

COLORADO



ANNUAL COMPREHENSIVE FINANCIAL REPORT



COLORADO
Office of the State Controller
Department of Personnel & Administration

For the Fiscal Year
Ended June 30, 2023





Annual Comprehensive Financial Report



Jared S. Polis
Governor

Department of Personnel
& Administration

Tony Gherardini
Executive Director

Robert Jaros
State Controller



COLORADO
Office of the State Controller
Department of Personnel & Administration

For the Fiscal Year
Ended June 30, 2023

REPORT LAYOUT

The Annual Comprehensive Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes the controller's transmittal letter and the state's organization chart. The Financial Section includes the auditor's opinion, management's discussion and analysis, the basic financial statements, and the combining statements and schedules. The Statistical Section includes fiscal, economic, and demographic information about the state.

INTERNET ACCESS

The Annual Comprehensive Financial Report and other financial reports are available on the State Controller's home page at:
www.colorado.gov/osc/acfr

STATE OF COLORADO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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Introductory Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023



COLORADO

Office of the State Controller

Department of Personnel & Administration



COLORADO

Office of the State Controller

Department of Personnel & Administration

1525 Sherman St., 5th Floor
Denver, CO 80203

February 2, 2024

To the Citizens, Governor, and Legislators of the State of Colorado:

I am pleased to submit the State of Colorado's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. The State Controller is responsible for the contents of the ACFR and is committed to sound financial management and governmental accountability.

We believe the Basic Financial Statements contained in the ACFR are fairly presented in all material aspects. They are presented in a manner designed to set forth the financial position, results of operations, and changes in net position or fund balances of the major funds and nonmajor funds in the aggregate. All required disclosures have been presented to assist readers in understanding the State's financial affairs.

Management has established a comprehensive framework of internal controls, which are designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from that control.

Except as noted below, the ACFR is prepared in conformity with generally accepted accounting principles (GAAP) applicable to governments as prescribed by the Governmental Accounting Standards Board (GASB). The schedules comparing budgeted to actual activity, included in the sections titled Required Supplementary Information and Supplementary Information, are not presented in accordance with GAAP. Rather, they reflect the budgetary basis of accounting which defers certain payroll, Medicaid, and other statutorily defined expenditures to the following fiscal year; for additional information, see the Cash Basis Accounting description in the Management's Discussion and Analysis (MD&A).

The MD&A contains financial analysis and additional information that is required by GASB and should be read in conjunction with this transmittal letter. In addition to the Basic Financial Statements, the ACFR includes: combining financial statements that present information by fund, certain narrative information that describes the individual fund, supporting schedules, Taxpayer Bill of Rights (TABOR) Schedules and notes, and statistical tables that present financial, economic, and demographic data about the State.

The State Auditor performed an independent audit of the Basic Financial Statements contained in the ACFR and has issued an unmodified opinion. The State Auditor also applied limited audit procedures to the Required Supplementary Information (including the MD&A), but does not issue an opinion on such information. For more information regarding the audit and its results, see the Independent Auditor's Report.

PROFILE OF THE STATE GOVERNMENT

The government of the State of Colorado serves an estimated 5,894,500 Coloradans. The services provided are categorized by function of government on the government-wide *Statement of Activities*. The largest of these are social assistance, higher education, and education.



Structure of the State Government

The State maintains a separation of powers by utilizing three branches of government: executive, legislative, and judicial. The executive branch comprises four major elected officials - Governor, State Treasurer, Attorney General, and Secretary of State. Most departments of the State report directly to the Governor; however, the Departments of Treasury, Law, and State report to their respective elected officials and the Department of Education reports to the elected State Board of Education.

The Legislature is bicameral and comprises thirty-five senators and sixty-five representatives. The Legislature's otherwise plenary power is checked by the requirement for the Governor to sign its legislation and by specific limitations placed in the State Constitution by voters. The most significant fiscal limitation is the restriction related to issuing debt, raising taxes, and changing existing spending limits. From a fiscal perspective, the Joint Budget Committee of the Legislature, because of its preparation of the annual budget and supplemental appropriations bills, heavily influences the financial decision making of the Legislature. The Committee is bipartisan with members drawn from each of the houses of the Legislature.

The Judicial Branch is responsible for resolving disputes within the State, including those between the executive and legislative branches of government, and for supervising offenders on probation. The Branch includes the Supreme Court, Court of Appeals, district courts, and county courts, served by more than 300 justices and judges in 22 judicial districts across the State. There are also seven water courts, one in each of the State's major river basins.

Component Units

The Basic Financial Statements include financial information for component units, which are entities that are legally separate from the State but included in the ACFR as prescribed by GAAP. The financial information for these component units is discretely presented, blended within the Higher Education Fund, or presented in the fiduciary fund statements. Below is a list of the entities reported in the Basic Financial Statements as component units:

- Discretely Presented Component Units:
 - Colorado Water Resources and Power Development Authority
 - University of Colorado Foundation
 - Other Component Units (nonmajor):
 - Denver Metropolitan Major League Baseball Stadium District
 - Statewide Internet Portal Authority
- Blended Component Units:
 - University Physicians Inc., d/b/a CU Medicine
- Fiduciary Component Units:
 - University of Colorado Health and Welfare Trust
 - State Board for Community Colleges and Occupational Education Employee Benefit Trust Fund

There were other entities evaluated for inclusion as component units, but did not meet the criteria established by GASB. Many of these are discussed under Related Organizations in Note 18.

Budgetary Process and Budgetary Control

The State's budget consists of appropriated and non-appropriated General-funded, Federally-funded, and Cash-funded amounts. The appropriated portion of the budget is determined annually by the General Assembly, which creates the annual Long Appropriation Act as well as other special and supplemental bills. In its appropriation bills,

the General Assembly sets the legal level of budgetary control for appropriated amounts by department, line item, and funding source. The non-appropriated portion includes certain cash funds, for which existing state statutes prescribe the amounts authorized for spending, and most federal funds, for which a federal award document or other agreement establishes the amount authorized for spending. The budget is entered into the State's accounting system, which tracks amounts spent and obligated, to ensure the budget is executed as authorized.

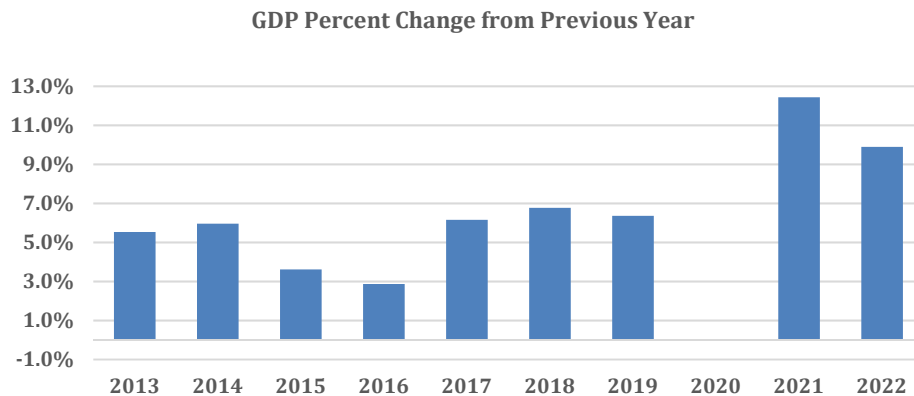
For the most part, operating appropriations lapse at the end of the fiscal year unless the State Controller approves, at a line item level, an appropriation roll-forward based on express legislative direction or extenuating circumstances. The State Controller may also, at a line item level and with the approval of the Governor, allow expenditures in excess of the appropriated budget. Capital construction appropriations are normally effective for three years and do not require State Controller roll-forward approval.

ECONOMIC CONDITION AND OUTLOOK

The State's Economy

The State's General Fund general-purpose revenues reflect the overall condition of the State economy, which showed an increase in Fiscal Year 2023; General Fund revenues increased by \$545 million (3.9 percent) from the prior year. Historically, Colorado economic activity and in-migration have been interdependent. Net migration has averaged approximately 28,200 from 2018 to 2022. Net migration has decreased over this period from approximately 51,800 (2018) to 15,100 (2022) and is projected to be 35,000 and 40,000 for 2023 and 2024, respectively.

The chart below shows the percent change from the previous year of Colorado's gross domestic product (GDP) for the years 2013 to 2022. According to the Bureau of Economic Analysis (BEA), the GDP consistently increased from 2013 to 2022 with a single year of decrease in 2020 (.02 percent). Colorado's 2022 GDP of \$491,289.0 million is an 9.9 percent increase from 2021 and a 77.5 percent increase from 2012.



Colorado has a diverse economy, comprising many industries. The table below shows GDP in current dollars and percent of total GDP by industry for the years 2012 and 2022. Over this ten-year period, the industry profile of the State's GDP has been stable, with growth across most industries.

Industry	2012		2022	
	2012 GDP (millions)	Percent of Total	2022 GDP (millions)	Percent of Total
Finance, Insurance, Real Estate, Rental, and Leasing	\$ 56,844.5	20.5 %	\$ 101,018.4	20.6 %
Professional and Business Services	40,759.4	14.7	75,234.4	15.3
Government and Government Enterprises	34,721.3	12.5	54,366.1	11.1
Educational Services, Health Care, and Social Assistance	20,002.7	7.2	32,865.8	6.7
Manufacturing	20,868.7	7.5	28,393.9	5.8
Information	17,997.9	6.5	30,169.8	6.1
Wholesale Trade	15,872.0	5.7	27,592.7	5.6
Retail Trade	14,834.2	5.4	29,125.9	5.9
Construction	10,110.6	3.7	28,665.9	5.8
Arts, Entertainment, Recreation, Accommodation, and Food Services	12,085.9	4.4	25,284.5	5.1
Mining, Quarrying, and Oil and Gas Extraction	12,406.0	4.5	21,182.5	4.3
Transportation and Warehousing	7,742.6	2.8	18,144.2	3.7
Other Services (Except Government and Government Enterprises)	6,250.9	2.3	11,138.5	2.3
Utilities	3,779.7	1.4	6,766.1	1.4
Agriculture, Forestry, Fishing and Hunting	2,546.7	0.9	1,340.3	0.3
All Industry Total	<u>\$ 276,823.1</u>		<u>\$ 491,289.0</u>	

The Governor's Office of State Planning and Budgeting (OSPB) described Colorado's economic outlook in the December 2023 *Colorado Economic and Fiscal Outlook*:

"The labor market remains strong though jobs growth continues a slow decline at both the state and national level. Similarly, consumer demand has proven more resilient on higher durable goods spending and continued services growth but is expected to decelerate during the first half of 2024. Inflation growth has continued to moderate in Colorado and the nation as a whole as shelter and energy prices continue their downward trajectories. The gap between local and national prices has also narrowed, but price growth remains higher locally than nationwide largely due to higher local demand for services. Resilient consumption patterns, combined with higher than anticipated recent investment and inventory activity, boost 2023 GDP expectations by 0.4 percentage points. Going forward, OSPB still anticipates that growth will slow in early 2024 due to slowdowns in consumer demand, slowing inventories, and investments, followed by a rebound to potential growth by 2025. Colorado has seen earlier slowdowns than the U.S. as a whole in retail spending and the labor market in recent months but is expected to fare slightly better than the nation as a whole over the course of the forecast period due to labor market tightness and a higher proportion of service spending."

The OSPB has made the following calendar year forecasts for Colorado's major economic variables:

- Unemployment will average 3.0 percent for 2023 compared with 3.0 and 5.5 percent in 2022 and 2021, respectively, and is expected to increase to 3.6 percent in 2024.
- Wages and salary income will increase by 6.4 percent in 2023, followed by increases of 4.3 percent and 4.7 percent in 2024 and 2025, respectively.
- Total personal income will increase by 5.4 percent in 2023 and will increase by 4.3 percent and 5.0 percent in 2024 and 2025, respectively.
- Inflation, measured by the Denver-Aurora-Lakewood Consumer Price Index, will be 5.2 percent in 2023 and 3.1 percent in 2024.

Long-Term Financial Planning, Relevant Financial Policies, and Major Initiatives

Section 24-75-201.1, C.R.S., establishes the State's General Fund reserve requirement. The purpose of this limit on General Fund appropriations is to maintain sufficient available budgetary fund balance. The reserve is 15.0 percent of the amount appropriated for expenditure from the General for that fiscal year.

Section 24-51-414, C.R.S., addresses underfunded obligations of the Public Employees' Retirement Association (PERA), which provides benefits to state and local government retirees. Per this Section, the State makes a direct distribution of \$225 million each fiscal year until there are no unfunded pension liabilities in any of PERA's divisions.

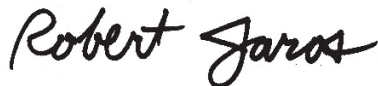
Section 24-30-1310, C.R.S., provides an on-going funding mechanism for capital construction, controlled maintenance, and capital renewal. Over the depreciable life of capital assets that are acquired, constructed, or maintained, an amount equivalent to depreciation is annually transferred to a capital reserve account, the capital construction fund, or the controlled maintenance fund to be utilized for future capital expenditures.

The State has received about \$4.6 billion for programs in the American Rescue Plan. These include the State and Local Fiscal Recovery Fund (\$3.8 billion), Emergency Rental Assistance 1 and 2 (\$453 million), Homeowners Assistance Fund (\$175 million), and the Capital Projects Fund (\$163 million). In the 2021 and 2022 legislative sessions, the General Assembly appropriated almost all of the State and Local Fiscal Recovery Fund amount and the departments are in the process of obligating and spending these funds.

ACKNOWLEDGEMENTS

In conclusion, I thank my staff and the controllers, accountants, auditors, and program managers in the State departments and branches whose time and dedication have made this report possible. I reaffirm our commitment to maintaining the highest standards of accountability in financial reporting.

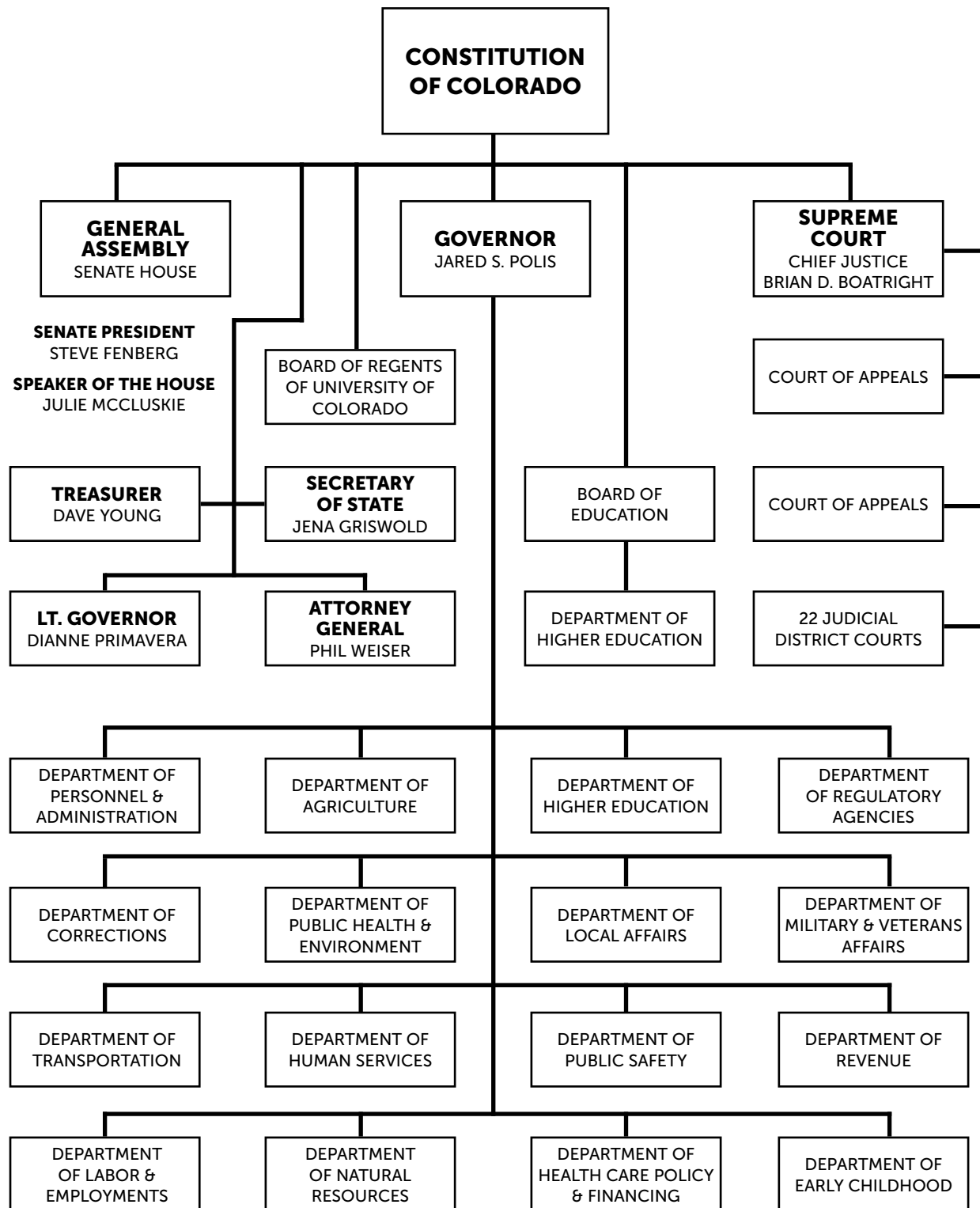
Sincerely,

A handwritten signature in black ink that reads "Robert Jaros". The signature is written in a cursive, flowing style.

Robert Jaros, CPA, MBA, JD
Colorado State Controller



PRINCIPAL ORGANIZATIONS AND KEY OFFICIALS





Financial Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023



COLORADO

Office of the State Controller

Department of Personnel & Administration



OFFICE OF THE STATE AUDITOR
KERRI L. HUNTER, CPA, CFE • STATE AUDITOR

Independent Auditor's Report

Members of the Legislative Audit Committee:

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Colorado (State), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents. We have also audited the State's budgetary comparison schedule—general fund-general purpose revenue component (schedule) and the related note for the fiscal year ended June 30, 2023, as displayed in the State's required supplementary information section.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, as well as the budgetary comparison schedule—general fund-general purpose revenue component of the State of Colorado, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component units identified in Note 1, which, along with the blended units of the University Physicians Inc., DBA CU Medicine (CU Medicine), Altitude West, LLC, and University License Equity Holding Inc., represent the following:

Percentage of Financial Statements Audited By Other Auditors			
Opinion Unit/Department	Assets and Deferred Outflows of Resources	Net Position	Revenues, Additions, and Other Financing Sources
Aggregate Discretely Presented Component Units	100%	100%	100%
Fund Statements—Proprietary Funds			
Higher Education Institutions—Major Fund			
CU Medicine; Altitude West, LLC; and University License Equity Holding Inc.	7%	16%	17%
Government-wide statements			
Business-type activities			
CU Medicine; Altitude West, LLC; and University License Equity Holding Inc.	5%	12%	9%

The financial statements of the discretely presented components; CU Medicine; Altitude West, LLC; and University License Equity Holding Inc. were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts and disclosures included for those discretely presented component units and for CU Medicine, Altitude West, LLC and University License Equity Holding Inc., are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of Colorado, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the University of Colorado Foundation, the Statewide Internet Portal Authority, and the Denver Metropolitan Major League Baseball Stadium District, which are discretely presented component units; Altitude West LLC, a blended component unit; and the University of Colorado Health and Welfare Trust, a fiduciary component unit; were audited in accordance with auditing standards generally accepted in the United States, but were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

New Accounting Standards

As discussed in Note 1 to the financial statements, the State has adopted, Governmental Accounting Standards Board Statement No. 96, *Subscription Based Information Technology Arrangements*, for the year ended June 30, 2023. Accordingly, a restatement has been made to

governmental, business-type, and fiduciary net position as of July 1, 2022, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The State's management is responsible for the preparation and fair presentation of these financial statements and schedule in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements and the schedule that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the State's management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements and schedule as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements and schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements and schedule.
- Conclude whether, in our judgment, there are conditions or events, considered in the

aggregate, that raise substantial doubt about the State's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following be presented to supplement the basic financial statements:

Management's discussion and analysis
Budgetary comparison schedules
Notes to required supplementary information
Budgetary comparison schedule-general fund component

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, budgetary comparison schedules, and notes to required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on this information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The combining nonmajor fund financial statements and schedule of TABOR revenue and computations are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit and the reports of the other auditors, the combining nonmajor fund financial statements and schedule of TABOR revenue and computations are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, budget and actual schedules-budgetary basis non-appropriated, and statistical section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will issue a separate report dated February 2, 2024, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance and should be read in conjunction with this report in considering the results of the audit.

A handwritten signature in black ink, reading "Kerri L. Hunter". The signature is written in a cursive, flowing style.

Denver, Colorado
February 2, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The following discussion and analysis is supplementary information required by the Governmental Accounting Standards Board (GASB), and is intended to provide an easily readable explanation of the information provided in the attached basic financial statements. It is by necessity highly summarized, and in order to gain a thorough understanding of the State's financial condition, the attached financial statements and notes should be reviewed in their entirety.

OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

There are three major parts to the basic financial statements – government-wide statements, fund-level statements, and notes to the financial statements. Certain required supplementary information (in addition to this MD&A), including budget-to-actual comparisons and funding progress for other post-employment benefits, is presented following the basic financial statements. Supplementary information, including combining fund statements and schedules, follows the required supplementary information.

Government-wide Financial Statements

The government-wide statements focus on the government as a whole. These statements are similar to those reported by businesses in the private sector, but they are not consolidated financial statements because certain intra-entity transactions have not been eliminated. Using the economic resources perspective and the accrual basis of accounting, these statements include all assets, liabilities, deferred inflows, and deferred outflows on the *Statement of Net Position* and all expenses and revenues on the *Statement of Activities*. These statements can be viewed as an aggregation of the governmental and proprietary fund-level statements along with certain perspective and accounting-basis adjustments discussed below. Fiduciary activities are excluded from the government-wide statements because those resources are not available to support the State's programs.

The *Statement of Net Position* shows the financial position of the State at the end of the Fiscal Year. Net position measures the difference between assets and deferred outflows and liabilities and deferred inflows. Restrictions reported in net position indicate that certain assets, net of the related liabilities, can only be used for specified purposes. Increases in total net position from year to year indicate the State is better off financially, while decreases in total net position may or may not indicate the opposite.

The *Statement of Activities* shows how the financial position has changed since the beginning of the Fiscal Year. The most significant financial measure of the government's current activities is presented in the line item titled "Change in Net Position" at the bottom of the *Statement of Activities*. The statement is presented in a net program cost format, which shows the cost of programs to the government by offsetting revenues earned by the programs against expenses of the programs. Due to the large number of programs operated by the State, individual programs are aggregated into functional areas of government.

On the *Statement of Net Position*, columns are used to segregate the primary government, including governmental activities and business-type activities, from the discretely presented component units. On the *Statement of Activities*, both columns and rows are used for this segregation. The following bullets describe the segregation.

- Governmental activities are the normal operations of the primary government that are not presented as business-type activities. Governmental activities include Internal Service Funds and are primarily funded through taxes, intergovernmental revenues, and other nonexchange revenues.
- Business-type activities are primarily funded by charges to external parties for goods and services. These activities are generally reported in Enterprise Funds in the fund-level statements because the activity has revenue-backed debt or because legal requirements or management decisions mandate full cost recovery.
- Discretely presented component units are legally separate entities for which the State is financially accountable. More information on the discretely presented component units can be found in Notes 1 and 22.

