES:							
Allowable General Fund Appropriations Limit	6,292.7	6,675.6	7,087.8	7,546.9	10,616.0[6]	10,385.0	10,560.0
General Fund Appropriations Subject to the Appropriations Limit (Long Bill and Supplemental Bills) [7]	6,292.7	6,675.6	7,087.8	7,387.1	6,603.3	6,776.4	7,055.7
Appropriations Change From Prior Year	*361.2*	*382.9*	*412.3*	*299.3*	*(783.8)*	*173.1*	*279.3*
Percent Change	*6.1%*	*6.1%*	*6.2%*	*4.2%*	*(10.6)%*	*2.6%*	*4.1%*
Exemptions to the Appropriations Limit [8]	5.0	11.1	31.9	12.2	--	--	--
Spending Outside the Appropriations Limit:	153.4	360.0	320.2	210.6	101.7	134.2	196.3
TABOR Refund	--	--	--	--	--	--	--
Rebates and Expenditures[9]	*153.4*	*164.6*	*173.8*	*136.0*	*141.9*	*124.0*	*152.2*
Senior Homestead Exemption[10]	--	*74.2*	*79.8*	*85.6*	*1.3*	*1.6*	*1.7*
Transfer to Capital Construction Fund[11]	*10.1*	*145.9*	*93.7*	*24.9*	*0.2*	*9.1*	*42.3*
Reversions and Accounting Adjustments	*(10.1)*	*(24.7)*	*(27.1)*	*(36.0)*	*(39.0)*	--	--
Enhanced Medicaid Match (Reduces General Fund Expenditures) [12]	--	--	--	(223.9)	(2.7)	(0.5)	--
TOTAL OBLIGATIONS	6,451.1	7,046.6	7,439.9	7,386.0	6,704.9	6,910.6	7,252.1
RESERVES							
Year-End Excess General Fund Balance	688.4	516.3	327.0	443.8	145.8	135.5	282.2
Year-End Excess General Fund Balance as a Percent of Appropriations	*10.9%*	*7.7%*	*4.6%*	*2.0%*	*2.2%*	*2.0%*	*4.0%*
Unappropriated Reserve	251.7	267.0	283.5	148.2	132.1	135.5	282.2
Moneys in Excess of Statutory Reserve:	436.7	249.3	43.4	295.5[15]	13.7	--	--
Transfer to Highway Users Tax Fund (2/3)[13]	*291.1*	*166.2*	*29.0*	--	--	--	--
Transfer to Capital Construction Fund (1/3)[13]	*145.6*	*83.1*	*14.5*	--	--	--	--

[Notes on the next page]

(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) Amendment 23 mandates that, effective January 1, 2001, an amount equal to all State revenues collected from a tax of one-third of one percent on federal taxable income, as modified by law, of every individual, estate, trust and corporation, as defined by law, is to be deposited to the State Education Fund.

(3) Under Referendum C, a "General Fund Exempt Account" is created in the General Fund, which consists of moneys collected in excess of the TABOR limit in accordance with Referendum C. See "STATE FINANCIAL INFORMATION – Taxpayer's Bill of Rights – *Colorado Economic Recovery Act of 2005*."

(4) For Fiscal Years 2005-06 through 2008-09, a portion of net sales and use tax revenues was required to be diverted to the Highway Users Tax Fund if General Fund revenues are sufficient to fund appropriations and maintain the Unappropriated Reserve. This requirement was repealed by SB 09-228 beginning with Fiscal Year 2009-10 and for all subsequent years.

(5) This figure represents the total transfers to or from the General Fund, including statutorily required transfers into the General Fund from various cash funds. Amounts in parentheses represent transfers from the General Fund to various cash funds.

(6) Per SB 09-228 for Fiscal Year 2009-10, this appropriation limit was revised from the lesser of (i) 5% of Colorado Personal Income (as reported by the U.S. Bureau of Economic Analysis) or (ii) 6% growth applied to appropriated amounts from the General Fund during the prior Fiscal Year, to 5% of Colorado Personal Income. The significant increases to the limit reflected in the table beginning in Fiscal Year 2009-10 are primarily attributable to this legislative revision.

(7) These amounts for Fiscal Year 2010-2011 and Fiscal Year 2011-12 reflect the current amount of General Fund appropriations that could be supported by projected revenues, based on the OSPB September 2010 Revenue Forecast. For Fiscal Year 2009-10, this amount includes a requested reduction of $28.1 million specific to a two-week delay in Medicaid provider payments – this action has not yet been adopted by the General Assembly, but was executed operationally by the State's executive branch and the savings were realized in Fiscal Year 2009-10.

(8) In Fiscal Year 2005-06, $5.0 million was appropriated to the Department of Education as a result of a requirement of a state court order. In Fiscal Years 2006-07, 2007-08 and 2008-09, totals of $11.1 million, $31.9 million and $12.2 million, respectively, are not subject to the appropriations limit pursuant to Section 24-75-201.1(1)(a)(III)(B), C.R.S., but are used as the base for calculating the following year's appropriations limit. See "STATE FINANCIAL INFORMATION – Budget Process – *Expenditures: The Balanced Budget and Statutory Spending Limitation*."

(9) This generally includes the Cigarette Rebate, Old Age Pension Fund, Property Tax, Heat and Rent Credit and Fire and Police Pensions. Per SB 05-209, the Volunteer Firefighter Retirement Plan and Volunteer Firefighter Death and Disability Insurance appropriations are not subject to the limitation on General Fund appropriation growth limit and are included in the amounts shown for Fiscal Years 2005-06 and beyond. This line item also includes the impact of the reduction or suspension of contributions to the Fire and Police Pensions Association old hire plan members' benefit trust fund in Fiscal Years 2009-10 and 2010-11 per SB 09-203 and SB 09-227.

(10) The senior Homestead Exemption property tax credit was suspended for Fiscal Year 2005-06, reinstated in Fiscal Years 2006-07 through 2008-09, and again suspended (except for an exemption for qualified disabled veterans) for Fiscal Year 2009-10 and Fiscal Year 2010-11.

(11) HB 04-1412 eliminated the General Fund transfer to the Capital Construction Fund provided by Section 24-75-302(2), C.R.S., in Fiscal Year 2005-06. The transfers shown in the table in these Fiscal Years are per HB 04-1003 and HB 04-1021, respectively. Also included are continuation costs for Fiscal Year 2009-10 capital requests, Level I Controlled Maintenance funding and certificate of participation payments appropriated from capital construction funds.

(12) The table reflects the infusion of federal stimulus funding for FMAP in Fiscal Years 2008-09 through FY 2010-11. For Fiscal Years 2009-10 and 2010-11, General Fund expenditure offsets due to FMAP are predominately included in the "General Fund Appropriations Subject to the Appropriations Limit" entry.

(13) Per HB 02-1310, two-thirds of the Unappropriated Reserve in excess of the then applicable Unappropriated Reserve is required to be credited to the Highway Users Tax Fund, and one-third of such excess is to be credited to the Capital Construction Fund. SB 09-228 has repealed this requirement effective January 1, 2010, and SB 09-278 prohibited the transfer of the excess reserves for Fiscal Years 2008-09 and 2009-10 to the Highway Users Tax Fund. See "STATE FINANCIAL INFORMATION – Budget Process – *Revenues and Unappropriated Amounts*."

(14) Figures reported in this column are considered preliminary because they are based on the OSPB September 2010 Revenue Forecast, which was released before the State's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2009.

(15) This excess amount is due to a one-time transfer of $458,057,698 from specified cash funds to the General Fund on June 30, 2009.

Sources: State Treasurer's Office and OSPB September 2010 Revenue Forecast

Discussion of Recent General Fund Operations

The following is a discussion of the General Fund revenues for the past five Fiscal Years. The amount of General Fund revenues received in prior years is not necessarily indicative of the amount of revenues to be expected for any future Fiscal Years. All figures are approximate unless otherwise stated. See also "General Fund Revenue Sources" below.

Fiscal Year 2009-10 (Preliminary Unaudited). The following information is taken from the OSPB September 2010 Revenue Forecast and was based on unaudited preliminary figures.

General Fund revenues decreased by 4.3% in Fiscal Year 2009-10 compared to a decrease of 12.9% in Fiscal Year 2008-09. In Fiscal Year 2009-10, sales and use tax revenues decreased by 6.0% compared to a decrease of 9.1% in Fiscal Year 2008-09. Other excise tax revenues increased 0.9% compared to a decline of 1.7% in Fiscal Year 2008-09. Corporate and individual income tax collections decreased 3.7% compared to a decrease of 15.6% in Fiscal Year 2008-09. Other revenues declined 1.1% in Fiscal Year 2009-10 compared to a decline of 0.2% in Fiscal Year 2008-09. Total available funds for expenditure in Fiscal Year 2009-10 (which excludes the amount deposited into the State Education Fund) were $6,850.7 million and total obligations were $6,704.9 million. In accordance with Amendment 23, $329.0 million was diverted to the State Education Fund. The General Funds statutory reserve was $132.1 million. As permitted by SB 09-277, the Unappropriated Reserve was lowered to 2.0% of Fiscal Year appropriations.

Fiscal Year 2008-09. Comprehensive General Fund revenues decreased by 12.9% in Fiscal Year 2008-09 compared to an increase of 2.7% in Fiscal Year 2007-08. In Fiscal Year 2008-09, sales and use tax revenue decreased by 9.1% compared to an increase of 4.9% in Fiscal Year 2007-08. Other excise tax revenue declined 1.7% compared to a decline of 0.7% in Fiscal Year 2007-08. Corporate and individual income tax collections decreased 15.6% in Fiscal Year 2008-09 compared to an increase of 2.1% in Fiscal Year 2007-08. Other revenues declined 2.2% in Fiscal Year 2008-09 compared to a decline of 1.7% in Fiscal Year 2007-08. Total funds available for expenditure in Fiscal Year 2008-09 (which excludes the amount deposited into the State Education Fund) were $7,826.3 million and total obligations were $7,386.3 million. In accordance with Amendment 23, $339.9 million was diverted to the State Education Fund. The General Fund statutory reserve was $148.2 million. Per SB 09-277, the Unappropriated Reserve was lowered to 2.0% of Fiscal Year appropriations.

