

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS:

Moody's "MIG 1"

S&P "SP-1+"

(See "RATINGS" herein)

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Series 2011A 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 2011A Notes (the "Tax Code"), except that such interest is required to be included in calculating the "adjusted current earnings adjustment" applicable to corporations for purposes of computing the alternative minimum taxable income of corporations; and interest on the Series 2011A Notes is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code; and interest on the Series 2011A 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 2011A Notes as described herein. See "TAX MATTERS."



\$500,000,000
STATE OF COLORADO
GENERAL FUND TAX AND REVENUE ANTICIPATION NOTES
SERIES 2011A

Dated: Date of Delivery

Maturity Date: June 27, 2012

The Series 2011A 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, 2011 - June 30, 2012 Fiscal Year and paying the costs of issuing the Series 2011A Notes, as described herein.

The Series 2011A 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 2011A Notes. Beneficial Ownership Interests in the Series 2011A 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 2011A 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 2011A Notes, at the rate per annum specified below, is payable on the maturity date of the Series 2011A Notes specified above. The Series 2011A Notes are not subject to redemption prior to maturity.

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Reoffering Yield</u>	<u>CUSIP® No.¹</u>
\$500,000,000	2.00%	101.724%	0.16%	196729 BM8

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 2011A Notes.

The Series 2011A 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 2011-12 that are subject to appropriation for Fiscal Year 2011-12 and not credited to the General Fund as of the date of issuance of the Series 2011A Notes, unexpended proceeds, if any, of the Series 2011A 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 2011A 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 2011A 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 2011A 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 Peck, Shaffer & Williams LLP, Denver, Colorado, as special counsel to the State. It is expected that the Series 2011A Notes will be available for delivery through the facilities of DTC on or about July 19, 2011.

Dated: July 12, 2011

NOTICES

This Official Statement does not constitute an offer to sell the Series 2011A Notes in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, salesman or other person has been authorized by the State, the State Treasurer or the Financial Advisor to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the State or any other person.

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

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

The order and placement of materials in this Official Statement, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the appendices, must be considered in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections of this Official Statement. The offering of the Series 2011A 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 2011A Notes and may not be reproduced or used, in whole or in part, for any other purpose.

The Series 2011A 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,” “DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS” and “APPENDIX C – STATE PENSION SYSTEM,” contains statements relating to future results that are “forward looking statements.” When used in this Official Statement, the words “estimate,” “anticipate,” “forecast,” “project,” “intend,” “propose,” “plan,” “expect” and similar expressions identify forward looking statements. The achievement of certain results or other expectations contained in forward looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. The State Treasurer does not plan to issue any updates or revisions to those forward looking statements if or when its expectations or events, conditions or circumstances on which these statements are based occur.

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OFFICIAL STATEMENT

Relating to

\$500,000,000

STATE OF COLORADO

GENERAL FUND TAX AND REVENUE ANTICIPATION NOTES

SERIES 2011A

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 2011A Notes to potential investors is made only by means of the entire Official Statement.

This Official Statement contains information that was either not available or differs from that contained in the Preliminary Official Statement dated July 5, 2011, including, without limitation, the interest rate, price, reoffering yield, CUSIP[®] number, original purchasers of and the purchase price paid by such original purchasers for the Series 2011A Notes. Accordingly, prospective investors should read this Official Statement in its entirety.

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 2011A (the “Series 2011A Notes”). See “THE SERIES 2011A NOTES” and “THE STATE.”

The Series 2011A 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 Treasurer of the State (the “State 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 2011A NOTES – Authorization.”

The Series 2011A Notes

Purpose. The Series 2011A Notes are being issued for the purpose of funding anticipated cash flow shortfalls in the General Fund in the Fiscal Year ending June 30, 2012 (“Fiscal Year 2011-12”) and paying the costs of issuing the Series 2011A Notes. See “APPLICATION OF SERIES 2011A NOTE PROCEEDS.”

General Provisions. The Series 2011A Notes will be dated the date of issuance and delivery to the original purchasers thereof (the “Closing Date”) and will mature on June 27, 2012 (the “Maturity Date”). Interest on the Series 2011A 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 2011A Notes are not subject to redemption prior to maturity. See “THE SERIES 2011A NOTES – General Provisions.”

Book-Entry Only System. The Series 2011A 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 2011A Notes. Ownership interests in the Series 2011A 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 2011A Notes by the rules and operating procedures applicable to the DTC book-entry system as described in “THE SERIES 2011A NOTES – General Provisions” and “APPENDIX D – DTC BOOK-ENTRY SYSTEM.” References in this Official Statement to the registered owners or the owners of the Series 2011A 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 2011A Notes are special, limited obligations of the State payable solely from and secured by a pledge of the “Pledged Revenues,” consisting of the following, which the State Treasurer believes will be sufficient for the repayment of the Series 2011A Notes:

- Any cash income or other cash receipts duly credited to the General Fund for Fiscal Year 2011-12 that are subject to appropriation for Fiscal Year 2011-12 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 2011A 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 2011A 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 2011A Notes and any Additional Notes. The State Treasurer covenants in the Authorizing Resolution to credit the Pledged Revenues to the Note Payment Account so that the amount therein will be sufficient to pay the principal of and interest on the Series 2011A 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 2011A 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 2011A 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 2011A Notes may not look to any source other than the Pledged Revenues for payment of the Series 2011A Notes.

See generally “THE SERIES 2011A 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 2011A Notes and will deliver its opinion substantially in the form included in this Official Statement as “APPENDIX E – 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 Peck, Shaffer & Williams 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 2011A 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 2011A Notes (the “Tax Code”), except that such interest is required to be included in calculating the “adjusted current earnings adjustment” applicable to corporations for purposes of computing the alternative minimum taxable income of corporations; and interest on the Series 2011A Notes is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code; and interest on the Series 2011A 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 2011A Notes as described herein. See also “LEGAL MATTERS,” “TAX MATTERS” and “APPENDIX E – FORM OF OPINION OF BOND COUNSEL.”

Continuing Disclosure

In accordance with Subsection (d)(3) of Securities and Exchange Commission Rule 15c2-12, promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), which Subsection applies to offerings of municipal securities having a stated maturity of 18 months or less, such as the Series 2011A Notes, the State will not undertake to provide on an ongoing basis either audited annual financial statements or annual financial information or operating data of the type presented in this Official Statement, but will undertake in the Authorizing Resolution to provide notice of the occurrence of certain events as described in “THE SERIES 2011A NOTES – Security and Sources of Payment – *Note Payment Account*” and “CONTINUING DISCLOSURE.”

State Economic and Demographic Information

This Official Statement contains economic and demographic information about the State prepared by Development Research Partners, Inc. for use by the State. See “APPENDIX B – CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION.” Development Research Partners, Inc. has consented to the inclusion of such information in this Official Statement. Neither the State nor the Underwriter assumes responsibility for the accuracy, completeness or fairness of such information. The information in “APPENDIX B – CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION” has been included in the Official Statement in reliance upon the authority of Development Research Partners, Inc. as experts in the preparation of economic and demographic analyses. Potential investors should read such appendix in its entirety for information with respect to the economic and demographic status of the State.

Additional Information

Brief descriptions of the Series 2011A 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, Incorporated (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 2011A 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," "DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS" and "APPENDIX C – STATE PENSION SYSTEM," 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 State Treasurer does not plan to issue any updates or revisions to those forward looking statements if or when its expectations or events, conditions or circumstances on which these statements are based occur.

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 State Treasurer or the Financial Advisor. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described in this Official Statement since the date hereof. So far as any statements made in this Official Statement involve matters of opinion, forecasts, projections or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

This Official Statement shall not be construed as a contract or agreement between the State and the registered owners or Beneficial Owners of the Series 2011A Notes.

APPLICATION OF SERIES 2011A NOTE PROCEEDS

The Series 2011A Notes are being issued for the purpose of funding anticipated cash flow shortfalls in the General Fund in Fiscal Year 2011-12 and paying the costs of issuing the Series 2011A 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 2011A Notes, the State forecasts that the General Fund would incur cumulative cash shortfalls in Fiscal Year 2011-12. The proceeds of the Series 2011A Notes after payment of costs and expenses relating to the issuance and sale of the Series 2011A Notes, or approximately \$508,460,300, 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 2011-12. The costs and expenses relating to the issuance and sale of the Series 2011A Notes, including underwriting discount, are approximately \$159,700.

See "THE SERIES 2011A NOTES – Authorization," "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE," "GENERAL FUND CASH FLOW," "BORROWABLE RESOURCES" and "UNDERWRITING."

THE SERIES 2011A NOTES

The following is a summary of certain provisions of the Series 2011A Notes during such time as the Series 2011A 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 2011A Notes, including provisions applicable upon discontinuance of participation in the DTC book-entry system.

Authorization

The Series 2011A 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 State Treasurer to issue and sell notes from time to time payable from the anticipated revenues of any one or more funds or groups of accounts to which State moneys are credited to accomplish any of the purposes of such Act, including the alleviation of cash flow shortfalls in any such fund or group of accounts. The aggregate principal amount of outstanding notes payable from any fund or group of accounts is limited to 50% of the amount of revenues of such fund or group of accounts anticipated but not yet credited to the fund or group of accounts for the applicable Fiscal Year, excluding the proceeds of notes or other borrowing credited to such fund or group of accounts and any income from the investment of revenues or the proceeds of such borrowings. It is forecast that approximately \$7,137.0 million of revenues (excluding the proceeds of the Series 2011A Notes or other borrowings and investment income of revenues and such proceeds) will be credited to the General Fund for Fiscal Year 2011-12, thereby imposing a limit of approximately \$3,568.5 million in General Fund notes for Fiscal Year 2011-12. See "Additional Notes" below.

General Provisions

The Series 2011A 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 2011A Notes. Beneficial Ownership Interests in the Series 2011A 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 2011A Notes by the rules and operating procedures applicable to the DTC book-entry system as described in “APPENDIX D – DTC BOOK-ENTRY SYSTEM.” References in this Official Statement to the registered owners or the owners of the Series 2011A Notes mean Cede & Co. or such other nominee as may be designated by DTC, and not the Beneficial Owners.

The Series 2011A 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 2011A Notes will accrue from the Closing Date and will be payable on the Maturity Date. The principal of and interest on the Series 2011A Notes will be payable by the State Treasurer, as paying agent for the Series 2011A Notes, on the Maturity Date to Cede & Co., as the registered owner of the Series 2011A Notes, for subsequent credit to the accounts of the Beneficial Owners. See “APPENDIX D – DTC BOOK-ENTRY SYSTEM.” Interest on the Series 2011A Notes will cease to accrue on the Maturity Date.

The Series 2011A Notes are not subject to redemption prior to the Maturity Date.

The Deputy State Treasurer will serve as the registrar for the Series 2011A Notes, subject to the provisions of the DTC book-entry system.

Neither the State, the State Treasurer, the Deputy State Treasurer, the Chief Financial Officer of the Department of the Treasury 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 2011A 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 2011A Notes, (iv) any consent given or other action taken by DTC or its nominee as the owner of Series 2011A Notes or (v) any other related matter.

Security and Sources of Payment

Limited Obligations. The Series 2011A Notes are special, limited obligations of the State payable solely from the Pledged Revenues, which the State Treasurer believes will be sufficient for the repayment of the Series 2011A Notes. The State pledges to the payment of principal of and interest on the Series 2011A Notes Pledged Revenues in an amount sufficient to pay the principal of and interest on the Series 2011A Notes on the Maturity Date. The Series 2011A 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 2011A Notes may not look to any source other than the Pledged Revenues for payment of the Series 2011A Notes.

The Pledged Revenues. The Pledged Revenues consist of (i) Current General Fund Revenues, (ii) the unexpended proceeds, if any, of the Series 2011A 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 2011-12 that are subject to appropriation for Fiscal Year 2011-12 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 2011A 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 2011A 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 2011-12. 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 State Treasurer on behalf of the State and used solely to pay the Series 2011A Notes and any Additional Notes. The Note Payment Account is pledged to the payment of the principal of and interest on the Series 2011A Notes and any Additional Notes on the Maturity Date, and the registered owners of the Series 2011A 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 2011A Notes and any Additional Notes, the State Treasurer covenants to credit Pledged Revenues to the Note Payment Account in such amount as will cause the balance in the Note Payment Account on June 15, 2012, to be at least equal to the principal of and interest on the Series 2011A Notes and any Additional Notes due on the Maturity Date.

If on June 15, 2012, the balance in the Note Payment Account is less than the amount required, the State Treasurer covenants to: (i) give notice of such deficiency to the Municipal Securities Rulemaking Board (the “MSRB”) via its Electronic Municipal Market Access (EMMA) system and to DTC or any successor depository; and (ii) until the balance in the Note Payment Account satisfies such requirement, (a) credit to the Note Payment Account all Current General Fund Revenues then available and thereafter received, and (b) borrow (to the extent permitted by law) for credit to the Note Payment Account from other State funds. Such notice is to be given by electronic transmission unless the designated recipient thereof has otherwise requested the State Treasurer to use another means of transmission. In the event the designated recipient does not utilize electronic transmission and has not otherwise requested a specific means of transmission from the State Treasurer, such notice is to be by first-class mail, postage prepaid.

The State Treasurer covenants that moneys in the Note Payment Account not immediately needed will be invested only in investments maturing on or before the Maturity Date and authorized by (i) the Funds Management Act, (ii) Title 24, Article 36, C.R.S., or (iii) to the extent applicable, Title 24, Article 75, Part 6, C.R.S. Investment earnings on moneys held in the Note Payment Account are to be retained in the Note Payment Account until the balance therein equals or exceeds the principal of and

interest due on the Series 2011A 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.”

The State Treasurer covenants to prepare, on or about the 25th day of October 2011, January 2012, April 2012 and May 2012, written projections of Current General Fund Revenues, Current General Fund Expenditures, General Fund balances and legally available amounts in other State funds for each month remaining in the Current Fiscal Year, which projections are to be based on the quarterly revenue projections approved by the Governor’s Office of State Planning and Budgeting (“OSPB”) or any successor in function. See “FINANCIAL OPERATIONS – Budget Process and Other Considerations” and “HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE – Revenue Estimation – OSPB Revenue and Economic Forecasts.”

If at any time such projections show that Current General Fund Revenues will be insufficient to permit the required credits to the Note Payment Account, the State Treasurer covenants in the Authorizing Resolution to: (i) immediately give notice of such determination to the MSRB and to DTC or any successor securities depository; and (ii) until there has been credited to the Note Payment Account an amount equal to the amount by which the required credits are projected to be insufficient, (a) credit all Current General Fund Revenues then available and thereafter received to the Note Payment Account to the extent required, and (b) transfer from other State funds (to the extent permitted by law) for credit to the Note Payment Account to the extent required. The State Treasurer also covenants in the Authorizing Resolution to make no repayment of moneys transferred from any other funds of the State unless after taking into account the amount of the repayment, the amount credited to the Note Payment Account will equal or exceed the principal and interest due on the Series 2011A Notes on the Maturity Date. See also “CONTINUING DISCLOSURE.”