Fund-Level Financial Statements

The fund-level statements present additional detail about the State's financial position and activities. However, some fund-level statements present information that is different from the government-wide statements due to the differing basis of accounting used in fund statements compared to the government-wide statements. Funds are balanced sets of accounts tracking activities that are legally defined or are prescribed by generally accepted accounting principles. Funds are reported on the fund-level statements as major or nonmajor based on criteria set by the Governmental Accounting Standards Board (GASB). There are three types of funds operated by the State: governmental, proprietary, and fiduciary. In the fund statements, each fund type has a pair of statements that show financial position and activities of the fund; a statement showing cash flows is also presented for the proprietary fund type.

- Governmental Funds – A large number of the State's individual funds and activities fall in this fund type; however, only some are reported as major – the remaining funds are aggregated into the nonmajor column with additional fund detail presented in the Supplementary section of this report. Governmental Funds are presented using the current financial resources perspective, which is essentially a short-term view that excludes capital assets, debt, and other long-term liabilities. The modified accrual basis of accounting is used. Under modified accrual, certain revenues are deferred because they will not be collected within the next year, and certain expenditures are not recognized, even though they apply to the current period, because they will not be paid until later fiscal periods. This presentation focuses on when cash will be received or disbursed, and it is best suited to showing amounts available for appropriation. The governmental fund type includes the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, and Permanent Funds.
- Proprietary Funds – Proprietary fund type accounting is similar to that used by businesses in the private sector. It is used for the State's Enterprise Funds and Internal Service Funds. Enterprise Funds generally sell to external customers while Internal Service Funds generally charge other State agencies for goods or services. These funds are presented under the economic resources measurement focus, which reports all assets and liabilities. Accrual accounting is used, which results in revenues recognized when they are earned and expenses reported when the related liability is incurred. Because this is the same perspective and basis of accounting used on the government-wide statements, Enterprise Fund information flows directly to the business-type activities column on the government-wide statements without adjustment. Internal Service Fund assets and liabilities are reported in the governmental activities on the government-wide *Statement of Net Position* because Internal Service Funds primarily serve governmental funds. The net revenue or net expense of Internal Service Funds is reported as an increase or reduction to program expenses on the government-wide *Statement of Activities*. On the fund-level statements, nonmajor Enterprise Funds are aggregated in a single column, as are all Internal Service Funds.
- Fiduciary Funds – These funds report resources held under trust agreements for other individuals, organizations, or governments. The assets reported are not available to finance the State's programs, and therefore, these funds are not included in the government-wide statements. The State's fiduciary funds include Pension and Other Employee Benefits Trust Funds, several Private-Purpose Trust Funds, and several Custodial Funds. Custodial Funds track only assets and liabilities and do not report revenues and expenses on a statement of operations. All Fiduciary Funds are reported using the accrual basis of accounting.

The State has elected to present combining financial statements for its component units. In the report, the component unit financial statements follow the fund-level financial statements discussed above.

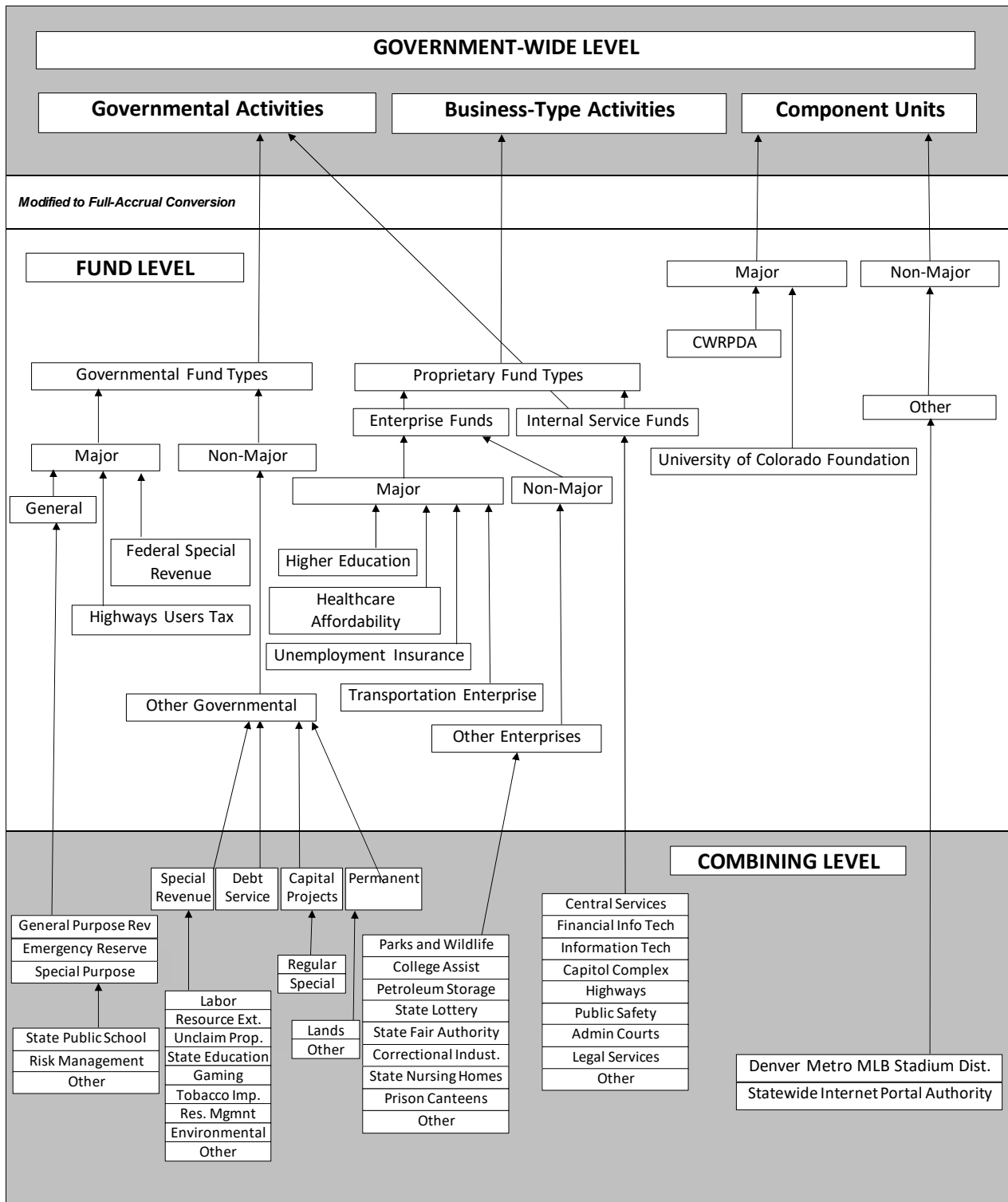
Notes to Basic Financial Statements

The notes to the financial statements are an integral part of the basic financial statements. They explain amounts shown in the financial statements and provide additional information that is essential to fair presentation.

Required Supplementary Information (RSI)

Generally accepted accounting principles require certain supplementary information to be presented in this Management's Discussion and Analysis and following the notes to the financial statements. Required supplementary information differs from the basic financial statements in that the auditor applies certain limited procedures in reviewing the information. In this report, RSI includes budgetary comparison schedules, defined benefit pension plan schedules, and a schedule of funding progress for other post-employment benefits.

The chart on the following page is a graphic representation of how the State's funds are organized in this report. Fiduciary Funds are not shown in the chart because those resources are not available to support the State's programs.



OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Government-wide Statement of Net Position

The amount of total net position is one measure of the health of the State's finances, and serves as a useful indicator of a government's financial position over time. However, this measure must be used with care because large portions of the balances related to capital assets or restricted assets may be unavailable to meet the day-to-day payments of the State. The State's combined total net position of both governmental and business-type activities increased 6.2 percent from the prior fiscal year by \$1,369.3 million from \$22,199.5 million in Fiscal Year 2022, to \$23,568.8 million in Fiscal Year 2023. The following table was derived from the current and prior year government-wide *Statement of Net Position*.

(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Noncapital Assets	\$ 24,891,370	\$ 25,035,287	\$ 11,300,352	\$ 10,166,811	\$ 36,191,722	\$ 35,202,098
Capital Assets	14,678,986	13,676,105	11,865,430	12,336,622	26,544,416	26,012,727
Total Assets	39,570,356	38,711,392	23,165,782	22,503,433	62,736,138	61,214,825
Deferred Outflow of Resources	4,441,520	2,379,265	1,115,118	871,551	5,556,638	3,250,816
Current Liabilities	11,038,687	11,611,394	3,992,945	3,599,378	15,031,632	15,210,772
Noncurrent Liabilities	16,924,350	11,406,078	11,166,181	10,486,665	28,090,531	21,892,743
Total Liabilities	27,963,037	23,017,472	15,159,126	14,086,043	43,122,163	37,103,515
Deferred Inflow of Resources	771,227	3,689,509	830,595	1,473,096	1,601,822	5,162,605
Net Investment in Capital Assets	10,063,658	8,901,296	5,679,176	6,151,070	15,742,834	15,052,366
Restricted	5,236,812	4,669,335	1,015,626	1,095,670	6,252,438	5,765,005
Unrestricted	(22,858)	813,045	1,596,377	569,105	1,573,519	1,382,150
Total Net Position	\$ 15,277,612	\$ 14,383,676	\$ 8,291,179	\$ 7,815,845	\$ 23,568,791	\$ 22,199,521

The State's net investment in capital assets of \$15,742.8 million for the total primary government (governmental and business-type activities combined), represents an increase of \$690.5 million (4.6 percent) compared to the prior fiscal year. Net investment in capital assets is a noncurrent asset, and therefore not available to meet related debt service requirements that must be paid from current revenues or available liquid assets.

Assets restricted by the State Constitution or external parties reduced by their related liabilities account for another \$6,252.4 million of total primary government net position. Restricted assets increased by \$487.4 million (8.5 percent) relative to the prior fiscal year. In general, these restrictions dictate how the related assets must be used by the State, and therefore, may not be available for use by any of the State's programs. Examples of restrictions on the use of net position include the constitutionally-mandated TABOR reserve, State Education Fund, Highway Users Tax Fund, and resources pledged to debt service.

The unrestricted component of net position for the total primary government is \$1,573.5 million for the fiscal year ended June 30, 2023, which represents an increase of \$191.4 million from the prior fiscal year. The overall net increase is primarily due to increases in unrestricted investments of \$1,573.7 million; increases to deferred outflows of resources of \$2,305.8 million; decreases in deferred inflows of resources of \$3,560.8 million; and other smaller increases to net position related to total receivables and reductions in various current liabilities. The net increase in unrestricted net position was offset by a decrease in unrestricted cash and pooled cash of \$1,892.6 million, and an increase in the net pension liability of \$6,738.1 million from the prior fiscal year. The State's current liabilities reported on the Statement of Net Position decreased by \$179.1 million from the prior fiscal year, and noncurrent liabilities increased overall by \$6,018.7 million from the prior fiscal year. Certain noncurrent liabilities, such as bonds and certificates of participation payable, have related capital assets while the net pension liability factors in trust plan assets managed by PERA.

Governmental Activities:

Overall, total assets and deferred outflows of resources of the State's governmental activities exceeded total liabilities and deferred inflows of resources by \$15,277.6 million, an increase in net position of \$893.9 million over the prior fiscal year amount of \$14,383.7 million. Total cash (restricted and unrestricted) balances decreased by \$1,944.2 million, and Taxes Receivable, net of refunds payable and Other Receivables, net, increased by \$903.5 million, due to the increase in tax collections during the fiscal year. Total investments (restricted and unrestricted) increased by \$1,230.7 million due to market value increases. Capital assets, net of accumulated depreciation, increased by \$1,002.9 million due to various capital projects throughout the State.

Governmental activities' liabilities for notes, bonds, and Certificates of Participation at June 30, 2023 were \$4,605.6 million as compared to the prior fiscal year amount of \$4,754.4 million – a decrease of \$148.8 million – primarily related to fewer issuances of certificates of participation. These liabilities represent 30.3 percent of unrestricted financial assets (cash, receivables, and investments), and 11.6 percent of total assets of governmental activities. The governmental activities financial instruments debt is primarily related to infrastructure, state buildings, and public school buildings. The infrastructure debt is secured by future federal revenues and state highway revenues, state building debt by gaming distributions and judicial fees, and public school buildings debt by School Trust Land revenues.

Governmental activities had an increase of \$1,162.4 million in net investment in capital assets attributable primarily to repayment of debt combined with fewer issuances of State of Colorado Certificates of Participation. Restricted net position for governmental activities increased by \$567.5 million, and unrestricted net position decreased \$835.9 million from the prior year primarily due to the increase in net pension liability. The unrestricted net position for governmental activities returned to a \$22.9 million deficit also due to the expiration of federal COVID-19 or economic recovery funding. The reason for deficit unrestricted net position in prior years was the initial recognition of the net pension liability in Fiscal Year 2015, and the recognition of the net OPEB liability in Fiscal Year 2018. The net pension liability is expected to decrease over time due to additional funding measures put in place by Senate Bill 18-200; however, the net pension liability increased significantly in Fiscal Year 2023 to \$11,446.3 million from \$5,828.3 million in Fiscal Year 2022. The State's overall proportionate share of the collective net pension liability increased by \$5,618.0 million due to an \$11,400.3 million increase in the collective net pension liability resulting from net investment income losses during Calendar Year 2022.

Business-Type Activities:

Overall, total assets and deferred outflows of resources of the State's business-type activities exceeded total liabilities and deferred inflows of resources by \$8,291.2 million – an increase in net position of \$475.4 million as compared to the prior year amount of \$7,815.8 million. The increase resulted from increases in nonfinancial assets such as cash and investments and receivables, offset by increases in both current and noncurrent liabilities. A significant decrease in deferred inflows of resources of \$642.5 million related to the net pension liability was a contributing factor to the overall increase in net position.

The State's Enterprise Funds have notes, bonds, and Certificates of Participation outstanding that total \$5,793.1 million, as compared to the prior fiscal year amount of \$5,911.8 million – a modest decrease of \$118.7 million. The majority of the outstanding revenue bonds is related to Higher Education Institutions and is invested in capital assets that generate a future revenue stream to service the related debt. The Division of Unemployment Insurance also has bonds outstanding secured by future employer insurance premiums.

Of the total net position for business-type activities, \$5,679.2 million was for the net investment in capital assets, \$1,015.6 million is restricted for various purposes, and the remaining is unrestricted net position of approximately 1,596.4 million. Increases in nonfinancial assets such as cash and investments of \$889.3 million and receivables of \$282.2 million was the driving factor for the \$1,027.3 overall net increase of unrestricted net position from the prior fiscal year.

The change from deficit unrestricted net position in Fiscal Year 2020 to a positive net position in Fiscal Years 2021-2023 is primarily a result of a large influx of federal grants from Coronavirus State and Local Fiscal Recovery Funds.

The unrestricted net position for business-type activities could return to a deficit in the near term absent additional federal COVID-19 or economic recovery funding. The reason for deficit unrestricted net position in prior years was the initial recognition of the net pension liability in Fiscal Year 2015, and the recognition of the net OPEB liability in Fiscal Year 2018. Although the net pension liability increased in Fiscal Year 2023 because of net investment income losses for the State and Judicial Trust Funds, the net pension liability is expected to decrease over time due to additional funding measures put in place by Senate Bill 18-200.

Business-type activities reported a decrease of \$471.9 million in net investment in capital assets – attributable to (1) lower rates of capital asset acquisitions and capital asset disposals in prior years, and (2) fewer State-issued Certificates of Participation. Restricted net position for business-type activities reported a slight decrease of \$80.0 million from the prior fiscal year.

Government-wide Statement of Activities

The following table was derived from the current and prior year government-wide *Statement of Activities*.

(Amounts in Thousands)						
Programs/Functions	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Program Revenues:						
Charges for Services	\$ 2,040,764	\$ 1,912,916	\$ 9,860,074	\$ 9,124,591	\$ 11,900,838	\$ 11,037,507
Operating Grants and Contributions	11,739,867	11,040,507	7,511,633	7,371,360	19,251,500	18,411,867
Capital Grants and Contributions	651,505	604,090	127,011	153,514	778,516	757,604
General Revenues:					-	-
Taxes	15,664,628	14,733,530	13,084	11,556	15,677,712	14,745,086
Restricted Taxes	1,718,955	1,627,154	-	-	1,718,955	1,627,154
Unrestricted Investment Earnings	194,952	70,997	-	-	194,952	70,997
Other General Revenues	125,003	114,568	-	-	125,003	114,568
Total Revenues	32,135,674	30,103,762	17,511,802	16,661,021	49,647,476	46,764,783
Expenses:						
General Government	1,874,530	653,468	-	-	1,874,530	653,468
Business, Community, and Consumer Affairs	1,503,579	1,602,867	-	-	1,503,579	1,602,867
Education	8,497,292	8,127,798	-	-	8,497,292	8,127,798
Health and Rehabilitation	1,941,186	2,230,242	-	-	1,941,186	2,230,242
Justice	2,657,026	2,303,604	-	-	2,657,026	2,303,604
Natural Resources	177,343	161,976	-	-	177,343	161,976
Social Assistance	12,843,160	11,812,410	-	-	12,843,160	11,812,410
Transportation	2,117,396	1,941,505	-	-	2,117,396	1,941,505
Interest on Debt	187,327	117,938	-	-	187,327	117,938
Higher Education Institutions	-	-	9,350,370	8,339,105	9,350,370	8,339,105
Healthcare Affordability	-	-	5,130,361	4,550,548	5,130,361	4,550,548
Unemployment Insurance	-	-	488,008	1,607,811	488,008	1,607,811
Lottery	-	-	772,292	717,699	772,292	717,699
Parks and Wildlife	-	-	287,308	225,095	287,308	225,095
College Assist	-	-	178,136	171,430	178,136	171,430
Other Business-Type Activities	-	-	642,460	496,569	642,460	496,569
Total Expenses	31,798,839	28,951,808	16,848,935	16,108,257	48,647,774	45,060,065
Excess (Deficiency) Before Contributions, Transfers, and Other Items	336,835	1,151,954	662,867	552,764	999,702	1,704,718
Contributions, Transfers, and Other Items:						
Transfers (Out) In	189,744	(443,435)	(189,744)	443,435	-	-
Permanent Fund Additions	350,885	315,002	10	8	350,895	315,010
Total Contributions, Transfers, and Other Items	540,629	(128,433)	(189,734)	443,443	350,895	315,010
Total Changes in Net Position	877,464	1,023,521	473,133	996,207	1,350,597	2,019,728
Net Position - Beginning	14,383,676	13,350,956	7,815,845	5,852,015	22,199,521	19,202,971
Prior Period Adjustment (See Note 15A)	16,472	8,978	-	978,053	16,472	987,031
Accounting Changes	-	221	2,201	(10,430)	2,201	(10,209)
Net Position - Ending	\$ 15,277,612	\$ 14,383,676	\$ 8,291,179	\$ 7,815,845	\$ 23,568,791	\$ 22,199,521

For governmental activities, total revenues and permanent fund additions exceeded total expenses and transfers-out, which resulted in an increase to net position of \$877.5 million. Program revenues for governmental activities increased by \$874.6 million (6.5 percent), and General revenues for governmental activities increased by \$1,157.3 million (7.0 percent). Total expenses for governmental activities increased by \$2,847.0 million (9.8 percent) from the prior fiscal year, due to increases in general government, education; justice; and social assistance activities. These increases were slightly offset by decreases in spending related to business, community, and consumer affairs; and health and rehabilitation.

Business-type activities' total revenues, transfers-in, and permanent fund additions exceeded total expenses by \$473.1 million, resulting in an increase in net position. From the prior year to the current year, program revenue from business-type activities increased by \$849.3 million (5.1 percent) due to increases in tuition and other charges for services, while expenses also increased by \$740.7 million (4.6 percent). Increases in higher education spending of \$1,011.3 million were offset by a decrease in unemployment insurance spending of \$1,119.8 million due to the repayment of a federal unemployment insurance loan. The overall increase in spending was due to increases in healthcare affordability and other business-type activities.

FUND-LEVEL FINANCIAL ANALYSIS

Governmental Funds:

Governmental fund assets exceeded liabilities resulting in total fund balance of \$13,885.4 million as compared to the prior fiscal year amount of \$13,459.4 million. The fund balance for all governmental funds increased from the prior fiscal year by \$426.0 million, which is comprised mainly of increases in Other Governmental Funds of \$1,549.8 million, offset by fund balance decreases for the General Fund of \$1,100.0 million and the Highways Users Tax funds of \$139.1 million. The Federal Special Revenue Fund reduced its negative fund balance by \$115.4 million from a deficit of \$122.3 million in Fiscal Year 2022 to a deficit of \$6.9 million in Fiscal Year 2023. Overall, the increase in fund balance for all governmental funds in total was primarily attributable to increases in investments and restricted cash and pooled cash for the Other Governmental Funds, offset by decreases in the General Fund related to cash and pooled cash.

General Fund

The ending total fund balance of the General Fund was \$3,102.3 million, which was a decrease of \$1,100.0 million from the prior year amount of \$4,202.3 million. General Fund revenues increased overall by approximately \$348.5 million (1.4 percent) over the prior year, and expenditures increased overall by \$880.7 million (3.7 percent) relative to the prior fiscal year. Transfers-in totaled \$613.0 million while transfers-out totaled \$1,857.8 million, resulting in a net outflow to other funds of \$1,244.8 million. Individual and fiduciary income taxes of \$6,515.8 million, sales and use taxes of \$4,815.4 million, and federal grants and contracts of \$10,228.5 million are the largest sources of revenue comprising 86.5 percent of total revenue of \$24,912.5 million. Overall expenditures increased by \$880.7 million over the prior year amount of \$23,924.6 million due to spending increases in social assistance, justice, and other intergovernmental expenditures, which were offset by decreases in spending for health and rehabilitation and capital outlay.

General Fund Components & Legal Reserve Requirement

The General Fund is the focal point in determining the State's ability to maintain or improve its financial position. The General Fund includes all funds that do not have sufficient original source revenue streams to qualify as special revenue funds. As a result, the Public School Fund, Risk Management, and Other Special Purpose Funds reside in the General Fund. These funds are referred to as Special Purpose General Funds, while the General Purpose Revenue Fund comprises general activities of the State. Revenues of the General Purpose Revenue Fund consist of two broad categories – general-purpose revenues and augmenting revenues. General-purpose revenues are taxes, fines, and other similar sources that are collected without regard to how they will be spent. Other augmenting revenues include federal grants and contracts, user fees and charges, and other specific user taxes. Other augmenting revenues are usually limited as to how they can be spent. Even though significant federal grant revenues are accounted for in the General Purpose Revenue Fund, they have little impact on fund balance because most federal revenues are earned on a reimbursement basis and are closely matched with federal expenditures.

Of the overall fund balance of the General Fund, \$1,611.2 million (51.9 percent) was attributable to the General Purpose Revenue Fund, and \$1,138.2 million (36.7 percent) was attributable to Other Special Purposes, including non-spendable, committed, and assigned amounts. Other Special Purposes include the Building Excellent Schools Tomorrow, lottery proceeds held by the Division of Parks and Wildlife, and the Charter School Institute programs. The General Purpose Revenue Fund decreased by \$881.2 million from the prior fiscal year, which was attributable to decreases in individual income taxes from the accrual of Taxpayer Bill of Rights (TABOR) refunds in Fiscal Year 2023, and increases in overall spending across most government functions in Fiscal Year 2023. The General Purpose Revenue Fund experienced a significant decrease in unrestricted cash and pooled cash at the end of Fiscal Year 2023 as compared to Fiscal Year 2022 due to the early issuance of TABOR refunds for Fiscal Year 2022 in August of 2022.