Fiscal Year 2007-08. General Fund revenues increased by 2.7% in Fiscal Year 2007-08 compared to an increase of 8.3% in Fiscal Year 2006-07. In Fiscal Year 2007-08, sales and use tax revenues increased by 4.9% compared to an increase of 4.1% in Fiscal Year 2006-07. Other excise tax revenue declined by 0.7% in Fiscal Year 2007-08 compared to an increase of 2.0% in Fiscal Year 2006-07. Corporate and individual income tax collections increased by 2.1% in Fiscal Year 2007-08 compared to an increase of 11.3% in Fiscal Year 2006-07. Other revenues declined by 1.7% in Fiscal Year 2007-08 compared to a decline of 7.2% in Fiscal Year 2006-07. Total available funds for Fiscal Year 2007-08 (which excludes the amount deposited into the State Education Fund) were $7,766.9 million and total obligations were $7,439.9 million. In accordance with Amendment 23, $407.9 million was transferred to the State Education Fund, and in accordance with SB 97-1, $238.1 million was transferred to the Highway Users Tax Fund. The General Fund year-end reserve was $327.0 million, which was allocated as follows: $283.5 million constituted the statutorily required Unappropriated Reserve for that Fiscal Year, and in accordance with HB 02-1310, two-thirds of the amount in excess of the 4% Unappropriated Reserve ($29.0 million) was transferred to the Highway Users Tax Fund and one-third of such excess ($14.5 million) was transferred to the Capital Construction Fund.

Fiscal Year 2006-07. General Fund revenues increased by 8.3% in Fiscal Year 2006-07 compared to an increase of 13.1% in Fiscal Year 2005-06. In Fiscal Year 2006-07, sales and use tax revenues increased by 4.1% compared to an increase of 5.7% in Fiscal Year 2005-06. The "Other Revenue" category of General Fund revenues decreased by 7.2% partially due to a $6.0 million, or 88.5%, decrease in estate taxes which was due to the nearly complete phase out of federal estate taxes and related credit claimed by the State against those taxes. Total available funds for Fiscal Year 2006-07 (which excludes the amount deposited to the State Education Fund) were $7,562.9 million and total obligations were $7,046.6 million. In accordance with Amendment 23, $395.1 million was transferred to the State Education Fund, and in accordance with SB 97-1, $228.6 million was transferred to the Highway Users Tax Fund. The General Fund year-end reserve was $516.3 million, which was allocated as follows: $267.0 million constituted the statutorily required 4% Unappropriated Reserve, and in accordance with HB 02-1310, two-thirds of the Unappropriated Reserve in excess of the 4% Unappropriated Reserve requirement ($166.2 million) was transferred to the Highway Users Tax Fund and one-third of such excess ($83.1 million) was transferred to the Capital Construction Fund.

Fiscal Year 2005-06. General Fund revenues (including deposits to the State Education Fund per Amendment 23) grew 13.1% in Fiscal Year 2005-06, compared to an increase of 7.1% in Fiscal Year 2004-05. Sales and use tax revenues increased 5.7% in Fiscal Year 2005-06 compared to an increase of 5.2% in Fiscal Year 2004-05. Individual income tax revenues increased 17.9%, compared to an increase of 7.6% in Fiscal Year 2004-05. Total available funds for Fiscal Year 2005-06 (which excludes the amount deposited to the State Education Fund) were $7,139.5 million and total obligations were $6,451.1 million. In accordance with Amendment 23, $357.2 million was transferred to the State Education Fund, and in accordance with SB 97-001, $220.4 million was transferred to the Highway Users Tax Fund. The General Fund year-end reserve was $688.4 million, which was allocated as follows: $251.7 million constituted the statutorily required 4% Unappropriated Reserve, and in accordance with HB 02-1310, two-thirds of the Unappropriated Reserve in excess of the 4% Unappropriated Reserve requirement ($291.1 million) was transferred to the Highway Users Tax Fund and one-third of such excess ($145.6 million) was transferred to the Capital Construction Fund.

Revenue Estimation

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. The General Assembly is required to certify to the State Controller by February 1st of each year the revenue estimate for the next Fiscal Year, taking into consideration the estimates of the OSPB and the staff of the Colorado Legislative Council. No later than June 20th prior to the beginning of each Fiscal Year, and no later than September 20th, December 20th and March 20th within each Fiscal Year, the Governor, with the assistance of the State Controller and the OSPB, is required to make an estimate of General Fund revenues for the current and certain future years. The revenue estimates are not binding on the General Assembly in determining the amount of General Fund revenues available for appropriation for the ensuing Fiscal Year. The revenue estimates may be subject to more frequent review and adjustment in response to significant changes in economic conditions, policy decisions and actual revenue flow.

The OSPB begins estimating revenue by obtaining macroeconomic forecasts for national and State variables. The national forecast was provided by Action Economics for the OSPB September 2010 Revenue Forecast. 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. Action Economics' 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 series 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 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 the Governmental Accounting Standards Board ("**GASB**"), with certain statutory exceptions. As a result, although the Fiscal Year budgets are balanced and, based upon current forecasts, 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.

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

The OSPB September 2010 Revenue Forecast projected a Fiscal Year 2010-11 shortfall in excess of one-half of the 4% Unappropriated Reserve requirement for such Fiscal Year, and thus, in October 2010, the Governor implemented the procedures described below for Fiscal Year 2010-11. See "Budgetary Reduction Measures for Fiscal Year 2010-11" and "OSPB Revenue and Economic Forecasts – Revenue Forecast" below.

Budgetary Reduction Measures for Fiscal Year 2010-11. Based on the June 21, 2010 OSPB economic and revenue forecast, Fiscal Year 2010-11 General Fund appropriations exceeded projected revenues for that Fiscal Year by $59.1 million. The Governor's Office therefore submitted a budget balancing plan to the Joint Budget Committee on August 23, 2010 to address this $59.1 million shortfall, as well as an additional $67.2 million shortfall associated with anticipated Medicaid federal funds falling below previously budgeted levels, and the associated $1.3 million General Fund reserve adjustment. The net budget balancing plan on August 23, 2010 was therefore for $127.6 million. While many of the Governor's budget balancing actions have already been made operational through actions taken by the executive branch, as required by statute, the General Assembly must adopt certain portions of the Governor's plans through legislative action prior to the Fiscal Years 2010-11 budget being balanced.

The OSPB September 2010 Revenue Forecast states that after adjusting for the August 23, 2010 budget balancing action taken by the Governor, a revised shortfall is projected at $256.9 million for Fiscal Year 2010-11. On October 22, 2010, the Governor presented a budget balancing plan providing balancing measures totaling $296.5 million to the General Fund, including $226.6 million in General Fund expenditures reduction (primarily to K-12 education programs), $65.4 million associated with net transfers to the General Fund from other cash funds (primarily from severance tax funds) and $4.5 million reflecting a reduction of the Unappropriated Reserve since such reserve is a percentage of the Fiscal Year 2010-11 General Fund expenditures which are to be reduced.

The next OSPB revenue forecast will be released on December 20, 2010. General Fund revenue projections in the new forecast may be materially different from the OSPB September 2010 Revenue Forecast and may project an additional revenue shortfall. Due to the volatility in the State and national economies, on average the last six OSPB forecasts have been significantly lower than the immediately preceding forecast, and such volatility may be reflected in the December 2010 forecast. If an additional revenue shortfall is projected for Fiscal Year 2010-11, further budget cuts will be necessary to ensure a balanced budget. See "INVESTMENT CONSIDERATIONS – Projected Fiscal Year 2010-11 Budgetary Shortfall."

OSPB Revenue and Economic Forecasts

The OSPB prepares quarterly revenue estimates and is currently forecasting for Fiscal Year 2010-11 through Fiscal Year 2012-13. 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 September 20, 2010, and is summarized below.

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

Revenue Forecast. Based on the 2010 legislative session, Fiscal Year 2010-11 General Fund appropriations subject to limitation under 24-75-201.1, C.R.S. equal $6,940.3 million, an increase of 4.7% over final Fiscal Year 2009-10 appropriations of $6,631.4 million. However, due to Fiscal Year 2009-10 and Fiscal Year 2010-11 budget balancing measures and the anticipated reduction in federal matching funds for Medicaid, Fiscal Year 2010-11 General Fund expenditure need is $93.0 million more than what is currently appropriated. Of this additional amount, $67.2 million is due to reductions at the national level regarding enhanced federal funding for Medicaid; $28.1 million is due to the two week delay in Medicaid provider payments at the end of Fiscal Year 2009-10 that increased Fiscal Year 2010-11 expenditures; $3.9 million is requested in September 20, 2010 emergency supplemental requests to the Joint Budget Committee; and all are partially offset by a reduction of $6.2 million in General Fund expenditures resulting from the Governor's August 23 budget balancing plan. After incorporating these additional General Fund obligations, the forecast projects that General Fund obligations exceed projected revenues, after maintaining one-half of the current statutory reserve requirement of 4.0%, by $256.9

million. See "Budgeting Reduction Measures for Fiscal Year 2010-11" above for a description of the Governor's proposed budget balancing plan in response to such projected shortfall.

The OSPB September 2010 Revenue Forecast projects revenues adequate to maintain the Fiscal Year 2011-12 minimum reserve required in Section 24-75-201.1, C.R.S. and to appropriate General Fund expenditures as high as $7,055.7 million, which is $279.3 million (4.1%) over projected Fiscal Year 2010-11 levels after adjusting for the current year projected shortfall. This increase in appropriations is slight considering continued high caseload levels for Medicaid and Corrections which are typical after recessionary periods, projected loss of enhanced federal financial participation in Medicaid when stimulus funding expires, and returning the General Fund Unappropriated Reserve to a full 4.0% statutory level.

See also "General Fund Overview" and "Revenue Estimation – Budgetary Reduction Measures for Fiscal Year 2010-11" above.

Economic Forecast. The OSPB quarterly revenue forecasts also include both Colorado and national economic forecasts. Slowing growth at the national level introduces new uncertainty at the State level. Reinforced by the summer months of 2010 providing less than expected economic improvement locally, mixed signals exist regarding the speed of economic recovery in Colorado. With little improvement seen in both employment and personal income growth in Colorado, downward revisions to previous OSPB projections were necessitated.

Employment

Employment growth in Colorado has yet to develop any discernable trend. Seasonally-adjusted nonagricultural employment has continued to decrease through April 2010. After a loss in June of 3,400 jobs, Colorado added just 1,900 jobs in July 2010.