For a discussion of the anticipated cash flow to the General Fund, the sources thereof and the procedures to be followed for and the limitations on interfund borrowing, see generally “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 State 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 2011A Notes. The Additional Notes may have such details as the State Treasurer may determine; provided, however, that the Additional Notes are required to be (i) non-redeemable prior to the Maturity Date, (ii) due and payable as to both principal and interest on the Maturity Date and (iii) payable from the Note Payment Account. The State Treasurer currently does not anticipate issuing any Additional Notes, but reserves the right to do so.

Defaults and Remedies

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

- Payment of the principal of or interest on any of the Series 2011A Notes is not made on the Maturity Date;

- The balance credited to the Note Payment Account on June 15, 2012, is less than the principal and interest due on the Series 2011A 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 2011A Notes and such failure continues for 15 days after receipt of written notice by the State Treasurer from any registered owner of the Series 2011A Notes.

Upon the occurrence of any Event of Default, the Authorizing Resolution provides that any registered owner of the Series 2011A Notes may: (i) sue or commence an action or proceeding to collect sums due and owing on the Series 2011A Notes or to enforce and protect such registered owner's rights under the Authorizing Resolution and the Series 2011A 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 2011A Notes; or (iii) examine the books and records of the State and require the State Treasurer to account for all moneys and investments constituting the Pledged Revenues as if the State Treasurer were the trustee of an express trust. Neither principal of nor interest on the Series 2011A 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 2011A Notes and Additional Notes, if any, the State 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 2011A Notes and Additional Notes, if any, without preference or priority of principal over interest or of interest over principal, or of any Series 2011A Note or Additional Notes, if any, over any other Series 2011A Note or Additional Notes, if any, according to the amounts due, respectively, for principal and interest to the persons entitled thereto without any discrimination or preference.

Tax Covenant

The State Treasurer covenants in the Authorizing Resolution for the benefit of the registered owners of the Series 2011A Notes that the State Treasurer will not take any action or omit to take any action with respect to the Series 2011A Notes, the proceeds thereof or other funds of the State if such action or omission would (i) cause the interest on the Series 2011A Notes to lose its exclusion from gross income for federal income tax purposes under the Tax Code, (ii) cause interest on the Series 2011A Notes to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income, or (iii) cause interest on the Series 2011A Notes to lose its exclusion from State taxable income or State alternative minimum taxable income under present State law. This covenant is to remain in full force and effect notwithstanding the payment in full of the Series 2011A Notes until the date on which all obligations of the State Treasurer in fulfilling such covenant under the Tax Code and State law have been met. See also "TAX MATTERS."

INVESTMENT CONSIDERATIONS

An investment in the Series 2011A 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 2011A Notes.

Limited Obligations

The Series 2011A 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 2011A 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 2011A Notes. The Series 2011A 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 2011A 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 2011A Notes. See “THE SERIES 2011A NOTES – Security and Sources of Payment – Defaults and Remedies.”

Budgets and Revenue Forecasts

The Constitution of the State of Colorado (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 and Other Considerations – *Revenues and Unappropriated Amounts; – Expenditures; The Balanced Budget and Statutory Spending Limitation.*”

The State relies on revenue estimation as the basis for budgeting and establishing aggregate funds available for expenditure for its appropriation process. By statute, OSPB is responsible for developing the General Fund revenue estimate. The most recent OSPB revenue forecast was issued on June 20, 2011 (the “OSPB June 2011 Revenue Forecast”), and is summarized in this Official Statement. See “HISTORICAL AND PROJECTED GENERAL FUND OPERATIONS – Revenue Estimation – OSPB Revenue and Economic Forecasts.” The Colorado Legislative Council also prepares quarterly revenue forecasts which are released on the same dates as the OSPB revenue forecasts.

The State’s Fiscal Year budgets are not prepared on a cash basis, but rather are prepared using the modified accrual method of accounting in accordance with the standards promulgated by the Governmental Accounting Standards Board (“GASB”), with certain statutory exceptions. The State could experience temporary and cumulative cash shortfalls as the result of differences in the timing of the actual receipt of revenues and payment of expenditures by the State compared to the inclusion of such revenues and expenditures in the State’s Fiscal Year budgets on a modified accrual basis, which does not take into account the timing of when such amounts are received or paid. If an unanticipated cash shortfall were to occur in late Fiscal Year 2011-12, it may adversely affect the State’s ability to repay the Series 2011A Notes. See “FINANCIAL OPERATIONS – Budget Process and Other Considerations,” “HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE – Revenue Estimation” and “GENERAL FUND CASH FLOW.”

The next OSPB revenue forecast will be released in September 2011. General Fund revenue projections in the new forecast may be materially different from the OSPB June 2011 Revenue Forecast and may project a revenue shortfall or a revenue surplus if economic conditions change markedly. Due to the volatility in the State and national economies, OSPB’s forecasts of General Fund revenues over the last several years have fluctuated from forecast to forecast, and in some cases have been significantly lower or higher than the immediately preceding forecast, and such volatility may be reflected in the September 2011 forecast. If a revenue shortfall is projected for Fiscal Year 2011-12, which would result

in a budgetary shortfall, budget cuts will be necessary to ensure the balanced budget. See “FINANCIAL OPERATIONS – Budget Process and Other Considerations,” “HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE – Revenue Estimation – OSPB Revenue and Economic Forecasts” and “GENERAL FUND CASH FLOW.”

Additional Notes

The Authorizing Resolution permits the State to issue Additional Notes upon satisfaction of certain conditions provided therein and in the Funds Management Act. If Additional Notes are issued, they would be payable from and secured by a pledge of the Pledged Revenues on a parity with the pledge securing the Series 2011A Notes and could therefore adversely impact the investment security for the Series 2011A Notes. The State Treasurer currently does not anticipate issuing any Additional Notes, but reserves the right to do so. See “THE SERIES 2011A NOTES – Authorization – Additional Notes.”

Loss of Tax Exemption

As discussed in “TAX MATTERS,” the interest on the Series 2011A 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 103,718 square miles of the high plains and the Rocky Mountains, with elevations ranging from 3,315 to 14,433 feet above sea level. The current population of the State is approximately five 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, 2010” and “APPENDIX B – CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION” for additional information about the State.

Organization

The State maintains a separation of powers utilizing three branches of government: executive, legislative and judicial. The executive branch comprises four major elected officials: the Governor, State Treasurer, Attorney General and Secretary of State. The chief executive power is allocated to the Governor, who has responsibility for administering the budget and managing the executive branch. The State Constitution empowers the 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 State Department of Education reports to the elected State Board of Education. The elected officials serve four year terms. The current terms of such officials commenced in January of 2011 and will expire on the second Tuesday in January of 2015, following a general election to be held in November of 2014. No elected executive official may serve more than two consecutive terms in the same office. A new Governor, State Treasurer and Secretary of State were elected at the November 2010 general election.

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 State Treasurer

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

The State Treasurer has discretion to invest in a broad range of interest-bearing securities described by statute. See "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 State 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 2011A 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 2011A 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 is estimated to be \$264.7 million, which includes \$70.7 million of State real property designated in the Long Bill and the portion of the \$100 million Wildlife Cash Fund that is not in the form of cash or liquid assets, which amount will not be known until the State's audited financial statements for Fiscal Year 2010-11 are released in December 2011. In March of 2010, a citizen filed a suit asserting that the State’s funding of the TABOR Reserve does not comply with TABOR. In particular, the plaintiff claims that the TABOR Reserve is required to be funded with cash, liquid assets or a combination thereof instead of State properties or moneys in other funds that would have to be transferred by the General Assembly in an emergency. See “LITIGATION – Current Litigation” for a more detailed discussion of this litigation.

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 Revenues Cap" and allowing the State to retain and spend revenue up to the new Excess State Revenues Cap (as adjusted) which new cap never ratchets down. Revenue collected above the Excess State Revenues 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.

The adjustment from the 2009 population estimate to the 2010 census was very small, which indicates the population estimates in the decade were overstated rather than understated. The overstated population estimates did not cause under-refunding because Referendum C prevented refunds from 2006 to 2010 when the population growth estimates were large. As a result there is no growth dividend for the 2000-2010 decade, and the TABOR limit and the Excess State Revenues Cap created by Referendum C will be adjusted to the actual population in a subsequent TABOR report.

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 Years 2009-10 and thereafter by SB 09-228. See "Budget Process and Other Considerations – *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 Revenues 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 (“CDOT”) 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.

As a result of Referendum C, 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, in excess of the TABOR limit on State fiscal year spending. State revenues did not exceed the TABOR limit in either Fiscal Year 2008-09 or Fiscal Year 2009-10, and based on the OSPB June 2011 Revenue Forecast, State revenues are not expected to exceed the TABOR limit in either of Fiscal Years 2010-11 or 2011-12. See “HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE – Overview of Historical and Projected General Fund Operations.”

Effect of TABOR on the Series 2011A Notes. Voter approval under TABOR is not required for the issuance of the Series 2011A 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 2011A Notes and any Additional Notes.

Budget Process and Other Considerations

Phase I (Executive). The budget process begins in June of each year when State departments reporting to the Governor prepare both operating and capital budgets for the Fiscal Year beginning 13 months later. In August, these budgets are submitted to the OSPB, a part of the Governor’s office, for review and analysis. The OSPB advises the Governor on departmental budget requests and overall budgetary status. Budget decisions are made by the Governor following consultation with affected

departments and the OSPB. Such decisions are reflected in the first budget submitted in November 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) re-appropriated 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 2011-12 was adopted by the General Assembly on April 26, 2011.

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 2011-12 was approved in part and disapproved in part by the Governor on May 6, 2011. On May 11, 2011, the Senate and the House voted to override the Governor’s vetoes.

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. Per SB 09-219 and SB 09-277, the Unappropriated Reserve for Fiscal Years 2008-09 and 2009-10 was reduced from previously designated 4.0% to 2.0% of the amount appropriated for expenditure from the General Fund in each such Fiscal Year. SB 11-156 sets the Unappropriated Reserve for Fiscal Year 2010-11 at 2.3% of the amount appropriated for expenditure from the General Fund in such Fiscal Year. SB 11-156 also requires the State Treasurer to transfer any General Fund surplus to the State Education Fund, although per SB 11-230, for Fiscal Year 2010-11, the amount by which the estimate of Fiscal Year 2010-11 General Fund revenue forecast in the OSPB June 2011 Revenue Forecast exceeds the amount forecast by OSPB in March 2011 revenue forecast, up to \$67.5 million, is to be transferred to the State Public School Fund,

and the balance is to be credited to the State Education Fund. The Unappropriated Reserve for Fiscal Year 2011-12 increases to 4.0% of the amount appropriated for expenditure from the General Fund in such Fiscal Year.

The OSPB June 2011 Revenue Forecast shows that the Fiscal Year 2010-11 budget is balanced and that the State will end Fiscal Year 2010-11 with General Fund revenue of \$325.0 million in excess of the required 2.3% Unappropriated Reserve level, which surplus is to be applied as described in the previous paragraph. The OSPB June 2011 Revenue Forecast further states that the strong growth in revenue in Fiscal Year 2010-11 is expected to be one-time in nature, and that Fiscal Year 2011-12 General Fund revenue is forecast to be essentially flat. As a result, based on current law appropriations, the OSPB forecasts that the State will end Fiscal Year 2011-12 with an Unappropriated Reserve equal to 3.7% of appropriations, which is \$22.4 million below the required 4.0% Unappropriated Reserve level.

See also “HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE – Overview of Historical and Projected General Fund Operations – Revenue Estimation.”

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 through Fiscal Year 2008-09, total General Fund appropriations were 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 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.

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

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

Fiscal Controls and Financial Reporting

No moneys may be disbursed to pay any appropriations unless a commitment voucher has been prepared by the agency seeking payment and submitted to the central accounting system, which is managed by the Office of the State Controller, a division of the Department of Personnel & Administration. The State Controller is the head of the Office of the State Controller, 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 State Treasury are made by warrants signed by the State Controller and countersigned by the State Treasurer, or by electronic funds transfer. The signature of the State Controller on a warrant is full authority for the State Treasurer to pay the warrant upon presentation.

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

Basis of Accounting

For a detailed description of the State’s basis of accounting, see Note 5 to the financial statements in the State’s Fiscal Year Comprehensive Annual Financial Report (the “Fiscal Year 2009-10 CAFR”) appended to this Official Statement.

Basis of Presentation of Financial Results and Estimates

The financial reports and financial schedules contained in this Official Statement are based on principles that may vary based on the requirements of the report or schedule. The cash flow schedules include all financial activity reported specifically in the General 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, 2016. 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 2009-10 CAFR, including the State Auditor’s Opinion thereon, is appended to this Official Statement. The Office of the State Auditor, being the State’s independent

auditor, has not been engaged to perform and has not performed since the date of the State Auditor's report included herein, any procedures on the financial statements presented in the Fiscal Year 2009-10 CAFR, nor has the Office of the State Auditor performed any procedures relating to this Official Statement.

Investment and Deposit of State Funds

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

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

See also Note 14 to the State's Fiscal Year 2009-10 CAFR appended to this Official Statement 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 (after the State Education Fund diversion) comprised approximately 63.9% of gross General Fund revenues, and general sales and use taxes contributed approximately 30.7% of gross General Fund revenues. Total General Fund revenue is forecast by OSPB to increase by \$682.3 million (10.6%), to \$7,140.0 million, between Fiscal Year 2009-10 and Fiscal Year 2010-11, and decrease by \$3.0 million (0.0%), to \$7,137.0 million, between Fiscal Year 2010-11 and Fiscal Year 2011-12. See "Overview of Historical and Projected General Fund Operations" below.

Individual Income Tax. The largest source of General Fund revenues is receipts generated by the individual income tax. Individual income tax revenues comprised 63.2% of gross General Fund revenues in Fiscal Year 2009-10, and are forecast by the OSPB to comprise 64.6% of gross General Fund revenues in Fiscal Year 2010-11 and 65.0% of gross General Fund revenues in Fiscal Year 2011-12 (in both cases before State Education Fund diversions). Individual income tax revenues increased by 17.9% in Fiscal Year 2005-06, 11.3% in Fiscal Year 2006-07 and 2.1% in Fiscal Year 2007-08, followed by decreases of 12.9% in Fiscal Year 2008-09 and 5.8% in Fiscal Year 2009-10. The OSPB forecasts that individual income tax revenues will increase by 13.0% in Fiscal Year 2010-11 and by 0.5% in Fiscal Year 2011-12.