State law requires that the General Purpose Revenue Fund portion of the General Fund maintain a reserve of a percentage of General Purpose Revenue Fund appropriations. Section 24-75-201.1 C.R.S. restricts state appropriations from this component of the General Fund so that budgetary resources will be available for use in a state fiscal emergency. The reserve for Fiscal Year 2023 is approximately \$2,000.0 million. The reserve amount is included in the Budgetary Comparison Schedule for the General Fund – General Purpose Revenue Component, presented as Required Supplementary Information in the Annual Comprehensive Financial Report (ACFR). Beginning and ending budgetary fund balance as shown on the Schedule are net of the required reserve.

Federal Special Revenue Fund

The Federal Special Revenue Fund was a new major fund for Fiscal Year 2020, and continues to be a major fund in Fiscal Year 2023. The Federal Special Revenue Fund primarily consists of the Coronavirus Aid, Relief, and Economic Security (CARES) Act Fund, and the Coronavirus Emergency Supplemental Fund. The ending total fund balance of the Federal Special Revenue Fund was a deficit of \$6.9 million, down significantly from the \$122.3 million deficit fund balance in Fiscal Year 2022 – due to decreased spending as well as an increase in investment income. Fund revenues totaled \$621.8 million, and fund expenditures totaled \$506.8 million. The main sources of revenue for the fund were federal grants and contracts of \$500.2 million and investment income of \$118.2 million; the main expenditures of the fund consist of outflows related to business, community, and consumer affairs of \$254.8 million, health and rehabilitation of \$111.2 million, and intergovernmental distributions to cities, counties, school districts, and special districts of \$48.0 million. Both federal revenues and expenditures related to economic aid resulting from the impact of the Coronavirus are expected to continue to decrease as the federal government has officially declared an end to the pandemic.

Highway Users Tax

The Highway Users Tax Fund qualified as a new major fund for Fiscal Year 2020, and remained a major fund in Fiscal Year 2023. The ending total fund balance of the Highway Users Tax Fund was \$569.2 million, which represents a 19.6 percent decrease over the prior year fund balance of \$708.3 million. Total cash (restricted and unrestricted) decreased \$140.5 million as compared to the prior fiscal year. Fund revenues totaled \$2,034.6 million, and expenditures totaled \$2,596.1 million, resulting in a deficit of expenditures over revenues of \$561.5 million for Fiscal Year 2023. Fund revenues increased 7.6 percent, while fund expenditures also increased 5.6 percent from the prior fiscal year. The main sources of revenue for the fund were federal grants and contracts of \$733.2 million, excise taxes of \$652.3 million, and licenses, permits, and fines of \$409.7 million. The main expenditures of the fund consisted of transportation-related projects and highway maintenance of \$1,684.7 million, and intergovernmental expenditures for cities, counties, and special districts totaling approximately \$574.6 million in Fiscal Year 2023. Both increases and decreases in revenues and expenditures related to the Highways Users Tax is mainly dependent on the number of new vehicle registrations and the vehicle values.

Proprietary Funds:

Higher Education Institutions

The net position of the Higher Education Institutions fund increased from the prior fiscal year by \$459.1 million, or 8.0 percent, which resulted from increases in tuition rates, sales of goods and services provided by institutions to their customers, and federal grant revenue. The higher education fund has a variety of revenue and funding sources, which, overall, were

relatively consistent with the prior fiscal year. Overall operating revenues increased by \$538.6 million mainly due to increases in tuition and fees and sales of goods and services. Overall, total operating revenues increased by 7.2 percent, while total operating expenses increased by 13.2 percent. The main driving factor for the increase in net position were investment income gains of \$373.4 million, which represented an increase of \$872.4 million as compared to the prior investment loss of \$499.0 million. Higher Education Institutions received capital grants and contributions of \$124.5 million and \$153.8 million in Fiscal Years 2023 and 2022, respectively. Net Transfers to the Higher Education Institutions fund totaled \$558.4 million for Fiscal Year 2023, an increase of \$33.9 million compared to the prior fiscal year amount of \$524.5 million. Transfers-in are primarily from the General Fund for student financial aid and vocational training and from the Capital Projects Fund for capital construction.

Healthcare Affordability

During the Fiscal Year 2017 legislative session, the general assembly passed Senate Bill 17-267 – Sustainability of Rural Colorado – which repealed the existing hospital provider fee program effective for Fiscal Year 2018. Section 17 of the bill created the new Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) within the Department of Healthcare Policy and Financing. The fund qualifies as a major enterprise fund based on the amount of revenues in the fund related to total revenues of all enterprise funds. As of June 30, 2023, net position was \$144.7 million, a decrease of \$30.6 million from the prior fiscal year amount of \$175.3 million. Operating revenues of the fund totaled \$5,109.4 million, which mainly consists of federal grants and contracts of \$3,905.1 million, and fees charged to healthcare providers of \$1,204.3 million. Operating revenues increased 9.2 percent by approximately \$428.1 million from the prior year amount of \$4,681.3 million. Total operating expenses of the fund totaled \$5,130.3 million, which mainly consisted of payments to hospital providers for Medicaid services. Because CHASE is an enterprise for purposes of the Taxpayer's Bill of Rights (TABOR), its revenue does not count against the state fiscal year spending limit (Referendum C cap).

Transportation Enterprise

The Transportation Enterprise met the classification as a major fund for Fiscal Year 2023. The Transportation Enterprise consists of the High Performance Transportation Enterprise and the Statewide Bridge Enterprise at the Colorado Department of Transportation. The ending total net position of the Transportation Enterprise was \$863.7 million, which was a decrease of 39.9 percent from the prior year net position of \$1,436.5 million. This is mainly attributable to the substantial completion of the Central I-70 project – at the end of which the Enterprise transferred assets to the Colorado Department of Transportation, the City and County of Denver, and the Denver Public Schools District. This is reflected in the intergovernmental distributions amount of (\$60.2) million and gains/(losses) on the disposal of capital assets of (\$634.8) million. Enterprise revenues totaled \$219.7 million; operating expenses totaled \$53.1 million resulting in operating income of \$166.6 million. Nonoperating expenses totaled \$739.3 million; resulting in a change in net position of (\$572.8) million for Fiscal Year 2023 including transfers-out. The main sources of revenue for the Enterprise were sales of goods and services and federal grants and contracts, and the main expenses of the Enterprise consist of depreciation and amortization of capital assets, and outflows related to salaries and fringe benefits, and operating and travel.

Unemployment Insurance

The Unemployment Enterprise met the classification as a major fund for Fiscal Year 2023, which consists of the Employee Leasing Company Certification, Employee Misclassification Advisory Opinion, Employment and Training Technology, Unemployment Bond Repayment, Unemployment Insurance, and the Unemployment Revenue Funds. The ending total fund balance for Fiscal Year 2023 was a deficit of \$148.4 million, down \$469.2 million from the prior year deficit net position of \$617.6 million. Fund revenues totaled \$951.0 million, and expenditures totaled approximately \$473.9 million, resulting in operating income of \$477.1 million for Fiscal Year 2023. Operating revenues decreased by \$926.1 million as compared to the prior year, resulting in revenue from a one-time federal loan of approximately \$1.0 billion during Fiscal Year 2022 that did not occur in Fiscal Year 2023. The main sources of revenue for the fund were federal grants and contracts, and insurance premiums; the main expenses of the fund consist of unemployment benefit payments and debt service payments.

ANALYSIS OF BUDGET VARIANCES

The following analysis is based on the Budgetary Comparison Schedule for the General Fund – General Purpose Revenue Component included in Required Supplementary Information section of the ACFR. That schedule isolates general-purpose revenues and expenditures funded from those revenues, and it is therefore the best source for identifying general-funded budget variances.

Differences Between Original and Final Budgets

Overall, the State’s General Fund – General Purpose Revenue Component final budget decreased by \$4.0 million from the original budget. The following list shows departments that had net changes in general-funded budgets greater than \$10.0 million and the reasons for the change.

- Department of Corrections – the Department had a net increase of \$22.7 million in appropriations related to multiple supplemental bills, which shifted various budget lines to bottom line funded appropriations.
- Department of Health Care Policy and Financing – the Department had a net decrease of \$442.4 million in appropriations under supplemental House Bills 22-1173 and 22-1329, mainly for decreases in Medical Services Premiums for Medicaid eligible individuals, Adult Comprehensive Services, Medicaid Mental Health Capitation payments, Children’s Basic Health Plan Trust Fund, and various other programs.
- Department of Human Services – the Department had a net increase of \$23.4 million in appropriations due to increases in several programs – the most significant were the Mental Health Institute at Pueblo, and the Food Pantry Assistance Grant Program.
- Department of Public Health and Environment – the Department had a net decrease of \$12.2 million in appropriations primarily comprised of AIR Pollution Control Administration and Technical Services, the Drinking Water Program, and the Prevention Services Division Administration.
- Department of Public Safety – the Department had a net decrease of \$16.9 million in appropriations primarily due to a \$17.3M reduction of spending authority that was rolled forward into FY24 as authorized by statute; these programs included aviation resources contracts for firefighting aircraft, the Fentanyl Accountability and Prevention Bill, and grants to local governments for crime reduction.
- Department of Revenue – the Department had a net increase of \$238.5 million in appropriations primarily comprised of statutory share of the Retail Marijuana Special Sales Tax, Old Age Pension Transfer, Marijuana Retail Sales Tax transfers to the State Public School Fund, transfers to the Older Coloradans Fund, Property Tax Credits to local governments, and transfers to the Advanced Industries Acceleration cash fund.
- Department of Treasury – the Department had a net increase of \$198.6 million in appropriations for direct distribution transfers to the PERA Payment cash fund.

Differences Between Final Budget and Actual Expenditures

In total, state departments reported general-funded appropriations reversions of \$13.4 million for Merit Pay and \$6.2 million for Legislative reversions. In addition, departments reverted \$354.4 million to the General Fund for expenditures under the legally adopted final budget. The final budget is presented without reduction for restrictions in order to show the total reversion of appropriated budget. The following list shows those departments that had at least \$10.0 million of General Fund reversions, and the related budget line item:

- Department of Corrections – the Department reverted \$10.6 million in unspent funds, primarily comprised of programs related to payments to local jails, transitional work program, and Hepatitis C treatment costs.
- Department of Health Care Policy and Financing – the Department reverted \$40.3 million in unspent funds across multiple programs and budget lines, with the largest consisting of behavioral health capitation

payments and the Medicare Modernization Act state contribution payment.

- Department of Higher Education – the Department reverted \$18.7 million in unspent funds, primarily comprised of transfers to Wildfire Mitigation and higher education support for Foster Youth.
- Department of Human Services – the Department reverted \$15.7 million in unspent funds across multiple programs, with the largest comprised of programs related to aid to the needy and disabled; including Residential Placements for Children with Disabilities and Home Care Allowance.
- Judicial Department – the Department reverted \$12.7 million in unspent funds across multiple programs including conflict of interest contracts, mandated costs, and court-appointed counsel.
- Department of Public Safety – the Department reverted \$13.4 million in unspent funds primarily related to community corrections placements.
- Department of Revenue – the Department reverted \$40.9 million in unspent funds primarily related to retail marijuana sales tax distributions, and Integrated Document Solutions print production.
- Department of Treasury – the Department reverted \$169.0 million in unspent funds primarily related to the Senior Citizen and Disabled Veteran Property Tax Exemption program.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The State's net investment in capital assets at June 30, 2023 was \$15,742.8 million, as compared to \$15,052.4 million in Fiscal Year 2022. Included in this amount were \$20,814.7 million of net depreciable capital assets after reduction of \$17,086.5 million for accumulated depreciation. Non-depreciable capital assets totaled \$5,729.8 million – including land, construction in progress, non-depreciable infrastructure and other capital assets. The State added a net \$531.7 million and \$1,291.7 million of capital assets in Fiscal Years 2023 and 2022, respectively. Of the Fiscal Year 2023 additions, \$1,002.9 million were recorded in governmental activities, with a decrease of \$471.2 million for business-type activities. General-purpose revenues funded \$117.9 million of capital and controlled maintenance expenditures during Fiscal Year 2023, and the balance of capital asset additions was funded by federal funds, cash funds, or borrowing.

The table below provides information on the State's capital assets by asset type for both governmental and business-type activities at June 30, 2023 and 2022 (see Note 5 for additional detail):

(Amounts in Thousands)	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Capital Assets Not Being Depreciated						
Land and Land Improvements	\$ 148,111	\$ 148,649	\$ 794,975	\$ 759,367	\$ 943,086	\$ 908,016
Collections	11,213	11,213	41,132	37,577	52,345	48,790
Other Capital Assets	6,805	6,805	24,072	24,105	30,877	30,910
Construction in Progress	2,345,529	2,117,733	1,121,380	1,780,368	3,466,909	3,898,101
Infrastructure	1,136,625	1,078,492	99,911	99,874	1,236,536	1,178,366
Total Capital Assets Not Being Depreciated	3,648,283	3,362,892	2,081,470	2,701,291	5,729,753	6,064,183
Capital Assets Being Depreciated						
Buildings and Related Improvements	4,106,400	3,911,054	13,249,098	12,906,529	17,355,498	16,817,583
Software	637,840	631,824	281,551	272,420	919,391	904,244
Vehicles and Equipment	1,106,696	1,068,586	1,528,473	1,449,594	2,635,169	2,518,180
Library Books, Collections, and Other Capital Assets	43,533	42,924	674,223	674,474	717,756	717,398
Right to Use Assets	266,881	250,997	263,490	164,791	530,371	415,788
Infrastructure	14,032,335	13,092,990	1,710,644	1,581,325	15,742,979	14,674,315
Total Capital Assets Being Depreciated	20,193,685	18,998,375	17,707,479	17,049,133	37,901,164	36,047,508
Accumulated Depreciation	(9,162,982)	(8,685,162)	(7,923,519)	(7,413,801)	(17,086,501)	(16,098,963)
Total	\$ 14,678,986	\$ 13,676,105	\$ 11,865,430	\$ 12,336,623	\$ 26,544,416	\$ 26,012,728

The State is constitutionally prohibited from issuing general obligation debt except to fund buildings for State use, to defend the State or the U.S. in time of war, or to provide for unforeseen revenue shortfalls. Except for exempt enterprises, the Taxpayer's Bill of Rights (TABOR) requires a vote of the people for the creation of any debt unless existing cash reserves are irrevocably pledged to service the debt. TABOR does allow debt issuance to refinance a borrowing at a lower interest rate. These requirements limit management's ability to address revenue shortfalls by borrowing for capital expenditures. However, the State has issued Certificates of Participation (COPs) secured by buildings and vehicles and has issued revenue bonds that are secured by pledges of future revenues. The State has other forms of borrowing that are small in relation to the revenue bonds and COPs.

The schedule that follows shows the principal and interest that will be paid over the following thirty-five year period to retire the current borrowing for notes, bonds and COPs payable (see Note 11). Revenue bonds in this schedule include net payments on interest rate swap derivatives.

Fiscal Year 2023								
(Amounts in Thousands)	Lease/IT Agreements		Revenue Bonds		Certificates of Participation		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Governmental Activities	\$ 285,904	\$ 13,832	\$ -	\$ -	\$ 4,211,107	\$ 1,917,437	\$ 4,497,011	\$ 1,931,269
Business-Type Activities	\$ 236,444	\$ 16,964	\$ 4,029,946	\$ 1,851,923	\$ 79,920	\$ 7,701	\$ 4,346,310	\$ 1,876,588
Total	\$ 522,348	\$ 30,796	\$ 4,029,946	\$ 1,851,923	\$ 4,291,027	\$ 1,925,138	\$ 8,843,321	\$ 3,807,857

Fiscal Year 2022								
(Amounts in Thousands)	Lease Agreements		Revenue Bonds		Certificates of Participation		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Governmental Activities	\$ 262,426	\$ 9,471	\$ -	\$ -	\$ 4,351,305	\$ 2,090,007	\$ 4,613,731	\$ 2,099,478
Business-Type Activities	\$ 159,124	\$ 14,512	\$ 4,106,045	\$ 1,867,866	\$ 97,645	\$ 11,718	\$ 4,362,814	\$ 1,894,096
Total	\$ 421,550	\$ 23,983	\$ 4,106,045	\$ 1,867,866	\$ 4,448,950	\$ 2,101,725	\$ 8,976,545	\$ 3,993,574

For Fiscal Year 2023, the total principal amount of leases, revenue bonds, and COPs decreased by 1.9 percent from the prior year of \$8,976.5 million to \$8,809.4 million. The Fiscal Year 2023 decrease is attributable lower issuance amounts of State of Colorado Rural Colorado Certificates of Participation, and Building Excellent Schools Today Series refunding Certificates of Participation than in the prior fiscal year.

CONDITIONS EXPECTED TO AFFECT FUTURE OPERATIONS

Many of the conditions affecting future operations of the State remain unchanged from the prior fiscal year. These conditions are as follows:

Colorado Economic Outlook

Prior to the pandemic-induced recession, Colorado had enjoyed more than a decade of strong economic growth, outpacing most other states in the nation across economic indicators, including employment, personal income, and GDP growth. Coming off a period of very strong increases, growth rates for the state are expected to trend closer to the national average. This forecast anticipates that Colorado's economy will modestly outperform the U.S. economy through 2025, with faster income growth and lower unemployment rates balanced against higher inflation. The economic and revenue forecast expects faster job growth nationally than in Colorado, in part due to the presence of more labor market slack (share of the workforce that is unemployed or underemployed) at the national level.

Taxpayer's Bill of Rights Revenue, Debt, and Tax-Increase Limits

Fiscal Year 2023 is the thirtieth year of State operations under Article X, Section 20 of the State Constitution revenue limitations, also known as the Taxpayer Bill of Rights (TABOR). With certain exceptions, the rate of growth of State revenues is limited to the combination of the percentage change in the State's population and inflation based on the Denver-Boulder-Greeley CPI-Urban index. The exceptions include revenues from federal funds, gifts, property sales, refunds, damage recoveries, transfers, voter-approved revenue changes, and qualified enterprise fund revenues.

Revenues collected in excess of the limitation must be returned to the citizens unless a vote at the annual election in November allows the State to retain the surplus. TABOR also limits the General Assembly's ability to raise taxes, to borrow money, and to increase spending limits. With the exception of a declared emergency, taxes can only be raised by a vote of the people at the annual election. Multiple year borrowings can only be undertaken after approval by a similar vote.

The TABOR limits are calculated and applied at the statewide level. However, refunds to taxpayers related to TABOR have historically been paid from the General Fund. Therefore, the TABOR revenue, expenditure, debt, and tax-increase limitations have historically been significant factors in the changing fiscal status of the State's General Fund. The decision to pay TABOR refunds out of the General Fund is notable because revenues in excess of the TABOR limit that are recorded by cash funds remain in those funds (barring Legislative action) but are required to be budgeted and expended from the General Fund Exempt Account created in the General Fund.

After the Referendum C five-year excess revenue retention period that encompassed Fiscal Years 2006 through Fiscal Year 2010, the State is subject to an Excess State Revenue Cap (ESRC) starting in Fiscal Year 2011. Calculation of the TABOR retention limit continues to apply, but the ESRC replaces it as the limit that triggers taxpayer refunds.

For Fiscal Year 2023, State revenues subject to TABOR were \$20,220.1 million, which was \$3,563.4 million over the ESRC, and \$6,775.5 million over the fiscal year spending limit. Revenue in excess of the ESRC must be refunded to the taxpayers in the next fiscal year including any remaining un-refunded revenues. Therefore, the total amount to be refunded in future fiscal years is \$3,678.3 million. Absent Referendum C, the State would have been required to refund the amount exceeding the fiscal year spending limit.

Additional information on TABOR – including Tax, Spending, Debt Limitations, and a description of the refund mechanisms in place for the Fiscal Year 2023 excess revenue – is found in Notes to the Financial Statements (Note 2B), and also in the Notes to the TABOR Schedule of Required Computations presented in the Supplementary Information section of the ACFR.

Public Employees Retirement Association (PERA) Reforms – The State Legislature passed Senate Bill 18-200 during the 2018 legislative session. Senate Bill 18-200 contained a package of reforms designed to reduce the overall risk profile of the PERA retirement plan and improve its funded status. The bill makes several changes to the pension plan including:

- Increasing contribution rates from employers and employees.
- Allocates \$225.0 million annually beginning in Fiscal Year 2019 to PERA to reduce the unfunded liability for the State, Judicial, Schools, and Denver Public Schools Divisions Trust Funds. To assist with reductions in spending for Fiscal Year 2021 resulting from the economic impact of COVID-19, the state legislature eliminated the \$225.0 million direct distribution for Fiscal Year 2021. The State resumed the direct distribution in Fiscal Year 2022.
- Modifies retirement benefits, including reducing the annual increase for all current and future retirees.
- Raises the retirement age for new employees; and
- Establishes an automatic adjustment provision designed to keep PERA on a path to full funding in 30 years by 2048.

In order to recompense PERA for the cancellation of a previously scheduled July 1, 2020 direct distribution of \$225.0 million, the State Legislature also passed House Bill 22-1029. HB-22-1029 instructs the State treasurer to issue a warrant to PERA in the amount of \$380.0 million upon enactment, with reductions to future direct distributions. The July 1, 2023 (Fiscal Year 2024) direct distribution will be reduced by \$190.0 million to \$35.0 million. The July 1, 2024 (Fiscal Year 2025) direct distribution will not be reduced from \$225.0 million due to a negative investment return in Calendar Year 2022.

Election 2000 Amendment 23 – This constitutional requirement was originally designed to exempt a portion of State revenues from TABOR and dedicate those revenues to education programs. With the passage of Referendum C, revenues in excess of the TABOR limit are not being refunded. However, resources that were once general-purpose revenues continue to be diverted to the State Education Fund. The amendment requires the General Assembly to increase funding of education by one percent over inflation through Fiscal Year 2011 and by inflation thereafter. This requirement will have an increasing impact if the inflation rate increases. The revenue diversion and mandated expenditure growth infringes on general funding for other programs when State revenues decline with the business cycle. Notwithstanding these expenditure increases, the State continues to face legal challenges that assert the current school funding system fails to provide a thorough and uniform system of free public education as required by the Colorado Constitution.

Cash Basis Accounting – For Fiscal Year 2003 and following years, the Legislature changed the budgetary accounting for June payroll and certain Medicaid expenditures to the cash basis and deferred June pay-dates until July (after Fiscal Year-end). During Fiscal Year 2008, similar treatment was extended to certain Old Age Pension, Medicare, and Children’s Basic Health Plan expenditures. In Fiscal Year 2009, this treatment was applied to an additional month of Medicare payments, and legislation was passed to extend the pay-date shift beginning in Fiscal Year 2011 to all information technology staff formerly paid by the General Purpose Revenue Fund. Each of these items causes the outflow of resources to be deferred into the following year for General Fund budget purposes. As a result, the State does not use full or modified accrual accounting to calculate budgetary compliance. Instead, potentially significant liabilities are delayed until the following year assuming that subsequent revenues will be adequate to pay those liabilities. In Fiscal Year 2012, legislation was passed to eliminate the deferral of June pay dates until July for

employees paid on a biweekly basis beginning in Fiscal Year 2013. It will be difficult for the State to return to the GAAP basis of accounting for budgetary expenditures because of the significant one-time budgetary impact of recording payroll, Medicaid, and other expenditures that were previously deferred.

General Fund Liquidity – The General Purpose Revenue Fund shows a cash balance of \$3,653.5 million at June 30, 2023. Due to the COVID-19 pandemic, the State delayed its statewide income tax filing deadline extension to July 2020 (FY 2021), resulting in less overall cash collections in Fiscal Year 2020, and a significant increase in tax collections in Fiscal Years 2022 and 2023. From the prior fiscal year to the current fiscal year, General Purpose Revenue Fund taxes receivable increased by \$777.5 million to \$2,429.0 million; tax refunds payable also increased by \$55.2 million to \$1,197.9 million; and deferred inflows related to the tax receivables not expected to be collected within the next year increased by \$22.0 million to \$179.9 million. The tax receivable and related refunds are based on the best economic data available at year-end; however, economic projections rarely identify inflection points in the economy. If the State's economy experiences another downturn, tax receivables will likely decline (due to declining personal income) and tax refunds will likely increase (due to higher than required estimated tax and withholding payments) putting additional pressure on the fund balance of the General Purpose Revenue Fund. The General Fund legally has access to short-term borrowing from the cash balances of other funds. However, those transfers become increasingly difficult as accessible cash fund balances are depleted from transfers in prior years.