Colorado nonagricultural employment decreased by 4.5% in 2009 and is expected to contract again at an annual rate of 1.7% for 2010. Education, health care, financial, and government sectors have been experiencing job gains through the second quarter of 2010, but it will take job gains across all of Colorado's diverse economy to erase the losses experienced during the recession. Employment growth of 1.7% is expected on average from 2011 through 2013.

The unemployment rate in Colorado is forecast by the OSPB at 7.9% for 2010. That is up from 7.3% for 2009; however, this 2010 projection is nearly two percentage points below the forecasted national rate. The return of discouraged workers to the labor force will keep the unemployment rate above 6.0% through the forecast horizon.

Inflation

The Consumer Price Index ("**CPI**") measures the average price of a specified market basket of goods and services purchased by consumers. Measured by the federal Bureau of Labor Statistics every six months for the Denver-Boulder-Greeley metropolitan area, the CPI identifies price fluctuations for many components, including: food, housing, medical care, transportation, education, energy, entertainment, etc.

As is the case at the national level, inflation expectations in Colorado are quite moderate in the near term. Calendar year 2009 realized an annual deflation rate of 0.6% in Colorado. Sluggish employment growth and weak personal consumption should hold inflation below historical averages in 2010.

The OSPB forecast is unchanged from its June 2010 forecast and projects 1.0% annual inflation in Colorado during 2010 with only modest increases throughout the forecast period.

Wages and Income

The first quarter of 2010 was the third consecutive quarterly increase in Colorado personal income since early 2008. Although Colorado is seeing growth in personal income, the driver of that growth has not been wage growth. Rather, transfer receipts have been the supporting factor for most of the increases experienced as thousands of displaced workers continue to receive social benefits from the State. As such, despite growth in total, personal income growth attributable to economic stability has not yet materialized.

Personal income is closely linked to employment growth in Colorado. As the employment situation improves and Colorado begins to experience consistent job growth, personal income should benefit. Colorado personal income is forecast to increase by 1.7% in 2010. Annual average growth for personal income of 4.2% is forecast from 2010 through 2013.

Population and Migration

Population in Colorado is forecast to grow by 1.7% in 2010. The population growth rate has remained relatively steady over the past five years and is forecast to remain near 1.7% through 2013. The 2010 forecast shows migration of 43,659 equating individual reactions to Colorado receiving attention throughout the recession for being a job creation leader.

Construction

Colorado nonresidential construction activity has continued to deteriorate since 2008. Colorado experienced back-to-back contractions in nonresidential construction of 12.5% and 22.4% during 2008 and 2009. Calendar year 2010 is forecast to decrease another 21.0%. The historically low interest rate environment present in the U.S. capital markets has yet to spur a return to nonresidential construction spending. This could be in part due to businesses' uncertain outlook towards the economy.

Residential housing permits in Colorado ended down 50.5% in 2009. The OSPB forecast for 2010 is an increase of 19.3% in permits. This is significantly reduced from the June forecast of a 44.8% increase. The removal of the federal home-buyer tax credit in late spring has brought new housing construction to a standstill. Weakness in both existing and new home sales has continued through the summer, and it is uncertain as to when the Colorado housing market will return to robust growth.

Metropolitan Home Price Values

Colorado home prices have fared better than the nation as a whole throughout the recession. The impending expiration of the federal home-buyer tax credit in April 2010 may have given some artificial support to Denver area home prices throughout the spring of 2010. Although year-over-year gains are still being seen in Denver, the past three month-over-month price changes have shown declining metro-area home prices.

Retail Trade

The current recession has had a marked impact on the Colorado consumer. Weak labor market conditions and decreases in household wealth have introduced significant uncertainty into future consumer behavior. Retail trade decreased 10.5% in 2009. As labor market conditions improve and personal income increases, retail purchases are anticipated to benefit. OSPB has lowered its September 2010 forecast for retail trade based on a higher national savings rate and weakening consumer confidence throughout the summer months. Projected retail trade growth of 5.4% is forecast for 2010.

Historical and Projected Key Colorado Economic Variables. See also **Appendix B** – "CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION" for additional information relating to State's economy.

State of Colorado
History and Forecast of Key Colorado Economic Indicator Variables
(Calendar Years)

	Actual				OSPB Estimate	
	2006	**2007**	**2008**	**2009**	**2010**	**2011**
Current Income:						
Personal Income (billions)	$194.4	$205.5	$212.3	$207.7	$211.2	$220.0
Change from Prior Year	8.2%	5.7%	3.3%	-2.2%	1.7%	4.2%
Wage and Salary Income (billions)	$105.8	$112.6	$116.6	$112.6	$113.0	$118.3
Change from Prior Year	7.0%	6.4%	3.6%	-3.5%	0.4%	4.7%
Per Capita Income ($/person)	$40,912.0	$42,444.0	$42,985.0	$40,961.6	$40,959.6	$41,987.9
Change from Prior Year	6.2%	3.7%	1.3%	-4.7%	0.0%	2.5%
Population and Employment:						
Population (thousands)	4,802.7	4,892.1	4,982.9	5,070.6	5,156.3	5,239,6
Change from Prior Year	1.9%	1.9%	1.9%	1.8%	1.7%	1.6%
Net Migration (thousands)	47.9	49.1	51.9	47.5	43.7	39.2
Civilian Unemployment Rate	4.4%	3.9%	4.9%	7.3%	7.9%	7.7%
Total Nonagricultural Employment (thousands)	2,279.1	2,331.3	2,350.3	2,244.2	2,207.0	2,235.0
Change from Prior Year	2.4%	2.3%	0.8%	-4.5%	-1.7%	1.3%
Construction Variables:						
Total Housing Permits Issued (thousands)	38.3	29.5	19.0	9.4	11.2	12.0
Change from Prior Year	-16.4%	-23.2%	-35.5%	-50.5%	19.3%	7.0%
Nonresidential Construction Value (millions)	3,242.0	3,578.8	3,130.7	2,430.5	1,921.1	2,502.1
Change from Prior Year	-2.2%	10.4%	-12.5%	-22.4%	-21.0%	30.2%
Prices and Sales Variables:						
Retail Trade Sales (billions)[1]	$70.4	$75.4	$74.8	$66.9	$70.5	$75.6
Change from Prior Year	7.6%	7.0%	-0.8%	-10.5%	5.4%	7.2%
Denver-Boulder-Greeley CPI (1982-84=100)	197.7	202.0	209.9	208.5	210.5	214.3
Change from Prior Year	3.6%	2.2%	3.9%	-0.6%	1.0%	1.8%

Source: OSPB September 2010 Revenue Forecast

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.

Moneys invested by the State Treasurer are valued and "marked to market" on a monthly basis according to market prices provided by J.P. Morgan Chase, the State Treasury's investment safekeeping bank.

Fiscal Years 2009-10 and 2010-11 (First Four Months) 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 Year 2009-10 and first four months of Fiscal Year 2010-11.

State of Colorado
State Pool Portfolio Mix
Fiscal Year 2009-10
(Amounts expressed in millions)(1

	Jul 2009	Aug 2009	Sept 2009	Oct 2009	Nov 2009	Dec 2009	Jan 2010	Feb 2010	Mar 2010	Apr 2010	May 2010	Jun 2010
Agency CMOs	$287.2	$279.9	273.4	$312.2	$305.8	$ 299.3	$292.6	$316.3	$335.3	$327.4	$320.2	$313.0
Commercial Paper	100.0	0.0	0.0	0.0	40.0	419.9	350.0	136.0	245.0	110.0	180.0	214.9
U.S. Treasury Notes	657.2	647.1	656.6	661.3	631.2	680.6	680.4	685.6	730.5	740.3	675.3	675.2
Federal Agencies	3,928.6	3,543.6	3,506.7	3,433.6	3,021.9	2,515.9	3,065.5	3,003.6	3,089.9	3,697.3	3,792.2	3,586.7
Asset-Backed Securities	606.0	580.9	553.6	542.3	532.6	521.1	513.4	492.6	482.6	467.8	432.2	400.0
Money Market	372.0	357.0	267.0	235.0	300.0	300.0	300.0	280.0	195.0	140.0	180.0	190.0
Corporates	385.6	385.6	368.8	355.6	371.0	373.0	365.1	385.1	380.1	374.2	367.7	379.7
Certificates of Deposit	46.5	41.0	38.5	36.7	31.3	31.0	30.5	30.5	30.5	30.4	29.5	27.3
Totals	$6,383.1	$5,835.1	$5,664.6	$5,576.7	$5,233.8	$5,140.8	$5,597.5	$5,329.7	$5,488.9	$5,887.4	$5,977.1	$5,786.8

(1) This table includes all moneys in the State pool, which includes the General Fund and other moneys that are invested by the State Treasurer.

Source: State Treasurer's Office

State of Colorado
Portfolio Mix
First Four Months of Fiscal Year 2010-11
(Amounts expressed in millions)(1)

	July 2010	August 2010	September 2010	October 2010
Agency CMO's	$ 306.0	$ 299.2	$ 291.7	$ 283.8
Commercial Paper	118.0	205.0	322.0	65.0
U.S. Treasury Notes	675.2	675.1	675.1	675.1
Federal Agencies	3,348.0	2,813.0	2,772.0	2,829.1
Asset-Backed Securities	386.5	367.1	350.4	316.0
Money Market	200.0	185.0	200.0	160.0
Corporates	364.6	357.9	370.8	368.3
Certificates of Deposit	25.8	24.0	21.8	21.5
	$5,424.1	$4,926.3	$5,003.8	$4,718.8

(1) This table includes all moneys in the State pool, which includes the General Fund 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 Treasurer has certain administrative powers to remedy negative balances, including the ability to both 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 2010 NOTES – Authorization," "FINANCIAL OPERATIONS – The Treasurer" and "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE."

The following tables present on a cash basis the actual cash flows of the General Fund for Fiscal Year 2009-10, and the actual and estimated cash flows for the General Fund for Fiscal Year 2010-11, 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 Treasurer to arrive at a cash basis presentation, and should be read in conjunction with the information provided in "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE."

The monthly cash flow projections are based upon (i) the General Fund appropriations for Fiscal Years 2009-10 and 2010-11 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 September 2010 Revenue Forecast discussed in "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE – OSPB Revenue and Economic Forecasts." Unforeseen events or variations from underlying assumptions may cause an increase or decrease in receipts and/or disbursements from those projected for a given month, which may adversely affect the projections of cash flow estimated for Fiscal Year 2010-11. Additionally, the timing of transactions from month to month may vary from the forecasts. Therefore, there are likely to be differences between forecasted and actual results, and such differences may be material. See the inside cover of this Official Statement regarding forward-looking statements.