Corporate Income Tax. Corporate income tax revenues accounted for 5.8% of gross General Fund revenues in Fiscal Year 2009-10, and are forecast by the OSPB to comprise 5.3% of gross General Fund revenues in Fiscal Year 2010-11 and 5.0% of gross General Fund revenues in Fiscal Year 2011-12 (in both cases before State Education Fund diversions). Corporate tax receipts are the most volatile revenue source for the General Fund. In Fiscal Year 2005-06, corporate income tax receipts increased 42.1% 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 and 2.0% in Fiscal Year 2007-08, followed by a decrease of 42.4% in Fiscal Year 2008-09 and an increase of 27.2% in Fiscal Year 2009-10. The OSPB forecasts that corporate income tax revenues will increase by 1.0% in Fiscal Year 2010-11 and then decrease by 4.5% in Fiscal Year 2011-12.

Sales and Use Taxes. Sales and use tax receipts accounted for 30.7% of General Fund revenue in Fiscal Year 2009-10, and are forecast by the OSPB to comprise 30.7% of gross General Fund revenues in Fiscal Year 2010-11 and 30.4% of gross 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 and 4.9% in Fiscal Year 2007-08, followed by decreases of 9.1% in Fiscal Year 2008-09 and 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 are required 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. The vendor discount is restored effective with Fiscal Year 2011-12, although, per SB 11-223, at a lower percentage rate. The OSPB forecasts that sales and use tax revenues will increase by 10.7% in Fiscal Year 2010-11 and then decrease by 1.1% in Fiscal Year 2011-12.

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 in Fiscal Year 2009-10, and are forecast by the OSPB to comprise 1.3% of gross General Fund revenues in Fiscal Year 2010-11 and 1.2% of gross General Fund revenues in Fiscal Year 2011-12. Other excise tax revenues decreased 4.9% in Fiscal Year 2005-06, increased 2.0% in Fiscal Year 2006-07, decreased 0.8% in Fiscal Year 2007-08, decreased 1.9% in Fiscal Year 2008-09 and increased 0.9% in Fiscal Year 2009-10. The OSPB forecasts that other excise tax receipts will decrease by 2.8% in Fiscal Year 2010-11 and by 0.9% in Fiscal Year 2011-12.

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 4.0% of gross General Fund revenues in Fiscal Year 2009-10, and are forecast by the OSPB to comprise 3.4% of gross General Fund revenues in Fiscal Year 2010-11 and 3.6% of gross 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 0.2% in Fiscal Year 2008-09, followed by an increase of 0.1% in Fiscal Year 2009-10. 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. SB 11-159 amended Section 12-47.1-701, C.R.S., to provide that, commencing with Fiscal Year 2010-11, 50% of the amount remaining in the Limited Gaming Fund at the end of each Fiscal Year (the “State Share”) is to be transferred to the General Fund or such other fund as the General Assembly shall provide. Of the State Share, the first \$19.2 million and any amount in excess of \$48.5 million is to be transferred to the General Fund. The OSPB forecasts that other revenues will decrease by 6.9% in Fiscal Year 2010-11 and then increase by 7.1% 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	\$4,613.0	\$4,636.5
Change from Prior Year	17.9%	11.3%	2.1%	(12.9)%	(5.8)%	13.0%	0.5%
Corporate Income Tax	\$ 447.5	\$497.9	\$507.9	\$292.5	\$372.1	\$375.6	\$358.7
Change from Prior Year	42.1%	11.3%	2.0%	(42.4)%	27.2%	1.0%	(4.5)%
Sales and Use Tax ^{2,3}	\$2,123.2	\$2,209.5	\$2,317.8	\$2,107.8	\$1,980.7	\$2,192.4	\$2,167.5
Change from Prior Year	5.7%	4.1%	4.9%	(9.1)%	(6.0)%	10.7%	(1.1)%
Other Excise Taxes	\$92.2	\$94.0	\$93.3	\$91.6	\$92.4	\$89.8	\$89.0
Change from Prior Year	(4.9)%	2.0%	(0.8)%	(1.9)%	0.9%	(2.8)%	(0.9)%
Other Revenues ⁴	\$282.9	\$262.5	\$258.1	\$257.4	\$257.7	\$239.9	\$256.9
Change from Prior Year	(17.3)%	(7.2)%	(1.7)%	(0.2)%	0.1%	(6.9)%	7.1%

¹ OSPB June 2011 Revenue Forecast.

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 and thereafter. The full amount of sales and use taxes collected is 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. The vendor allowance was totally eliminated in Fiscal Years 2009-10 and 2010-11 per SB 09-275. SB 11-223 sets the vendor allowance at 2.22% in Fiscal Years 2011-12 through 2013-14. HB 09-1342 and HB 11-1296 eliminated the cigarette sales tax exemption for Fiscal Years 2009-10 through 2012-13.

⁴ The amount of gaming revenue to the General Fund in Fiscal Years 2010-11 and thereafter incorporates the new distribution of gaming revenue per SB 11-159.

Source: Office of State Planning and Budgeting

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 June 2011 Revenue Forecast. The overview incorporates the Governor's budget request for Fiscal Year 2011-12. See the inside cover of this Official Statement regarding forward-looking statements.

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 American Recovery and Reinvestment Act of 2009 (the "Recovery Act") for Medicaid over three Fiscal Years, beginning with Fiscal Year 2008-09. 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 \$355.1 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 "FINANCIAL OPERATIONS – Budget Process and Other Considerations."

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

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State of Colorado
General Fund Overview
Fiscal Years 2005-06 through 2011-12

(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	Fiscal Year 2010-11	Fiscal Year 2011-12
REVENUE:							
Beginning Reserve	\$ 237.4	\$ 251.7	\$ 267.0	\$ 283.5	\$ 443.3	\$ 137.4	\$ 156.7
Gross General Fund Revenue	6,964.6	7,539.8	7,742.9	6,742.7	6,457.7	7,140.0	7,137.0
Diversion to the Highway Users Tax Fund ²	(220.4)	(228.6)	(238.1)	--	--	--	--
Net Transfers to (from) the General Fund ³	155.1	--	(5.0)	813.3	(47.6)	151.3	124.7
TOTAL GENERAL FUND REVENUE AVAILABLE FOR EXPENDITURE	7,139.5	7,562.9	7,766.9	7,839.5	6,853.5	7,428.8	7,418.4
EXPENDITURES:							
Appropriation Subject to Limit ⁴	6,292.7	6,675.6	7,087.8	7,387.1	6,631.6	6,811.1	6,982.3
<i>Appropriations Change From Prior Year</i>	<i>361.2</i>	<i>382.9</i>	<i>412.3</i>	<i>299.3</i>	<i>(755.5)</i>	<i>179.5</i>	<i>171.2</i>
<i>Percent Change From Prior Year</i>	<i>6.1%</i>	<i>6.1%</i>	<i>6.2%</i>	<i>4.2%</i>	<i>(10.2)%</i>	<i>2.7%</i>	<i>2.5%</i>
Exemptions to the Appropriations Limit ⁵	5.0	11.1	31.9	12.2	--	--	--
Spending Outside the Appropriations Limit:	153.4	360.0	320.2	210.6	84.5	136.1	179.3
<i>TABOR Refund</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>
<i>Rebates and Expenditures</i> ⁶	<i>153.4</i>	<i>164.6</i>	<i>173.8</i>	<i>136.0</i>	<i>141.9</i>	<i>123.0</i>	<i>128.4</i>
<i>Homestead Exemption</i> ⁷	<i>--</i>	<i>74.2</i>	<i>79.8</i>	<i>85.6</i>	<i>1.3</i>	<i>1.6</i>	<i>1.6</i>
<i>Transfer to Capital Construction Fund</i> ⁸	<i>10.1</i>	<i>145.9</i>	<i>93.7</i>	<i>24.9</i>	<i>0.2</i>	<i>12.0</i>	<i>49.3</i>
<i>Reversions and Accounting Adjustments</i> ⁹	<i>(10.1)</i>	<i>(24.7)</i>	<i>(27.1)</i>	<i>(36.0)</i>	<i>(56.2)</i>	<i>--</i>	<i>--</i>
Enhanced Medicaid Match (Reduces General Fund Expenditures) ¹⁰	--	--	--	(223.9)	(2.7)	(0.5)	--
TOTAL GENERAL FUND OBLIGATIONS	6,451.1	7,046.6	7,439.9	7,386.0	6,716.0	6,947.1	7,161.6
RESERVES							
Year-End General Fund Balance	688.4	516.3	327.0	443.8	137.4	481.7	256.9
<i>Year-End Excess General Fund Balance as a Percent of Appropriations</i>	<i>10.9%</i>	<i>7.7%</i>	<i>4.6%</i>	<i>2.0%</i>	<i>2.1%</i>	<i>7.1%</i>	<i>3.7%</i>
General Fund Statutory Reserve ¹¹	251.7	267.0	283.5	148.2	132.6	156.7	279.3
Excess Moneys Above (Below) Statutory Reserve ¹²	436.7	249.3	43.4	295.5 ¹³	4.8	325.0	(22.4)
<i>Transfer to Highway Users Tax Fund (2/3)</i> ¹⁴	<i>291.1</i>	<i>166.2</i>	<i>29.0</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>
<i>Transfer to Capital Construction Fund (1/3)</i> ¹⁴	<i>145.6</i>	<i>83.1</i>	<i>14.5</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>
Note: Deposit to the State Education Fund ^{12,15}	<i>357.2</i>	<i>395.1</i>	<i>407.9</i>	<i>339.9</i>	<i>329.0</i>	<i>628.2</i>	<i>381.3</i>

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 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 for Fiscal Year 2009-10 and subsequent years.

³ This figure represents the total net transfers to or from the General Fund, including statutorily required transfers into the General Fund from various cash funds.

⁴ 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 just 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.

⁵ In Fiscal Year 2005-06, \$5.0 million was appropriated to the State 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 "FINANCIAL OPERATIONS – Budget Process and Other Considerations – Expenditures; The Balanced Budget and Statutory Spending Limitation."

[Notes continued on next page]

- ⁶ 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 through 2011-12 per SB 09-203, SB 09-227 and SB 11-221.
- ⁷ The senior Homestead Exemption property tax credit was suspended for Fiscal Year 2005-06, reinstated for Fiscal Years 2006-07 through 2008-09 and again suspended (except for an exemption for qualified disabled veterans) for Fiscal Years 2009-10 through 2011-12.
- ⁸ 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.
- ⁹ Part of the Fiscal Year 2009-10 reversions and accounting adjustments amount includes a reduction of \$28.1 million to account for a delay in Medicaid payments. These payments are accounted for in Fiscal Year 2010-11 expenditures.
- ¹⁰ The table reflects the infusion of federal stimulus funding for FMAP in Fiscal Years 2008-09 through 2010-11. For Fiscal Year 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" line item.
- ¹¹ Per SB 09-219 and S8 09-277, the Unappropriated Reserve required by Section 24-75-201.1, C.R.S., was lowered from 4.0% to 2.0% for Fiscal Year 2009-10, and per SB 11-156, the Unappropriated Reserve requirement is 2.3% for Fiscal Year 2010-11. The Unappropriated Reserve requirement is to revert to 4.0% for Fiscal Year 2011-12.
- ¹² Per SB 11-156, for Fiscal Year 2010-11, any surplus above the 2.3% Unappropriated Reserve requirement is to be credited to the State Education Fund, and per SB 11-230, for Fiscal Year 2010-11, the amount by which the estimate of Fiscal Year 2010-11 General Fund revenue forecast in the OSPB June 2011 Revenue Forecast exceeds the amount forecast by OSPB in its March 2011 revenue forecast, up to \$67.5 million, is to be transferred to the State Public School Fund and the balance is to be credited to the State Education Fund. See "FINANCIAL OPERATIONS – Budget Process and Other Considerations – *Revenues and Unappropriated Amounts.*"
- ¹³ 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.
- ¹⁴ Per HB 02-1310, two-thirds of the Unappropriated Reserve in excess of the then applicable Unappropriated Reserve was required to be credited to the Highway Users Tax Fund, and one-third of such excess was to be credited to the Capital Construction Fund. SB 09-228 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 and the Capital Construction Fund. See "FINANCIAL OPERATIONS – Budget Process and Other Considerations – *Revenues and Unappropriated Amounts.*"
- ¹⁵ 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. See also Note 13 above. In Fiscal Year 2011-12, the State Education Fund will also receive an estimated \$9.7 million from the tax amnesty program created by SB 11-184.

Sources: State Treasurer's Office and OSPB June 2011 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. General Fund revenues declined by 4.2% in Fiscal Year 2009-10 compared to a decline of 12.9% in Fiscal Year 2008-09. In Fiscal Year 2009-10, sales and use tax revenue declined by 6.0% compared to a decline of 9.1% in Fiscal Year 2008-09. Other excise tax revenue increased by 0.9% compared to a decline of 1.9% in Fiscal Year 2008-09. Corporate and individual income tax collections declined 3.7% in Fiscal Year 2009-10 compared to a decline of 15.6% in Fiscal Year 2008-09. Other revenues increased 0.1% in Fiscal Year 2009-10 compared to a decline of 0.2% in Fiscal Year 2008-09. Total funds available for expenditure in Fiscal Year 2009-10 were \$6,853.5 million and total obligations were \$6,716.0 million. In accordance with Amendment 23, \$329.0 million was diverted to the State Education Fund. The General Fund statutory reserve was \$132.6 million. Per SB 09-277, the Unappropriated Reserve was lowered to 2.0% of Fiscal Year appropriations.

Fiscal Year 2008-09. General Fund revenues declined 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 declined by 9.1% compared to an increase of 4.9% in Fiscal Year 2007-08. Other excise tax revenue declined 1.9% compared to a decline of 0.8% in Fiscal Year 2007-08. Corporate and individual

income tax collections declined 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 0.8% 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 variables. Forecasts of national variables were provided by Moody's Investors Analytics for the OSPB June 2011 Revenue Forecast. The OSPB forecasts the State economy using a model originally developed partly in-house and partly by consultants to the State.

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 revenues are determined using the modified accrual basis of accounting in accordance with the standards promulgated by GASB, with certain statutory exceptions. As a result, although the Fiscal Year budgets are balanced and, based upon 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 a modified 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 State Department of Education); or (iii) after a finding of fiscal emergency by a joint resolution of the General

Assembly approved by the Governor, taking such actions necessary to be utilized by each principal department and institution of higher education to reduce State personnel expenditures.