Debt Service – Various state departments, agencies, and institutions of higher education have outstanding notes, bonds, and/or COPs for the purchase of equipment or to construct facilities or infrastructure. The average debt service related to governmental activities over the next five years is \$326.5 million, AND average debt service related to business-type activities including revenue bonds over the next five years is \$420.9 million. The majority of the revenue streams to cover the debt service payments comprise general governmental resources; there is no general obligation associated with these debt instruments; and the investors' sole recourse is the leased asset. However, if the revenue streams intended to fund this debt service do not materialize, the State will need to find other ways to pay for the service-potential represented by these capital assets.



BASIC FINANCIAL STATEMENTS



**STATEMENT OF NET POSITION
JUNE 30, 2023**

PRIMARY GOVERNMENT

(DOLLARS IN THOUSANDS)	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS:				
Current Assets:				
Cash and Pooled Cash	\$ 11,973,905	\$ 3,179,952	\$ 15,153,857	\$ 271,210
Restricted Cash and Pooled Cash	2,630,952	-	2,630,952	84,442
Investments	-	3,299,384	3,299,384	-
Taxes Receivable, net	2,246,561	158,455	2,405,016	-
Contributions Receivable, net	-	-	-	45,688
Other Receivables, net	960,863	1,229,726	2,190,589	100,482
Due From Other Governments	1,741,951	1,126,518	2,868,469	1,280
Internal Balances	75,085	(75,085)	-	-
Due From Component Units	-	14,489	14,489	-
Inventories	231,261	42,096	273,357	-
Prepays, Advances and Deposits	201,257	56,119	257,376	422
Other Current Assets	-	-	-	7,660
Total Current Assets	20,061,835	9,031,654	29,093,489	511,184
Noncurrent Assets:				
Restricted Cash and Pooled Cash	844,539	542,690	1,387,229	53,384
Restricted Investments	1,413,529	46,838	1,460,367	10,207
Restricted Receivables	414,152	25,302	439,454	529
Investments	1,206,887	1,455,552	2,662,439	2,860,077
Contributions Receivable, net	-	-	-	117,199
Other Long-Term Assets	950,428	198,316	1,148,744	1,121,625
Depreciable/Amortizable Capital Assets, net	11,030,703	9,783,960	20,814,663	143,695
Land and Nondepreciable Capital Assets	3,648,283	2,081,470	5,729,753	32,004
Total Noncurrent Assets	19,508,521	14,134,128	33,642,649	4,338,720
TOTAL ASSETS	39,570,356	23,165,782	62,736,138	4,849,904
DEFERRED OUTFLOW OF RESOURCES:				
	4,441,520	1,115,118	5,556,638	2,163
LIABILITIES:				
Current Liabilities:				
Tax Refunds Payable	1,211,037	5,754	1,216,791	-
Accounts Payable and Accrued Liabilities	1,961,289	1,124,313	3,085,602	27,678
TABOR Refund Liability (Note 2B)	3,678,327	-	3,678,327	-
Due To Other Governments	555,136	1,348,881	1,904,017	2,891
Due To Component Units	-	12,603	12,603	-
Unearned Revenue	3,157,667	598,384	3,756,051	10,985
Accrued Compensated Absences	18,534	38,385	56,919	-
Claims and Judgments Payable	42,147	1,310	43,457	-
Lease & Subscriptions Payable	68,739	54,460	123,199	-
Notes, Bonds, and COPs Payable	238,123	420,298	658,421	29,035
Other Postemployment Benefits	-	20,305	20,305	-
Other Current Liabilities	107,688	368,252	475,940	269,148
Total Current Liabilities	11,038,687	3,992,945	15,031,632	339,737
Noncurrent Liabilities:				
Deposits Held In Custody For Others	1,481	25	1,506	568,819
Accrued Compensated Absences	222,577	477,181	699,758	-
Claims and Judgments Payable	116,812	59,071	175,883	-
Lease & Subscriptions Payable	216,966	181,984	398,950	-
Derivative Instrument Liability	-	4,836	4,836	-
Notes, Bonds, and COPs Payable	4,367,514	5,372,816	9,740,330	239,980
Due to Component Units	-	1,334	1,334	-
Net Pension Liability	11,446,317	3,702,857	15,149,174	3,892
Other Postemployment Benefits	170,741	1,219,983	1,390,724	201
Other Long-Term Liabilities	381,942	146,094	528,036	53,962
Total Noncurrent Liabilities	16,924,350	11,166,181	28,090,531	866,854
TOTAL LIABILITIES	27,963,037	15,159,126	43,122,163	1,206,591
DEFERRED INFLOW OF RESOURCES:				
	771,227	830,595	1,601,822	122,140
NET POSITION:				
Net investment in Capital Assets:	10,063,658	5,679,176	15,742,834	174,169
Restricted for:				
Construction and Highway Maintenance	510,993	-	510,993	-
Education	1,612,022	639,644	2,251,666	-
Debt Service	155,147	30,175	185,322	-
Emergencies	337,867	-	337,867	-
Permanent Funds and Endowments:				
Expendable	11,570	212,155	223,725	1,492,513
Nonexpendable	1,539,295	89,955	1,629,250	885,726
Other Purposes	1,069,918	43,697	1,113,615	872,978
Unrestricted	(22,858)	1,596,377	1,573,519	97,950
TOTAL NET POSITION	\$ 15,277,612	\$ 8,291,179	\$ 23,568,791	\$ 3,523,336

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Expenses			Program Revenues		
(DOLLARS IN THOUSANDS)					
Functions/Programs	Expenses	Indirect Cost Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:					
Governmental Activities:					
General Government	\$ 1,900,035	\$ (25,505)	\$ 215,802	\$ 448,785	\$ 434
Business, Community, and Consumer Affairs	1,499,681	3,898	264,815	622,524	-
Education	8,495,336	1,956	47,355	1,261,417	-
Health and Rehabilitation	1,939,572	1,614	120,713	1,069,494	55
Justice	2,651,715	5,311	387,525	286,307	4,673
Natural Resources	176,587	756	299,775	106,289	-
Social Assistance	12,838,045	5,115	186,778	7,790,725	-
Transportation	2,115,556	1,840	518,001	154,326	646,343
Interest on Debt	187,327	-	-	-	-
Total Governmental Activities	31,803,854	(5,015)	2,040,764	11,739,867	651,505
Business-Type Activities:					
Higher Education	9,346,769	3,601	6,115,954	3,003,002	124,492
Healthcare Affordability	5,130,361	-	1,204,332	3,911,489	-
Unemployment Insurance	488,008	-	831,156	126,029	-
Lottery	771,963	329	891,078	1,507	-
Parks and Wildlife	286,702	606	256,818	47,159	-
College Assist	178,034	102	2	178,860	-
Other Business-Type Activities	642,083	377	560,734	243,587	2,519
Total Business-Type Activities	16,843,920	5,015	9,860,074	7,511,633	127,011
Total Primary Government	48,647,774	-	11,900,838	19,251,500	778,516
Total Component Units	\$ 344,739	\$ -	\$ 79,785	\$ 453,161	\$ 30,808

General Revenues:

Taxes:

Sales and Use Taxes

Excise Taxes

Individual Income Tax

Corporate Income Tax

Other Taxes

Restricted for Education:

Individual Income Tax

Corporate and Fiduciary Income Tax

Other Taxes

Restricted for Transportation:

Fuel Taxes

Other Taxes

Unrestricted Investment Earnings (Losses)

Other General Revenues

Payment from State of Colorado

Special Items

(Transfers-Out) / Transfers-In

Internal Capital Contributions

Permanent Fund Additions

Total General Revenues, Special Items, and Transfers

Change in Net Position

Net Position - Fiscal Year Beginning

Prior Period Adjustment (See Note 15A)

Accounting Changes (See Note 15B)

Net Position - Fiscal Year Beginning (Restated)

Net Position - Fiscal Year Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total		
\$ (1,209,509)	\$ -	\$ (1,209,509)		
(616,240)	-	(616,240)		
(7,188,520)	-	(7,188,520)		
(750,924)	-	(750,924)		
(1,978,521)	-	(1,978,521)		
228,721	-	228,721		
(4,865,657)	-	(4,865,657)		
(798,726)	-	(798,726)		
(187,327)	-	(187,327)		
(17,366,703)	-	(17,366,703)		
-	(106,922)	(106,922)		
-	(14,540)	(14,540)		
-	469,177	469,177		
-	120,293	120,293		
-	16,669	16,669		
-	726	726		
-	164,380	164,380		
-	649,783	649,783		
(17,366,703)	649,783	(16,716,920)		
			219,015	
4,866,608	-	4,866,608	-	
482,359	-	482,359	-	
6,609,219	-	6,609,219	-	
2,265,237	-	2,265,237	-	
1,441,205	13,084	1,454,289	-	
941,902	-	941,902	-	
124,498	-	124,498	-	
-	-	-	-	
652,282	-	652,282	-	
273	-	273	-	
194,952	-	194,952	29,471	
125,003	-	125,003	-	
-	-	-	-	
-	-	-	-	
189,744	(189,744)	-	-	
-	-	-	-	
350,885	10	350,895	-	
18,244,167	(176,650)	18,067,517	29,471	
877,464	473,133	1,350,597	248,486	
14,383,676	7,815,845	22,199,521	3,274,850	
16,472	-	16,472	-	
-	2,201	2,201	-	
14,400,148	7,818,046	22,218,194	3,274,850	
\$ 15,277,612	\$ 8,291,179	\$ 23,568,791	\$ 3,523,336	

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

(DOLLARS IN THOUSANDS)

	GENERAL	FEDERAL SPECIAL REVENUE FUND	HIGHWAY USERS TAX	OTHER GOVERNMENTAL FUNDS	TOTAL
ASSETS:					
Cash and Pooled Cash	\$ 4,139,790	\$ 2,489,516	\$ 86,501	\$ 5,191,921	\$ 11,907,728
Taxes Receivable, net	2,428,977	-	871	78,017	2,507,865
Other Receivables, net	642,657	12,124	1,153	283,513	939,447
Due From Other Governments	1,625,010	30,641	-	86,258	1,741,909
Due From Other Funds	99,814	4,493	22,135	40,022	166,464
Inventories	44,954	116	19,527	163,554	228,151
Prepays, Advances and Deposits	47,215	36,405	2,553	84,505	170,678
Restricted Cash and Pooled Cash	1,000,286	-	626,758	1,842,049	3,469,093
Restricted Investments	-	-	-	1,413,529	1,413,529
Restricted Receivables	12,993	-	331,640	69,519	414,152
Investments	16,532	-	-	1,190,355	1,206,887
Other Long-Term Assets	58,207	-	26,544	603,514	688,265
TOTAL ASSETS	\$ 10,116,435	\$ 2,573,295	\$ 1,117,682	\$ 11,046,756	\$ 24,854,168
DEFERRED OUTFLOW OF RESOURCES:					
	-	-	-	7,127	7,127
LIABILITIES:					
Tax Refunds Payable	\$ 1,197,924	\$ -	\$ -	\$ 13,113	\$ 1,211,037
Accounts Payable and Accrued Liabilities	1,351,024	68,278	306,729	196,213	1,922,244
TABOR Refund Liability (Note 2B)	3,678,327	-	-	-	3,678,327
Due To Other Governments	390,012	1,028	41,382	122,710	555,132
Due To Other Funds	37,333	1,388	8,619	42,561	89,901
Unearned Revenue	107,201	2,509,280	172,325	367,511	3,156,317
Claims and Judgments Payable	242	-	271	90	603
Other Current Liabilities	66,709	193	44	31,766	98,712
Deposits Held In Custody For Others	90	-	1,174	217	1,481
TOTAL LIABILITIES	6,828,862	2,580,167	530,544	774,181	10,713,754
DEFERRED INFLOW OF RESOURCES:					
	185,307	-	17,968	58,824	262,099
FUND BALANCES:					
Nonspendable:					
Long-term Portion of Interfund Loans Receivable	-	-	-	85	85
Inventories	44,954	116	19,527	163,554	228,151
Permanent Fund Principal	-	-	-	1,516,090	1,516,090
Prepays	47,088	36,405	2,553	84,502	170,548
Restricted	881,487	-	484,151	1,781,321	3,146,959
Committed	2,606,660	-	62,939	6,675,326	9,344,925
Assigned	87,068	-	-	-	87,068
Unassigned	(564,991)	(43,393)	-	-	(608,384)
TOTAL FUND BALANCES	3,102,266	(6,872)	569,170	10,220,878	13,885,442
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 10,116,435	\$ 2,573,295	\$ 1,117,682	\$ 11,053,883	\$ 24,861,295

The notes to the financial statements are an integral part of this statement.

**GOVERNMENTAL FUNDS BALANCE SHEET
RECONCILED TO
STATEMENT OF NET POSITION
JUNE 30, 2023**

	(A)	(B)	(C)	(D)	(E)	(F)	
(DOLLARS IN THOUSANDS)	TOTAL GOVERNMENTAL FUNDS	INTERNAL SERVICE FUNDS	CAPITAL ASSET BALANCES	DEBT RELATED BALANCES	CENTRALIZED RISK MANAGEMENT LIABILITIES	OTHER MEASUREMENT FOCUS ADJUSTMENTS	STATEMENT OF NET POSITION TOTALS
ASSETS:							
Current Assets:							
Cash and Pooled Cash	\$ 11,907,728	\$ 66,162	\$ -	\$ -	\$ -	\$ 15	\$ 11,973,905
Restricted Cash and Pooled Cash	2,630,952	-	-	-	-	-	2,630,952
Taxes Receivable, net	2,507,865	-	-	-	-	(261,304)	2,246,561
Other Receivables, net	939,447	2,351	-	-	-	17,819	960,863
Due From Other Governments	1,741,909	42	-	-	-	-	1,741,951
Due From Other Funds	166,464	15	-	-	-	(166,479)	-
Internal Balances	-	-	-	-	-	75,085	75,085
Inventories	228,151	3,110	-	-	-	-	231,261
Prepays, Advances and Deposits	170,678	10,254	-	-	-	20,325	201,257
Total Current Assets	20,293,194	81,934	-	-	-	(223,145)	20,061,835
Noncurrent Assets:							
Restricted Cash and Pooled Cash	838,141	6,398	-	-	-	-	844,539
Restricted Investments	1,413,529	-	-	-	-	-	1,413,529
Restricted Receivables	414,152	-	-	-	-	-	414,152
Investments	1,206,887	-	-	-	-	-	1,206,887
Other Long-Term Assets	688,265	-	-	-	-	262,163	950,428
Depreciable/Amortizable Capital Assets, net	-	132,360	10,898,343	-	-	-	11,030,703
Land and Nondepreciable Capital Assets	-	4,506	3,643,777	-	-	-	3,648,283
Total Noncurrent Assets	4,560,974	143,264	14,542,120	-	-	262,163	19,508,521
TOTAL ASSETS	24,854,168	225,198	14,542,120	-	-	39,018	39,570,356
DEFERRED OUTFLOW OF RESOURCES:	7,127	77,148	-	4,357,245	-	-	4,441,520
LIABILITIES:							
Current Liabilities:							
Tax Refunds Payable	1,211,037	-	-	-	-	-	1,211,037
Accounts Payable and Accrued Liabilities	1,922,244	33,198	-	5,792	-	55	1,961,289
TABOR Refund Liability (Note 2B)	3,678,327	-	-	-	-	-	3,678,327
Due To Other Governments	555,132	4	-	-	-	-	555,136
Due To Other Funds	89,901	302	-	-	-	(90,203)	-
Unearned Revenue	3,156,317	1,350	-	-	-	-	3,157,667
Compensated Absences Payable	-	1,443	-	-	-	17,091	18,534
Claims and Judgments Payable	603	-	-	-	37,594	3,950	42,147
Lease & Subscriptions Payable	-	10,200	-	58,539	-	-	68,739
Notes, Bonds, and COPs Payable	-	22,861	-	215,262	-	-	238,123
Other Current Liabilities	98,712	1,397	-	-	-	7,579	107,688
Total Current Liabilities	10,712,273	70,755	-	279,593	37,594	28,620	11,038,687
Noncurrent Liabilities:							
Deposits Held In Custody For Others	1,481	-	-	-	-	-	1,481
Accrued Compensated Absences	-	12,756	-	-	-	209,821	222,577
Claims and Judgments Payable	-	-	-	-	87,186	29,626	116,812
Lease & Subscriptions Payable	-	21,850	-	195,116	-	-	216,966
Notes, Bonds, and COPs Payable	-	72,258	-	4,295,256	-	-	4,367,514
Net Pension Liability	-	407,491	-	-	-	11,038,826	11,446,317
Other Postemployment Benefits	-	9,702	-	-	-	161,039	170,741
Other Long-Term Liabilities	-	-	-	-	-	381,942	381,942
Total Noncurrent Liabilities	1,481	524,057	-	4,490,372	87,186	11,821,254	16,924,350
TOTAL LIABILITIES	10,713,754	594,812	-	4,769,965	124,780	11,849,874	27,963,037
DEFERRED INFLOW OF RESOURCES:	262,099	10,845	-	-	-	498,283	771,227
NET POSITION:							
Net investment in Capital Assets:	-	11,910	14,542,120	(4,490,372)	-	-	10,063,658
Restricted for:							
Construction and Highway Maintenance	510,993	-	-	-	-	-	510,993
Education	1,612,022	-	-	-	-	-	1,612,022
Debt Service	155,147	-	-	-	-	-	155,147
Emergencies	337,867	-	-	-	-	-	337,867
Permanent Funds and Endowments:							
Expendable	11,570	-	-	-	-	-	11,570
Nonexpendable	1,539,295	-	-	-	-	-	1,539,295
Other Purposes	1,069,918	-	-	-	-	-	1,069,918
Unrestricted	8,648,630	(315,221)	-	4,077,652	(124,780)	(12,309,139)	(22,858)
TOTAL NET POSITION	\$ 13,885,442	\$ (303,311)	\$ 14,542,120	\$ (412,720)	\$ (124,780)	\$ (12,309,139)	\$ 15,277,612

The notes to the financial statements are an integral part of this statement.

Differences Between the *Balance Sheet – Governmental Funds* and Governmental Activities on the Government-Wide *Statement of Net Position*

- (A) Management uses Internal Services Funds to report the charges for and the costs of goods and services sold by state agencies solely within the state. Because the sales are primarily to governmental funds, the assets and liabilities of the Internal Service Funds are included in the governmental activities on the government-wide *Statement of Net Position*. Internal Service Funds are reported using proprietary fund-type accounting in the fund-level financial statements. In addition to minor training services provided by the Department of Personnel & Administration, and internal sales within the Department of Transportation and the Department of Public Safety, the State's Internal Service Funds provide the following goods and services to nearly all state agencies:
- ♦ Fleet management,
 - ♦ Printing and mail services,
 - ♦ Information technology and telecommunication services,
 - ♦ Building maintenance and management in the capitol complex,
 - ♦ Administrative court services,
 - ♦ Legal services, and
 - ♦ Others including debt collection.
- (B) Capital assets used in governmental activities are not current financial resources, and therefore, they are not included in the fund-level financial statements. However, capital assets are economic resources and are reported in the government-wide *Statement of Net Position*.
- (C) Long-term liabilities such as leases, bonds, notes, mortgages, and Certificates of Participation (including accrued interest) are not due and payable in the current period, and therefore, they are not included in the fund-level financial statements. However, from an economic perspective these liabilities reduce net position and are reported in the *Statement of Net Position*. The portion reported as current in the reconciliation is payable within the following fiscal year. Deferred outflows related to debt refunding losses require a similar adjustment. The largest single portion of the long-term balance is related to Transportation Revenue Anticipation Notes issued by the Department of Transportation.
- (D) Risk management liabilities are actuarially determined claims and consist of a current and long-term portion. Generally accepted accounting principles (GAAP) list claims and judgments as an exception to the full accrual basis of accounting that constitutes the modified accrual basis of accounting. The current portion (payable within one year) is excluded from the fund-level statements because it is not payable with expendable available financial resources. In this instance, "payable with expendable available financial resources" means the amounts are not accrued as fund liabilities because they are not budgeted in the current year. The long-term portion of the risk management liability is excluded from the fund-level statements because it is not due and payable in the current period.
- (E) Other measurement focus adjustments include:
- ♦ Interfund balances receivable from or payable to fiduciary funds are reported on the fund-level *Balance Sheet – Governmental Funds* as due from/to other funds. On the government-wide *Statement of Net Position*, these amounts are considered external receivables and payables.
 - ♦ Long-term assets and long-term taxes receivable are not available to pay for current period expenditures; therefore, the related revenue is reported as a deferred inflow of resources on the fund-level *Balance Sheet – Governmental Funds*. From an economic perspective, this revenue is earned and the related deferred inflow of resources is removed from the government-wide *Statement of Net Position* when the revenue is recognized on the government-wide *Statement of Activities*.
 - ♦ Compensated absences are a GAAP modification of the full accrual basis of accounting similar to claims and judgments discussed above. Therefore, both the current and long-term portions of the liability are shown on the government-wide *Statement of Net Position*, but they are not reported on the fund-level *Balance Sheet – Governmental Funds*.
 - ♦ Claims and Judgments Payable and other long-term liabilities including pension liabilities are not reported on the fund-level *Balance Sheet – Governmental Funds* because the amounts are not due and payable from current financial resources. However, from an economic perspective, these liabilities reduce net position, and they are therefore reported on the government-wide *Statement of Net Position*.
- (F) All interfund payable balances shown on the fund-level *Balance Sheet – Governmental Funds* are reported in the internal balances line on the government-wide *Statement of Net Position* along with all governmental-activities interfund receivables.