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State of Colorado
Actual General Fund Cash Flow
Fiscal Year 2009-10
Current Law

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

	Jul 2009	Aug 2009	Sept 2009	Oct 2009	Nov 2009	Dec 2009	Jan 2010	Feb 2010	Mar 2010	Apr 2010	May 2010	Jun 2010	Total
Beginning Cash and Investments Balance	$ 278.3	--	--	--	--	--	--	--	--	--	--	--	
Revenues:													
General Fund Revenue:													
Sales and Use Tax	$ 172.5	$ 173.0	$ 179.9	$ 173.5	$ 163.1	$ 165.3	$ 198.2	$ 150.1	$ 152.3	$ 170.1	$ 164.5	$ 116.6	$ 1,979.1
Income Tax	309.7	257.1	360.3	329.2	293.4	311.5	440.7	126.8	160.1	457.9	316.9	413.4	3,777.0
Corporate Tax	5.4	3.1	73.6	27.6	(21.2)	30.0	25.3	4.0	41.3	66.7	13.6	80.6	350.0
Other	58.4	16.7	17.9	41.0	28.2	0.1	19.4	51.7	63.4	125.2	43.5	167.8	633.3
Total General Fund Revenue	546.0	449.9	631.7	571.3	463.5	506.9	683.6	332.6	417.1	819.9	538.5	778.4	6,739.4
Augmenting Revenue – Primarily Federal Revenue[1]	184.9	386.1	437.4	350.8	493.3	483.0	372.9	443.0	483.4	330.6	447.7	1,106.6	5,519.7
Total Revenues	730.9	836.0	1,069.1	922.1	956.8	989.9	1,056.5	775.6	900.5	1,150.5	986.2	1,885.0	12,259.1
Expenditures: [1]													
Payroll	133.3	122.5	114.7	115.4	114.4	95.1	112.1	108.2	109.6	106.2	107.6	125.9	1,365.0
Medical Assistance	250.2	311.1	226.1	223.1	337.3	285.7	192.9	309.6	245.4	410.7	409.1	279.0	3,480.2
Public School Distribution	782.1	(12.1)	774.0	0.2	1.7	769.3	2.8	0.3	769.6	0.3	0.2	2.0	3,090.4
Higher Education Distribution	4.0	42.7	0.0	8.0	4.0	36.9	0.0	0.0	0.1	0.0	0.0	(2.1)	93.6
Grants and Contracts	43.2	256.3	304.4	203.4	235.4	290.6	247.8	238.0	269.7	235.4	242.0	434.6	3,000.8
Other	125.1	214.6	98.8	111.7	129.8	132.2	66.7	98.2	67.9	(39.1)	37.8	158.4	1,202.1
Total Expenditures	(1,337.9)	(935.1)	(1,518.0)	(661.8)	(822.6)	(1,609.8)	(622.3)	(754.3)	(1,462.3)	(713.5)	(796.7)	(997.8)	(12,232.1)
Total Revenues and Beginning Cash and Investments Minus Total Expenditures	(328.7)	(99.1)	(448.9)	260.3	134.2	(619.9)	434.2	21.3	(561.8)	437.0	189.5	887.2	305.3
Revenue Accrual Adjustment	116.8	(16.6)	(31.7)	51.2	(79.6)	48.7	10.0	13.6	(36.1)	3.3	7.4	(54.3)	32.7
Expenditure Accrual Adjustment	(280.2)	69.0	(1.2)	(85.2)	51.6	28.9	(10.3)	(18.6)	76.3	79.9	(145.6)	256.1	20.7
Extraordinary Items Impacting Cash:													
TABOR Refund	--	--	--	--	--	--	--	--	--	--	--	--	0.0
Net Transfer In/Out – From/To Cash Funds Per Statute	(319.4)	--	--	--	--	--	--	--	12.3	--	--	--	(307.1)
Homestead Exemption	--	--	--	--	--	--	--	--	--	(1.0)	--	--	(1.0)
General Fund Series 2009A Notes – Including Interest	659.4	--	--	--	--	--	--	--	--	--	--	(662.1)	(2.7)
Capital Construction Transfer	(2.0)	--	--	--	--	--	--	--	--	--	--	--	(2.0)
Reserve Transfer to Highway Users Tax Fund	--	--	--	--	--	--	--	--	--	--	--	--	0.0
Reserve Transfer to Capital Construction Fund	--	--	--	--	--	--	--	--	--	--	--	--	0.0
Actual/Projected Monthly Cash Change	(154.1)	(46.7)	(481.8)	226.3	106.2	(542.3)	433.9	16.3	(509.3)	519.2	51.3	426.9	45.9
General Fund Cash Balance End of Month	**$ (154.1)**	**$(200.8)**	**$ (682.6)**	**$ (456.3)**	**$(350.1)**	**$ (892.4)**	**$ (458.5)**	**$ (442.2)**	**$ (951.5)**	**$ (432.3)**	**$ (381.0)**	**$ 45.9**	--

[1] Balances do not reflect receipt or expenditure of the Recovery Act funds.

Source: State Treasurer's Office

State of Colorado
Actual and Estimated General Fund Cash Flow
Fiscal Year 2010-11
Current Law
(Amounts expressed in millions; totals may not add due to rounding)

	Actual				Estimated[1]								
	Jul 2010	**Aug 2010**	**Sept 2010**	**Oct 2010**	**Nov 2010**	**Dec 2010**	**Jan 2011**	**Feb 2011**	**Mar 2011**	**Apr 2011**	**May 2011**	**Jun 2011**	**Total**
Beginning Cash and Investments Balance	$ 46.0												
Revenues:													
General Fund Revenue:													
Sales and Use Tax	$ 184.9	$ 163.1	$ 189.2	$ 186.5	$ 172.0	$ 174.3	$ 209.0	$ 158.2	$ 160.6	$ 179.3	$ 173.4	$ 186.3	$ 2,136.8
Individual Income Tax	288.0	300.9	406.0	286.2	313.8	333.2	431.4	115.6	171.2	489.8	339.0	448.7	3,923.7
Corporate Income Tax	(10.9)	9.4	86.2	13.5	(23.5)	33.2	28.0	4.4	45.8	73.9	15.1	76.2	351.4
Other	57.3	17.1	12.6	38.9	(15.7)	(37.2)	12.2	42.4	23.9	153.6	(30.5)	123.6	398.2
Total General Fund Revenue	519.3	490.5	694.0	525.1	446.6	503.5	680.6	320.7	401.5	896.6	496.9	834.8	6,810.0[2]
Augmenting Revenue – Primarily Federal Revenue[2]	255.1	485.5	540.7	373.6	444.1	462.5	377.3	430.3	464.7	343.9	423.8	1,041.4	5,642.8
Total Revenues	774.4	976.0	1,234.7	898.7	890.7	966.0	1,057.8	751.0	866.2	1,240.5	920.7	1,876.1	12,452.8
Expenditures:[2]													
Payroll	121.2	126.9	115.0	115.0	115.5	96.0	113.2	109.3	110.7	107.2	108.7	125.6	1,364.3
Medical Assistance	348.8	352.9	292.9	287.1	345.2	292.4	197.4	316.8	251.1	420.3	418.6	280.2	3,803.6
Public School Distribution	845.0	4.1	665.4	1.8	1.8	810.1	2.9	0.3	810.5	0.3	0.2	2.1	3,144.6
Higher Education Distribution	0.0	46.8	0.0	4.0	1.6	14.8	0.0	0.0	0.0	0.0	0.0	(0.8)	66.4
Grants and Contracts	49.5	281.1	336.4	159.2	246.8	304.7	259.8	249.6	282.8	246.8	253.7	285.8	2,956.3
Other	108.3	223.3	85.8	110.0	100.6	292.7	125.7	92.1	85.8	(20.1)	(79.9)	247.3	1,371.4
Total Expenditures:	(1,472.8)	(1,035.1)	(1,495.5)	(677.1)	(811.5)	(1,810.7)	(699.1)	(768.0)	(1,540.9)	(754.5)	(701.3)	(940.2)	(12,706.6)[2]
Total Revenues and Beginning Cash and Investments Minus Total Expenditures	(652.4)[1]	(59.1)	(260.8)	221.6	79.2	(844.7)	358.7	(17.0)	(674.7)	486.0	219.4	936.0	(207.8)[1]
Revenue Accrual Adjustment	119.9	(44.6)	7.2	46.7	(32.1)	4.5	2.0	(0.3)	(1.9)	10.2	(52.5)	(17.6)	41.5
Expenditure Accrual Adjustment	(213.1)	97.7	(1.5)	(88.1)	20.4	(6.3)	17.6	(11.3)	8.8	45.9	(13.8)	(191.1)	(334.7)
Extraordinary Items Impacting Cash:													
Net Transfer In/Out – From/To Cash Funds Per Statute	--	--	--	--	--	--	--	--	--	--	--	--	0.0
Homestead Exemption	--	--	--	--	--	--	--	--	--	(1.0)	--	--	(1.0)
The Series 2010 Notes – Including Interest	--	--	--	--	--	500.0	--	--	--	--	--	(500.8)	(0.8)
Capital Construction Transfer	--	--	--	--	--	--	--	--	--	--	--	--	0.0
Reserve Transfer to Highway Users Tax Fund	--	--	--	--	--	--	--	--	--	--	--	--	0.0
Reserve Transfer to Capital Construction Fund	--	--	--	--	--	--	--	--	--	--	--	--	0.0
Actual/Projected Monthly Cash Change	(745.6)	(6.0)	(255.1)	180.2	67.6	(346.5)	378.3	(28.6)	(667.9)	541.1	153.1	226.5	(502.8)
General Fund Cash Balance End of Month	**$ (745.6)**	**$ (751.6)**	**$(1,006.7)**	**$(826.5)**	**$(758.9)**	**$(1,105.4)**	**$ (727.0)**	**$(755.6)**	**$(1,423.5)**	**$ (882.3)**	**$(729.2)**	**$ (502.8)**	**--**

[1] General Fund revenues are derived from the OSPB September 2010 Revenue Forecast, and all other amounts are estimates made by the Treasurer's office. No representation or guaranty is made herein that such forecasted amounts will be realized.

[2] Balances do not reflect receipt or expenditure of the Recovery Act funds.