The next OSPB revenue forecast will be released in September 2011. General Fund revenue projections in the new forecast may be materially different from the OSPB June 2011 Revenue Forecast and may project a revenue shortfall or a revenue surplus if economic conditions change markedly. Due to the volatility in the State and national economies, OSPB's forecasts of General Fund revenues over the last several years have fluctuated from forecast to forecast, and in some cases have been significantly lower or higher than the immediately preceding forecast, and such volatility may be reflected in the September 2011 forecast. If a revenue shortfall is projected for Fiscal Year 2011-12 and subsequent forecasted years, which would result in a budgetary shortfall, budget cuts will be necessary to ensure the balanced budget. See "INVESTMENT CONSIDERATIONS – Budgets and Revenue Forecasts."

OSPB Revenue and Economic Forecasts

The OSPB prepares quarterly revenue estimates and is currently forecasting for Fiscal Years 2010-11 through 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 June 20, 2011, and the forecast for Fiscal Years 2010-11 and 2011-12 is summarized below. The complete OSPB June 2011 Revenue Forecast may be viewed at <http://www.colorado.gov/cs/Satellite/OSPB/GOVR/1218709343298>.

The OSPB June 2011 Revenue Forecast shows that the Fiscal Year 2010-11 budget is balanced and that the State will end Fiscal Year 2010-11 with General Fund revenue of \$325.0 million in excess of the 2.3% required Unappropriated Reserve level. As discussed in "FINANCIAL OPERATIONS – Budget Process and Other Considerations – *Revenues and Unappropriated Amounts*" and Notes 12 and 15 to the table in "Overview of Historical and Projected General Fund Operations" above, under current law this surplus is to be credited to funds used for public schools. However, the OSPB June 2011 Revenue Forecast states that the strong growth in revenue in Fiscal Year 2010-11 is expected to be one-time in nature, and that Fiscal Year 2011-12 General Fund revenue is forecast to be essentially flat. As a result, based on current law appropriations, the OSPB forecasts that the State will end Fiscal Year 2011-12 with an Unappropriated Reserve equal to 3.7% of appropriations, which is \$22.4 million below the required 4.0% Unappropriated Reserve level.

The OSPB revenue forecasts also include both State and national economic forecasts. The OSPB June 2011 Revenue Forecast states that, despite recent weakening, which has thus far mostly been seen at the national level, the State and national economies are expected to continue to grow. Recoveries from major financial crises are often marked by ups and down as the economy slowly repairs itself. However, because of the persistent negative forces weighing on the economy and the hazards that high sovereign debt levels pose to the global financial system, heightened risk remains that economic conditions could worsen. For the complete economic forecast, see the OSPB June 2011 Revenue Forecast.

The following are historical and forecast key economic indicator variables from the OSPB June 2011 Revenue Forecast. See also "APPENDIX B – CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION" for additional information relating to State's economy.

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

	Actual				Forecast	
	2007	2008	2009	2010	2011	2012
Current Income:						
Personal Income (billions)	\$205.2	\$215.0	\$210.5	\$215.3	\$221.1	\$227.8
Change from Prior Year	5.6%	4.7%	(2.1)%	2.3%	2.7%	3.0%
Wage and Salary Income (billions)	\$113.0	\$117.2	\$112.8	\$113.9	\$116.0	\$119.4
Change from Prior Year	6.7%	3.7%	(3.7)%	1.0%	1.8%	2.9%
Per Capita Income (\$/person)	\$42,619.8	\$43,910.9	\$42,338.1	\$42,669.6	\$43,169.7	\$43,754.4
Change from Prior Year	4.2%	3.0%	(3.6)%	0.8%	1.2%	1.4%
Population and Employment:						
Population (thousands)	4,815.7	4,895.7	4,972.2	5,044.8	5,122.7	5,206.2
Change from Prior Year	1.7%	1.7%	1.6%	1.5%	1.6%	1.6%
Net Migration (thousands)	37.4	40.3	37.9	36.1	40.3	43.5
Civilian Unemployment Rate	3.7%	4.8%	8.3%	8.9%	9.0%	8.7%
Total Nonagricultural Employment (thousands)	2,331.5	2,350.6	2,245.0	2,219.9	2,231.0	2,251.9
Change from Prior Year	2.3%	0.8%	(4.5)%	(1.1)%	0.5%	0.9%
Construction Variables:						
Total Housing Permits Issued (thousands)	29.5	19.0	9.4	11.6	10.6	12.0
Change from Prior Year	(23.2)%	(35.5)%	(50.8)%	23.9%	(8.9)%	13.9%
Nonresidential Construction Value (millions)	4,610.5	3,849.3	3,026.4	2,717.6	2,579.1	2,602.7
Change from Prior Year	16.8%	(16.5)%	(21.4)%	(10.2)%	(5.1)%	0.9%
Prices and Sales Variables:						
Retail Trade Sales (billions)	\$75.4	\$74.8	\$66.3	\$70.6	\$74.3	\$77.4
Change from Prior Year	7.0%	(0.8)%	(11.3)%	6.4%	5.2%	4.2%
Denver-Boulder-Greeley CPI (1982-84=100)	202.0	209.9	208.5	212.4	219.9	225.1
Change from Prior Year	2.2%	3.9%	(0.6)%	1.9%	3.5%	2.4%

Source: OSPB June 2011 Revenue Forecast

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

Investment of the State Pool

General. The investment of public funds by the State Treasurer is subject to the general limitations discussed in “FINANCIAL OPERATIONS – 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 arbitrated 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 Investments of the State Pool. The following tables set forth the investment by category of the moneys in the State pool as of the end of each month in Fiscal Years 2009-10 and 2010-11 for which information is available.

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

	July 2009	Aug 2009	Sept 2009	Oct 2009	Nov 2009	Dec 2009	Jan 2010	Feb 2010	Mar 2010	Apr 2010	May 2010	June 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
State Pool Portfolio Mix
Fiscal Year 2010-11
(Amounts expressed in millions)¹**

	July 2010	Aug 2010	Sept 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011
Agency CMOs	\$ 306.0	\$ 299.2	\$ 291.7	\$ 283.8	\$ 276.4	\$ 268.4	\$ 260.7	\$ 253.5	\$ 246.1	\$ 238.2	\$230.4
Commercial Paper	118.0	205.0	322.0	65.0	223.0	294.9	155.0	0.0	60.0	205.0	193.0
U.S. Treasury Notes	675.2	675.1	675.1	675.1	665.1	680.2	680.1	739.8	769.3	759.3	759.4
Federal Agencies	3,348.0	2,813.0	2,772.0	2,829.1	2,718.0	3,663.7	4,282.4	4,109.4	4,142.1	4,585.2	4,478.6
Asset-Backed Securities	386.5	367.1	350.4	316.0	298.4	286.7	267.8	253.0	239.9	222.1	197.4
Money Market	200.0	185.0	200.0	160.0	25.0	170.0	80.0	80.0	50.0	40.0	--
Corporates	364.6	357.9	370.8	368.3	388.7	437.4	449.4	455.3	510.2	531.1	598.6
Certificates of Deposit	25.8	24.0	21.8	21.5	14.1	14.4	4.4	4.4	4.4	5.4	4.2
Totals	\$5,424.1	\$4,926.3	\$5,003.8	\$4,718.8	\$4,608.7	\$5,815.7	\$6,189.8	\$5,895.4	\$6,022.0	\$6,586.3	\$6,461.6

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 State 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 2011A NOTES – Authorization," "FINANCIAL OPERATIONS – The Treasurer" and "HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE."

The following tables present on a cash basis the actual and estimated cash flows of the General Fund for Fiscal Year 2010-11, and the estimated cash flows for the General Fund for Fiscal Year 2011-12, by total categories of receipts and disbursements. The tables are based on revenue and expenditure projections prepared on the modified accrual basis of accounting, with accounting

adjustments made by the State Treasurer to arrive at a cash basis presentation, and should be read in conjunction with the information set forth in “HISTORICAL AND PROJECTED GENERAL FUND PERFORMANCE.”

Monthly cash flow projections for Fiscal Years 2010-11 and 2011-12 are based upon (i) the General Fund appropriations for Fiscal Years 2010-11 and 2011-12 adopted by the General Assembly, (ii) historical experience as adjusted to reflect economic conditions, (iii) statutory and administrative changes and anticipated payment dates for payrolls and (iv) the OSPB June 2011 Economic 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 estimated cash flows. Additionally, the timing of transactions from month to month may vary from the forecasts. Therefore, there are likely to be differences between 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 and Estimated General Fund Cash Flow
Fiscal Year 2010-11
Current Law
(Amounts expressed in millions; totals may not add due to rounding)¹

	Actual											Estimated ¹	
	July 2010	Aug 2010	Sept 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	June 2011	Total
Beginning Cash and Investments Balance	\$ 46.0											\$ 46.0	
Revenues:													
General Fund Revenue:													
Sales and Use Tax	184.9	\$ 163.1	\$ 189.2	\$ 186.5	\$ 170.8	\$ 186.6	\$ 206.9	\$ 166.3	\$ 178.7	\$ 190.4	\$ 175.8	\$ 193.2	\$ 2,192.4
Individual Income Tax	288.0	300.9	406.0	286.2	287.1	432.3	481.6	148.3	238.1	653.7	290.7	429.4	4,242.3
Corporate Income Tax	(10.9)	9.4	86.2	13.5	(8.6)	54.0	12.1	(5.1)	45.2	79.0	2.0	98.8	375.6
Other	57.3	17.1	12.6	38.9	38.5	(8.9)	17.9	48.0	23.5	45.8	19.5	19.5	329.7
Total General Fund Revenue	519.3	490.5	694.0	525.1	487.8	664.0	718.5	357.5	485.5	968.9	488.0	740.9	7,140.0
Augmenting Revenue – Primarily Federal Revenue ²	255.1	485.5	540.7	373.6	451.2	564.0	469.8	460.7	605.7	444.3	515.4	476.8	5,642.8
Total Revenues	774.4	976.0	1,234.7	898.7	939.0	1,228.0	1,188.3	818.2	1,091.2	1,413.2	1,003.4	1,217.7	12,782.8
Expenditures ² :													
Payroll	121.2	126.9	115.0	115.0	115.1	116.1	116.8	117.9	116.2	116.9	116.9	116.7	1,410.7
Medical Assistance	348.8	352.9	292.9	287.1	343.4	355.4	349.6	341.9	353.7	321.2	390.0	319.3	4,056.2
Public School Distribution	845.0	4.1	665.4	1.8	16.2	845.3	54.8	34.4	771.0	69.5	45.7	67.8	3,421.0
Higher Education Distribution	--	46.8	--	4.0	4.0	41.0	0.3	0.3	0.3	1.1	1.1	--	98.9
Grants and Contracts	49.5	281.1	336.4	159.2	220.4	12.8	202.5	182.2	231.6	171.2	191.3	201.7	2,239.9
Other	108.3	223.3	85.8	110.0	105.8	215.9	93.2	89.7	110.5	106.2	107.0	(11.8)	1,343.9
Total Expenditures;	(1,460.8)	(1,035.1)	(1,495.5)	(677.1)	(804.9)	(1,586.5)	(817.2)	(766.4)	(1,583.3)	(786.1)	(852.0)	(693.8)	(12,558.7)
Total Revenues and Beginning Cash and Investments													
Minus Total Expenditures	(640.4)	(59.1)	(260.8)	221.6	134.1	(358.5)	371.1	51.8	(492.1)	627.1	151.4	523.9	270.1
Revenue Accrual Adjustment	119.9	(44.6)	7.2	46.7	(69.1)	28.8	15.4	(7.5)	(24.2)	78.6	(22.5)	(17.6)	111.1
Expenditure Accrual Adjustment	(213.1)	97.7	(1.5)	(88.1)	72.1	(95.7)	126.5	(14.1)	40.8	(49.4)	12.0	(291.5)	(404.3)
Extraordinary Items Impacting Cash:													
TABOR refund	--	--	--	--	--	--	--	--	--	--	--	--	--
Net Transfer In/Out – From/To Cash Funds Per Statute	--	--	--	--	--	--	--	--	--	--	--	151.3	151.3
Homestead Exemption	--	--	--	--	--	--	--	--	--	--	--	--	--
General Fund Notes – Including Interest	--	--	--	--	--	500.0	--	--	--	--	--	(500.8)	(0.8)
Capital Construction Transfer	(12.0)	--	--	--	--	--	--	--	--	--	--	--	(12.0)
Actual/Projected Monthly Cash Change	(745.6)	(6.0)	(255.1)	180.2	137.1	74.6	513.0	30.2	(475.5)	656.3	140.9	(134.7)	115.4
General Fund Cash Balance End of Month	\$ (745.6)	\$ (751.6)	\$(1,006.7)	\$(826.5)	\$(689.4)	\$(614.8)	\$(101.8)	\$(71.6)	\$(547.1)	\$ 109.2	\$ 250.1	\$ 115.4	

¹ General Fund revenues are derived from the OSPB June 2011 Revenue Forecast. The amounts for June 2011 are estimates made by the State Treasurer's office based on various assumptions and are subject to change. No representation or guaranty is made herein that such forecasted amounts will be realized. See the inside cover of this Official Statement regarding forward-looking statements.