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)

	GENERAL	FEDERAL SPECIAL REVENUE FUND	HIGHWAY USERS TAX	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES:					
Taxes:					
Individual and Fiduciary Income	\$ 6,515,803	\$ -	\$ -	\$ 1,026,309	\$ 7,542,112
Corporate Income	2,166,610	-	-	200,091	2,366,701
Sales and Use	4,815,433	-	-	62,613	4,878,046
Excise	104,054	-	652,282	365,281	1,121,617
Other Taxes	516,996	-	273	972,384	1,489,653
Licenses, Permits, and Fines	89,541	-	409,749	478,513	977,803
Charges for Goods and Services	90,435	-	172,435	206,629	469,499
Rents	130	-	4,722	265,009	269,861
Investment Income (Loss)	57,313	118,216	11,400	122,194	309,123
Federal Grants and Contracts	10,228,462	500,162	733,152	569,519	12,031,295
Additions to Permanent Funds	-	-	-	350,885	350,885
Unclaimed Property Receipts	-	-	-	128,772	128,772
Other	327,763	3,437	50,568	64,835	446,603
TOTAL REVENUES	24,912,540	621,815	2,034,581	4,813,034	32,381,970
EXPENDITURES:					
Current:					
General Government	353,304	19,018	70,793	61,759	504,874
Business, Community, and Consumer Affairs	287,747	254,811	-	507,729	1,050,287
Education	1,136,311	5,880	-	444,801	1,586,992
Health and Rehabilitation	1,234,024	111,206	12,572	163,703	1,521,505
Justice	1,868,339	23,355	154,090	278,224	2,324,008
Natural Resources	45,219	94	-	101,442	146,755
Social Assistance	11,172,032	21,997	-	299,500	11,493,529
Transportation	-	-	1,684,663	6,200	1,690,863
Capital Outlay	200,813	6,866	71,979	76,259	355,917
Intergovernmental:					
Cities	114,910	8,290	242,820	140,817	506,837
Counties	1,660,926	35,659	236,632	187,951	2,121,168
School Districts	5,879,919	1,426	-	1,037,227	6,918,572
Special Districts	93,069	2,623	95,107	44,793	235,592
Federal	2,943	-	18,937	1,043	22,923
Other	621,152	14,432	1,988	109,935	747,507
Debt Service	134,551	1,112	6,522	226,699	368,884
TOTAL EXPENDITURES	24,805,259	506,769	2,596,103	3,688,082	31,596,213
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	107,281	115,046	(561,522)	1,124,952	785,757
OTHER FINANCING SOURCES (USES):					
Transfers-In	613,026	1,778	490,842	1,753,495	2,859,141
Transfers-Out	(1,857,848)	(4,107)	(82,967)	(1,358,054)	(3,302,976)
Issuance of Leases	18,591	2,677	14,255	11,789	47,312
Sale of Capital Assets	629	-	-	13,441	14,070
Insurance Recoveries	1,310	-	246	4,689	6,245
TOTAL OTHER FINANCING SOURCES (USES)	(1,224,292)	348	422,376	425,360	(376,208)
NET CHANGE IN FUND BALANCES	(1,117,011)	115,394	(139,146)	1,550,312	409,549
FUND BALANCE, FISCAL YEAR BEGINNING	4,202,275	(122,266)	708,316	8,671,096	13,459,421
Prior Period Adjustment (See Note 15A)	17,002	-	-	(530)	16,472
FUND BALANCE, FISCAL YEAR BEGINNING (RESTATED)	4,219,277	(122,266)	708,316	8,670,566	13,475,893
FUND BALANCE, FISCAL YEAR END	\$ 3,102,266	\$ (6,872)	\$ 569,170	\$ 10,220,878	\$ 13,885,442

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES RECONCILED TO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

	(A)	(B)	(C)	(D)		
(DOLLARS IN THOUSANDS)	TOTAL GOVERNMENTAL FUNDS	INTERNAL SERVICE FUNDS	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTIONS	OTHER MEASUREMENT FOCUS ADJUSTMENTS	STATEMENT OF ACTIVITIES OF TOTALS
REVENUES:						
Taxes:						
Individual and Fiduciary Income	\$ 7,542,112	\$ -	\$ -	\$ -	\$ 12,445	\$ 7,554,557
Corporate Income	2,366,701	-	-	-	19,598	2,386,299
Sales and Use	4,878,046	-	-	-	(11,438)	4,866,608
Excise	1,121,617	-	-	-	13,024	1,134,641
Other Taxes	1,489,653	-	-	-	1,344	1,490,997
Licenses, Permits, and Fines	977,803	-	-	-	55,841	1,033,644
Charges for Goods and Services	469,499	-	-	-	45	469,544
Rents	269,861	-	-	-	(52)	269,809
Investment Income (Loss)	309,123	(972)	-	-	(3)	308,148
Federal Grants and Contracts	12,031,295	-	-	-	-	12,031,295
Additions to Permanent Funds	350,885	-	-	-	-	350,885
Unclaimed Property Receipts	128,772	-	-	-	-	128,772
Other	446,603	-	-	-	454	447,057
TOTAL REVENUES	32,381,970	(972)	-	-	91,258	32,472,256
EXPENDITURES:						
Current:						
General Government	504,874	(2,021)	20,669	-	3,453	526,975
Business, Community, and Consumer Affairs	1,050,287	(533)	13,133	-	24,055	1,086,942
Education	1,586,992	(173)	54,114	-	2,888	1,643,821
Health and Rehabilitation	1,521,505	67	165,166	-	10,590	1,697,328
Justice	2,324,008	(2,205)	56,086	-	(31,473)	2,346,416
Natural Resources	146,755	(124)	1,808	-	1,316	149,755
Social Assistance	11,493,529	(88)	27,534	-	22,370	11,543,345
Transportation	1,690,863	(940)	321,984	-	(9,550)	2,002,357
Capital Outlay	355,917	-	(905,349)	-	-	(549,432)
Intergovernmental:						
Cities	506,837	-	-	-	-	506,837
Counties	2,121,168	-	-	-	-	2,121,168
School Districts	6,918,572	-	-	-	571,834	7,490,406
Special Districts	235,592	-	-	-	21,432	257,024
Federal	22,923	-	-	-	-	22,923
Other	747,507	-	-	-	-	747,507
Debt Service	368,884	1,340	-	(163,882)	-	206,342
TOTAL EXPENDITURES	31,596,213	(4,677)	(244,855)	(163,882)	616,915	31,799,714
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	785,757	3,705	244,855	163,882	(525,657)	672,542
OTHER FINANCING SOURCES (USES):						
Transfers-In	2,859,141	2,771	-	-	-	2,861,912
Transfers-Out	(3,302,976)	(7,754)	-	-	-	(3,310,730)
Bond/COP Premium/Discount	-	-	-	29,926	-	29,926
Issuance of Leases	47,312	-	-	(47,781)	-	(469)
Sale of Capital Assets	14,070	-	602,679	-	-	616,749
Insurance Recoveries	6,245	-	-	-	-	6,245
TOTAL OTHER FINANCING SOURCES (USES)	(376,208)	(4,983)	602,679	(17,855)	-	203,633
Internal Service Fund Charges to BTAs	-	1,289	-	-	-	1,289
NET CHANGE FOR THE YEAR	409,549	11	847,534	146,027	(525,657)	877,464
Prior Period Adjustment (See Note 15A)	16,472	-	-	-	-	16,472
TOTAL CHANGE FOR THE CURRENT YEAR	\$ 426,021	\$ 11	\$ 847,534	\$ 146,027	\$ (525,657)	\$ 893,936

The notes to the financial statements are an integral part of this statement.

Differences Between the *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* and Governmental Activities on the Government-Wide *Statement of Activities*

- (A) Management uses Internal Services Funds to report charges for and the costs of goods and services sold by state agencies solely within the state. Internal Service Funds are intended to operate on the cost reimbursement basis and should break even each period. If an Internal Service Fund makes a profit, the other funds of the State have been overcharged. If an Internal Service Fund has an operating loss, the other funds of the State have been undercharged. In order to show the true cost of services purchased from Internal Service Funds, an adjustment is made that allocates the net revenue/expense of each Internal Service Fund to the programs that purchased the service. Investment income, debt service, and transfers of the Internal Service Fund are not allocated. In addition to minor training services provided by the Department of Personnel & Administration, and internal sales within the Department of Transportation and the Department of Public Safety, the State's Internal Service Funds provide the following goods and services to nearly all state agencies:
- ♦ Fleet management,
 - ♦ Printing and mail services,
 - ♦ Information technology services and telecommunication services,
 - ♦ Building maintenance and management in the capitol complex,
 - ♦ Administrative court services,
 - ♦ Legal services, and
 - ♦ Others including debt collection.
- (B) The following adjustments relate to capital assets:
- ♦ Capital assets, received as donations, are not reported on the fund-level *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* because they are not current financial resources. However, such donations increase net position and are reported on both the government-wide *Statement of Net Position* and *Statement of Activities*.
 - ♦ Depreciation is not reported on the fund-level *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds*, but it is reported for the economic perspective on which the government-wide *Statement of Activities* is presented.
 - ♦ Expenditures reported for capital outlay on the fund-level *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* are generally reported as a conversion of cash to a capital asset on the government-wide *Statement of Net Position*. They are not reported as expenses on the government-wide *Statement of Activities*.
 - ♦ On the fund-level *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* all cash received on disposal of capital assets is reported as a gain on sale of capital assets. On the government-wide *Statement of Activities* the reported gain or loss on sale is based on the carrying value of the asset as well as the cash received.
- (C) The following adjustments relate to debt issuance and debt service including leases:
- ♦ Payments on principal and debt refunding payments are reported as expenditures and other financing uses, respectively, on the fund-level *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds*. These payments are reported as reductions of lease, bond, and other debt liability balances on the government-wide *Statement of Net Position* and are not reported on the government-wide *Statement of Activities*.
 - ♦ Amortization of debt premium/discount and gain/loss on refunding are not reported on the fund-level *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds*, but are reported on the government-wide *Statement of Activities*.
 - ♦ Lease proceeds, issuance of debt, and debt refunding proceeds are all reported as other financing sources on the fund-level *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds*. From an economic perspective lease proceeds, debt issuances, and debt refunding proceeds are reported as liabilities on the government-wide *Statement of Net Position* and are not reported on the government-wide *Statement of Activities*.
- (D) Other measurement focus adjustments include:
- ♦ Long-term taxes receivable and certain other long-term assets are offset by deferred inflows or unearned revenue and are not part of fund balance on the fund-level *Balance Sheet – Governmental Funds*; however, from a full accrual perspective, changes in the fund-level unearned revenue balances result in adjustments to revenue that are recognized and reported on the government-wide *Statement of Activities*.
 - ♦ Compensated absences accruals, pension liabilities, and claims and judgments are not normally expected to be liquidated from expendable available financial resources; and therefore, they are not reported on the fund-level *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds*. However, from a full accrual perspective, these are expenses that are reported on the government-wide *Statement of Activities*.

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS						GOVERNMENTAL ACTIVITIES
(DOLLARS IN THOUSANDS)	HIGHER EDUCATION INSTITUTIONS	HEALTHCARE AFFORDABILITY	TRANSPORTATION ENTERPRISE	UNEMPLOYMENT INSURANCE	OTHER ENTERPRISES	TOTAL	INTERNAL SERVICE FUNDS
ASSETS:							
Current Assets:							
Cash and Pooled Cash	\$ 1,666,864	\$ 66,519	\$ 211,756	\$ 234,514	\$ 1,000,299	\$ 3,179,952	\$ 66,162
Investments	3,299,384	-	-	-	-	3,299,384	-
Premiums/Taxes Receivable, net	-	-	64	158,084	307	158,455	-
Student and Other Receivables, net	769,077	176,499	7,748	211,179	78,069	1,242,572	2,351
Due From Other Governments	198,053	264,679	-	437,352	226,434	1,126,518	42
Due From Other Funds	29,013	3,408	-	-	14,898	47,319	15
Due From Component Units	14,354	-	-	-	135	14,489	-
Inventories	31,633	-	-	-	10,463	42,096	3,110
Prepays, Advances and Deposits	44,956	-	631	-	10,532	56,119	10,254
Total Current Assets	6,053,334	511,105	220,199	1,041,129	1,341,137	9,166,904	81,934
Noncurrent Assets:							
Restricted Cash and Pooled Cash	218,949	-	33,664	286,573	3,504	542,690	6,398
Restricted Investments	46,838	-	-	-	-	46,838	-
Restricted Receivables	-	-	-	-	25,302	25,302	-
Investments	1,455,552	-	-	-	-	1,455,552	-
Other Long-Term Assets	196,934	-	-	-	1,382	198,316	-
Depreciable/Amortizable Capital Assets, net	7,949,994	34,427	1,460,331	31,322	307,886	9,783,960	132,360
Land and Nondepreciable Capital Assets	921,084	592	673,909	-	485,885	2,081,470	4,506
Total Noncurrent Assets	10,789,351	35,019	2,167,904	317,895	823,959	14,134,128	143,264
TOTAL ASSETS	16,842,685	546,124	2,388,103	1,359,024	2,165,096	23,301,032	225,198
DEFERRED OUTFLOW OF RESOURCES:	1,034,108	1,073	2,973	1,990	74,974	1,115,118	77,148
LIABILITIES:							
Current Liabilities:							
Tax Refunds Payable	-	-	-	5,754	-	5,754	-
Accounts Payable and Accrued Liabilities	541,807	197,657	19,613	31,244	333,990	1,124,311	33,198
Due To Other Governments	-	162,955	-	1,165,034	20,892	1,348,881	4
Due To Other Funds	8,570	29,187	-	7,713	56,457	101,927	302
Due To Component Units	12,603	-	-	-	-	12,603	-
Unearned Revenue	436,942	-	5,117	87,274	69,051	598,384	1,350
Compensated Absences Payable	36,322	9	-	-	2,054	38,385	1,443
Claims and Judgments Payable	1,310	-	-	-	-	1,310	-
Lease & Subscriptions Payable	51,150	639	671	-	2,000	54,460	10,200
Notes, Bonds, and COPs Payable	412,276	-	8,005	-	17	420,298	22,861
Other Postemployment Benefits	20,305	-	-	-	-	20,305	-
Other Current Liabilities	89,436	-	375	204,962	73,479	368,252	1,397
Total Current Liabilities	1,610,721	390,447	33,781	1,501,981	557,940	4,094,870	70,755
Noncurrent Liabilities:							
Due to Other Funds	(2,586)	-	21,700	-	14,211	33,325	-
Deposits Held In Custody For Others	-	-	-	-	25	25	-
Accrued Compensated Absences	460,423	248	145	-	16,365	477,181	12,756
Claims and Judgments Payable	59,071	-	-	-	-	59,071	-
Lease & Subscriptions Payable	169,750	2,111	589	-	9,534	181,984	21,850
Derivative Instrument Liability	4,836	-	-	-	-	4,836	-
Notes, Bonds, and COPs Payable	4,144,122	-	1,227,757	-	937	5,372,816	72,258
Due to Component Units	1,334	-	-	-	-	1,334	-
Net Pension Liability	3,281,235	6,269	8,119	6,111	401,123	3,702,857	407,491
Other Postemployment Benefits	1,209,716	148	195	169	9,755	1,219,983	9,702
Other Long-Term Liabilities	34,386	-	111,703	-	5	146,094	-
Total Noncurrent Liabilities	9,362,287	8,776	1,370,208	6,280	451,955	11,199,506	524,057
TOTAL LIABILITIES	10,973,008	399,223	1,403,989	1,508,261	1,009,895	15,294,376	594,812
DEFERRED INFLOW OF RESOURCES:	667,835	3,267	123,356	1,209	34,928	830,595	10,845
NET POSITION:							
Net investment in Capital Assets:	4,259,560	32,268	629,345	31,322	726,681	5,679,176	11,910
Restricted for:							
Education	639,644	-	-	-	-	639,644	-
Debt Service	14,458	-	15,717	-	-	30,175	-
Permanent Funds and Endowments:							
Expendable	212,155	-	-	-	-	212,155	-
Nonexpendable	89,955	-	-	-	-	89,955	-
Other Purposes	-	-	-	-	43,697	43,697	-
Unrestricted	1,020,178	112,439	218,669	(179,778)	424,869	1,596,377	(315,221)
TOTAL NET POSITION	\$ 6,235,950	\$ 144,707	\$ 863,731	\$ (148,456)	\$ 1,195,247	\$ 8,291,179	\$ (303,311)

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS						GOVERNMENTAL ACTIVITIES
(DOLLARS IN THOUSANDS)	HIGHER EDUCATION INSTITUTIONS	HEALTHCARE AFFORDABILITY	TRANSPORTATION ENTERPRISE	UNEMPLOYMENT INSURANCE	OTHER ENTERPRISES	TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUES:							
Unemployment Insurance Premiums	\$ -	\$ -	\$ -	\$ 828,946	\$ -	\$ 828,946	\$ -
License and Permits	-	-	21,154	118	211,380	232,652	-
Tuition and Fees	3,385,799	-	-	-	1,416	3,387,215	-
Scholarship Allowance for Tuition and Fees	(762,737)	-	-	-	-	(762,737)	-
Sales of Goods and Services	3,271,951	1,204,332	184,917	-	1,151,383	5,812,583	510,722
Scholarship Allowance for Sales of Goods & Services	(32,879)	-	-	-	-	(32,879)	-
Investment Income (Loss)	2,089	-	-	-	(3,934)	(1,845)	-
Rental Income	16,867	-	-	-	2,098	18,965	16,132
Gifts and Donations	40,130	-	-	-	-	40,130	-
Federal Grants and Contracts	1,593,618	3,905,051	13,317	121,668	450,531	6,084,185	-
Intergovernmental Revenue	10,242	-	-	-	38,715	48,957	104
Other	500,911	-	315	291	28,617	530,134	5,875
TOTAL OPERATING REVENUES	8,025,991	5,109,383	219,703	951,023	1,880,206	16,186,306	532,833
OPERATING EXPENSES:							
Salaries and Fringe Benefits	6,344,153	39,551	13,368	13,569	224,444	6,635,085	279,825
Operating and Travel	2,005,095	5,054,275	10,331	456,844	727,082	8,253,627	201,935
Cost of Goods Sold	147,472	-	-	-	53,529	201,001	-
Depreciation and Amortization	585,284	7,101	29,391	3,522	26,060	651,358	44,582
Intergovernmental Distributions	39,004	29,389	-	-	18,752	87,145	-
Debt Service	-	-	-	-	8,468	8,468	-
Prizes and Awards	358	-	-	-	584,381	584,739	7
TOTAL OPERATING EXPENSES	9,121,366	5,130,316	53,090	473,935	1,642,716	16,421,423	526,349
OPERATING INCOME (LOSS)	(1,095,375)	(20,933)	166,613	477,088	237,490	(235,117)	6,484
NONOPERATING REVENUES AND (EXPENSES):							
Taxes	-	-	-	-	50,175	50,175	-
Fines and Settlements	26	-	2,353	1,802	2,211	6,392	-
Investment Income (Loss)	373,430	6,438	4,770	4,360	7,610	396,608	(972)
Rental Income	49,966	-	-	-	19,097	69,063	-
Gifts and Donations	351,321	-	-	-	2,074	353,395	-
Intergovernmental Distributions	(41,682)	-	(60,174)	-	(75,707)	(177,563)	-
Federal Grants and Contracts	300,647	-	5,159	-	-	305,806	-
Gain/(Loss) on Sale or Impairment of Capital Assets	9,435	-	(634,763)	-	51	(625,277)	2,861
Insurance Recoveries from Prior Year Impairments	-	-	-	-	74	74	22
Debt Service	(190,687)	(46)	(56,633)	(13,854)	(907)	(262,127)	(4,041)
Other Expenses	(709)	-	-	(220)	-	(929)	(73)
Other Revenues	17,010	-	-	-	1,917	18,927	-
TOTAL NONOPERATING REVENUES (EXPENSES)	868,757	6,392	(739,288)	(7,912)	6,595	134,544	(2,203)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(226,618)	(14,541)	(572,675)	469,176	244,085	(100,573)	4,281
CONTRIBUTIONS, TRANSFERS, AND OTHER ITEMS:							
Capital Grants and Contributions	124,492	-	-	-	2,519	127,011	713
Additions to Permanent Endowments	631	-	-	-	10	641	-
Transfers-In	561,862	-	-	-	37,805	599,667	2,771
Transfers-Out	(3,476)	(16,059)	(100)	-	(133,978)	(153,613)	(7,754)
TOTAL CONTRIBUTIONS AND TRANSFERS	683,509	(16,059)	(100)	-	(93,644)	573,706	(4,270)
CHANGE IN NET POSITION	456,891	(30,600)	(572,775)	469,176	150,441	473,133	11
NET POSITION - FISCAL YEAR BEGINNING	5,776,858	175,307	1,436,506	(617,632)	1,044,806	7,815,845	(303,322)
Accounting Changes (See Note 15B)	2,201	-	-	-	-	2,201	-
NET POSITION - FISCAL YEAR BEGINNING (RESTATED)	5,779,059	175,307	1,436,506	(617,632)	1,044,806	7,818,046	(303,322)
NET POSITION - FISCAL YEAR ENDING	\$ 6,235,950	\$ 144,707	\$ 863,731	\$ (148,456)	\$ 1,195,247	\$ 8,291,179	\$ (303,311)

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	HIGHER EDUCATION INSTITUTIONS	HEALTHCARE AFFORDABILITY	TRANSPORTATION ENTERPRISE
(DOLLARS IN THOUSANDS)			
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from:			
Tuition, Fees, and Student Loans	\$ 2,652,686	\$ -	\$ -
Fees for Service	3,133,789	1,161,053	204,869
Receipts for Interfund Services	-	1,137	2,716
Sales of Products	8,193	-	-
Gifts, Grants, and Contracts	2,028,304	3,863,100	24,535
Loan and Note Repayments	345,843	-	-
Unemployment Insurance Premiums	-	-	-
Income from Property	66,833	-	-
Other Sources	253,336	-	2,784
Cash Payments to or for:			
Employees	(6,232,141)	(43,023)	(13,201)
Suppliers	(1,754,430)	(5,015,434)	(14,099)
Payments for Interfund Services	-	-	(1,706)
Sales Commissions and Lottery Prizes	-	-	-
Unemployment Benefits	-	-	-
Scholarships	(181,034)	-	-
Others for Student Loans and Loan Losses	(346,235)	-	-
Other Governments	(39,004)	-	(60,174)
Other	(169,176)	(7,895)	(448)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(233,036)	(41,062)	145,276
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers-In	479,939	-	-
Transfers-Out	(3,476)	(16,059)	(100)
Receipt of Deposits Held in Custody	507,697	-	-
Release of Deposits Held in Custody	(505,360)	-	-
Gifts and Grants for Other Than Capital Purposes	646,688	-	-
Intergovernmental Distributions	(41,682)	-	-
Unclaimed Property Fund Interest	-	-	-
NonCapital Debt Proceeds	-	-	-
NonCapital Debt Service Payments	(12,643)	-	(23,630)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	1,071,163	(16,059)	(23,730)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of Capital Assets	(621,816)	(15,297)	(157,451)
Capital Contributions	226,045	-	-
Capital Gifts, Grants, and Contracts	55,439	-	-
Proceeds from Sale of Capital Assets	37,079	7,371	60,174
Capital Debt Proceeds	137,333	-	-
Capital Debt Service Payments	(318,148)	-	(56,896)
Lease Payments	(89,960)	(46)	(24)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(574,028)	(7,972)	(154,197)

The notes to the financial statements are an integral part of this statement.