Source: State Treasurer's Office

BORROWABLE RESOURCES

The Pledged Revenues include, to the extent permitted by law, any Borrowable Resources.

Borrowable Resources consist of over 600 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 "FINANCIAL OPERATIONS – Investment and Deposit of State Funds" and "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE – Investment of the State Pool."

The ability of the Treasurer to pay the Series 2010 Notes from Borrowable Resources will depend upon the availability of funds in the State Treasury that are eligible for investment. See "GENERAL FUND CASH FLOW" above. 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 actual Borrowable Resources for Fiscal Year 2009-10 and actual and estimated Borrowable Resources for Fiscal Year 2010-11. The estimates in the table are based on various assumptions made by the Treasurer's office, which are subject to uncertainties. Inevitably, some assumptions used to develop the forecasted amounts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecasted amounts in the table and the amounts ultimately realized, and such differences may be material. See the inside cover of this Official Statement regarding forward-looking statements.

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State of Colorado
Actual Borrowable Resources
Fiscal Year 2009-10[1, 2]
(Amounts expressed in millions; totals may not add due to rounding)

	Jul 2009	**Aug 2009**	**Sep 2009**	**Oct 2009**	**Nov 2009**	**Dec 2009**	**Jan 2010**	**Feb 2010**	**Mar 2010**	**Apr 2010**	**May 2010**	**Jun 2010**
State & Local Severance Tax Funds	$ 387.0	$ 383.1	$ 333.7	$ 338.7	$ 332.5	$ 333.6	$ 327.0	$ 329.0	$ 322.5	$ 255.2	$ 252.2	$ 244.9
Mineral Impact Fund	126.8	131.4	89.3	92.7	93.0	81.4	86.4	97.3	78.9	91.6	101.8	85.0
Tobacco Settlement Funds	22.3	21.1	21.1	19.1	18.2	16.7	15.2	12.4	12.0	91.1	90.3	19.6
Children's Basic Health Plan	22.5	17.3	26.9	12.1	5.5	6.9	2.4	(0.5)	0.8	(0.4)	0.0	0.8
Public Safety Communications	1.3	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Colo Student Obligation Bond Authority- Admin	10.5	9.3	23.7	32.6	35.7	25.4	16.1	14.0	16.6	22.1	20.0	23.2
Subsequent Injury and Major Medical Funds	0.0	1.8	1.8	5.6	5.5	5.3	6.7	15.5	0.0	0.0	0.0	0.0
Water Conservation Construction Fund	94.5	96.0	97.5	96.3	94.3	97.1	100.4	99.2	100.8	79.3	81.3	83.4
Capital Construction Fund	179.5	169.2	151.5	140.4	132.6	122.2	117.4	110.5	100.7	97.5	88.1	77.0
Lottery Fund	43.8	53.9	32.0	41.3	51.0	27.4	41.7	54.1	35.1	49.1	59.6	41.2
Limited Gaming Fund	43.8	3.2	6.0	9.2	13.2	16.0	20.0	24.8	29.4	34.4	39.5	44.8
Hazardous Substance Fund	10.9	11.0	10.9	11.3	11.7	12.1	12.4	12.1	11.9	12.1	12.0	11.9
Worker's Compensation Fund	23.6	25.9	26.0	18.7	22.9	20.3	15.1	26.3	8.0	3.0	2.6	0.0
State Public School Fund	479.6	177.6	657.8	355.4	49.9	538.1	238.5	(59.3)	427.3	468.9	175.6	23.5
Higher Education Funds	975.2	898.7	985.3	986.9	899.6	931.6	1,154.3	1,152.6	1,076.6	1,009.9	983.4	1,099.5
Tobacco Tax Funds	175.0	183.7	183.3	177.9	180.4	173.0	173.8	176.8	157.7	168.9	178.2	92.4
Other Borrowable Resources	1,293.7	1,471.2	1,334.8	1,347.0	1,337.8	1,387.9	1,392.3	1,339.7	1,383.0	1,497.4	1,639.1	684.8
Total Borrowable Resources	3,890.0	3,655.7	3,981.6	3,685.2	3,283.8	3,795.0	3,719.7	3,404.5	3,761.3	3,880.1	3,723.7	2,532.0
Total General Fund	(154.1)	(200.8)	(682.6)	(456.3)	(350.1)	(892.4)	(458.5)	(442.2)	(951.5)	(432.3)	(381.0)	45.9
Less: Series 2009A Notes issued and outstanding	(650.0)	(650.0)	(650.0)	(650.0)	(650.0)	(650.0)	(650.0)	(650.0)	(650.0)	(650.0)	(650.0)	--
Net Borrowable Resources	$3,085.9	$2,804.9	$2,649.0	$2,578.9	$2,283.7	$2,252.6	$2,611.2	$2,312.3	$2,159.8	$2,797.8	$2,692.7	$2,577.9

[1] This table shows monthly balances for 16 individual funds plus the 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 Comprehensive Annual Financial Reports, which is presented on an accrual basis.

Source: State Treasurer's Office

State of Colorado
Actual and Estimated Borrowable Resources
Fiscal Year 2010-11[1, 2]

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

	Actual				Estimated[3]							
	Jul 2010	**Aug 2010**	**Sep 2010**	**Oct 2010**	**Nov 2010**	**Dec 2010**	**Jan 2011**	**Feb 2011**	**Mar 2011**	**Apr 2011**	**May 2011**	**Jun 2011**
State and Local Severance Tax Funds	$ 247.0	$ 246.0	$ 231.5	$ 240.1	$ 235.7	$ 196.5	$ 192.6	$ 193.8	$ 189.9	$ 110.3	$ 109.0	$ 85.9
Mineral Impact Fund	96.2	106.2	65.6	79.3	54.6	47.8	50.7	57.1	46.3	53.7	59.7	49.9
Tobacco Settlement Funds	2.9	2.9	2.9	2.9	2.8	0.5	0.5	0.4	0.4	7.9	7.9	1.7
Children's Basic Health Plan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	(1.5)	0.0	0.0
Public Safety Communications	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Colorado Student Obligation Bond Authority – Administration	22.9	23.3	28.8	28.0	30.7	21.8	13.8	12.0	14.3	19.0	17.2	19.9
Subsequent Injury and Major Medical Funds	0.0	4.5	4.4	4.4	4.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water Conservation Construction Fund	71.0	72.5	83.4	82.1	80.4	82.8	85.6	84.6	85.9	67.6	69.3	71.1
Capital Construction Fund	74.3	78.3	76.9	72.8	68.8	63.4	60.9	57.3	32.2	31.2	28.2	24.6
Lottery Fund	49.8	55.0	37.5	47.2	58.3	31.3	47.7	61.8	40.1	56.1	68.1	47.1
Limited Gaming Fund	45.9	2.9	4.7	8.1	11.6	14.0	17.5	21.7	25.7	30.1	34.6	39.2
Hazardous Substance Fund	12.7	12.6	13.0	13.0	13.5	13.9	14.3	13.9	13.7	13.9	13.8	13.7
Workers' Compensation Fund	2.1	17.2	22.2	19.9	24.4	21.6	16.1	28.0	8.5	3.2	2.8	0.0
State Public School Fund	571.5	303.9	701.7	386.6	54.3	585.3	259.4	(4.5)	92.5	101.5	38.0	5.1
Higher Education Funds	948.2	1,166.9	1,286.9	1,246.3	1,136.1	1,176.5	1,457.7	1,455.6	1,359.6	1,275.3	1,241.9	1,388.5
Tobacco Tax Funds	104.1	112.0	94.7	109.0	110.5	91.0	91.4	93.0	82.9	88.8	93.7	48.6
Other Borrowable Resources	853.1	940.4	912.7	809.3	803.8	833.9	836.5	804.9	830.9	899.7	984.8	454.1
Total Borrowable Resources	3,101.7	3,144.6	3,566.9	3,149.0	2,689.5	3,180.2	3,144.6	2,879.5	2,825.9	2,756.8	2,768.9	2,249.3
Total General Fund	(745.6)	(751.6)	(1,006.7)	(826.5)	(758.9)	(1,105.4)	(727.0)	(755.6)	(1,423.5)	(882.3)	(729.2)	(502.8)
Less: Notes Issued and Outstanding	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net Borrowable Resources	$2,356.1	$ 2,393.0	$2,560.2	$2,322.5	$1,930.6	$2,074.9	$2,417.5	$2,123.9	$ 1,402.5	$1,874.5	$2,039.7	$1,746.5

[1] This table shows monthly balances for 16 individual funds plus the 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 Comprehensive Annual Financial Reports, which is presented on an accrual basis.

[3] Amounts are estimates made by the Treasurer's office and are subject to change. No representation or guaranty is made herein that such estimates will be realized.

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. Accordingly, the State currently has, and upon issuance of the Series 2010 Notes will have, no outstanding general obligation debt.

The State has entered into lease-purchase agreements, including some providing security for outstanding certificates of participation, in order to finance various public projects. The obligations of the State to make lease payments beyond any current Fiscal Year are contingent upon appropriations by the General Assembly. At June 30, 2010, the minimum lease payments due under lease-purchase agreements entered into by the State were estimated to be $64.20 million (unaudited) in Fiscal Year 2010-11 and $80.83 million (unaudited) in Fiscal Year 2011-12. See Notes 24 and 39 to the financial statements included in the State's Fiscal Year 2008-09 Comprehensive Annual Financial Report and Notes 24 and 40 to the Fiscal Year 2009-10 Basic Financial Statements (unaudited) appended to this Official Statement as **Appendix A** for a discussion of the State's notes and bonds payable and material subsequent events that occurred after June 30, 2009 and after June 30, 2010, but before publication of the respective financial statements.