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

Source: State Treasurer's Office

State of Colorado
Estimated General Fund Cash Flow
Fiscal Year 2011-12
Current Law
(Amounts expressed in millions; totals may not add due to rounding)¹

	Jul 2011	Aug 2011	Sept 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Total
Beginning Cash and Investments Balance	\$ 115.4												\$ 115.4
Revenues:													
General Fund Revenue:													
Sales and Use Tax	183.4	\$ 183.9	\$ 191.2	\$ 184.4	\$ 173.4	\$ 175.7	\$ 210.7	\$ 159.5	\$ 161.9	\$ 180.8	\$ 174.8	\$ 187.8	2,167.5
Individual Income Tax	349.1	289.8	406.2	371.1	330.8	351.2	456.8	122.9	180.5	516.2	357.3	472.9	4,204.9
Corporate Income Tax	5.7	3.3	78.1	29.3	(22.5)	31.8	26.8	4.2	43.8	70.7	14.4	73.0	358.7
Other	21.8	4.1	13.3	(25.6)	(9.1)	(25.8)	25.9	52.7	38.7	181.0	(20.7)	149.7	405.9
Total General Fund Revenue	560.0	481.2	688.8	559.2	472.6	532.8	720.2	339.4	424.8	948.8	525.8	883.4	7,137.0
Federal Revenue	209.7	394.3	504.5	400.2	516.0	537.3	438.3	499.9	539.9	399.6	492.3	709.9	5,642.2
Total Revenues	769.7	875.5	1,193.3	959.4	988.6	1,070.2	1,158.5	839.3	964.7	1,348.4	1,018.2	1,593.3	12,779.2
Expenditures:													
Payroll	136.0	125.0	117.0	117.7	116.7	97.0	114.3	110.4	111.8	108.3	109.8	126.9	1,390.8
Medical Assistance	265.2	329.8	239.7	236.5	357.5	302.8	204.5	328.2	260.1	375.3	323.6	290.2	3,513.5
Public School Distribution	829.0	7.2	820.4	0.2	1.8	815.5	3.0	0.3	815.8	0.3	0.2	2.1	3,295.8
Higher Education Distribution	0.0	17.1	0.0	3.2	1.6	14.8	0.0	0.0	0.0	0.0	0.0	(0.8)	35.8
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	272.6	2,838.8
Other	393.2	258.6	42.4	90.4	70.3	227.1	105.2	64.5	29.9	8.9	1.3	216.5	1,508.4
Total Expenditures	(1,666.6)	(993.9)	(1,523.9)	(651.4)	(783.3)	(1,747.8)	(674.8)	(741.3)	(1,487.3)	(728.3)	(676.9)	(907.5)	(12,583.1)
Total Revenues and Beginning Cash and Investments													
Minus Total Expenditures	(781.5)	(118.4)	(330.6)	308.0	205.3	(677.6)	483.7	98.0	(522.6)	620.1	341.3	685.8	311.5
Revenue Accrual Adjustment	(107.5)	(14.1)	1.5	4.6	(22.4)	3.1	1.4	(0.2)	(1.4)	7.2	(36.7)	(12.3)	(176.9)
Expenditure Accrual Adjustment	63.9	22.5	(0.5)	(15.4)	16.8	(5.1)	14.4	(9.3)	7.2	37.6	(11.3)	(156.7)	(35.9)
Extraordinary Items Impacting Cash:													
TABOR Refund	--	--	--	--	--	--	--	--	--	--	--	--	--
Net Transfer In/Out – From/To Cash Funds Per Statute	--	--	--	--	--	--	--	--	--	--	--	124.7	124.7
Homestead Exemption	--	--	--	--	--	--	--	--	--	(1.6)	--	--	(1.6)
Series 2011A Notes – Including Interest	500.0	--	--	--	--	--	--	--	--	--	--	(500.8)	(0.8)
Capital Construction Transfer	(49.3)	--	--	--	--	--	--	--	--	--	--	--	(49.3)
Actual/Projected Monthly Cash Change	(374.4)	(110.0)	(329.6)	297.2	199.6	(679.6)	499.5	88.6	(516.7)	663.3	293.2	140.6	171.8
General Fund Cash Balance End of Month	\$ (374.4)	\$ (484.4)	\$ (814.0)	\$ (516.8)	\$ (317.1)	\$ (996.7)	\$ (497.2)	\$ (408.6)	\$ (925.4)	\$ (262.1)	\$ 31.1	\$ 171.8	

¹ General Fund revenues are derived from the OSPB June 2011 Revenue Forecast. All other amounts are estimates made by the State Treasurer's office based on various assumptions and are subject to change. No representation or guaranty is made herein that such forecasted amounts will be realized. See the inside cover of this Official Statement regarding forward-looking statements.

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 State Treasurer to pay the Series 2011A 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 the actual and estimated Borrowable Resources for Fiscal Year 2010-11 and estimated Borrowable Resources for Fiscal Year 2011-12. The estimates in the table are based on various assumptions made by the State Treasurer’s office, which are subject to uncertainties. Inevitably, some assumptions used to develop the forecasted amounts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between the forecasted amounts in the 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 and Estimated Borrowable Resources
Fiscal Year 2010-11^{1,2}

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

	Actual											Estimated ³
	July 2010	Aug 2010	Sept 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	June 2011
State and Local Severance Tax Funds	\$ 247.0	\$ 246.0	\$ 231.5	\$ 240.1	\$ 224.2	\$ 238.4	\$ 242.4	\$ 247.0	\$ 256.2	\$ 270.7	\$ 280.4	\$ 252.3
Mineral Impact Fund	96.2	106.2	65.6	79.3	90.1	76.8	85.6	95.6	87.3	101.2	112.9	94.3
College Scholarship Fund	--	134.2	16.2	16.2	40.9	161.5	159.1	107.2	40.4	43.5	42.6	9.2
Hospital Provider Fee	72.4	21.4	22.8	30.7	37.7	44.4	55.9	69.3	68.2	78.1	87.6	73.0
School Capital Construction Assistance	78.3	90.1	87.8	86.4	90.4	93.1	95.6	108.9	101.3	101.9	109.2	109.2
Colorado Student Obligation Bond Authority – Administration	22.9	23.3	28.8	28.0	26.8	22.1	23.5	23.0	23.1	22.9	23.2	26.9
Aviation Fund	28.7	29.3	29.8	28.6	30.2	29.9	29.0	30.6	31.9	30.6	30.3	30.0
Water Conservation Construction Fund	71.0	72.5	83.4	82.1	80.3	84.7	82.6	79.8	83.4	89.1	91.3	93.7
Capital Construction Fund	74.3	78.3	76.9	72.8	67.6	64.1	55.7	44.5	38.9	47.5	30.1	26.3
Lottery Fund	49.8	55.0	37.5	47.2	55.5	45.1	53.3	56.9	37.9	48.0	58.4	40.4
Limited Gaming Fund	45.9	2.9	4.7	8.1	12.0	15.7	19.8	24.2	28.3	33.4	38.4	43.6
Hazardous Substance Fund	12.7	12.6	13.0	13.0	12.9	12.6	12.9	12.7	12.6	12.8	12.9	12.8
Workers' Compensation Fund	2.1	17.2	22.2	19.9	19.9	13.7	10.8	8.1	5.0	1.8	--	--
State Public School Fund	571.5	303.9	701.7	386.6	80.7	399.8	129.8	14.9	488.1	241.1	153.5	20.5
Higher Education Funds	948.2	1,166.9	1,286.9	1,246.3	1,196.6	1,143.8	1,271.5	1,321.2	1,321.3	1,266.7	1,185.5	1,325.5
Tobacco Tax Funds	104.1	112.0	94.7	109.0	114.4	101.7	113.6	117.8	102.1	112.0	115.5	59.9
Other Borrowable Resources	676.6	672.8	763.4	654.7	720.6	1,224.4	1,171.5	1,175.9	1,157.0	1,107.4	1,224.1	564.5
Total Borrowable Resources	3,101.7	3,144.6	3,566.9	3,149.0	2,900.8	3,771.8	3,612.6	3,537.6	3,883.0	3,608.7	3,595.9	2,781.9
Total General Fund	(745.6)	(751.6)	(1,006.7)	(826.5)	(689.4)	(614.8)	(101.8)	(71.6)	(547.1)	109.2	250.1	115.4
Less: Notes Issued and Outstanding	--	--	--	--	--	(500.0)	(500.0)	(500.0)	(500.0)	(500.0)	(500.0)	--
Net Borrowable Resources	\$2,356.1	\$2,393.0	\$2,560.2	\$2,322.5	\$2,211.4	\$2,657.0	\$3,010.8	\$2,966.0	\$2,835.9	\$3,217.9	\$3,346.0	\$2,897.4

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

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

³ Amounts for June 2011 are estimates made by the State Treasurer's office based on various assumptions and are subject to change. No representation or guaranty is made herein that such estimates will be realized.

Source: State Treasurer's Office

State of Colorado
Estimated Borrowable Resources
Fiscal Year 2011-12^{1,2,3}

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

	July 2011	Aug 2011	Sept 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	June 2012
State and Local Severance Tax Funds	\$ 249.0	\$ 246.5	\$ 214.7	\$ 217.9	\$ 213.9	\$ 214.6	\$ 210.4	\$ 211.7	\$ 207.5	\$ 164.2	\$ 162.3	\$ 157.6
Mineral Impact Fund	95.1	98.6	67.0	69.5	69.8	61.1	64.8	73.0	59.2	68.7	76.4	63.8
College Scholarship Fund	15.0	124.2	24.2	21.9	20.9	119.1	108.4	88.5	65.6	38.1	37.8	8.2
Hospital Provider Fee	73.0	71.4	72.8	80.7	87.7	94.4	105.9	119.3	118.2	128.1	137.6	135.0
School Capital Construction Assistance	102.0	99.1	96.6	95.0	99.4	102.4	105.2	119.8	111.4	112.1	120.1	119.0
Colorado Student Obligation Bond												
Authority – Administration	25.0	23.5	29.1	28.3	27.1	22.3	23.7	23.2	23.3	23.1	23.4	27.2
Aviation Fund	30.5	29.3	29.8	28.6	30.2	29.9	29.0	30.6	31.9	30.6	30.3	30.0
Water Conservation Construction Fund	88.0	89.4	90.8	89.7	87.8	90.4	93.5	92.4	93.9	73.8	75.7	77.7
Capital Construction Fund	27.0	25.5	22.8	21.1	19.9	18.4	17.7	16.6	15.1	14.7	13.3	11.6
Lottery Fund	42.0	51.7	30.7	39.6	48.9	26.3	40.0	51.9	33.7	47.1	57.2	39.5
Limited Gaming Fund	43.7	3.1	5.9	9.2	13.2	16.0	19.9	24.7	29.3	34.3	39.5	44.7
Hazardous Substance Fund	12.7	12.8	12.7	13.2	13.6	14.1	14.4	14.1	13.9	14.1	14.0	13.9
Workers' Compensation Fund	2.1	2.3	2.3	1.7	2.0	1.8	1.3	2.3	0.7	0.3	0.2	0.0
State Public School Fund	553.0	204.8	758.5	409.8	57.5	620.5	275.0	16.6	480.2	227.0	85.0	11.4
Higher Education Funds	1,075.0	990.7	1,086.1	1,087.9	991.7	1,026.9	1,272.4	1,270.6	1,186.8	1,113.3	1,084.0	1,212.0
Tobacco Tax Funds	105.0	110.2	110.0	106.7	108.2	103.8	104.3	106.1	94.6	101.3	106.9	55.4
Other Borrowable Resources	655.0	744.9	675.8	682.0	677.3	1,002.7	1,005.9	967.9	999.2	1,081.8	1,184.2	546.0
Total Borrowable Resources	3,193.1	2,927.9	3,329.8	3,002.8	2,569.2	3,564.7	3,491.9	3,229.2	3,564.5	3,272.6	3,247.7	2,553.0
Total General Fund	(374.4)	(484.4)	(814.0)	(516.8)	(317.1)	(996.7)	(497.2)	(408.6)	(925.4)	(262.1)	31.1	171.8
Less: Notes Issued and Outstanding	(500.0)	(500.0)	(500.0)	(500.0)	(500.0)	(500.0)	(500.0)	(500.0)	(500.0)	(500.0)	(500.0)	
Net Borrowable Resources	\$2,318.7	\$1,943.6	\$2,015.8	\$1,986.0	\$1,752.1	\$2,068.0	\$2,494.7	\$2,320.6	\$2,139.1	\$2,510.5	\$2,778.9	\$2,724.7

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

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

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

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. 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 2011A 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 \$80.8 million in Fiscal Year 2011-12. On December 16, 2010, the State entered into an additional annually renewable lease-purchase agreement to finance K-12 school construction pursuant to the State's "Building Excellent Schools Today" (BEST) program. For Fiscal Year 2011-12, the BEST December 2010 issuance added \$15.2 million to the previously existing \$11.9 million of Net Base Rent due in that year under the BEST program. See Notes 24 and 40 to the financial statements included in the State's Fiscal Year 2009-10 CAFR appended to this Official Statement for a discussion of the State's notes, bonds and certificates payable and material subsequent events that occurred after June 30, 2010, but before publication of the 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 \$88.3 million and \$74.4 million, respectively.

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 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 Fiscal Year 2009-10 CAFR appended to this Official Statement.

Pension and Post-Employment Benefits

The State provides post-employment benefits to its employees based on their work tenure and earnings history through a defined benefit pension plan (as more particularly defined in "APPENDIX C –

STATE PENSION SYSTEM,” the “Plan”), a defined contribution plan and a limited healthcare plan. Each plan is administered by the Public Employees’ Retirement Association (“PERA”), which is a statutorily created legal entity that is separate from the State. PERA also administers plans for school districts, local governments and other entities, each category of which is considered a separate division of PERA and for which the State has no obligation to make contributions or fund benefits. Most State employees participate in the Plan. For a general description of the Plan and PERA, see “APPENDIX C – STATE PENSION SYSTEM.” For a detailed discussion of the Plan, the defined contribution plan and PERA, see Notes 18, 19 and 20 to the State’s Fiscal Year 2009-10 CAFR appended to this Official Statement and PERA’s Comprehensive Annual Financial Report for calendar year 2010 (the “PERA 2010 CAFR”). The information in the State’s Fiscal Year 2009-10 CAFR is based on PERA’s Comprehensive Annual Financial Report for calendar year 2009; however, the information under this caption has been updated with information from the PERA 2010 CAFR released in June 2011.

The Plan is funded with payments made by the State and by each participating State employee, the amounts of which are determined and established by statute. See “APPENDIX C – STATE PENSION SYSTEM – Funding and Contributions.” Although the State has made all statutorily required contributions (“SRC”) to the Plan, as of December 31, 2010 (the latest period for which audited information for the Plan is available), the actuarial value of the Plan assets and the actuarial accrued liability (“AAL”) of the Plan were \$12.8 billion and \$20.4 billion, respectively, resulting in an unfunded actuarial accrued liability (“UAAL”) of \$7.6 billion and a funded ratio of 62.8%. The UAAL at December 31, 2010, would amortize over a 47-year period based on contribution rates as of the date of calculation (*i.e.*, contributions equal to the SRC)*. See “APPENDIX C – STATE PENSION SYSTEM – Funding and Contributions” and Table 1 therein for details on the State’s SRC and ARC, and supplemental contributions made by the State to address funding shortfalls.

The actuarial value of assets for the Plan uses an asset valuation method of smoothing the difference between the market value of assets and the actuarial value of assets to prevent extreme fluctuations that may result from short-term or cyclical economic and market conditions. Accordingly, the full effect of recent fluctuations in Plan assets as a result of economic and market conditions is not reflected in the funded ratio of 62.8%. The funded ratio of the Plan at December 31, 2010, based on the market value of assets, was 61.3%, representing an unfunded accrued liability of \$7.9 billion. See “APPENDIX C – STATE PENSION SYSTEM – Plan Assets, Liabilities and Funding Levels” for historical information regarding the Plan’s assets, liabilities and funding levels. See also “Management’s Discussion and Analysis” and Notes 18, 19 and 20 to the State’s Fiscal Year 2009-10 CAFR appended to this Official Statement. Calculation of the UAAL and the ARC is based on numerous assumptions, including future retiree participation and contribution rates, discount rates, investment rates and life expectancy rates. No assurance can be given that the AAL and UAAL of the Plan will not materially increase or that the actuarial or market values of the Plan assets will not materially decrease.