			GOVERNMENTAL ACTIVITIES
UNEMPLOYMENT INSURANCE	OTHER ENTERPRISES	TOTALS	INTERNAL SERVICE FUNDS
\$ -	\$ 1,419	\$ 2,654,105	\$ -
-	345,169	4,844,880	3,572
-	46,822	50,675	506,681
30	927,347	935,570	1,073
128,899	435,691	6,480,529	50
-	-	345,843	-
831,156	-	831,156	-
-	21,221	88,054	16,132
-	164,685	420,805	530
(15,159)	(235,804)	(6,539,328)	(274,308)
(16,334)	(162,263)	(6,962,560)	(110,594)
(52,821)	(3,889)	(58,416)	(88,381)
-	(655,391)	(655,391)	-
(412,433)	-	(412,433)	-
-	-	(181,034)	-
-	-	(346,235)	-
(221,472)	(18,623)	(339,273)	-
(17,559)	(508,224)	(703,302)	(998)
224,307	358,160	453,645	53,757
-	40,324	520,263	3,015
-	(133,978)	(153,613)	(7,754)
-	1,239	508,936	1,386
-	(1,243)	(506,603)	(135)
-	2,074	648,762	-
-	(79,442)	(121,124)	-
-	1,896	1,896	-
-	2	2	3
-	(2)	(36,275)	(3)
-	(169,130)	862,244	(3,488)
-	(110,984)	(905,548)	(67,574)
-	-	226,045	-
-	-	55,439	-
-	45,300	149,924	32,412
-	-	137,333	9,860
-	(278)	(375,322)	(1,421)
(21)	(7,909)	(97,960)	(2,616)
(21)	(73,871)	(810,089)	(29,339)

(Continued)

**STATEMENT OF CASH FLOWS, CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	HIGHER EDUCATION INSTITUTIONS	HEALTHCARE AFFORDABILITY	TRANSPORTATION ENTERPRISE
(DOLLARS IN THOUSANDS)			
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends on Investments	166,920	5,803	7,805
Proceeds from Sale/Maturity of Investments	14,508,192	-	5,640
Purchases of Investments	(14,883,273)	-	(5,583)
Increase(Decrease) from Unrealized Gain(Loss) on Investments	58,453	635	(3,093)
NET CASH FROM INVESTING ACTIVITIES	(149,708)	6,438	4,769
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	114,391	(58,655)	(27,882)
CASH AND POOLED CASH , FISCAL YEAR BEGINNING	1,771,422	125,174	273,302
CASH AND POOLED CASH, FISCAL YEAR END	<u>\$ 1,885,813</u>	<u>\$ 66,519</u>	<u>\$ 245,420</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH			
PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (1,095,375)	\$ (20,933)	\$ 166,613
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation/Amortization	585,284	7,101	29,391
Investment/Rental Income and Other Revenue in Operating Income	-	-	-
Rents, Fines, Donations, and Grants and Contracts in NonOperating	77,117	-	7,512
(Gain)/Loss on Disposal of Capital and Other Assets	(689)	-	(60,174)
Compensated Absences Expense	34,497	43	43
Interest and Other Expense in Operating Income	19,474	-	(13,712)
Net Changes in Assets, Deferred Outflows, Liabilities, and Deferred			
Inflows Related to Operating Activities:			
(Increase) Decrease in Operating Receivables	(59,491)	(84,347)	7,195
(Increase) Decrease in Inventories	8,454	-	-
(Increase) Decrease in Other Operating Assets and Deferred Outflows	17,961	-	(256)
(Increase) Decrease in Pension Deferred Outflow	(321,072)	(397)	64
(Increase) Decrease in OPEB Deferred Outflow	50,227	99	16
Increase (Decrease) in Accounts Payable	19,217	27,527	7,301
Increase (Decrease) in Pension Liability	1,002,353	250	1,327
Increase (Decrease) in OPEB Liability	(146,667)	(98)	(65)
Increase (Decrease) in Other Operating Liabilities and Deferred Inflows	122,222	32,491	1,274
Increase (Decrease) in Pension Deferred Inflow	(759,755)	(2,829)	(1,229)
Increase (Decrease) in OPEB Deferred Inflow	213,207	31	(24)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (233,036)</u>	<u>\$ (41,062)</u>	<u>\$ 145,276</u>
SUPPLEMENTARY INFORMATION - NONCASH TRANSACTIONS:			
Capital Assets Funded by the Capital Projects Fund	22,442	-	-
Capital Assets Acquired by Grants or Donations and Payable Increases	66,807	-	13,947
Unrealized Gain/Loss on Investments and Interest Receivable Accruals	102,118	-	(393)
Loss on Disposal of Capital and Other Assets	2,142	-	-
Disposal of Capital Assets	7,728	-	-
Amortization of Debt Valuation Accounts and Interest Payable Accruals	(39,799)	-	-
Financed Debt Issuance Costs	411	-	-
Bad Debt Expense	47,013	-	-
Fair Value Change in Derivative Instrument	2,794	-	-
State Support for PERA Pensions	57,936	-	-
Noncapital Gifts	18,083	-	-
Additions to Investments held by Foundation	140	-	-
2019A bond premium	-	-	898
Transfer of managed lanes	-	-	(9,347)
Change in Pension/OPEB Deferred Inflows	(27,789)	-	-
Change in Pension/OPEB Deferred Outflows	(9,768)	-	-
Change in Pension/OPEB Liability	29,121	-	-
Depreciation	19,830	-	-
Other	25,711	-	-

The notes to the financial statements are an integral part of this statement.

			GOVERNMENTAL ACTIVITIES
UNEMPLOYMENT INSURANCE	OTHER ENTERPRISES	TOTALS	INTERNAL SERVICE FUNDS
4,378	21,955	206,861	395
-	-	14,513,832	-
-	-	(14,888,856)	-
(18)	(14,143)	41,834	(1,369)
4,360	7,812	(126,329)	(974)
228,646	122,971	379,471	19,956
292,441	880,832	3,343,171	52,604
\$ 521,087	\$ 1,003,803	\$ 3,722,642	\$ 72,560

\$ 477,088	237,490	\$ (235,117)	\$ 6,484
3,522	26,060	651,358	44,582
-	(190)	(190)	(4,520)
1,582	71,627	157,838	73
-	-	(60,863)	-
-	1,214	35,797	(1,045)
(13,833)	34,204	26,133	697
(85,944)	(37,209)	(259,796)	(627)
-	(1,194)	7,260	(1,061)
-	(1,362)	16,343	(1,078)
(1,421)	(28,151)	(350,977)	(39,893)
(68)	(259)	50,015	(536)
1,293	47,468	102,806	5,174
3,072	113,297	1,120,299	137,011
49	(1,306)	(148,087)	(472)
(157,761)	(8,145)	(9,919)	(814)
(3,208)	(95,282)	(862,303)	(89,934)
(64)	(102)	213,048	(284)
\$ 224,307	\$ 358,160	\$ 453,645	\$ 53,757

-	2,519	24,961	470
-	21	80,775	-
-	1,225	102,950	-
-	1	2,143	(2,737)
-	-	7,728	-
-	27	(39,772)	70
-	-	411	-
-	-	47,013	-
-	-	2,794	-
-	-	57,936	-
-	-	18,083	-
-	-	140	-
-	-	898	-
-	-	(9,347)	-
-	-	(27,789)	-
-	-	(9,768)	-
-	-	29,121	-
-	-	19,830	-
-	-	25,711	-

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	TRUST FUNDS		CUSTODIAL FUNDS	
(DOLLARS IN THOUSANDS)	PENSION AND OTHER EMPLOYEE BENEFIT TRUST	PRIVATE-PURPOSE TRUST	EXTERNAL INVESTMENT POOL	CUSTODIAL
ASSETS:				
Cash and Pooled Cash	\$ 82,512	\$ 387,410	\$ 42,604	\$ 542,874
Taxes Receivable, net	-	-	-	253,694
Other Receivables, net	47,000	14,107	-	2,260
Due From Other Funds	1,874	11,562	-	-
Prepays, Advances and Deposits	164	-	-	8
Other Long-Term Assets	-	-	-	65,442
Investments:				
Government Securities	3,380	5,421	-	-
Corporate Bonds	8,236	7,395	-	-
Municipal Bonds	1,022	-	-	-
Private Equities	7,430	-	-	-
Asset Backed Securities	797	4,746	-	-
Mortgages	7,997	15,866	-	-
Mutual Funds	115,689	10,287,515	-	-
Guaranteed Investment Contracts	-	159,109	-	-
Other Investments	23,785	502,239	-	-
TOTAL ASSETS	299,886	11,395,370	42,604	864,278
LIABILITIES:				
Tax Refunds Payable	-	-	-	1,850
Accounts Payable and Accrued Liabilities	27,234	17,267	-	608
Due To Other Governments	-	-	-	576
Due To Other Funds	18	521	-	1,240
Unearned Revenue	-	18,411	-	293
Claims and Judgments Payable	34,752	-	-	-
Other Current Liabilities	38,697	-	-	1,060
Accrued Compensated Absences	72	-	-	-
Other Long-Term Liabilities	-	11,770	-	683
TOTAL LIABILITIES	100,773	47,969	-	6,310
NET POSITION:				
Restricted for:				
OPEB	166,341	-	-	-
Held in Trust for:				
Pension/Benefit Plan Participants	32,772	-	-	-
Individuals, Organizations, and Other Entities	-	11,347,401	42,604	857,968
TOTAL NET POSITION	\$ 199,113	\$ 11,347,401	\$ 42,604	\$ 857,968

The notes to the financial statements are an integral part of this statement.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

(DOLLARS IN THOUSANDS)	TRUST FUNDS		CUSTODIAL FUNDS	
	PENSION AND OTHER EMPLOYEE BENEFIT TRUST	PRIVATE-PURPOSE TRUST	EXTERNAL INVESTMENT POOL	CUSTODIAL
ADDITIONS:				
Member Contributions	\$ 76,083	\$ -	\$ -	\$ -
Employer Contributions	447,660	-	-	-
Investment Income/(Loss)	8,620	931,861	(3,208)	(728)
Gifts and Bequests	-	804	-	2
Permanent and Trust Additions	-	1,124,670	-	-
Unclaimed Property Receipts	-	87,035	-	-
Court Awards and Restitution Receipts	-	-	-	192,817
Collections of Investment Funds	-	-	21,683	-
Collections of Sales Tax for Other Governments	-	-	-	3,092,329
Other Additions	412,210	3,207	-	74,291
Transfers-In	1,102	2,000	-	-
TOTAL ADDITIONS	945,675	2,149,577	18,475	3,358,711
DEDUCTIONS:				
Distributions to Participants	4,296	1,198,535	-	-
Distributions of Investment Funds	-	-	6,085	-
Health Insurance Premiums Paid	361,552	-	-	-
Health Insurance Claims Paid	147,033	-	-	-
Other Benefits Plan Expense	30,752	-	-	-
Payments of Sales Tax to Other Governments	-	-	-	3,081,166
Distributions - Intergovernmental Entities	-	812	-	-
Administrative Expense	17,193	321	-	7,240
Other Deductions	386,099	45,372	-	228,008
Transfers-Out	261	8	-	69
TOTAL DEDUCTIONS	947,186	1,245,048	6,085	3,316,483
CHANGE IN NET POSITION	(1,511)	904,529	12,390	42,228
NET POSITION - FISCAL YEAR BEGINNING	200,624	10,442,872	30,214	815,740
NET POSITION - FISCAL YEAR ENDING	\$ 199,113	\$ 11,347,401	\$ 42,604	\$ 857,968

The notes to the financial statements are an integral part of this statement.

STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2023

(DOLLARS IN THOUSANDS)	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	UNIVERSITY OF COLORADO FOUNDATION	OTHER COMPONENT UNITS	TOTAL
ASSETS:				
Current Assets:				
Cash and Pooled Cash	\$ 240,196	\$ 23,508	\$ 7,506	\$ 271,210
Restricted Cash and Pooled Cash	73,140	-	11,302	84,442
Contributions Receivable, net	-	45,688	-	45,688
Other Receivables, net	83,844	-	16,638	100,482
Due From Other Governments	1,280	-	-	1,280
Prepays, Advances and Deposits	-	-	422	422
Other Current Assets	48	793	6,819	7,660
Total Current Assets	398,508	69,989	42,687	511,184
Noncurrent Assets:				
Restricted Cash and Pooled Cash	53,384	-	-	53,384
Restricted Investments	10,207	-	-	10,207
Restricted Receivables	529	-	-	529
Investments	-	2,860,077	-	2,860,077
Contributions Receivable, net	-	117,199	-	117,199
Other Long-Term Assets	1,008,343	-	113,282	1,121,625
Depreciable/Amortizable Capital Assets, net	1,323	1,129	141,243	143,695
Land and Nondepreciable Capital Assets	-	-	32,004	32,004
Total Noncurrent Assets	1,073,786	2,978,405	286,529	4,338,720
TOTAL ASSETS	1,472,294	3,048,394	329,216	4,849,904
DEFERRED OUTFLOW OF RESOURCES:				
	1,317	-	846	2,163
LIABILITIES:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	7,987	10,716	8,975	27,678
Due To Other Governments	2,891	-	-	2,891
Unearned Revenue	187	-	10,798	10,985
Notes, Bonds, and COPs Payable	29,035	-	-	29,035
Other Current Liabilities	244,652	24,369	127	269,148
Total Current Liabilities	284,752	35,085	19,900	339,737
Noncurrent Liabilities:				
Deposits Held In Custody For Others	-	568,819	-	568,819
Notes, Bonds, and COPs Payable	239,980	-	-	239,980
Net Pension Liability	2,434	-	1,458	3,892
Other Postemployment Benefits	110	-	91	201
Other Long-Term Liabilities	39,255	14,700	7	53,962
Total Noncurrent Liabilities	281,779	583,519	1,556	866,854
TOTAL LIABILITIES	566,531	618,604	21,456	1,206,591
DEFERRED INFLOW OF RESOURCES:				
	1,299	-	120,841	122,140
NET POSITION:				
Net investment in Capital Assets:	(207)	1,129	173,247	174,169
Restricted for:				
Permanent Funds and Endowments:				
Expendable	-	1,492,513	-	1,492,513
Nonexpendable	-	885,726	-	885,726
Other Purposes	866,356	-	6,622	872,978
Unrestricted	39,632	50,422	7,896	97,950
TOTAL NET POSITION	\$ 905,781	\$ 2,429,790	\$ 187,765	\$ 3,523,336

The notes to the financial statements are an integral part of this statement.

**STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)				
	COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY	UNIVERSITY OF COLORADO FOUNDATION	OTHER COMPONENT UNITS	TOTAL
EXPENSES	\$ 26,690	\$ 264,431	\$ 53,618	\$ 344,739
PROGRAM REVENUES:				
Charges for Services	20,507	7,882	51,396	79,785
Operating Grants and Contributions	7,615	445,546	-	453,161
Capital Grants and Contributions	25,715	-	5,093	30,808
TOTAL PROGRAM REVENUES:	53,837	453,428	56,489	563,754
NET (EXPENSE) REVENUE	27,147	188,997	2,871	219,015
GENERAL REVENUES:				
Unrestricted Investment Earnings (Losses)	5,539	23,526	406	29,471
TOTAL GENERAL REVENUES	5,539	23,526	406	29,471
CHANGE IN NET POSITION	32,686	212,523	3,277	248,486
NET POSITION - FISCAL YEAR BEGINNING	873,095	2,217,267	184,488	3,274,850
NET POSITION - FISCAL YEAR ENDING	\$ 905,781	\$ 2,429,790	\$ 187,765	\$ 3,523,336

The notes to the financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the State of Colorado have been prepared in conformance with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard setting body for establishing governmental accounting and financial reporting principles. A summary of the State of Colorado's significant accounting policies applied in the preparation of these financial statements follows.

A. NEW ACCOUNTING STANDARDS

The following accounting standards were implemented in Fiscal Year 2023:

GASB Statement No. 91 – Conduit Debt Obligations. In 2023, the State implemented GASB Statement No. 91. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements. In 2023, the State implemented GASB Statement No. 94. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements. In 2023, the State implemented GASB Statement No. 96. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

GASB Statement No. 99 – Omnibus 2022. In 2023, the State implemented GASB Statement No. 99. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

B. FINANCIAL REPORTING ENTITY

For financial reporting purposes, the State of Colorado's primary government includes all funds of the State, its three branches of government, departments, and agencies that make up the State's legal entity. The State's reporting entity also includes those component units that are legally separate entities, for which the State's elected officials are financially accountable.

Financial accountability is defined in GASB Statement No. 14 – The Financial Reporting Entity, as amended by GASB Statement No. 61, The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34. The State is financially accountable for those entities for which the State appoints a voting majority of the governing board and either is able to impose its will upon the entity or there exists a financial benefit or burden relationship with the State.

For those entities that the State does not appoint a voting majority of the governing board, GASB Statement No. 14 includes them in the reporting entity if they are fiscally dependent and there exists a financial benefit or burden relationship with the State. Entities that do not meet the specific criteria for inclusion may still be included if it would be misleading to exclude them. Under GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No. 14, individually significant legally separate tax-exempt organizations are included as component units if their resources are for the direct benefit of the State and the State can access those resources.

Blended Component Units:

Some legally separate component units are so intertwined with the State that they are reported as part of the State's fund and government-wide financial statements and are considered blended component units.

The University Physicians Inc., d/b/a CU Medicine, is a Colorado non-profit corporation under Section 501(c)(3) of the Internal Revenue Code, organized to perform the billing, collection, and disbursement of functions for professional services rendered for CU Anschutz as authorized in Section 23-20-114 of the Colorado Revised Statutes (C.R.S). The State appoints a majority of CU Medicine's governing body, and is able to impose its will. Additionally, CU Medicine exclusively benefits the State by providing the services described above.

The entities noted below are blended component units of state universities and, as such, are included with the balances for state universities in this report. This report does not include any disclosures specific to these entities, as they do not meet the state's threshold for disclosure.

- 18th Avenue, LLC
- Altitude West, LLC
- Colorado School of Mines Building Corporation
- Mines Applied Technology Transfer, Inc.
- University of Colorado Property Construction, Inc.
- University License Equity Holdings, Inc.

Discretely Presented Component Units:

The Colorado Water Resources and Power Development Authority's purpose is to initiate, acquire, construct, maintain, repair, and operate, or cause to be operated, projects for the protection, preservation, conservation, upgrading, development, and utilization of the water resources of the State. The Governor appoints the Board of

Directors, subject to approval by the Senate. In addition, water projects are subject to General Assembly authorization giving the state the ability to impose its will.

The University of Colorado Foundation was incorporated in 1967 and is authorized by the Board of Regents of the University of Colorado to receive, hold, invest, and transfer funds for the benefit of the University of Colorado. The Foundation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Service Code and is exempt from income tax on related income. Management believes it would be misleading to exclude this entity.

The Denver Metropolitan Major League Baseball Stadium District currently includes all or part of the seven counties in the Denver metro area. The district was created for the purpose of acquiring, constructing, and operating a major league baseball stadium. To accomplish this purpose, the General Assembly authorized the district to levy a sales tax of one-tenth of one percent throughout the district for a period not to exceed 20 years. However, the district discontinued the sales tax levy on January 1, 2001, upon the final defeasance of all its outstanding debt. Board members are appointed by the Governor, with consent of the Senate. The Board members serve at the pleasure of the Governor which gives the State the ability to impose its will.

The Statewide Internet Portal Authority (SIPA) was created by Colorado Statute in 2004 to develop the officially recognized statewide internet portal (Colorado.gov) in order to connect citizens with state and local government in Colorado. SIPA provides governments with the efficient technology solutions they need to enable their citizens to obtain information and conduct business electronically. SIPA is governed by a Board of Directors that are all appointed by the State or member by ex-officio due to position in the State which gives the State the ability to impose its will.

The State's financial statements do not include amounts relating to several component units that would be discretely presented. Based upon the State's determination, the following component units do not meet the minimum threshold required to be included in the State's financial statements:

- Colorado Channel Authority
- Colorado Electric Transmission Authority
- Colorado Energy Research Authority
- Colorado Horse Development Authority
- Colorado Mesa University Real Estate Foundation
- Colorado National Guard Foundation, Inc.
- Colorado Pet Overpopulation Authority
- Higher Education Competitive Research Authority

Fiduciary Component Units:

Under GASB Statement No. 84, Fiduciary Activities, component units that are engaged in fiduciary activities are presented in the fiduciary fund financial statements.

The University of Colorado Health and Welfare Trust is a fiduciary component unit of the State and is intended to be a voluntary employees' beneficiary association under Section 501(c)(9) of the Internal Revenue Code of 1986, as amended. It was established to administer and manage certain health and welfare benefits for participating employees and retirees of member employers. Member employers of the Trust are the University of Colorado and University Physicians Inc., d/b/a CU Medicine. The Trust's Board is controlled by the University of Colorado which gives the State the ability to impose its will.

The State Board for Community Colleges and Occupational Education (SBCCOE) Employee Benefit Trust Fund was created as a not-for-profit 501(c)(9) entity in 1983 and is a fiduciary component unit of the State. It was established

to provide benefits to SBCCOE employees that may include life, accidental death and dismemberment, short-term and/or long-term disability, basic or major medical, dental, other sick or accident benefits, or other benefits, as determined by the Benefit Trust Committee. The SBCCOE appoints the Trust's Board members, manages the benefit plans, and is administratively intertwined with the Trust, which gives the State the ability to impose its will.

Contact:

Detailed financial information on all component units may be obtained from the following address:

State of Colorado
Office of the State Controller
Financial Reporting & Analysis
1525 Sherman Street, 5th Floor
Denver, CO 80203
303-866-6200

C. BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements focus on the government as a whole. The *Statement of Net Position* and the *Statement of Activities* are presented using the economic resources measurement focus and the full accrual basis of accounting. Under this presentation, all revenues, expenses, and all current and long-term assets, deferred outflows and liabilities and deferred inflows of the government are reported including capital assets, depreciation, and long-term debt.

The government-wide statements report all non-fiduciary activities of the primary government and its component units. Fiduciary activities of the primary government and its component units are excluded from the government-wide statements because those resources are not available to fund the programs of the government. The primary government is further subdivided between governmental activities and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities include proprietary funds financed in whole or in part by fees charged to external parties for goods or services.

The *Statement of Net Position* presents the financial position of the government. The net position section of the statement focuses on whether assets and deferred outflows, net of related liabilities and deferred inflows, have been restricted as to the purpose for which they may be used. When an external party or the State Constitution places a restriction on the use of certain assets, those assets, net of related liabilities, are reported in the Net Position line items shown as Restricted. The nature of an asset may also result in a restriction on asset use. The line item Net Investment in Capital Assets, comprises capital assets (net of depreciation) reduced by the outstanding balance of leases, bonds, mortgages, notes, Certificates of Participation, or other borrowings that were used to finance the acquisition, construction, or improvement of the capital asset. The State does not report restrictions of net position related to enabling legislation because a settled court case determined that crediting money to a special fund does not mean that the General Assembly is prohibited from appropriating the money for another purpose. Internal Service Fund assets and liabilities are reported in the government-wide *Statement of Net Position* as part of the governmental activities.

The *Statement of Activities* shows the change in financial position for the year. It focuses on the net program cost of individual functions and business-type activities in State government. It does this by presenting direct and allocated indirect costs reduced by program revenues of the function or business-type activities. Direct costs are those that can be specifically identified with a program. The State allocates indirect costs based on the Statewide

Appropriations/Cash Fees Plan. Program revenues comprise fines and forfeitures, charges for goods and services, and capital and operating grants.

Taxes, with the exception of unemployment insurance premiums supporting a business-type activity, are presented as general-purpose revenues. General-purpose revenues are presented at the bottom of the statement and do not affect the calculation of net program cost.

Interfund transactions, such as federal and state grants moving between State agencies, have been eliminated from the government-wide statements to the extent that they occur within either the governmental or business-type activities, except as follows. In order not to misstate the sales revenue and purchasing expenses of individual functions or business-type activities, the effects of interfund services provided and used have not been eliminated. Balances between governmental and business-type activities are presented as internal balances and are eliminated in the total column. Internal Service Fund activity has been eliminated by allocating the net revenue/expense of the Internal Service Fund to the function originally charged for the internal sale.

Some of the State's component units have fiscal year-ends that differ from the State's fiscal year-end, and as a result amounts receivable and payable between the primary government and component units may not be equal. Amounts shown as receivable and payable between the primary government and the component units are primarily with the University of Colorado Foundation, which has a matching fiscal year end, but also includes amounts related to component units not deemed material for discrete reporting.

Interfund balances between the primary government's fiduciary activities and the primary government are presented on the government-wide statements as external receivables and payables.

D. BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS

The fund-level statements provide additional detail about the primary government and its component units. The information is presented in four types – governmental funds, proprietary funds, fiduciary funds, and component units. With the exception of the fiduciary fund type, each type is presented with a major fund focus. The State's major funds report the following activities:

GOVERNMENTAL FUND TYPE (MAJOR):

General Fund

Transactions that are not related to specific revenue streams for dedicated purposes for services traditionally provided by state government are accounted for in the General Fund. The General Fund contains the Emergency Reserve Fund as well as Special Purpose Funds, which include the State Public School, Risk Management, and Other Special Purpose Funds. Resources obtained from federal grants that support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements. As a result of comingled current and cumulative general-purpose and special-purpose revenue in the General Fund, combining schedules detailing the components of the General Fund are included as supplementary information. The schedules segregate activities funded with general-purpose revenue in order to demonstrate compliance with the legal definition of the General Fund, which is referred to as the General Purpose Revenue Fund.