Separate from lease-purchase agreements, the State is authorized to enter into lease or rental agreements for buildings and/or equipment. All of the lease/rental agreements for buildings and/or equipment contain a stipulation that continuation of the lease is subject to funding by the State legislature. Historically, these leases have been renewed in the normal course of business and are therefore treated as non-cancelable for financial reporting purposes. At June 30, 2010, the minimum lease/rental payments due for buildings and/or equipment for Fiscal Year 2010-11 and Fiscal Year 2011-12 were estimated to be $87.63 million (unaudited) and $73.91 million (unaudited), respectively. See Note 22 to the unaudited Fiscal Year 2009-10 Basic Financial Statements appended to this Official Statement as part of **Appendix A**. On or about December 16, 2010, the State plans to enter into an additional annually renewable lease-purchase agreement to finance K-12 schools pursuant to the State's "Building Excellent Schools Today" program. There are no minimum lease payments scheduled under that lease-purchase agreement in Fiscal Year 2010-11

For the purpose of financing certain qualified federal aid transportation projects in the State, CDOT issues Transportation Revenue Anticipation Notes. At June 30, 2010, CDOT had outstanding $947.6 million (unaudited) in aggregate principal amount of such notes. These notes are payable solely from certain federal and State funds that are allocated on an annual basis by the State Transportation Commission, in its sole discretion. The allocated funds are expected to be comprised of highway moneys paid directly to CDOT by the U.S. Department of Transportation, and appropriations of revenues from the Highway Users Tax Fund allocated by statute to CDOT.

In addition to the obligations described above, State departments and agencies, including State institutions of higher education, 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, whose regents are elected, the institutions of higher education are governed by boards whose members are appointed by the Governor with the consent of the State Senate. For the outstanding aggregate principal amount of such bonds as of June 30, 2010, see Notes 24 and 40 to the

State's unaudited Fiscal Year 2009-10 Basic Financial Statements appended to this Official Statement as part of **Appendix A**.

State Employee Pension Plan

Most State employees participate in a defined benefit pension plan, which is a cost-sharing multiple-employer benefit plan administered by the Public Employees' Retirement Association ("**PERA**"). The PERA Health Care Trust Fund held by PERA is a post-employment cost-sharing multiple-employer benefit program 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 State has made all of the statutorily required contributions to the PERA Health Care Trust Fund. For additional information on the actuarially required contribution, see the Management's Discussion and Analysis and Notes 18, 19 and 20 to the State's Fiscal Year 2008-09 Comprehensive Annual Financial Report and the State's unaudited Fiscal Year 2009-10 Basic Financial Statements appended to this Official Statement as **Appendix A**. See also PERA's Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2009 at PERA's website (www.copera.org).

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. 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).

Prior to July 1, 2001, the Colorado Housing and Finance Authority ("**CHFA**") was permitted by statute to establish capital reserve funds for the purpose of paying debt service, and is required to request additional funding from the Governor and General Assembly if such reserve funds are depleted, although the General Assembly is not required to make an appropriation for such reserve funds. No request for additional funding to establish or replenish such reserve funds has ever been made by CHFA. Under generally accepted accounting principles for governments, CHFA is not a component unit of the State and therefore, it is not included in the State's Comprehensive Annual Financial Report and the State's unaudited Fiscal Year 2009-10 Basic Financial Statements.

Note Issues of the State

Under State law, the State Treasurer is authorized to issue and sell notes payable from the anticipated revenues of any one or more 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 2010 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 the proceeds of internal borrowing from State funds other than the General Fund. Since Fiscal Year 2003-04, the State has also issued education loan anticipation notes for local school districts in anticipation of local school district revenues to be collected at a later date. All tax and revenue anticipation notes previously issued by the State have been paid in full and on time. The State issued $325 million of Educational Tax Revenue Anticipation Notes in December 2010.

LITIGATION

No Litigation Affecting the Series 2010 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 2010 Notes or questioning or affecting the validity of the Series 2010 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 Treasurer to adopt the Authorizing Resolution and to secure the Series 2010 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 to $150,000 for injury to one person in any single occurrence and an aggregate of $600,000 for injury to two or more persons in any single occurrence, except that no one person may recover in excess of $150,000. The Immunity Act does not limit recovery against any 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 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 State employees sued in their official capacities under federal statutes when such actions are brought in federal court.

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 6(H), 6(I), 21 and 38 to the State's Fiscal Year 2008-09 Comprehensive Annual Financial Report and Notes 6(H), 6(I), 21 and 39 to the State's unaudited Fiscal Year 2009-10 Basic Financial Statements 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 38 to the financial statements in the State's Fiscal Year 2008-09 Comprehensive Annual Financial Report and Note 39 to the State's unaudited Fiscal Year 2009-10 Basic Financial Statements appended to this Official Statement as **Appendix A**. The State Attorney General does not believe that any actions described in that

Note, or any combination thereof, will result in a materially adverse effect with regard to the financial resources of the State, or the continuous operation thereof, or the security for the Series 2010 Notes. There can be no assurance, however, regarding the ultimate outcome of the actions described in Note 38 and Note 39, for the respective Fiscal Years, and no provision has been made in the financial statements related to the actions discussed in these Notes. The State Attorney General also does not believe that since June 30, 2010, there have been any material actions initiated in which the State is a defendant that will result in a materially adverse effect with regard to the financial resources of the State, or the continuous operation thereof, or the security for the Series 2010 Notes.

RATINGS

Moody's Investors Service, Inc. and Standard & Poor's, a division of The McGraw-Hill Companies, Inc., have assigned to the Series 2010 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 2010 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 2010 Notes. Neither the Treasurer nor its Financial Advisor undertakes any responsibility to oppose any such revision, suspension or withdrawal.

CONTINUING DISCLOSURE

In accordance with Securities and Exchange Commission Rule 15c2-12, the Treasurer undertakes in the Authorizing Resolution to provide or cause to be provided, so long as the Series 2010 Notes are outstanding, to the MSRB: (i) monthly disclosure of certain financial information concerning the Note Payment Account, Current General Fund Revenues, Borrowable Resources and the investment of moneys in the State pool; (ii) notice of any actual or projected deficiency in the Note Payment Account; and (iii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of certain other enumerated events, including, without limitation, principal and interest payment delinquencies, nonpayment related defaults (if and to the extent determined by the Treasurer to be material), adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability and certain other material notices or determinations with respect to the tax status of the Series 2010 Notes or events affecting the tax-exempt status of the Series 2010 Notes, modifications to rights of the registered owners of the Series 2010 Notes (if and to the extent determined by the Treasurer to be material), tender offers, defeasances and rating changes. Some of the foregoing information and notices are also required to be provided to DTC. See "THE SERIES 2010 NOTES – Security and Sources of Payment – *Note Payment Account;" " – Monthly Disclosure.*"

The obligations of the Treasurer pursuant to the undertaking are for the benefit of the registered owners and Beneficial Owners of the Series 2010 Notes, and, if necessary, may be enforced by such registered owners and Beneficial Owners by specific performance of such obligations by any judicial proceeding available. However, breach of the Treasurer's obligations of the undertaking 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 registered owners or Beneficial Owners of the Series 2010 Notes in such event.

During the previous five years, the Treasurer has complied, in all material respects, with the continuing disclosure undertakings entered into by the Treasurer pursuant to Rule 15c2-12.

LEGAL MATTERS

In connection with the issuance of the Series 2010 Notes, Sherman & Howard L.L.C., Denver, Colorado, as Bond Counsel, will deliver an opinion substantially in the form included in this Official Statement as "APPENDIX D – FORM OF OPINION OF BOND COUNSEL." See also "TAX MATTERS" below. Certain legal matters will be passed upon for the State by the Office of the Attorney General of the State and by Hogan Lovells US LLP, 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 2010 Notes.

TAX MATTERS

Federal Tax Treatment of Interest on the Series 2010 Notes

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Series 2010 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 2010 Notes (the "**Tax Code**"), and interest on the Series 2010 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 2010 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 2010 Notes. These requirements include: (a) limitations as to the use of proceeds of the Series 2010 Notes; (b) limitations on the extent to which proceeds of the Series 2010 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 2010 Notes above the yield on the Series 2010 Notes to be paid to the United States Treasury. The Treasurer has covenanted and represented in the Authorizing Resolution not to take or omit to take any action with respect to the Series 2010 Notes, the proceeds thereof or any other funds of the State if such action or omission would cause the interest on the Series 2010 Notes to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code. Bond Counsel's opinion as to the exclusion of interest on the Series 2010 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 Treasurer to comply with these requirements could cause the interest on the Series 2010 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 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 2010 Notes. Owners of the Series 2010 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 consequences. Certain of the Series 2010 Notes may be sold at a premium, representing a difference between the original offering price of those Series 2010 Notes and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such Series 2010 Notes (if any) may realize a taxable gain upon their disposition, even though such Series 2010 Notes are sold or redeemed for an amount equal to the owner's acquisition cost. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Series 2010 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 2010 Notes may be sold at a premium, representing a difference between the original offering price of those Series 2010 Notes and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such Series 2010 Notes may realize a taxable gain upon their disposition, even if such Series 2010 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 2010 Notes. If an audit is commenced, the market value of the Series 2010 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 Treasurer has covenanted in the Authorizing Resolution not to take any action that would cause the interest on the Series 2010 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 2010 Notes.

Colorado Tax Treatment of Series 2010 Notes

In the opinion of Bond Counsel, interest on the Series 2010 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 2010 Notes.

Other

Bond Counsel's opinion relates only to the exclusion of interest on the Series 2010 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 2010 Notes. Owners of the Series 2010 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 2010 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 2010 Notes, the exclusion of interest on the Series 2010 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 2010 Notes or any other date, or which could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the market value of the Series 2010 Notes. Owners of the Series 2010 Notes are advised to consult with their own tax advisors with respect to such matters.

UNDERWRITING

The Series 2010 Notes will be purchased from the State by J.P. Morgan Securities LLC pursuant to a competitive sale conducted by the State for an aggregate purchase price of $504,552,500 being the principal amount of the Series 2010 Notes plus an aggregate original issue premium of $4,575,000 and less an aggregate underwriting discount of $22,500.

FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Inc., Denver, Colorado, is acting as Financial Advisor to the State in connection with the issuance of the Series 2010 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 2010 Notes. However, the Financial Advisor 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. Pursuant to its contract with the State, the Financial Advisor is not permitted to submit a bid to purchase the Series 2010 Notes.

MISCELLANEOUS

The cover page, 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 2010 Notes, copies of the Authorizing Resolution and certain other documents referred to herein may be obtained from the Financial Advisor at Stifel, Nicolaus & Company, Inc., 1125 Seventeenth Street, Suite 1600, Denver, Colorado 80202, Attention: Vicki Mattox or Sara Brown, telephone number (303) 296-2300. So far as any statements made in this Official Statement involve matters of opinion, forecasts, projections or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

OFFICIAL STATEMENT CERTIFICATION

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

By: /s/ Cary Kennedy
Treasurer of the State of Colorado

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APPENDIX A

STATE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2009 AND STATE OF COLORADO UNAUDITED BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

(Pagination reflects the original printed document)

APPENDIX B

SELECTED 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 the State 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 from the sources indicated; however, certain information is released only after a significant amount of time has passed since the most recent date of the reported data, and therefore such information in many 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 "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE" – OSPB Revenue and Economic Forecasts."