Because the State’s annual contributions with respect to the Plan are set by statute and funded in the State’s annual budget, such contributions are not affected in the short term by changes in the actuarial valuation of the Plan assets or funding ratio of the Plan. Accordingly, the State does not believe that the State’s current pension liability or any change in the State’s pension liability will adversely affect the State’s ability to fully pay the Series 2011A Notes.

The State also currently offers other post-employment health and life insurance benefits to its employees. The post-employment health insurance is provided under the PERA Health Care Trust Fund in which members from all divisions of PERA may participate. It is a cost-sharing, multiple employer

* For purposes of calculating the actuarial annual required contribution (ARC) under the Plan for accounting purposes, GAAP requires that the UAAL be amortized over a maximum period of 30 years. As a result, the ARC is higher than the SRC because it results in a 30-year amortization of the UAAL instead of a 47-year amortization of the UAAL at December 31, 2010.

plan under which PERA subsidizes a portion of the monthly premium for health insurance coverage for certain State retirees, and the remaining amount of the premium is funded by the benefit recipient through an automatic deduction from the monthly retirement benefit. The Health Care Trust Fund is funded by a statutory allocation of moneys consisting of portions of, among other things, the employer statutorily required contributions, the amount paid by members to purchase non-covered employment service credits and the amount of any reduction in the employer contribution rates to amortize any overfunding in each Division's trust fund. At December 31, 2010, the Health Care Trust Fund had an unfunded actuarial accrued liability of \$1.4 billion, a funded ratio of 17.5% and a 42-year amortization period. Because the Health Care Trust Fund is a cost-sharing, multiple employer plan, the actuary has not determined the portion of the UAAL that applies to each division participant. However, the State Division, which is itself a cost-sharing, multiple employer participant in the Health Care Trust Fund, represented approximately 34% of the covered payroll reported for the Health Care Trust Fund at December 31, 2010. Although at December 31, 2010, the funded ratio of the Health Care Trust fund was 17.5%, the benefit is a fixed limited subsidy of the retiree's health care insurance premium payment, and the retiree bears all risk of medical cost inflation. See Notes 10 and 11 to the PERA 2010 CAFR for additional information regarding the Health Care Trust Fund.

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). Certain State authorities are presented in the State's CAFR as determined based on the financial accountability requirements as defined in Statements Number 14 and 39 issued by GASB.

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.

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 2011A 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 and education loan anticipation notes that have been issued by the State have been paid in full and on time. See Note 40 to the financial statements included in the State's Fiscal Year 2009-10 CAFR appended to this Official Statement for a discussion of the State's tax and revenue anticipation notes and education loan anticipation notes issued in Fiscal Year 2010-11.

LITIGATION

No Litigation Affecting the Series 2011A 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 2011A Notes or questioning or affecting the validity of the Series 2011A Notes or the proceedings or authority under which they are to be issued. There is also no litigation pending, or to the State's knowledge threatened, that in any manner questions the right of the State Treasurer to adopt the Authorizing Resolution and to secure the Series 2011A 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 a single occurrence and an aggregate of \$600,000 for injury to two or more persons in a single occurrence, except that no one person may recover in excess of \$150,000. The Immunity Act does not limit recovery against an employee who is acting outside the course and scope of his/her employment. The Immunity Act specifies the sources from which judgments against public entities may be collected and provides that public entities are not liable for punitive or exemplary damages. The Immunity Act does not prohibit claims in Colorado state court against public entities or their employees based on contract and may not prohibit such claims based on other common law theories. However, the Immunity Act does bar certain federal actions or claims against the State or State employees sued in their official capacities under federal statutes when such actions are brought in state court. The Eleventh Amendment to the U.S. Constitution bars certain federal actions or claims against the State or 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 6H, 6I, 21 and 39 to the financial statements included in the State's Fiscal Year 2009-10 CAFR appended to this Official Statement. Judgments awarded against the State for which there is no insurance coverage or that are not payable from the Risk Management Fund ordinarily require a legislative appropriation before they may be paid.

Current Litigation

For a description of the pending material litigation in which the State is or was a defendant, see Note 39 to the financial statements included in the State's Fiscal Year 2009-10 CAFR appended to this Official Statement. In addition, the State is a defendant in a lawsuit contesting the funds and assets that comprise the TABOR emergency reserve. See Note 8B to the financial statements included in the State's Fiscal Year 2009-10 CAFR appended to this Official Statement for a description of the Fiscal Year 2009-10 emergency reserve. The citizen lawsuit asserts the TABOR emergency reserve, which is currently estimated in the Fiscal Year 2010-11 Long Bill to be \$264.7 million for Fiscal Year 2010-11,

must be funded in cash and/or liquid assets. Plaintiff seeks declaratory judgment for additional cash to be allocated to the TABOR emergency reserve. For Fiscal Year 2010-11, such amount includes \$70.7 million of State properties designated in the Long Bill and the portion of the \$100.0 million Wildlife Fund designated net assets that is not in the form of cash or liquid assets. The latter amount will not be known until the State's financial statements are prepared and audited in December 2011. The State believes it has a reasonable probability of a favorable outcome in the case, but the ultimate outcome cannot presently be determined. The State Attorney General does not believe that the above action or any remaining actions described in Note 39 to the financial statements included in the State's Fiscal Year 2009-10 CAFR appended to this Official Statement, 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 2011A Notes. Further, the State Attorney General 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 2011A Notes.

RATINGS

Moody's Investors Service, Inc. and Standard & Poor's, a division of The McGraw-Hill Companies, Inc., have assigned to the Series 2011A 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 2011A 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 2011A Notes. Neither the State Treasurer nor its Financial Advisor undertakes any responsibility to oppose any such revision, suspension or withdrawal.

CONTINUING DISCLOSURE

In accordance with Subsection (d)(3) of Rule 15c2-12, which Subsection applies to offerings of municipal securities having a stated maturity of 18 months or less, such as the Series 2011A Notes, the State will not undertake to provide on an ongoing basis either audited annual financial statements or annual financial information or operating data of the type presented in this Official Statement, but will undertake in the Authorizing Resolution to provide: (i) notice of any actual or projected deficiency in the Note Payment Account, as discussed in "THE SERIES 2011A NOTES – Security and Sources of Payment – *Note Payment Account*"; and (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the events enumerated in Subsection (b)(5)(i)(C) of Rule 15c2-12 with respect to the Series 2011A Notes, including, without limitation, principal and interest payment delinquencies, nonpayment related defaults (if and to the extent determined by the State 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 2011A Notes or events affecting the tax status of the Series 2011A Notes, modifications to rights of the registered owners of the Series 2011A Notes (if

and to the extent determined by the State Treasurer to be material), tender offers, defeasances and rating changes. Some of the foregoing notices are also required to be provided to DTC.

The obligations of the State Treasurer pursuant to the undertaking are for the benefit of the registered owners and Beneficial Owners of the Series 2011A 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 State 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 2011A Notes in such event.

Except as discussed below, during the previous five years the State Treasurer has complied, in all material respects, with the continuing disclosure undertakings entered into by the State Treasurer pursuant to the requirements of Rule 15c2-12. From January 2011 to May 2011, the State Treasurer failed to file with the MSRB monthly cash flow schedules for the State's General Fund Tax and Revenue Anticipation Notes, Series 2010A (the "Series 2010A Notes"), which were issued on December 14, 2010, and paid in full at maturity. Although such monthly filings were not required by Rule 15c2-12, the authorizing resolution for the Series 2010A Notes included an affirmative covenant by the State Treasurer to do so. See "THE SERIES 2011A NOTES – Security and Sources of Payment – *Note Payment Account*" for a discussion of the provisions of the Authorizing Resolution for the Series 2011A Notes regarding the preparation of periodic cash flow projections, which do not include a covenant by the State Treasurer to disseminate such projections.

LEGAL MATTERS

In connection with the issuance of the Series 2011A 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 E – 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 Peck, Shaffer & Williams 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 2011A Notes.

TAX MATTERS

Federal Tax Treatment of Interest on the Series 2011A Notes

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Series 2011A 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 2011A Notes (the "Tax Code"), and interest on the Series 2011A Notes is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described below.

The Tax Code imposes several requirements which must be met with respect to the Series 2011A Notes in order for the interest thereon to be excluded from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustments applicable to corporations). Certain of these requirements must be met on a continuous basis throughout the term of the Series 2011A Notes. These requirements include: (a) limitations as to the use of proceeds of the Series 2011A Notes;

(b) limitations on the extent to which proceeds of the Series 2011A 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 2011A Notes above the yield on the Series 2011A Notes to be paid to the United States Treasury. The State Treasurer has covenanted and represented in the Authorizing Resolution not to take or omit to take any action with respect to the Series 2011A Notes, the proceeds thereof or any other funds of the State if such action or omission would cause the interest on the Series 2011A Notes to lose its exclusion from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustments applicable to corporations) under the Tax Code. Bond Counsel's opinion as to the exclusion of interest on the Series 2011A Notes from gross income and alternative minimum taxable income (to the extent described above) is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the State Treasurer to comply with these requirements could cause the interest on the Series 2011A Notes to be included in gross income and alternative minimum taxable income from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the State Treasurer and other certifications and representations furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications or representations by independent investigation.

Section 55 of the Tax Code contains a 20% alternative minimum tax on the alternative minimum taxable income of corporations. Under the Tax Code, 75% of the excess of a corporation's "adjusted current earnings" over the corporation's alternative minimum taxable income (determined without regard to this adjustment and the alternative minimum tax net operating loss deduction) is included in the corporation's alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. "Adjusted current earnings" includes interest on the Series 2011A Notes.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Series 2011A Notes. Owners of the Series 2011A 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 2011A Notes may be sold at a premium, representing a difference between the original offering price of those Series 2011A Notes and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such Series 2011A Notes (if any) may realize a taxable gain upon their disposition, even though such Series 2011A 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 2011A 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 2011A Notes may be sold at a premium, representing a difference between the original offering price of those Series 2011A Notes and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such Series 2011A Notes may realize a taxable gain upon their disposition, even if such Series 2011A 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 2011A Notes. If an audit is commenced, the market value of the Series 2011A Notes may be adversely affected. Under current audit procedures, the Service will treat the State as the taxpayer and the Owners may have no right to participate in such procedures. The State Treasurer has covenanted in the Authorizing Resolution not to take any action that would cause the interest on the Series 2011A 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 2011A Notes.

Colorado Tax Treatment of Series 2011A Notes

In the opinion of Bond Counsel, interest on the Series 2011A 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 2011A Notes.

Other

Bond Counsel's opinion relates only to the exclusion of interest on the Series 2011A 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 2011A Notes. Owners of the Series 2011A 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 2011A 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 2011A Notes, the exclusion of interest on the Series 2011A 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 2011A 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 2011A Notes. Owners of the Series 2011A Notes are advised to consult with their own tax advisors with respect to such matters.

UNDERWRITING

The Series 2011A Notes will be purchased from the State by J.P. Morgan Securities LLC and Citigroup Global Markets Inc. pursuant to a competitive sale conducted by the State for an aggregate purchase price of \$508,545,300, being the principal amount of the Series 2011A Notes plus an aggregate original issue premium of \$8,620,000 and less an aggregate underwriting discount of \$74,700.

FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Incorporated, Denver, Colorado, is acting as Financial Advisor to the State in connection with the issuance of the Series 2011A 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 2011A 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 2011A 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 2011A Notes, copies of the Authorizing Resolution and certain other documents referred to herein may be obtained from the Financial Advisor at Stifel, Nicolaus & Company, Incorporated, 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 State Treasurer. This Official Statement is hereby approved by the State Treasurer as of the date on the cover page hereof.

By: /s/ Walker R. Stapleton
Treasurer of the State of Colorado

APPENDIX A

**STATE COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

(Pagination reflects the original printed document)

APPENDIX B

CERTAIN STATE ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information was prepared and provided by Development Research Partners, Inc. to give prospective investors general information concerning selected economic and demographic conditions existing in Colorado as of the dates indicated. See also “INTRODUCTION – State Economic and Demographic Information.” The statistics have been obtained from the referenced sources and represent the most current information available; however, because certain information is released with a significant time lag, the information in many cases will not be indicative of existing or future economic and demographic conditions. Further, the reported data has not been adjusted for inflation or other economic influences. 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, sparsely populated and used for agriculture in many areas. 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-five percent of the State’s population and about 60 percent of its jobs are located in the Denver/Boulder metropolitan area, which is a hub for transportation, communication 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 estimates as of July 1 for each year from 2000 to 2010 for Colorado and the United States.

	July 1 Population Estimates			
	Colorado		United States	
	Population (millions)	% Change	Population (millions)	% Change
2000	4.33		282.17	
2001	4.43	2.4%	285.05	1.0%
2002	4.50	1.6	287.75	0.9
2003	4.55	1.0	290.24	0.9
2004	4.60	1.1	292.94	0.9
2005	4.66	1.3	295.62	0.9
2006	4.75	2.0	298.43	1.0
2007	4.84	1.9	301.39	1.0
2008	4.93	1.9	304.18	0.9
2009	5.02	1.8	306.66	0.8
2010	5.10	1.6	309.05	0.8

Note: All data are July 1 estimates and are not consistent with 2010 Census data. Intercensal population estimates consistent with Census 2010 were not available at the time of publication.

Sources: U.S. Census Bureau, Population Estimates Program.

The following table provides an age distribution for Colorado's population and the population nationwide based on the 2010 Census.

	Age Distribution as of April 1, 2010			
	Colorado		United States	
	Population (millions)	% of total	Population (millions)	% of total
Under 20 years	1.36	27.1%	83.27	27.0%
20 to 44 years	1.77	35.3	103.72	33.6
45 to 64 years	1.34	26.7	81.49	26.4
65 to 84 years	0.48	9.5	34.77	11.3
85+ years	0.07	1.4	5.49	1.8
Total	5.03	100.0%	308.75	100.0%
Median Age	36.1		37.2	

Note: Totals may not add due to rounding.

Source: U.S. Census Bureau, Census 2010.

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Income

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

	Per Capita Personal Income in Current Dollars					
	Colorado		Rocky Mountain Region ¹		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	42,386	3.6	37,775	4.1	39,461	4.7
2008	43,560	2.8	38,857	2.9	40,674	3.1
2009	41,895	(3.8)	37,515	(3.5)	39,635	(2.6)
2010	42,802	2.2	38,285	2.1	40,584	2.4

Note: Intercensal population estimates consistent with Census 2010 were not available at the time of publication. Per capita personal income for years 2005 through 2009 is total personal income divided by July 1 population estimates that are not consistent with Census 2010. Per capita personal income for 2010 is total personal income divided by April 1 population from Census 2010. Because the population bases are inconsistent, percentage change in per capita personal income between 2010 and prior years should be interpreted with caution.