Federal Special Revenue Fund

This fund reports funds received from the Federal Government as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and Coronavirus Emergency Supplemental Funding (CESF) programs. These programs were passed in response to the economic fallout of the COVID-19 pandemic in the United States.

Highway Users Tax Fund

Expenditures of this fund are for the construction and maintenance of public highways, the operations of the State Patrol, and the motor vehicle related operations of the Department of Revenue. Revenues are from excise taxes on motor fuels, driver, and vehicle registration fees, and other related taxes. In prior years, this fund has issued revenue bonds to finance construction and maintenance of highway infrastructure.

PROPRIETARY FUND TYPE (MAJOR):

Higher Education Institutions

This fund reports the activities of all state institutions of higher education. Fees for educational services, tuition payments, and research grants are the primary sources of funding for this activity. Higher Education Institutions have significant capital debt secured solely by pledged revenues.

Healthcare Affordability

The Colorado Healthcare Affordability and Sustainability Enterprise Act of 2017, created the Colorado Healthcare Affordability and Sustainability Enterprise (CHASE) as a government-owned business within the Department of Health Care Policy and Financing to collect a healthcare affordability and sustainability fee from hospitals to provide business services to Colorado hospitals. This fee, not to exceed six percent of net patient revenues, is assessed on hospital providers.

Transportation Enterprise

This fund consists of the Bridge Enterprise and the High Performance Transportation Enterprise in the Department of Transportation. The bridge and highway construction activity is financed through bond issuances and user fees.

Unemployment Insurance

This fund accounts for the collection of unemployment insurance premiums from employers, related federal support, the payment of unemployed benefits to eligible claimants, and revenue bonds issued through a related party, the Colorado Housing and Finance Authority.

Internal Service Funds

The State uses internal service funds to account for the sale of goods and services, primarily to internal customers, on a cost reimbursement basis. The major fund concept does not apply to internal service funds. The State's Internal Service Funds reported in supplementary information include Central Services, Statewide Financial Information Technology, Information Technology, Capitol Complex, Highways, Public Safety, Administrative Courts, Legal Services, and Other Enterprise Services. In the fund financial statements, these activities are aggregated into a single column. In the government-wide statements, the Internal Service Funds are included in the governmental activities on the *Statement of Net Position*, and they are included in the *Statement of Activities* through an allocation of their net revenue/expense back to the programs originally charged for the goods or services.

FIDUCIARY FUND TYPE:

Fiduciary Funds are used to report assets held in a trustee or custodial capacity for others. Therefore, the resources reported in Fiduciary Funds cannot be used to support the government's own programs and are excluded in the government-wide financial statements. The types of Fiduciary Funds maintained by the State consist of the following:

Pension and Other Employee Benefit Trust Funds

Pension and other employee benefit trust funds are used to account for the activities of the retirement system, which accumulates resources for pension benefit payments to qualified public employees. In the basic financial statements, the State reports in a single column the activities related to resources being held in trust for (1) members and beneficiaries of the Group Benefits Plan, which provides health, life, dental, and short-term disability benefits to state employees, and (2) the Colorado State University Other Post-Employment Benefit Trust Funds.

Private Purpose Trust Funds

Private purpose trust funds are used to report the resources held in trust for the benefit of other governments, private organizations, or individuals. A single column in the basic financial statements aggregates the Treasurer's Private Purpose Trusts, the College Savings Plan operated by CollegeInvest, and several smaller funds shown in the aggregate as Other.

Custodial Funds

Custodial funds are used to report resources held in a purely custodial capacity for other individuals, private organizations, or other governments. Custodial funds primarily include local sales tax collections, trustee investments related to State capital projects, and investments of the Colorado Water Resource and Power Development Authority. Typically the time between receipt and disbursement of these resources is short and investment earnings are inconsequential.

PRESENTATION OF INTERNAL BALANCES

Intrafund transactions are those transactions that occur completely within a column in the financial statements, while interfund transactions involve more than one column. This definition applies at the level of combining financial statements in the Supplementary Information section of the Annual Comprehensive Financial Report. Substantially all intrafund transactions and balances of the primary government have been eliminated from the fund-level financial statements. Interfund sales and federal grant pass-throughs are not eliminated, but are shown as revenues and expenditures/expenses of the various funds. Substantially all other interfund transactions are classified as transfers-in or transfers-out after the revenues and expenses are reported on each of the Statements of Changes in Net Position, or the Statement of Revenues, Expenditures and Changes in Fund Balances.

FUNCTIONAL PRESENTATION OF EXPENDITURES

In the governmental fund types, expenditures are presented on a functional basis, rather than an individual program basis, because of the large number of programs operated by the State. The State's eight functional classifications and the State agencies or departments comprising each are:

General Government

Legislative Branch, Department of Personnel & Administration, most of the Department of Military and Veterans Affairs, part of the Governor's Office, part of the Department of Revenue, and Department of Treasury.

Business, Community, and Consumer Affairs

Department of Agriculture, part of the Governor's Office, Department of Labor and Employment, Department of Local Affairs, most of the Department of Regulatory Agencies, Gaming Division of the Department of Revenue, and Department of State.

Education

Department of Education, and the portion of the Department of Higher Education not reported as a business-type activity.

Health and Rehabilitation

Department of Public Health and Environment, and part of the Department of Human Services.

Justice

Department of Corrections, Division of Youth Corrections in the Department of Human Services, Judicial Branch, Department of Law, Department of Public Safety, and the Civil Rights Division of the Department of Regulatory Agencies.

Natural Resources

Department of Natural Resources.

Social Assistance

Department of Human Services, Department of Military and Veterans' Affairs, and the Department of Health Care Policy and Financing.

Transportation

Department of Transportation.

E. BASIS OF ACCOUNTING

The basis of accounting applied to a fund depends on both the type of fund and the financial statement on which the fund is presented.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

All transactions and balances on the government-wide financial statements are reported on the full accrual basis of accounting. Under full accrual, revenues, expenses, gains, losses, assets, deferred outflows, liabilities, and deferred

inflows resulting from exchange transactions are recognized when the exchange takes place and the earnings process is complete. Similar recognition occurs for nonexchange transactions, depending on the type of transaction as follows:

- Derived tax revenues are recognized when the underlying exchange transaction occurs.
- Imposed nonexchange revenues are recognized when the State has an enforceable legal claim.
- Government mandated and voluntary nonexchange revenues are recognized when all eligibility requirements are met – assets are recognized if received before eligibility requirements are met.

FUND-LEVEL FINANCIAL STATEMENTS

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are measurable and available. The State defines revenues as available if they are expected to be collected within one year. Historical data, adjusted for economic trends, are used to estimate the following revenue accruals:

- Sales, use, liquor, and cigarette taxes are accrued based on filings received and an estimate of filings due at June 30.
- Income taxes, net of refunds, to be collected from individuals, corporations, and trusts are accrued based on current income earned by taxpayers before June 30. Quarterly filings, withholding statements, and other historical and economic data are used to estimate taxpayers' current income. The related revenue is accrued net of an allowance for uncollectible taxes.

Revenues earned under the terms of reimbursement agreements with other governments or private sources are recorded at the time the related expenditures are made if other eligibility requirements have been met.

Expenditures are recognized in governmental funds when:

- The related liability is incurred and is due and payable in full (examples include professional services, supplies, utilities, and travel).
- The matured portion of general long-term indebtedness is due and payable (or resources have been designated in the Debt Service Fund and the debt service is payable within thirty days of fiscal year-end).
- The liability has matured and is normally expected to be liquidated with expendable available financial resources.

Under these recognition criteria, compensated absences, claims and judgments, and termination benefits are reported as fund liabilities only in the period that they become due and payable. Expenditures/liabilities not recognized in the fund-level statements are reported as expenses/liabilities on the government-wide statements.

Proprietary and Fiduciary Funds

All transactions and balances of the proprietary and fiduciary fund types are reported on the full accrual basis of accounting as described above for the government-wide statements.

F. ACCOUNTING POLICIES AFFECTING SPECIFIC ASSETS, LIABILITIES, AND NET POSITION

CASH AND POOLED CASH

For purposes of reporting cash flows, cash and pooled cash is defined as cash-on-hand, demand deposits, certificates of deposit with financial institutions, pooled cash with the State Treasurer, and warrants payable.

RECEIVABLES

Accounts receivable in the governmental and business-type activities consist mainly of amounts due from the Federal Government, customers, and others. Receivables from the Federal Government are reasonably assured; accordingly, no allowance for uncollectible accounts has been established. Accrued taxes include receivables for taxpayer-assessed taxes where the underlying exchange has occurred in the period ending June 30 or prior, net of applicable estimated refunds and allowances.

INVENTORIES AND PREPAIDS

Inventories of the various State agencies are primarily comprised of finished goods inventories held for resale and consumable items such as office and institutional supplies, fuel, and maintenance items. Therefore, the consumption method of accounting is used for inventories and prepaid items totaling \$100,000 or more. State agencies, however, may record inventories under \$100,000 at their discretion. Inventories of the governmental funds are stated at cost, while inventories of the proprietary funds are stated at the lower of cost or fair value. The State uses various valuation methods (FIFO, average cost, etc.) as selected by individual State agencies. The method used in each agency is consistent from year to year. Consumable inventories that are deemed material are expensed at the time they are consumed. Immaterial consumable inventories are expensed at the time of purchase while inventories held for resale are expensed at the time of sale. Payments made to vendors for services representing costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

INVESTMENTS

Investments, including those held by the State Treasurer and reported as pooled cash, include both short and long-term investments. They are stated at fair value, except for certain investments which are measured at their Net Asset Value (see Note 4). Investments that do not have an established market are reported at their estimated fair value. The State Treasurer records investment interest in individual funds based on book yield as adjusted for amortization of investment premiums and discounts.

CAPITAL ASSETS

Depreciable capital assets are reported at historical cost, net of accumulated depreciation, on the government-wide *Statement of Net Position*. Donated capital assets are carried at their estimated acquisition value at the date of donation. Donated capital assets acquired prior to July 1, 2015 are stated at fair value as of the date of donation. Land, certain land improvements, construction in progress, and certain works of art or historical treasures are reported as nondepreciable assets.

The following table lists the range of capitalization thresholds established by the State, as well as lower thresholds adopted by some State agencies. State agencies are allowed to capitalize assets below established thresholds. The University of Colorado adopted a \$75,000 threshold for land and leasehold improvements, buildings, intangibles, and infrastructure. All land and library materials/collections are capitalized regardless of cost.

Asset Class	Lower Threshold	Established State Thresholds
Land Improvements	\$ 5,000	\$ 50,000
Buildings	5,000	50,000
Leasehold Improvements	5,000	50,000
Intangible Assets	5,000	50,000
Vehicles and Equipment	NA	5,000
Software (purchased)	NA	5,000
Software (internally developed)	NA	50,000
Works of Art/Historical Treasure	NA	5,000
Other	5,000	NA
Infrastructure	5,000	500,000

All depreciable capital assets are depreciated using the straight-line method. State agencies are required to use actual experience in setting useful lives for depreciating capital assets. The following table lists the range of lives that State agencies normally use in depreciating capital assets. Certain historical and Department of Transportation buildings are depreciated over longer lives, but they are excluded from the following table. Useful life for intangible assets, excluding software, vary based upon the nature of the asset.

Asset Class	Estimated Useful Life
Land Improvements	5 to 100 years
Buildings	3 to 100 years
Leasehold Improvements	1 to 40 years
Vehicles and Equipment	1 to 50 years
Software	1 to 15 years
Library Books & Collections	3 to 30 years
Other Capital Assets	3 to 30 years
Infrastructure	10 to 75 years

Roads and bridges, except for right-of-way and fiber optic infrastructure, owned by the Department of Transportation and other infrastructure primarily owned by the Department of Natural Resources, are capitalized and depreciated. The Department of Transportation depreciates roadways over 40 years, and bridges over 75 years.

The State capitalizes interest incurred during the construction of capital assets that are reported in enterprise funds.

UNEARNED REVENUE AND DEFERRED INFLOWS

Under reimbursement agreements, receipts from the federal government and other program sponsors are not earned until the related expenditures occur. These receipts are recorded as unearned revenue, except for amounts recorded as deferred inflows when the only eligibility requirement not met is the time requirement.

On the fund-level governmental financial statements, revenues related to taxes receivable that the State does not expect to collect until after the following fiscal year, are not earned and are reported as deferred inflows. However, taxes receivable are recognized as revenue on the government-wide financial statements.

ACCRUED COMPENSATED ABSENCES LIABILITY

State law concerning the accrual of sick leave was changed effective July 1, 1988. After that date all employees in classified permanent positions within the State Personnel System accrue sick leave at the rate of 6.66 hours per month. Total sick leave per employee is limited to the individual's accrued balance on July 1, 1988, plus 360 additional hours. Employees that exceed the limit at June 30 are required to convert five hours of unused sick leave to one hour of annual leave. Employees or their survivors are paid for one-fourth of their unused sick leave upon retirement or death. Annual leave is earned at increasing rates based on employment longevity. No classified employee is allowed to accumulate more than 42 days of annual leave at the end of a fiscal year. Employees are paid 100 percent of their annual leave balance upon leaving State service.

Compensated absence liabilities related to the governmental funds are recognized as liabilities of the fund only to the extent that they are due and payable at June 30. For all other fund types, both current and long-term portions are recorded as individual fund liabilities. On the government-wide *Statement of Net Position*, all compensated absence liabilities are reported.

INSURANCE

The State has an agreement with Broadspire to act as the third party administrator for the State's self-insured workers' compensation claims. The State reimburses Broadspire for the current cost of claims paid and related administrative expenses. Actuarially determined liabilities are accrued for claims to be paid in future years.

The State insures its property through a combination of self-insurance and commercial insurance carriers and is self-insured against liability risks for both its officials and employees (see Note 9). It is self-funded for employee healthcare plans, however, in the healthcare instance, the risk resides with the employees, because the State contribution to the plan is subject to appropriation each year, and employees are required to cover the balance of any premiums due. The State pays the actual costs of unemployment benefits paid to separated employees, rather than unemployment insurance premiums.

NET POSITION

In the government-wide and proprietary fund financial statements, net position is the difference between assets, liabilities, deferred inflows, and deferred outflows. Net investment in capital assets, represents capital assets; less accumulated depreciation; and less any outstanding borrowings related to the acquisition, construction, or improvement of those assets. Certain net positions are restricted for highway maintenance, education, unemployment insurance, debt service, donor restrictions, and various other funds that were established at the direction of the federal government, the courts, the State Constitution, or other external parties.

FUND BALANCES

Nonspendable – Nonspendable fund balances are amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained. This fund balance category consists of inventories; prepaid expenditures such as advances to counties for social assistance programs, local entities for species conservation, and to Colorado cities and special districts from emergency management funds; permanent funds related to state lands, and the corpus of other permanent funds.

Restricted – This classification is the portion of fund balance that is restricted by the State Constitution or external parties, and therefore, the related fund balance can only be expended as directed by the State Constitution or the external party.

Committed – This fund balance classification consists of amounts constrained by the General Assembly, the State’s highest level of decision-making authority. Changes to constraints require legislative action by the General Assembly. The classification applies to the majority of governmental funds, excluding the General Purpose Revenue Fund.

In the General Purpose Revenue Fund, the Committed category represents the requirement in Colorado Revised Statutes 24-75-201.1(1)(d). See Note 15 for additional detail.

Committed balances also include earned augmenting revenue, such as insurance proceeds, that State agencies are not required to revert into the General Purpose Revenue Funds’ fund balance.

In the Capital Projects Fund, the Committed classification represents the fund balance of the Corrections Expansion Reserve and the balance of certain other projects that are allowed to maintain a fund balance. These projects are not required to revert excess cash revenue to the Capital Projects Fund.

Assigned – This classification represents the portion of the General Purpose Revenue Fund fund balance related to certain Fiscal Year 2020 appropriations that the Colorado State Controller approved in accordance with Fiscal Rule 7-3 for use in the subsequent fiscal year.

Unassigned – This is the residual classification for the General Fund, and is not shown in other governmental funds, unless the fund balance is a deficit.

When an expenditure incurred could be funded from either restricted or unrestricted sources, unrestricted dollars are spent first, and within unrestricted sources funding is allocated first from unassigned, then assigned, and then committed resources. However, in certain circumstances restricted and/or committed resources are spent without regard to other available funding sources including transfers to pay indirect costs, to fund programs operating in the General Purpose Revenue Fund, to support health-related programs funded by tobacco tax, to support programs partially funded by Highway Users’ Tax funds, and other situations that are not individually significant.

G. ACCOUNTING POLICIES AFFECTING REVENUES, EXPENDITURES/ EXPENSES

PROGRAM REVENUES

The government-wide *Statement of Activities* presents two broad types of revenues – program revenues and general revenues. All taxes, with the exception of unemployment insurance premiums used to support a business-type activity, are reported as general revenues. Unrestricted investment earnings and the court ordered awards of the Tobacco Litigation Settlement Fund, a nonmajor Other Special Revenue Fund, are also reported as general revenues. Except for transfers, permanent fund additions, and special items, all other revenues are reported as program revenues. In general, program revenues include:

- Fees for services, tuition, licenses, certifications, and inspections
- Fines and forfeitures
- Sales of products
- Rents and royalties
- Donations and contributions
- Intergovernmental revenues (including capital and operating grants)

INDIRECT COST ALLOCATION

The State allocates indirect costs on the government-wide *Statement of Activities*. In general, the allocation reduces costs shown in the general government functions and increases costs in the other functions and business-type activities. The allocation is based on the Statewide Appropriations/Cash Fees Plan.

The Plan uses allocation statistics from Fiscal Year 2020 and costs from the Fiscal Year 2022 appropriations bills that were incorporated in State agency budgets for Fiscal Year 2023.

The allocation of costs between the governmental activities and business-type activities would normally result in an adjustment of internal balances on the government-wide *Statement of Net Position*. However, since the amount allocated from the governmental activities to the business-type activities is small, an offsetting adjustment is made to the (Transfers-Out)/Transfers-In line item at the bottom of the *Statement of Activities*.

OPERATING REVENUES AND EXPENSES

The State reports four major enterprise funds, multiple nonmajor enterprise funds, and multiple internal service funds. Because these funds engage in a wide variety of activities, the State's definition of operating revenues and expenses is highly generalized. For these funds, operating revenues and expenses are defined as transactions that result from the core business activity of the proprietary fund.

In general, this definition provides consistency between operating income on the *Statement of Revenues, Expenses, and Changes in Net Position* and cash from operations on the *Statement of Cash Flows*. However, certain exceptions occur including:

- Interest earnings and expenses of proprietary funds, for which the core business activity is lending, are reported as operating revenues and expenses on the *Statement of Revenues, Expenses, and Changes in Net Position* but are reported as investing activities on the *Statement of Cash Flows*.
- Some rents, fines, donations, and certain grants and contracts are reported as nonoperating revenues on the *Statement of Revenues, Expenses, and Changes in Net Position*, but are reported as cash from operations on the *Statement of Cash Flows*.

The State's institutions of higher education have defined operating revenues and expenses as generally resulting from providing goods and services for instruction, research, public service, or related support services to an individual or entity separate from the institution.

NOTE 2 – STEWARDSHIP, ACCOUNTABILITY, AND LEGAL COMPLIANCE

A. OVEREXPENDITURES

Depending on the accounting fund type involved, expenditures/expenses are determined using the modified accrual or accrual basis of accounting even if the accrual will result in an overexpenditure. In the General Purpose Revenue Fund and Regular Capital Projects Fund, if earned cash revenues plus available reserved fund balance and earned federal revenues are less than cash and federal expenditures, then those excess expenditures are considered general-funded expenditures. If general-funded expenditures exceed the general-funded appropriation, then an overexpenditure occurs even if the expenditures did not exceed the total legislative line item appropriation. Absent general-funded appropriations, agencies are not allowed to use general-purpose revenue to support an expenditure/expense that was appropriated from cash or federal funds. Budget-to-actual comparisons are presented in the Required Supplementary Information Section. Differences noted between departmental reversions or overexpended amounts on the budgetary schedules and the overexpended amounts discussed below are due to offsetting underexpended line item appropriations.

Within the limitations discussed below, the State Controller, with the approval of the Governor, may allow certain overexpenditures of the legal appropriation, as provided by Section 24-75-109, C.R.S. Unlimited overexpenditures are allowed in the Medicaid program. The statute also provides for \$250,000 of general-funded overexpenditure authority in the Children's Basic Health Plan. The Department of Human Services is allowed \$1.0 million of overexpenditures not related to Medicaid, and unlimited overexpenditures for self-insurance of its workers' compensation plan. Statute also allows overexpenditures up to \$3.0 million in total for the remainder of the Executive Branch. An additional \$1.0 million of combined transfers and overexpenditures are allowed for the Judicial Branch.

The State Controller is generally required by statute to restrict the subsequent year appropriation whether or not an overexpenditure is approved. Such a restriction requires the agency to seek a supplemental appropriation from the General Assembly, earn adequate cash or federal revenue to cover the expenditure in the following year, and/or reduce their subsequent year's expenditures. Per Section 24-75-109(2)(b) C.R.S., neither the Governor nor the State Controller is allowed to approve any overexpenditure in excess of the unencumbered balance of the fund from which the overexpenditure is made.

Total overexpenditures at June 30, 2023, were \$237.15 million as described in the following paragraphs.

Approved Medicaid Overexpenditures:

Medical Services Premiums – The Department of Health Care Policy & Financing overspent this line item by \$20.3 million General Funds. The overexpenditure was due to overestimating the amount of Home and Community-based Services Improvement Fund (HCBS) ARPA cash fund that would be utilized the fiscal year 2023, which understated the amount of General Fund needed for long-term services and supports. In addition, the Department underestimated the impact of rate increases for Non-Emergent Medical Transportation (NEMT), which was driven by two factors. One was due to under projecting the impact of rate increases that went into effect on July 1, 2022. The second was the impact of an unprecedented NEMT fraud scheme that entered Colorado. Those expense trends have been mitigated through a federally approved moratorium prohibiting new NEMT providers into our NEMT network, an implemented NEMT prepayment review process, and an ongoing collaborative partnership with local and federal law enforcement.

Behavioral Health Capitation Payments – The Department of Health Care Policy & Financing overspent this line item by \$0.5 million cash funds. The Department overexpended cash funds due to under-projecting caseload for the Disabled Buy-in (DBI) population by 3.4 percent, which is funded through the Healthcare Affordability and Sustainability Fee Cash Fund. The Department did not request enough cash funds to pay the state share of the capitations for the DBI population.

Medicaid Programs - The Department of Health Care Policy & Financing overexpended \$2.9 million General Funds and \$1.2 million cash funds due to overestimating the amount of HCBS ARPA cash fund that would be utilized in fiscal year 2023, which understated the amount of General Fund needed for the Adult Comprehensive Services waiver. The Department overexpended cash fund due to under-forecast the per capita costs for Adult Supported Living Services buy-in members paid for by the Healthcare Affordability and Sustainability Fee cash fund.

Approved Department of Human Services Overexpenditures, Other Than Medicaid, subject to the \$1.0 million limit:

- None at June 30, 2023.

Approved State Departments Overexpenditures Subject to the \$3.0 Million Limit:

- None at June 30, 2023.

Approved Judicial Overexpenditures, subject to the \$1.0 million limit:

- The Judicial Branch overexpended \$0.1 million General Fund payments to the Governor's Office of Information Technology (OIT) due to OIT underestimating budget for OIT billings. .

Overexpenditures Not Allowed to Be Approved (Deficit Fund Balances):

Unemployment Insurance Fund – The Department of Labor and Employment had a deficit in this fund of \$206.4 million. Due to the recession caused by the COVID-19 pandemic, estimated unemployment insurance benefits payable exceeded available and estimated resources at the end of fiscal year 2023. The Department has options available to address the deficit including, but not limited to, assessing unemployment insurance premium surcharges.