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 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 capital, is the economic center of the State and the Rocky Mountain region. Fifty-six percent of the State's population and 61 percent of its jobs are located in the Denver/Boulder metropolitan area, which has become a hub for transportation, communication, finance, and banking. 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 "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE" – OSPB Revenue and Economic Forecasts."

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Population and Age Distribution

The following table provides population figures for the State and the United States since the 2000 census.

Population Estimates (as of July 1)

	Colorado		United States	
	Population (millions)	% Change	Population (millions)	% Change
2000	4.44		282.17	
2001	4.46	0.4%	285.08	1.0%
2002	4.53	1.6%	287.80	1.0%
2003	4.59	1.3%	290.33	0.9%
2004	4.65	1.4%	293.05	0.9%
2005	4.71	1.4%	295.75	0.9%
2006	4.81	2.0%	298.59	1.0%
2007	4.90	1.8%	301.58	1.0%
2008	4.99	1.9%	304.37	0.9%
2009	5.07	1.7%	307.01	0.9%
2010	5.16	1.7%	310.23	1.1%

Note: 2010 figures are forecasts.
Sources: Colorado Division of Local Government, State Demography Office; U.S. Census Bureau, Population Estimates Program.

The following table provides an age distribution for the State's population and the population nationwide.

Age Distribution as of July 1, 2009

	Colorado		United States	
	Population (millions)	% of total	Population (millions)	% of total
Under 18	1.24	24.5%	74.55	24.3%
18 to 24	0.55	10.8%	30.41	9.9%
25 to 44	1.41	27.8%	83.10	27.1%
45 to 64	1.36	26.8%	79.38	25.9%
65+	0.52	10.2%	39.57	12.9%
Total	5.07	100.0%	307.01	100.0%
Median Age	36.2		38.2	

Note: Totals may not add due to rounding.
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 the State, 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
2005	$38,555		$34,064		$35,424	
2006	$40,898	6.1%	$36,293	6.5%	$37,698	6.4%
2007	$42,367	3.6%	$37,767	4.1%	$39,458	4.7%
2008	$43,509	2.7%	$38,825	2.8%	$40,673	3.1%
2009	$41,839	-3.8%	$37,459	-3.5%	$39,626	-2.6%

[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 total employment, labor force, and unemployment statistics for the State.

Civilian Labor Force, Total Employment, and Unemployment Rates

	Colorado Civilian Labor Force (thousands)	% Change	Colorado Total Employment (thousands)[1]	% Change	Annual Average Unemployment Rate: Colorado	Annual Average Unemployment Rate: United States
2005	2,580.8		2,448.1		5.1%	5.1%
2006	2,642.7	2.4%	2,527.0	3.2%	4.4%	4.6%
2007	2,686.4	1.7%	2,582.5	2.2%	3.9%	4.6%
2008	2,730.4	1.6%	2,596.3	0.5%	4.9%	5.8%
2009	2,701.0	-1.1%	2,492.5	-4.0%	7.7%	9.3%
Year-to-date averages through September:						
2009	2,716.7		2,501.9		7.9%	9.2%
2010	2,660.7	-2.1%	2,445.4	-2.3%	8.1%	9.8%

[1]Includes the self-employed, unpaid family workers, and other groups not included in statistics that show employment by industry.
Sources: Colorado Department of Labor and Employment, Local Area Unemployment Statistics; U.S. Bureau of Labor Statistics.

The following table shows Colorado employment by industry from 2005 to first quarter 2010. 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 Number of Employees by Industry

Industry	2005	2006	2007	2008	2009	Year-to-Date 2009Q1	Year-to-Date 2010Q1	% Change
Private Sector								
Agriculture, Forestry, Fishing, and Hunting	14,960	14,834	14,550	14,087	13,737	12,327	11,972	-2.9%
Mining	17,007	20,680	25,019	28,335	24,004	27,002	22,648	-16.1%
Utilities	7,949	8,101	7,950	8,221	8,404	8,406	8,251	-1.8%
Construction	160,082	167,623	167,717	161,814	131,001	135,473	109,557	-19.1%
Manufacturing	150,573	148,848	146,737	144,157	129,635	133,957	123,603	-7.7%
Wholesale Trade	93,768	96,343	99,394	100,144	93,275	95,632	89,987	-5.9%
Retail Trade	246,015	248,443	253,590	252,691	238,417	239,059	231,691	-3.1%
Transportation and Warehousing	61,101	62,089	64,063	63,635	59,072	59,909	56,702	-5.4%
Information	77,435	75,614	76,197	76,963	74,679	76,273	72,059	-5.5%
Finance and Insurance	106,813	109,057	108,018	104,926	100,856	101,973	98,742	-3.2%
Real Estate and Rental and Leasing	46,844	47,690	47,861	46,874	42,930	44,208	41,565	-6.0%
Professional and Technical Services	155,979	162,988	170,603	176,440	169,561	174,400	166,722	-4.4%
Management of Companies and Enterprises	24,900	26,992	28,407	28,652	28,550	28,825	28,342	-1.7%
Administrative and Waste Services	135,273	141,856	149,081	146,446	132,028	127,855	124,961	-2.3%
Educational Services	24,823	25,754	26,975	27,701	28,049	28,094	28,766	2.4%
Health Care and Social Assistance	197,087	202,378	210,529	219,879	225,933	224,140	228,733	2.0%
Arts, Entertainment, and Recreation	43,211	44,226	44,627	45,656	44,555	46,081	46,108	0.1%
Accommodation and Food Services	214,146	220,745	225,787	227,251	217,785	216,252	211,763	-2.1%
Other Services	65,124	65,656	67,043	68,503	65,701	66,261	64,541	-2.6%
Unclassified	261	268	485	779	761	1,011	567	-43.9%
Government	345,972	351,372	358,016	367,712	372,472	370,710	373,526	0.8%
Total*	**2,189,321**	**2,241,556**	**2,292,649**	**2,310,868**	**2,201,406**	**2,217,847**	**2,140,806**	**-3.5%**

*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 as of 2009. 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 (2009)

Employer	Type of Business	Estimated Employees[1]
Wal-Mart	General Merchandise	25,960
Dillon Companies (King Soopers/City Market)	Supermarkets	18,600
Centura Health	Healthcare	13,000
Safeway Inc	Supermarkets	10,680
Lockheed Martin	Aerospace	9,010
HCA-HealthOne LLC	Healthcare	9,000
Qwest Communications International Inc	Telecommunications	8,300
Target Corporation	General Merchandise	7,980
University of Denver	Private University	6,190
Exempla Healthcare	Healthcare	6,100
Home Depot	Building Materials Retailer	5,960
Wells Fargo	Banking/Financial Services	5,700
Kaiser Foundation Health Plan of Colorado	Health Maintenance Organization	5,570
Comcast Colorado	Cable Service Provider	5,300
United Parcel Service	Delivery Services	4,790
United Airlines	Air Transportation	4,700
DISH Network LLC	Satellite Television	4,200
University of Colorado Hospital[2]	Healthcare	4,080
Frontier Airlines	Air Transportation	4,000
International Business Machines	Computer Systems and Services	3,800
Xcel Energy	Utility	3,690
Ball Corp	Containers, Aerospace	3,450
Oracle Corporation	Computer Hardware & Software	3,200
MillerCoors	Beverage Manufacturer	3,180
The Children's Hospital	Healthcare	3,140

[1]Includes both full- and part-time employees.
[2]Some workers are also included in the employment count for the University of Colorado System (next table).
Source: Colorado Department of Labor and Employment; Denver Business Journal *Book of Lists*.

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The following table shows the largest public sector employers in Colorado as of 2009.

Estimated Largest Public Sector Employers in Colorado (2009)

Employer	Estimated Employees[1]
Federal Government	37,300
State of Colorado	33,700
University of Colorado System[2]	14,790
City and County of Denver	13,000
Jefferson County Public Schools	12,840
Denver Public Schools	12,580
US Postal Service	11,300
Cherry Creek School District No 5	7,740
Douglas County School District RE-1	7,550
Colorado State University	6,510
Denver Health	5,160
Adams 12 Five Star Schools	5,050
Colorado Springs School District 11	4,960
Poudre School District R-1	4,110
Boulder Valley School District RE-2	4,040
Colorado Springs Memorial Hospital	4,020
Aurora Public Schools	4,000
St. Vrain Valley School District RE-1J	3,910
City of Aurora	3,840
Mesa County Valley School District 51	3,420
Academy Schools District No 20	3,230
Jefferson County	2,920
Thompson School District R2J	2,670
City of Colorado Springs	2,620
Greeley School District No 6	2,560

[1]Includes both full- and part-time employees.
[2]Some workers are also included in the employment count for the University of Colorado Hospital (previous table).
Source: Colorado Department of Labor and Employment; Denver Business Journal *Book of Lists*.

Retail Sales

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

Colorado Gross and Retail Sales

	Gross Sales		Retail Sales	
	Amount (billions)	**% Change**	**Amount (billions)**	**% Change**
2005	$165.54		$123.43	
2006	$186.68	12.8%	$135.69	9.9%
2007	$202.84	8.7%	$148.91	9.7%
2008	$212.88	4.9%	$152.81	2.6%
2009	$184.47	-13.3%	$134.12	-12.2%
Year-to-date totals through July:				
2009	$96.10		$73.73	
2010	$99.09	3.1%	$76.34	3.5%

Source: Colorado Department of Revenue.

The following table provides retail sales totals by industry for the past five years and year-to-date.