¹The Rocky Mountain Region includes Colorado, Idaho, Montana, Utah, and Wyoming.

Source: U.S. Bureau of Economic Analysis.

Employment

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

	Civilian Labor Force, Total Employment, and Unemployment Rates					
	Colorado Civilian Labor Force (thousands)		Colorado Total Employment (thousands) ¹		Annual Average Unemployment Rate	
		% Change		% Change	Colorado	United States
2005	2,588.4		2,455.8		5.1%	5.1%
2006	2,655.6	2.6%	2,541.8	3.5%	4.3	4.6
2007	2,698.6	1.6	2,598.4	2.2	3.7	4.6
2008	2,737.3	1.4	2,605.5	0.3	4.8	5.8
2009	2,727.6	(0.4)	2,501.8	(4.0)	8.3	9.3
2010	2,687.4	(1.5)	2,447.7	(2.2)	8.9	9.6
Year-to-date averages through April 2011:						
2010	2,688.2		2,436.5		9.4%	10.2%
2011	2,668.9	-0.7%	2,420.9	-0.6%	9.3%	9.3%

¹Includes 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.

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Employment (continued)

The following table shows Colorado employment by industry in the third quarter of each year from 2005 through 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 in Third Quarter							% Change, 2009Q3- 2010Q3
Industry	2005	2006	2007	2008	2009	2010	
Private Sector							
Agriculture, Forestry, Fishing, and Hunting	17,671	17,373	17,039	15,724	15,317	15,313	0.0%
Mining	17,724	21,443	25,772	29,039	22,760	24,983	9.8
Utilities	7,985	8,181	8,009	8,307	8,428	8,263	(2.0)
Construction	168,736	173,756	175,570	168,189	132,306	119,414	(9.7)
Manufacturing	151,356	149,889	147,091	144,421	128,160	126,409	(1.4)
Wholesale Trade	94,650	97,222	99,951	100,698	92,331	91,241	(1.2)
Retail Trade	246,043	247,441	254,216	253,247	237,383	238,148	0.3
Transportation and Warehousing	61,103	62,166	64,059	63,617	58,609	56,829	(3.0)
Information	77,158	75,384	76,358	76,866	73,990	71,382	(3.5)
Finance and Insurance	107,520	109,073	107,990	104,548	100,389	97,982	(2.4)
Real Estate and Rental and Leasing	47,300	48,034	48,234	47,061	42,519	41,445	(2.5)
Professional and Technical Services	155,964	163,128	171,236	176,357	166,993	167,047	0.0
Management of Companies and Enterprises	25,016	27,368	28,704	28,902	28,437	29,115	2.4
Administrative and Waste Services	141,436	148,317	155,628	152,121	134,761	138,947	3.1
Educational Services	24,368	25,138	26,353	26,955	27,413	28,422	3.7
Health Care and Social Assistance	197,472	202,857	211,065	220,609	225,885	232,830	3.1
Arts, Entertainment, and Recreation	44,496	45,396	45,620	46,956	45,797	46,013	0.5
Accommodation and Food Services	221,588	228,753	233,284	234,938	224,598	226,311	0.8
Other Services	65,786	66,394	67,674	69,609	66,040	66,180	0.2
Unclassified	219	291	567	1,012	585	282	(51.8)
Government	339,767	345,292	351,323	363,137	364,572	366,149	0.4
Total*	2,213,356	2,262,896	2,315,741	2,332,313	2,197,273	2,192,705	-0.2%

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

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

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Employment (continued)

The following table shows the largest private sector employers in Colorado as of 2010. 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 (2010)

Employer	Type of Business	Estimated Employees¹
Wal-Mart	General Merchandise	24,490
Dillon Companies (King Soopers/City Market)	Grocery	18,620
Centura Health	Healthcare	13,000
Safeway Inc.	Grocery	10,000
Lockheed Martin Corporation	Aerospace & Defense-Related Systems	9,830
HealthONE Corporation	Healthcare	9,640
CenturyLink ²	Telecommunications	7,760
Exempla Healthcare	Healthcare	7,320
Target Corporation	General Merchandise	7,180
Home Depot	Building Materials Retailer	6,710
Wells Fargo Bank	Financial Services	6,300
Kaiser Permanente	Healthcare	5,870
University of Denver	Private University	5,490
Comcast Corporation	Telecommunications	5,300
DISH Network	Satellite TV & Equipment	4,690
Oracle	Software & Network Computer Systems	4,520
United Airlines	Airline	4,500
The Children's Hospital	Healthcare	4,270
IBM Corporation	Computer Systems & Services	4,200
University of Colorado Hospital ³	Healthcare, Research	4,000
Republic Airways Holdings, Inc. (Frontier Airlines)	Airline Holding Company	3,760
Xcel Energy	Utilities	3,700
United Parcel Service	Parcel Delivery	3,620
Ball Corporation	Aerospace, Containers	3,200
MillerCoors Brewing Company	Beverages	2,810

¹Includes both full- and part-time employees.

²Formerly Qwest Communications International, Inc.

³Some workers are also included in the employment count for the University of Colorado System (next table).

Sources: Colorado Department of Labor and Employment; Development Research Partners.

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Employment (continued)

The following table shows the largest public sector employers in Colorado as of 2010.

Estimated Largest Public Sector Employers in Colorado (2010)	
Employer	Estimated Employees¹
Federal Government	36,880
State of Colorado	33,480
University of Colorado System ²	15,200
Denver Public Schools	13,590
Jefferson County Public Schools	12,150
City and County of Denver	12,000
US Postal Service	11,030
Cherry Creek School District No 5	7,810
Douglas County School District RE-1	7,110
Colorado State University	6,850
Denver Health	5,310
Adams 12 Five Star Schools	5,160
Aurora Public Schools	5,000
Colorado Springs School District 11	4,920
Boulder Valley School District RE-2	4,340
Colorado Springs Memorial Hospital	4,070
Poudre School District R-1	3,980
St. Vrain Valley School District RE-1J	3,970
City of Aurora	3,400
Mesa County Valley School District 51	3,350
Academy Schools District No 20	3,300
Thompson School District R2J	2,980
Jefferson County	2,870
Colorado Springs	2,570
Pueblo School District No 60	2,500

¹Includes both full- and part-time employees.

²Some workers are also included in the employment count for the University of Colorado Hospital (previous table).
Source: Colorado Department of Labor and Employment.

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	% Change	Amount	% Change
	(billions)		(billions)	
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	184.52	(13.3)	134.17	-12.2%
2010	193.88	5.1	142.77	6.4%

Note: Data are preliminary and are subject to revision.
Source: Colorado Department of Revenue.

The following table provides a recent history of Colorado retail sales totals by industry.

Colorado Retail Sales by Industry (millions) and Percentage Change from Prior Year												
Industry	2005	% Change	2006	% Change	2007	% Change	2008	% Change	2009	% Change	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%	\$330.4	15.9%
Mining	1,402.4	41.9	2,239.9	59.7	2,955.1	31.9	3,414.2	15.5	2,226.6	(34.8)	2,536.2	13.9
Utilities	5,822.7	24.0	5,453.7	(6.3)	6,312.3	15.7	7,094.1	12.4	6,706.0	(5.5)	8,222.9	22.6
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)	2,759.3	(1.7)
Manufacturing	8,579.5	14.1	10,097.7	17.7	11,400.6	12.9	11,757.8	3.1	9,219.8	(21.6)	9,891.9	7.3
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)	12,365.7	4.0
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)	10,254.5	(15.6)	11,292.6	10.1
Furniture and Furnishings	2,376.5	2.3	2,481.7	4.4	2,573.8	3.7	2,353.2	(8.6)	1,893.9	(19.5)	1,902.8	0.5
Electronics and Appliances	1,914.4	1.7	2,074.0	8.3	2,304.7	11.1	2,244.0	(2.6)	1,982.9	(11.6)	2,137.3	7.8
Building Materials/Nurseries	5,572.8	12.0	5,820.6	4.4	5,766.4	(0.9)	5,281.0	(8.4)	4,202.7	(20.4)	4,393.3	4.5
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)	13,352.5	6.3
Health and Personal Care	1,744.7	4.7	1,978.3	13.4	2,139.1	8.1	2,268.8	6.1	2,350.1	3.6	2,523.8	7.4
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)	4,692.3	17.2
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)	3,113.4	7.6
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)	2,498.4	5.5
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)	11,088.8	1.0
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)	2,422.6	9.9
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)	2,917.6	4.4
Total Retail Trade	58,748.4	5.2	62,993.5	7.2	67,332.1	6.9	66,682.2	(1.0)	58,476.7	(12.3)	62,335.4	6.6
Transportation/Warehouse	789.9	12.1	887.0	12.3	829.4	(6.5)	756.2	(8.8)	585.8	(22.5)	520.4	(11.2)
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	6,857.5	(2.7)
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)	3,175.6	11.6
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)	3,135.6	8.0
Professional/Scientific/Technical	5,623.3	(9.1)	6,065.8	7.9	6,623.3	9.2	6,861.0	3.6	6,059.6	(11.7)	6,572.8	8.5
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)	1,830.3	2.0
Education	329.2	25.3	389.1	18.2	425.1	9.2	461.6	8.6	421.9	(8.6)	475.6	12.7
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	5,947.5	3.6
Arts/Entertainment/Recreation	781.6	9.7	890.1	13.9	952.6	7.0	971.5	2.0	903.8	(7.0)	951.4	5.3
Accommodation	2,281.2	7.6	2,600.3	14.0	2,904.8	11.7	3,033.8	4.4	2,566.9	(15.4)	2,704.5	5.4
Food/Drinking Services	6,744.0	4.5	7,443.9	10.4	8,042.5	8.0	8,229.0	2.3	7,976.5	(3.1)	8,339.3	4.5
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)	3,564.9	2.7
Government	353.7	29.8	322.8	(8.8)	299.3	(7.3)	249.6	(16.6)	241.6	(3.2)	255.2	5.6
Total All Industries	123,431.0	8.4	135,691.6	9.9	148,910.8	9.7	152,809.2	2.6	134,169.6	(12.2)	142,772.2	6.4

Note: Data are preliminary and are subject to revision. 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.

National Parks Visits ¹		Colorado Tourism Statistics								Skier Visits ³	
		Conventions		Conventions ² <i>Delegates</i>		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	-	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)	
2010	5.70	3.4	75	13.6	267.6	9.4	533.1	9.4	11.86	0.0	

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

²Includes only those conventions held at the Colorado Convention Center.

³Count 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 recent history of the number of new residential units permitted in Colorado.

New Privately Owned Housing Units Authorized in Colorado

	1 Unit	2 Units	3 and 4 Units	5 or more Units	Total Units Authorized	% 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)
2010	8,790	276	136	2,389	11,591	23.9
Year-to-date totals through April:						
2010	3,167	72	49	975	4,263	
2011	2,627	96	20	887	3,630	
% change	-17.1%	33.3%	-59.2%	-9.0%	-14.8%	

Source: U.S. Census Bureau.

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Residential Foreclosures

The following table provides a recent 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 proceed no less than 110 days after the initial filing. Once a foreclosure sale is completed, the eviction process begins. Note that percentage changes in filing activity reflect events and trends external to the housing market, specifically foreclosure moratoria and, more recently, legal challenges that have slowed lenders' filing processes.

Foreclosure Filings and Sales in Colorado

	Foreclosure Filings ¹		Foreclosure Sales at Auction	
		% Change		% 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)
2010	42,692	(8.0)	23,891	16.9

Year-to-date totals through first quarter:

2010	11,136		6,686	
2011	8,115	-27.1%	5,605	-16.2%

¹Some 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

STATE PENSION SYSTEM

The information included in this Appendix relies on information compiled and presented in the PERA Comprehensive Annual Financial Report for the Plan Year ended December 31, 2010 (the latest period for which audited information for the Plan is available), prepared by PERA staff employees; by the firm Cavanaugh Macdonald Consulting, LLC, PERA's independent actuary, and audited by KPMG, LLP, PERA's independent public accounting firm. The valuation and other assessments of PERA constitute forward-looking information as described in the inside cover of this Official Statement because they are based on assumptions about future events. The assumptions underlying the valuation and assessment may prove to be inaccurate and may be changed by PERA and its representatives and consultants to reflect actual results and future projections as additional information becomes available. The State takes no responsibility for the accuracy, validity or completeness of such information, valuations, and assessments.

General Description

Overview. The State of Colorado, like most other state and local governments, provides post-employment benefits to its employees based on their work tenure and earnings history. By statute, the State created the Public Employees' Retirement Association ("PERA"), which administers cost-sharing, multiple-employer defined benefit plans to provide retirement, death and disability benefits through the State Division Trust Fund (for State employees) (the "State Division"), the School Division Trust Fund (for employees of school districts), the Local Government Division Trust Fund (for employees of numerous municipalities and other local governmental entities) and the Judicial Division Trust Fund (for judges in the State). The defined benefit plan for the State Division is referred to herein as the "Plan." As described in more detail under the caption "Funding and Contributions" below, the Plan is funded with payments made by the State and by each employee, the amount of which are determined and established by statute. Benefits provided through the Plan are paid from the State Division. State employees hired after 2005 may, in lieu of participating in the Plan, elect to participate in a defined contribution plan (the "DC Plan") which is also administered by PERA. However, the majority of State employees participate in the Plan. See Notes 1 and 8 to the PERA 2010 CAFR for a discussion of the membership in the Plan and in the DC Plan, respectively. The State has no obligation to make contributions or fund benefits in divisions other than the State Division and Judicial Division of PERA. Because the majority of State employees participate in the Plan and not in the DC Plan, and the number of judges employed by the State that participate in the Judicial Division is relatively small in comparison to the number of other State employees, the disclosure in "DEBT AND CERTAIN OTHER FINANCIAL OBLIGATIONS – Pension and Post-Employment Benefits" in the body of the Official Statement and in this Appendix relates only to the Plan. See Note 20 to the State's Fiscal Year 2009-10 CAFR appended to this Official Statement and Note 8 to the PERA 2010 CAFR for a discussion of the DC Plan. The information in the State's Fiscal Year 2009-10 CAFR is based on PERA's Comprehensive Annual Financial Report for calendar year 2009; however, the information in this Appendix has been updated for the information provided in the PERA 2010 CAFR released in June 2011.

PERA. PERA is a statutorily created legal entity that is separate from the State (as further described in Title 24, Article 51, C.R.S.). PERA was established in 1931 and has fiduciary responsibility for several separate divisions, including the State Division, the School Division, the Local Government Division and the Judicial Division. The State represents the majority, but not all, of the State Division employers and employees. Each division operates as a separate legal trust. PERA also operates a cost-sharing, multiple-employer post-employment benefit plan through the Health Care Trust Fund that provides a health care premium subsidy to participating PERA benefit recipients who choose to enroll in one of PERA's health care plans. PERA's financial statements, which include all of its divisions and trusts, may be obtained by writing to PERA at P.O. Box 5800, Denver, Colorado 80217-5800, by calling the PERA

Infoline at 1-800-759-7372 or by visiting <http://www.copera.org>. **The reference to the website of PERA is included herein for informational purposes only, and information available at such website or in PERA's financial statements, or any information provided by PERA, is not incorporated in this Official Statement by reference or otherwise. The State makes no representations regarding the accuracy of the information available at such website.**

Plan Provisions

In response to funding challenges, the General Assembly has enacted changes to Plan benefits at various times. Some of such changes have been applied prospectively to newly hired employees. As a result, there are several tiers of employee benefits and related provisions that are based on employee hire dates and other factors. See Notes 18, 19 and 20 to the State's Fiscal Year 2009-10 CAFR appended to this Official Statement, the PERA 2010 CAFR and Title 24, Article 51, C.R.S., for a discussion of the various tiers of benefits under the Plan.

Funding and Contributions

Statutorily Required Contribution (SRC). The State's contributions to the Plan are based on percentages of employee wages, which percentages are set by statute. Such contribution percentages are referred to herein as the "Statutorily Required Contribution," or the "SRC," of the State. The baseline SRC that is made by the State for most State employees is 10.15% of each employee's salary for Fiscal Years 2009-10 and 2010-11. As discussed under "Annual Required Contribution" below, the SRC is lower than the actuarially computed Annual Required Contribution ("ARC"). The State has paid 100% of the SRC for each of Fiscal Years 2007-08 through 2009-10. See Note 18 to the State's Fiscal Year 2009-10 CAFR appended to this Official Statement for a summary of the SRC percentages payable by, and percentage amounts paid by, the State for such Fiscal Years. As required by statute, State employees generally contribute 8.0% of their wages to the Plan; however, for Fiscal Years 2010-11 and 2011-12, the employee contribution percentage was increased to 10.5% of the employee's wages. The 2.5% increase in contribution percentage by employees replaced a 2.5% reduction in the State contribution for such Fiscal Years. No assurance can be given regarding whether the General Assembly, through legislative action, will or will not further modify the amounts required to be contributed to the Plan by the State and its employees in any given year.

The State enacted legislation in 2004 and 2006 to gradually increase employer contributions to the Plan by authorizing the Amortization Equalization Disbursement (the "AED") and the Supplemental Amortization Equalization Disbursement (the "SAED") to reduce the amount of time over which funding shortfalls in the Plan would remain outstanding. Both the AED and SAED are paid by the State as contributions to the Plan, but the SAED payment comes from moneys that would otherwise have been used to provide market-based salary increases to employees. When and if the scheduled increases in AED and SAED are fully implemented at the end of 2017, the total State contribution to the Plan will be equal to 20.15% of employee wages. See Note 18 to the State's Fiscal Year 2009-10 CAFR appended to this Official Statement for a discussion of the AED and SAED.

Annual Required Contribution (ARC). The Annual Required Contribution, or "ARC," is the amount required if the State were to fund each year's normal cost (*i.e.*, the present value of the benefits that the Plan projects to become payable in the future that are attributable to a valuation year's payroll) in the Plan plus an annual amortization of the unfunded actuarial accrued liability ("UAAL"), assuming that the UAAL will be fully funded over a 30-year period. The ARC is designed to quantify the current liability for future benefit payments associated with a defined benefit plan, and is based on accounting standards which generally allow a maximum period of 30 years to fund shortfalls in the market or actuarial value of the Plan's assets. As a result, the ARC is higher than the SRC because it results in a 30-year amortization period of the UAAL instead of a 47-year amortization period (at December 31, 2010, based on contribution rates as of the date of calculation). The ARC amount varies from year-to-year as the investment market

changes and the value of Plan assets changes, and is different from the SRC which, as described above, is set by statute and changed only when the General Assembly determines that the SRC will result in overfunding or underfunding of the Plan over the long term. As shown in Table 1 below, the State consistently makes the SRC, but in recent years it has not made the ARC.

Historical State Contributions. The following table shows (i) the ARC and SRC for the Plan over each of the ten years through December 31, 2010, (ii) the State’s contributions expressed as a percentage of the ARC and (iii) the difference between the ARC and the State’s actual contributions.

Table 1
Employer Contributions
State and School Division 2001 through 2005; State Division 2006 through 2010
(Dollar amounts in thousands)

<u>Plan</u> ¹	<u>Calendar Year</u>	<u>Annual Required Contribution (ARC)</u>	<u>Statutory Required Contribution (SRC)</u> ²	<u>Actual Employer Contribution</u>	<u>Actual Contribution as a Percent of ARC</u>	<u>Amount Unfunded ARC-Actual Employer Contribution</u>
State Division	2010	\$452,821 ³	\$287,624 ⁴	\$287,624	63.52%	\$165,197
State Division	2009	426,999	297,240	297,240	69.61	129,759
State Division	2008	437,537	270,353	270,353	61.79	167,184
State Division	2007	385,352	232,997	232,997	60.46	152,355
State Division	2006	405,800	208,795	208,795	51.45	197,005
State and School Division	2005	918,466	491,031	491,031	53.46	427,435
State and School Division	2004	918,025	452,991	452,991	49.34	465,034
State and School Division	2003	571,156	387,920	387,920	67.92	183,236
State and School Division	2002	315,825	315,825	315,825	100.00	--
State and School Division	2001	314,649	314,649	314,649	100.00	--

¹ Prior to 2006 the State Division and School Division of PERA were combined and actuarial valuations were not done separately for the State or for schools.

² The SRC for the State Division is higher for judges and State troopers than for other State employees. However, the number of judges and State troopers employed by the State is small in comparison to the number of other State employees, so the State contribution for these employees is combined with other State Division employees in this table.

³ In accordance with GAAP, results in amortization of UAAL over 30 years as of December 31, 2010.

⁴ Results in amortization of UAAL over 47 years as of December 31, 2010.

Sources: PERA Comprehensive Annual Financial Reports for calendar years 2005 and 2010

Plan Assets, Liabilities and Funding Levels

At December 31, 2010 (the latest period for which audited information for the Plan is available), based on PERA’s CAFR for the Plan year ended December 31, 2010, the actuarial value of the Plan assets and the actuarial accrued liability (“AAL”) of the Plan were \$12.8 billion and \$20.4 billion, respectively, resulting in a UAAL of \$7.6 billion and a funded ratio of 62.8%. The UAAL would amortize over a 47-year period based on contribution rates as of the date of calculation (*i.e.*, contributions equal to the SRC). The actuarial value of assets for the Plan uses an asset valuation method of smoothing the difference between the market value of assets and the actuarial value of assets to prevent extreme fluctuations that may result from short-term or cyclical economic and market conditions. Accordingly, the full effect of recent fluctuations in Plan assets as a result of economic and market conditions is not reflected in the funded ratio of 62.8%. At December 31, 2010, the funded ratio of the Plan based on the market value of assets was 61.3%, representing a UAAL of \$7.9 billion. Table 2 below sets forth for each of the ten years through December 31, 2010, the UAAL, funded ratio and related information for the Plan based on the actuarial value of Plan assets. Table 3 below sets forth for each of the ten years through December 31, 2010, the UAAL, funded ratio and related information for the Plan based on the market value of Plan assets.

When calculating the funding status of the Plan as summarized in Table 2 below, PERA’s CAFR for Plan year 2010 indicates that the following actuarial assumptions, among others, were used : (1) the actuarial cost method is based on the entry age of participants; (2) the Plan’s UAAL is amortized as a level percent of payroll, on an open basis, over a 30-year period; (3) the valuation of assets is based on an

actuarial value of assets whereby gains and losses relative to an 8.00% annual return are smoothed in over a four-year period; (4) projected salary increases are expected to range from 4.50% to 10.17%; (5) the rate of inflation is assumed to be 3.75% and the rate of productivity increase is 0.75%; however, both are included in the assumed 8.00% rate of investment return and in the projected salary increases; and (6) cost of living adjustments are assumed to be 2.00% per year. See Note 11 to the PERA 2010 CAFR for a discussion of the actuarial methods and assumptions used in calculating the funding status of the Plan. No assurance can be given that any of the assumptions underlying the actuarial valuations of the Plan will reflect the actual results experienced by the Plan. Variances between the assumptions and actual results may cause an increase or decrease in the actuarial value of plan assets, the AAL, the UAAL, the funded ratio or the ARC.

Table 2
Historical Funding Progress
Actuarial Value of Plan Assets
State and School Division 2001 through 2004; State Division 2005 through 2010
(Dollar Amounts in Thousands)

<u>Plan</u> ¹	<u>Date Ending December 31</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Employer Pavroll</u>	<u>UAAL as a Percentage of Employer Pavroll</u>
State Division	2010	\$12,791,946	\$20,356,176	\$ 7,564,230	62.8%	\$2,392,080	316.2%
State Division	2009	13,382,736	19,977,217	6,594,481	67.0	2,384,137	276.6
State Division	2008	13,914,371	20,498,668	6,584,297	67.9	2,371,369	277.7
State Division	2007	14,220,681	19,390,296	5,169,615	73.3	2,236,518	231.1
State Division	2006	13,327,290	18,246,010	4,918,720	73.0	2,099,325	234.3
State Division	2005	12,536,916	17,541,744	5,004,828	71.5	2,064,764	242.4
State and School Division	2004	28,594,699	40,783,531	12,188,832	70.1	5,303,439	229.8
State and School Division	2003	28,522,222	37,914,502	9,392,280	75.2	5,140,918	182.7
State and School Division	2002	28,551,607	32,463,918	3,912,311	87.9	5,278,586	74.1
State and School Division	2001	28,947,935	29,469,608	521,673	98.2	4,954,605	10.5

¹ Prior to 2006 the State and School Divisions of PERA were combined as one division and actuarial valuations were not done separately for the State or for Schools.

Sources: PERA Comprehensive Annual Financial Reports for calendar years 2005 and 2010

Table 3
Historical Funding Progress
Market Value of Plan Assets
State and School Division 2001 through 2005; State Division 2006 through 2010
(Dollar Amounts in Thousands)

<u>Plan</u> ¹	<u>Valuation Date (December 31)</u>	<u>Market Value of Assets²</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Employer Pavroll</u>	<u>UAAL as a Percentage of Employer Pavroll</u>
State Division	2010	\$12,487,105	\$20,356,176	\$ 7,869,071	61.3%	\$2,392,080	329.0%
State Division	2009	11,611,758	19,977,217	8,365,459	58.1	2,384,137	350.9
State Division	2008	10,508,301	20,498,668	9,990,367	51.3	2,371,369	421.3
State Division	2007	14,852,029	19,390,296	4,538,267	76.6	2,236,518	202.9
State Division	2006	14,041,260	18,264,010	4,222,750	76.9	2,099,325	201.1
State and School Division	2005	31,956,662	43,505,716	11,549,054	73.5	5,305,978	217.7
State and School Division	2004	30,019,896	40,783,531	10,763,635	73.6	5,303,439	203.0
State and School Division	2003	27,123,836	37,914,502	10,790,666	71.5	5,140,918	209.9
State and School Division	2002	22,023,781	32,463,918	10,440,137	67.8	5,278,586	197.8
State and School Division	2001	25,500,904	29,469,608	3,968,704	86.5	4,954,605	80.1

¹ Prior to 2006 the State and School Divisions of PERA were combined as one division and actuarial valuations were not done separately for the State or for schools.

² Market Value of Assets is net of related current liabilities at the financial statement date and equals net assets held in trust for beneficiaries.

Sources: PERA Comprehensive Annual Financial Reports for calendar years 2001 through 2010

APPENDIX D

DTC BOOK-ENTRY SYSTEM

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

None of the State, the State Treasurer, the Deputy State Treasurer, the Chief Financial Officer of the Department of the Treasury, the State Controller or the Financial Advisor has any responsibility or obligation to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant, (ii) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the registered owners of the Series 2011A 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 2011A Notes, (iv) any consent given or other action taken by DTC or its nominee as the owner of Series 2011A Notes or (v) any other related matter.

DTC will act as securities depository for the Series 2011A Notes. The Series 2011A 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 2011A Note certificate will be issued for the Series 2011A 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 <http://www.dtcc.com> and <http://www.dtc.org>. The State undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on such websites as described in the preceding sentence, including, but not limited to, updates of such information or links to other internet sites accessed through the aforementioned websites.

Purchases of Series 2011A Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2011A 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 2011A 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 2011A Notes except in the event that use of the book-entry system for the Series 2011A Notes is discontinued.

To facilitate subsequent transfers, all Series 2011A 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 2011A 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 2011A Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2011A 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 2011A Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2011A Notes, such as redemptions, defaults and proposed amendments to the Authorizing Resolution. For example, Beneficial Owners of Series 2011A Notes may wish to ascertain that the nominee holding the Series 2011A 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 2011A 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 2011A Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments with respect to the Series 2011A Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the State or the State Treasurer on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, the paying agent or the State, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments with respect to the Series 2011A 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 2011A 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 2011A Note certificates are required to be printed and delivered to the appropriate registered owners of the Series 2011A Notes.

The State may at any time decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository) with respect to the Series 2011A Notes. In that event, Series 2011A Note certificates will be printed and delivered to DTC.

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

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

State of Colorado
General Fund Tax and Revenue Anticipation Notes
Series 2011A

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 2011A” in the aggregate principal amount of \$500,000,000 (the “Notes”) pursuant to the resolution of the Treasurer (the “Resolution”) adopted and approved on July 12, 2011. In such capacity, we have examined the certified proceedings relating to the Notes and such other documents and such law of the State of Colorado (the “State”) and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Resolution.

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

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

1. The State is duly created and validly existing as a body corporate and politic with the power to issue the Notes and perform its obligations contained therein.
2. The Notes are valid and binding special, limited obligations of the State, enforceable against the State in accordance with their terms, payable solely from the Pledged Revenues, as provided in the Notes and the Resolution.
3. Pursuant to the Funds Management Act of 1986, part 9 of article 75 of title 24, Colorado Revised Statutes, as amended, the Resolution creates a valid lien on the Note Payment Account and the Pledged Revenues deposited therein for the security of the Notes, to the extent provided in the Notes and the Resolution and subject to the rights of the owners of Additional Notes, if any. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the Pledged Revenues and on the Note Payment Account created by the Resolution.
4. Interest on the Notes (a) is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Tax Code”), (b) is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that such interest is required to be included in calculating the “adjusted current earnings adjustment” applicable to corporations for purposes of computing the alternative minimum taxable

income of corporations, 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,