Colorado Retail Sales by Industry (millions) and Percentage Change from Prior Year[1]

Industry	2005	% Change	2006	% Change	2007	% Change	2008	% Change	2009	% Change	Year-to-date totals through July 2009	Year-to-date totals through July 2010	% Change
Agriculture/Forestry/Fishing	175.1	8.6%	303.1	73.1%	341.1	12.5%	303.8	-10.9%	285.2	-6.1%	161.0	165.1	2.6%
Mining	1,402.4	41.9%	2,239.9	59.7%	2,955.1	31.9%	3,414.2	15.5%	2,214.4	-35.1%	1,106.7	1,271.8	14.9%
Utilities	5,822.7	24.0%	5,453.7	-6.3%	6,312.3	15.7%	7,094.1	12.4%	6,704.8	-5.5%	3,852.0	4,330.1	12.4%
Construction	2,687.5	5.3%	3,262.6	21.4%	3,684.8	12.9%	3,770.0	2.3%	2,807.3	-25.5%	1,562.2	1,326.9	-15.1%
Manufacturing	8,579.5	14.1%	10,097.7	17.7%	11,400.6	12.9%	11,757.8	3.1%	9,185.1	-21.9%	5,098.7	4,769.5	-6.5%
Wholesale Trade	11,155.0	24.1%	12,577.6	12.8%	14,493.5	15.2%	14,491.1	0.0%	11,891.4	-17.9%	5,778.6	5,711.0	-1.2%
Retail Trade													
Motor Vehicle and Auto Parts	13,609.6	-2.6%	13,270.9	-2.5%	14,182.4	6.9%	12,156.8	-14.3%	10,254.2	-15.7%	5,810.4	6,329.7	8.9%
Furniture and Furnishings	2,376.5	2.3%	2,481.7	4.4%	2,573.8	3.7%	2,353.2	-8.6%	1,893.8	-19.5%	1,040.6	1,032.5	-0.8%
Electronics and Appliances	1,914.4	1.7%	2,074.0	8.3%	2,304.7	11.1%	2,244.0	-2.6%	1,984.5	-11.6%	1,067.4	1,106.1	3.6%
Building Materials/Nurseries	5,572.8	12.0%	5,820.6	4.4%	5,766.4	-0.9%	5,281.0	-8.4%	4,200.7	-20.5%	2,463.1	2,520.4	2.3%
Food/Beverage Stores	10,443.2	6.1%	11,064.3	5.9%	12,095.1	9.3%	12,927.4	6.9%	12,557.6	-2.9%	6,781.8	7,357.1	8.5%
Health and Personal Care	1,744.7	4.7%	1,978.3	13.4%	2,139.1	8.1%	2,268.8	6.1%	2,350.2	3.6%	1,305.8	1,385.7	6.1%
Gas Stations	4,366.0	22.3%	4,878.1	11.7%	5,230.0	7.2%	5,764.6	10.2%	4,002.1	-30.6%	2,187.1	2,654.4	21.4%
Clothing and Accessories	2,581.7	-0.5%	2,870.7	11.2%	3,185.4	11.0%	3,108.1	-2.4%	2,892.9	-6.9%	1,551.5	1,633.8	5.3%
Sporting/Hobby/Books/Music	2,390.1	4.2%	2,546.2	6.5%	2,692.2	5.7%	2,579.4	-4.2%	2,367.6	-8.2%	1,314.4	1,293.9	-1.6%
General Merchandise/Warehouse	9,799.4	7.3%	10,304.6	5.2%	10,997.6	6.7%	11,334.9	3.1%	10,973.6	-3.2%	6,061.8	6,067.4	0.1%
Misc Store Retailers	2,384.8	9.1%	2,404.4	0.8%	2,450.4	1.9%	2,364.4	-3.5%	2,204.6	-6.8%	1,222.1	1,253.0	2.5%
Non-Store Retailers	1,565.3	13.1%	3,299.6	110.8%	3,715.0	12.6%	4,299.7	15.7%	2,794.2	-35.0%	1,560.3	1,717.2	10.1%
Total Retail Trade	**58,748.4**	**5.2%**	**62,993.5**	**7.2%**	**67,332.1**	**6.9%**	**66,682.2**	**-1.0%**	**58,476.0**	**-12.3%**	**32,366.3**	**34,351.2**	**6.1%**
Transportation/Warehouse	789.9	12.1%	887.0	12.3%	829.4	-6.5%	756.2	-8.8%	585.7	-22.5%	296.7	249.0	-16.1%
Information	5,648.6	8.9%	5,803.6	2.7%	6,232.2	7.4%	6,983.6	12.1%	7,044.4	0.9%	3,978.7	4,079.6	2.5%
Finance/Insurance	1,359.7	33.1%	2,120.3	55.9%	2,299.9	8.5%	3,085.9	34.2%	2,845.4	-7.8%	1,543.1	1,806.8	17.1%
Real Estate/Rental/Lease	3,016.2	6.8%	3,393.4	12.5%	3,647.3	7.5%	3,607.7	-1.1%	2,903.0	-19.5%	1,723.2	1,649.5	-4.3%
Professional/Scientific/Technical	5,623.3	-9.1%	6,065.8	7.9%	6,623.3	9.2%	6,861.0	3.6%	6,059.0	-11.7%	3,037.3	2,925.9	-3.7%
Admin/Support/Waste/Remediation	1,402.2	9.1%	1,443.2	2.9%	1,745.7	21.0%	1,955.5	12.0%	1,794.7	-8.2%	899.5	956.5	6.3%
Education	329.2	25.3%	389.1	18.2%	425.1	9.2%	461.6	8.6%	421.8	-8.6%	211.4	257.9	22.0%
Health Care/Social Assistance	3,384.6	8.9%	3,923.9	15.9%	4,563.1	16.3%	5,275.3	15.6%	5,740.5	8.8%	3,257.2	3,392.5	4.2%
Arts/Entertainment/Recreation	781.6	9.7%	890.1	13.9%	952.6	7.0%	971.5	2.0%	903.8	-7.0%	532.5	554.6	4.2%
Accommodation	2,281.2	7.6%	2,600.3	14.0%	2,904.8	11.7%	3,033.8	4.4%	2,567.2	-15.4%	1,553.9	1,590.0	2.3%
Food/Drinking Services	6,744.0	4.5%	7,443.9	10.4%	8,042.5	8.0%	8,229.0	2.3%	7,977.1	-3.1%	4,678.1	4,829.6	3.2%
Other Services	3,146.2	6.3%	3,480.1	10.6%	3,825.9	9.9%	3,825.2	0.0%	3,472.6	-9.2%	1,959.9	1,972.5	0.6%
Government	353.7	29.8%	322.8	-8.8%	299.3	-7.3%	249.6	-16.6%	242.5	-2.9%	134.6	150.2	11.7%
Total All Industries	**123,431.0**	**8.4%**	**135,691.6**	**9.9%**	**148,910.8**	**9.7%**	**152,809.2**	**2.6%**	**134,121.9**	**-12.2%**	**73,731.4**	**76,340.2**	**3.5%**

[1]Some sales data are suppressed to protect confidentiality, so percentage changes reported may vary from the actual change that occurred in a given year.
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**
2005	5.46		40		153.4		$305.7		11.82	
2006	5.38	-1.6%	55	37.5%	180.2	17.5%	$358.9	17.4%	12.53	6.1%
2007	5.64	4.9%	75	36.4%	215.4	19.5%	$429.1	19.6%	12.57	0.3%
2008	5.45	-3.3%	75	0.0%	293.4	36.2%	$584.5	36.2%	12.54	-0.2%
2009	5.51	1.1%	66	-12.0%	244.7	-16.6%	$487.4	-16.6%	11.86	-5.5%

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

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
2005	40,140	580	653	4,518	45,891	
2006	30,365	654	563	6,761	38,343	-16.4%
2007	20,516	448	411	8,079	29,454	-23.2%
2008	11,147	290	181	7,380	18,998	-35.5%
2009	7,261	142	93	1,859	9,355	-50.8%
Year-to-date totals through August:						
2009	5,012	116	51	1,300	6,479	
2010	6,479	134	101	1,112	7,826	
% change	*29.3%*	*15.5%*	*98.0%*	*-14.5%*	*20.8%*	

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 about 120 days after the initial filing. Recent changes to Colorado's foreclosure law give borrowers the ability to extend that period, however. Under Colorado HB 09-1276, a foreclosed homeowner who meets certain conditions may qualify for up to a 90-day deferment of foreclosure proceedings. (Note that HB 09-1276 is scheduled to sunset in June 2011.) 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
2005	21,782		12,699	
2006	28,435	30.5%	17,451	37.4%
2007	39,920	40.4%	25,054	43.6%
2008	39,333	-1.5%	21,306	-15.0%
2009	46,394	18.0%	20,437	-4.1%
Year-to-date totals through second quarter:				
2009	22,644		9,353	
2010	21,369	-5.6%	12,573	34.4%

[1]Some filings may have been subsequently cured or withdrawn and may not have resulted in sales at auction.
Note: Various foreclosure moratoria were enacted in late 2008 and early 2009. As a result, filing and sales activity during those periods appears artificially low when compared to activity in other periods. Over-the-year percentage changes should be interpreted with caution.

Source: Colorado Division of Housing.

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APPENDIX C

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 Treasurer, the Deputy Treasurer, the Chief Financial Officer of the Department of the Treasury, the State Controller or the Financial Advisor has any responsibility or obligation to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant, (ii) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the registered owners of the Series 2010 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 2010 Notes, (iv) any consent given or other action taken by DTC or its nominee as the owner of Series 2010 Notes or (v) any other related matter.

DTC will act as securities depository for the Series 2010 Notes. The Series 2010 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 2010 Note certificate will be issued for the Series 2010 Notes, in the aggregate principal amount thereof, and will be 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 S&P's highest rating: "AAA." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and 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 2010 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2010 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 2010 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 2010 Notes except in the event that use of the book-entry system for the Series 2010 Notes is discontinued.

To facilitate subsequent transfers, all Series 2010 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 2010 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 2010 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2010 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 2010 Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2010 Notes, such as redemptions, defaults and proposed amendments to the Authorizing Resolution. For example, Beneficial Owners of Series 2010 Notes may wish to ascertain that the nominee holding the Series 2010 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 2010 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 2010 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments with respect to the Series 2010 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 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 2010 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 2010 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 2010 Note certificates are required to be printed and delivered.

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 2010 Notes. In that event, Series 2010 Note certificates will be printed and delivered to DTC.

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

December 14, 2010

Treasurer of the State of Colorado
Room 140
State Capitol Building
Denver, Colorado 80203

State of Colorado
General Fund Tax and Revenue Anticipation Notes
Series 2010

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 2010" in the aggregate principal amount of $500,000,000 (the "Notes") pursuant to the resolution of the Treasurer (the "Resolution") adopted and approved on December 9, 2010. 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 on a parity with 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 pursuant to the Notes and the Resolution are subject to the application of equitable principles, to the reasonable exercise in the future by the State of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including, without limitation, bankruptcy powers.

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,