Solid Waste Management Reserve Fund – The Department of Public Health & Environment had a deficit in this fund of \$0.10 million. Due to the Solice Wast User Fee had not been modified since 2012. The Department is working with the State on a fee increase.

Marijuana Tax Cash Fund – The Department of Public Health & Environment had a deficit in this fund of \$1.81 million. The primary revenue recorded for this fund is from the Colorado Department of Revenue allocation. This deficit fund balance is due to the timing of the final accrual expenditure entries. This is a one-time problem and will be resolved pending a supplemental fiscal year 2024 budget request. The deferral of Medicaid expenditures and revenues for budget purposes only is authorized in Section 25.5-8-108(5) C.R.S. However, those expenditures are recognized in the current fiscal year for financial statement presentation under Generally Accepted Accounting Principles (GAAP). The recognition of those expenditures on the GAAP basis resulted in fund balance deficits. Because the budget deferral that caused the GAAP deficit fund balance is in compliance with statute, no restriction of fiscal year 2024 spending authority is recommended. The following cash funds were in a deficit fund balance position as a result of Department of Health Care Policy and Financing Medicaid activity as of June 30, 2023:

- Colorado Autism Treatment Fund - \$0.08 million
- Health Care Expansion Fund - \$2.76million
- Adult Dental Fund - \$0.93 million

A separately issued report comparing line item expenditures to authorized budget is available upon request from the Office of the State Controller.

B. TAX, SPENDING, AND DEBT LIMITATIONS

Certain State revenues, primarily taxes and fees, are limited under Article X, Section 20 (TABOR) of the State Constitution. Growth in these revenues from year to year is limited to the rate of population growth plus the rate of inflation. The TABOR section of the State Constitution also requires voter approval for any new tax, tax rate increase, or new debt. These limitations apply to the State as a whole, not to individual funds, departments, or agencies of the State. Government run businesses accounted for as enterprise funds that have the authority to issue bonded debt and that receive less than ten percent of annual revenues from the State and its local governments are exempt from the TABOR revenue limits.

In the 2005 general election, voters approved Referendum C, a statutory measure referred to the ballot by the Legislature that authorized the State to retain revenues in excess of the limit for the five fiscal years from 2006 through 2010. With the end of the Referendum C five-year excess revenue retention period, the State is subject to an Excess State Revenue Cap (ESRC), which began in Fiscal Year 2011. Calculation of the original TABOR limit continues to apply, but the ESRC replaces the previous TABOR limit for triggering taxpayer refunds. The beginning base for the ESRC was the highest adjusted TABOR revenue during the five-year period, which occurred in Fiscal Year 2008.

In Fiscal Year 2023, revenue subject to TABOR was \$20,220.7 million, which was above the \$16,657.3 million ESRC by \$3,563.4 million, and by \$6,775.5 million over the original TABOR limit. Therefore, there is a refund payable from Fiscal Year 2023 revenue of \$3,563.4 million. During the year, the State refunded \$3,741.6 million of excess revenue from Fiscal Years 2015, 2019, 2021 and 2022. The State's liability for TABOR refunds was \$3,678.3 million at June 30, 2023, which includes the Fiscal Year 2023 revenue above the ESRC and prior-year revenue adjustments that raised the amount refundable by \$161.8 thousand. Since the inception of Referendum C in Fiscal Year 2006, the State has retained \$33,751.7 million (unadjusted for prior year errors) – \$3,593.6 million during the initial five-year revenue retention period, and an additional \$30,158.1 million as a result of the higher ESRC limit in Fiscal Year 2011 through Fiscal Year 2023.

TABOR requires the State to reserve three percent of fiscal year nonexempt revenues for emergencies. The estimated reserve for Fiscal Year 2023 was based on the revenue projection prepared in the spring of 2022 by the Legislative Council. In HB 22-1329, the funds designated below and the maximum balances from each, constitute the reserve.

At June 30, 2023, the financial net positions, or fund balances of the following funds were restricted:

- Major Medical Insurance Fund, a portion of the nonmajor Labor Fund – \$25.0 million .
- State Emergency Reserve Cash Fund – \$232.2 million.
- Colorado Water Conservation Board Construction Fund, a portion of the major Resource Extraction Fund – \$33.0 million.
- Disaster Emergency Fund – \$66.0 million.
- Unclaimed Property Tourism Promotion Trust Fund, a portion of the nonmajor Private Purpose Trust Fund – \$5.0 million.
- Marijuana Tax Cash Fund - \$100 million.
- Controlled Maintenance Trust Fund - \$38.8 million.

Based on actual fiscal year nonexempt revenues in Fiscal Year 2023, the required reserve was \$606.6 million. Because the actual reserve requirement was more than the amount set in HB 22-1329, the total amount restricted for the reserve was \$106.6 million less than the combined maximums allowable in the designated funds detailed above.

During Fiscal Year 2023, two executive orders called \$0.46 million to be transferred from the State Emergency Cash Fund to the Disaster Emergency Fund - \$0.12 million in Executive Order D 2023 002 for extreme winter weather and \$0.34 million in Executive Order D 2023 010 for the Gageby Creek Fire in Bent County.

NOTE 3 – CASH, RECEIVABLES, INVENTORIES, PREPAIDS, AND OTHER

CASH AND POOLED CASH

The State Treasury acts as a bank for all State agencies, with the exception of the University of Colorado. Moneys deposited in the Treasury are invested until the cash is needed. Interest earnings on these investments are credited to the General Purpose Revenue Fund unless a specific statute directs otherwise. Most funds are required to be invested in noninterest bearing warrants of the General Purpose Revenue Fund if the General Purpose Revenue Fund overdraws its rights in the pool. This means that under certain conditions participating funds would not receive the interest earnings to which they would otherwise be entitled. The detailed composition of the Treasury pooled cash and investment are shown in the Treasurer's Investment Reports. Where a major fund or fund category has a cash deficit, that deficit has been reclassified to an interfund payable to the General Purpose Revenue Fund – the payer of last resort for the pool.

State agencies are authorized by various statutes to deposit funds in accounts outside the custody of the State Treasury. Legally authorized deposits include demand deposits and certificates of deposit. The State's cash management policy is to invest all significant financial resources as soon as the moneys are available within the banking system. To enhance availability of funds for investment purposes, the State Treasurer uses electronic funds transfers to move depository account balances into the Treasurer's pooled cash.

Colorado statutes require protection of public moneys in banks beyond that provided by the federal insurance corporations. The Public Deposit Protection Act in Colorado Revised Statutes 11-10.5-107(5) requires all eligible depositories holding public deposits, including those of the State's component units, to pledge designated eligible collateral having a fair value equal to at least 102 percent of the deposits exceeding the amounts insured by federal insurance. Upon liquidation of a defaulting eligible depository, the statute requires the banking board to seize the eligible collateral, liquidate the collateral, and repay the public deposits to the depositing government.

The State had an accounting system cash deposit balance of \$1,999.4 million as of June 30, 2023. Under the GASB Statement No. 40 definitions, \$27.2 million of the State's total bank balance of \$1,960.7 million was exposed to custodial credit risk because the deposits were uninsured and the related collateral was held by the pledging institution or was held by the pledging institution's trust department or agent, but not in the State's name.

RECEIVABLES

The Taxes Receivable of \$2,405.0 million shown on the government-wide *Statement of Net Position* in current assets net of long-term taxes receivable of \$261.3 million, primarily comprises the following:

- \$2,429.0 million in the General Purpose Revenue Fund, mainly self-assessed income and sales tax. This amount includes \$261.3 million of Taxes Receivable expected to be collected after one year that are reclassified on the *Governmental Funds Balance Sheet Reconciled to Statement of Net Position* so they can be reported as Other Long-Term Assets on the government-wide *Statement of Net Position*.
- \$158.1 million of unemployment insurance premiums receivable primarily recorded in the Unemployment Insurance Fund.
- \$78.0 million recorded in non-major special revenue funds that includes approximately \$26.2 million from insurance premium tax, \$19.0 million from gaming tax, and \$31.3 million from Other Special Revenue.

The Restricted Receivables of \$414.2 million shown for Governmental Activities on the government-wide *Statement of Net Position* in non-current assets related primarily to \$13.0 million of other receivables in the General Fund; \$18.0 million of taxes receivable, \$87.6 million of other receivables, and \$226.0 million of intergovernmental

receivables recorded in the Highway Users Tax Fund and State Highway Fund. All three items were reported as Restricted Receivables because the State Constitution and federal requirements restrict that portion of the Highway Users Tax Fund and State Highway Fund. The tax receivable was primarily fuel taxes while the intergovernmental receivable was primarily due from the Federal Government.

The Other Receivables of \$2,190.6 million shown on the government-wide *Statement of Net Position* are net of \$341.9 million in allowance for doubtful accounts and primarily comprise the following:

- \$614.3 million of receivables recorded in the General Purpose Revenue Fund, of which \$89.5 million is from interest receivable on investments. The Department of Health Care Policy and Financing recorded receivables of \$521.3 million related primarily to rebates from drug companies and overpayments to healthcare providers, and the Colorado Mental Health Institutes recorded \$10.1 million of patient receivables.
- \$769.1 million of student and other receivables of Higher Education Institutions.
- \$176.5 million of receivables recorded by the Department of Health Care Policy and Financing in the Colorado Healthcare Affordability and Sustainability Enterprise Fund related primarily to rebates from drug companies associated with prescriptions for Medicaid clients.
- \$211.2 million of receivables recorded by the Department of Labor and Employment primarily for unemployment insurance overpayments.

INVENTORIES

Inventories of \$273.5 million shown on the government-wide *Statement of Net Position* at June 30, 2023, primarily comprise the following:

- \$191.5 million of consumable supplies inventories, of which \$101.1 million was recorded in the Disaster Emergency Fund; \$26.6 million was recorded by the Department of Natural Resources for the Colorado Water Conservation Board Fund; \$34.5 million was recorded in the General Fund; \$11.5 million was recorded by Higher Education Institutions; and \$13.7 million was recorded for Highways.
- \$65.1 million of resale inventories, of which \$34.3 million was recorded for Resource Extraction; \$20.2 million recorded by Higher Education Institutions; and \$4.9 million recorded for Highways.
- \$9.7 million of warehouse and consignment inventories recorded in the General Fund; and \$6.1 million of raw material, work in process, and finished goods inventories recorded by Correctional Industries – a nonmajor enterprise fund.

PREPAIDS, ADVANCES, AND DEPOSITS

Prepays, Advances, and Deposits of \$257.4 million shown on the government-wide *Statement of Net Position* are primarily general prepaid expenses. The significant items include:

- \$47.2 million advanced to Colorado counties by the General Purpose Revenue Fund primarily related to emergency management and social assistance programs.
- \$45.0 million prepaid by Higher Educational Institutions.
- \$27.6 million prepaid from the Marijuana Tax Cash Fund was to designated service organizations by the Department of Human Services primarily for behavioral health.

- \$12.8 million advanced by the Office of Economic Development for grants from the Advance Industries program.
- \$14.3 million advanced by the Department of Transportation for the Southwest Chief rail improvements.
- \$11.3 million advanced to conservation organizations by the Department of Natural Resources from the Species Conservation Fund, a portion of the Resource Extraction Fund.
- \$19.5 million advanced to the State Small Business Credit Initiative, and \$5.8 million advanced to Public Housing Agency.
- \$6.0 million advanced to the Infrastructure Investment and Jobs Act Fund.
- \$9.9 million prepaid by the Governor's Office of Information Technology primarily for multi-year maintenance and licensing agreements.
- \$5.3 million of prize expense paid by the Colorado Lottery to a multistate organization related to participation in the Powerball lottery game.

OTHER LONG-TERM ASSETS

The \$1,148.7 million shown as Other Long-Term Assets on the government-wide *Statement of Net Position* is primarily long-term taxes receivable and long-term loans. Long-term taxes receivable of \$261.3 million recorded in the General Purpose Revenue Fund are not included as Other Long-Term Assets on the *Balance Sheet – Governmental Funds* but are shown in Taxes Receivable.

The \$688.3 million of Other Long-Term Assets shown on the fund-level *Balance Sheet – Governmental Funds* is primarily related to loans issued by the Highway Users Tax Fund (\$26.5 million), and the Resource Extraction Fund (\$517.2 million), a non-major special revenue fund. This balance primarily comprises water loan activity. The Water Conservation Board makes water loans from the Water Projects Fund, part of the Resource Extraction Fund, to local entities for the purpose of constructing water projects in the State.

The water loans are made for periods ranging from 10 to 30 years. Interest rates range from 2 to 6 percent for most projects, and they require the local entities or districts to make a yearly payment of principal and interest.

The \$198.3 million shown as Other Long-term Assets on the *Statement of Net Position – Proprietary Funds* is primarily student loans issued by Higher Education Institutions but also includes livestock.

NOTE 4 – INVESTMENTS

The State holds investments both for its own benefit and as an agent for certain entities as provided by statute. The State does not invest its funds with any external investment pool. Funds not required for immediate payment of expenditures are administered by the authorized custodian of the funds or pooled and invested by the State Treasurer.

Colorado Revised Statutes 24-75-601.1 authorizes the types of securities in which public funds of governmental entities, including State agencies, may be invested. Investments of the Public Employees Retirement Association discussed in Note 6 and other pension funds are not considered public funds. In general, the statute allows investment in: Certificates of Participation related to a lease or lease purchase commitment, local government investment pools, repurchase and reverse repurchase agreements (with certain limitations), securities lending agreements, corporate or bank debt securities denominated in US dollars, guaranteed investment or interest contracts including annuities and funding agreements, securities issued by or fully guaranteed by the United States Treasury or certain federal entities and the World Bank, inflation indexed securities issued by the United States Treasury, general obligation and revenue debt of other states in the United States and their political subdivisions (including authorities), or registered money market funds with policies that meet specific criteria.

The statute establishes high minimum credit quality ratings by at least two national rating agencies for most investment types. That statute also sets maximum time to maturity limits, but allows the governing body of the public entity to extend those limits. Public entities may also enter securities lending agreements that meet certain requirements. The statute prohibits investment in subordinated securities and securities that do not have fixed coupon rates unless the variable reference rate is a United States Treasury security with maturity less than one year, the London Interbank Offer Rate, or the Federal Reserve cost of funds rate. The above statutory provisions do not apply to the University of Colorado.

Colorado Revised Statutes 24-36-113 authorizes securities in which the State Treasurer may invest and requires prudence and care in maintaining investment principal and maximizing interest earnings. In addition to the investments authorized for all public funds, the State Treasurer may invest in securities of the federal government and its agencies and corporations without limitation, asset-backed securities, certain bankers' acceptances or bank notes, certain commercial paper, certain international banks, certain loans and collateralized mortgage obligations and certain debt obligations backed by the full faith and credit of the state of Israel. The Treasurer's statute also establishes credit quality rating minimums specific to the Treasurer's investments. The Treasurer's statute is the basis for a formal investment policy published on the State Treasurer's website. In addition to the risk restrictions discussed throughout this Note 4, the Treasurer's investment policy precludes the purchase of derivative securities.

The State Treasurer maintains a custodial fund for the Great Outdoors Colorado Program (GOCO), a related organization. At June 30, 2023 and 2022, the treasurer had \$89.2 million and \$80.4 million at fair value, respectively, of GOCO's funds on deposit and invested.

The investment earnings of the Unclaimed Property Tourism Trust Fund, a nonmajor special revenue fund, are assigned by law to the Colorado Travel and Tourism Promotion Fund, a nonmajor special revenue fund, to the State Fair, a nonmajor enterprise fund, and to the Agriculture Management Fund, a nonmajor special revenue fund.

As provided by State statute, the State Treasurer held \$16.5 million of investment in residential mortgages representing payments of property taxes of certain elderly State citizen homeowners that qualify for the Property Tax Deferral Program. The investment is valued based on the outstanding principal and interest currently owed to the State as there is no quoted market price for these investments.

The following schedule reconciles deposits and investments to the financial statements for the primary government including fiduciary funds:

(Amounts in Thousands)

Footnote Amounts	Carrying Amount
Deposits (Note 3)	\$ 1,999,379
Investments:	
Governmental Activities	21,396,258
Business-Type Activities	4,801,774
Fiduciary Activities	11,150,627
Total	<u>\$ 39,348,038</u>
Financial Statement Amounts	
Net Cash and Pooled Cash	\$ 16,209,257
Add: Warrants Payable Included in Cash	547,783
Total Cash and Pooled Cash	<u>16,757,040</u>
Add: Restricted Cash	4,018,181
Add: Restricted Investments	1,460,367
Add: Investments	17,112,450
Total	<u>\$ 39,348,038</u>

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure, the State will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured, are not registered in the State's name, and are held by either the counterparty to the investment purchase or are held by the counterparty's trust department or agent but not held in the State's name.

The State Treasurer's investment policy requires all securities to be held by the State Treasurer or a third party custodian designated by the Treasurer with each security evidenced by a safekeeping receipt. Certain trustees have selected the State Treasurer's pool as their primary investment vehicle. The Treasurer accounts for the trustees' deposits in custodial funds, and the investment types and related risks are disclosed through the Treasurer's pool investments.

Open-end mutual funds and certain other investments are not subject to custodial risk because ownership of the investment is not evidenced by a security. The following tables list the investments of the State Treasurer's pooled cash, major governmental funds, and nonmajor governmental funds in aggregate, by investment type at fair value.

(Amounts in Thousands)				
Governmental Activities				
	Treasurer's Pool	General Fund	Other Governmental	Total
NOT SUBJECT TO CUSTODIAL CREDIT RISK				
U.S. Treasury Bills	\$ 99,398	\$ -	\$ 15,820	\$ 115,218
U.S. Treasury Notes/Bonds	3,904,552	-	199,564	4,104,116
U.S. Agency Securities (Not Explicitly Guaranteed)	827,363	-	16,210	843,573
Commercial Paper	4,554,688	-	-	4,554,688
Corporate Bonds	4,906,807	-	487,358	5,394,165
Municipal Bonds	213,290	-	6,593	219,883
Money Market Mutual Funds	1,125,000	-	-	1,125,000
Bond Mutual Funds	-	-	18,702	18,702
Asset-Backed Securities	490,170	-	71,206	561,376
Mortgage-Backed Securities	2,526,834	16,532	238,088	2,781,454
Sovereigns/Supranationals	127,740	-	-	127,740
Equity Mutual Funds	-	-	443,676	443,676
Other	-	-	1,106,341	1,106,341
SUBTOTAL	18,775,842	16,532	2,603,558	21,395,932
SUBJECT TO CUSTODIAL CREDIT RISK				
Money Market Mutual Funds	-	-	326	326
SUBTOTAL	-	-	326	326
TOTAL	\$ 18,775,842	\$ 16,532	\$ 2,603,884	\$ 21,396,258

The following table lists the investments of the major enterprise funds, nonmajor enterprise funds in aggregate, and fiduciary funds by investment type at fair value as of June 30, 2023. The University of Colorado, Colorado State University, and the Colorado School of Mines reported investments in the internal pools of their respective foundations. These investments are reported as Investment in Foundation Pool.

(Amounts in Thousands)			
	Business-Type Activities		Fiduciary
	Higher Education Institutions	Total	Fiduciary
NOT SUBJECT TO CUSTODIAL CREDIT RISK			
U.S. Treasury Bills	\$ 37,475	\$ 37,475	\$ 5,421
U.S. Treasury Notes/Bonds	337,210	337,210	3,380
U.S. Agency Securities (Not Explicitly Guaranteed)	80,180	80,180	-
Commercial Paper	37,030	37,030	-
Corporate Bonds	349,136	349,136	15,632
Municipal Bonds	55,839	55,839	1,022
Money Market Mutual Funds	679,267	679,267	39,879
Bond Mutual Funds	60,736	60,736	43,817
Asset-Backed Securities	217,397	217,397	5,543
Investment In Foundation Pool	599,141	599,141	-
Mortgage-Backed Securities	194,153	194,153	23,863
Guaranteed Investment Contracts	-	-	159,109
Corporate Equities	12,167	12,167	-
Private Equities	22,987	22,987	7,430
Equity Mutual Funds	1,549,365	1,549,365	32,344
Balanced Mutual Funds	5,295	5,295	-
Other	12,380.00	12,380	23,783
SUBTOTAL	4,249,758	4,249,758	361,223
SUBJECT TO CUSTODIAL CREDIT RISK			
U.S. Treasury Notes/Bonds	122,403	122,403	-
U.S. Agency Securities (Explicitly Guaranteed)	14,869	14,869	-
U.S. Agency Securities (Not Explicitly Guaranteed)	19,551	19,551	-
Corporate Bonds	223,180	223,180	-
Municipal Bonds	20,489	20,489	-
Money Market Mutual Funds	770	770	125,079
Bond Mutual Funds	15,773	15,773	3,439,171
Asset-Backed Securities	34,443	34,443	-
Investment In Foundation Pool	35,007	35,007	-
Mortgage-Backed Securities	30,727	30,727	-
Corporate Equities	1,964	1,964	-
International Equities	469	469	-
Equity Mutual Funds	31,852	31,852	6,722,915
Balanced Mutual Funds	253	253	-
Other	266	266	502,239
SUBTOTAL	552,016	552,016	10,789,404
TOTAL	\$ 4,801,774	\$ 4,801,774	\$ 11,150,627

Credit Quality Risk

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations to the State. This risk is assessed by nationally recognized rating agencies, which assign a credit quality rating for many investments. Credit quality ratings for obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not reported. However, credit quality ratings are reported for obligations of U.S. Government agencies that are not explicitly guaranteed by the U.S. Government.

The State Treasurer's formal investment policy requires that eligible securities must be rated at least by one and preferably two nationally recognized rating organizations. One rating must be from Moody's, Standard & Poor's, or Fitch. The policy sets acceptable credit quality ratings by investment portfolio and investment type.

The fair value amount of rated and unrated debt securities is detailed in the following table by the lowest known credit quality rating, which shows the Treasurer's Pool, Higher Education Institutions, Fiduciary Funds, and All Other Funds in the aggregate. The credit quality ratings shown are Moody's, Standard and Poor's, and Fitch, respectively.

CREDIT QUALITY RATINGS (Amounts In Thousands)											
Credit Quality Rating	U.S. Govt. Securities	Commercial Paper	Corporate Bonds	Asset Backed Securities	Mortgage Backed Securities	Money Market Mutual Funds	Bond Mutual Funds	Sovereigns & Supranationals	Guaranteed Investment Contracts	Other	Total
Treasurer's Pool:											
Long-term Ratings											
Aaa/AAA/AAA	\$ 827,363	\$ -	\$ 329,372	\$ 490,170	\$ 2,007,386	\$ 1,125,000	\$ -	\$ 127,740	\$ -	\$ 55,299	\$ 4,962,330
Aa/AA/AA	-	4,554,688	418,649	-	519,448	-	-	-	-	157,991	5,650,776
A/A/A	-	-	2,933,906	-	-	-	-	-	-	-	2,933,906
Baa/BBB/BBB	-	-	1,224,880	-	-	-	-	-	-	-	1,224,880
Total T-Pool	827,363	4,554,688	4,906,807	490,170	2,526,834	1,125,000	-	127,740	-	213,290	14,771,892
Higher Education Institutions:											
Long-term Ratings											
Aaa/AAA/AAA	19,551	-	45,922	161,243	26,169	675,298	-	-	-	10,357	938,540
Aa/AA/AA	299	-	27,090	5,192	55,720	-	-	-	-	57,771	146,072
A/A/A	1,521	-	232,645	8,406	611	-	-	-	-	8,200	251,383
Baa/BBB/BBB	51	-	250,622	5,243	166	-	-	-	-	-	256,082
Ba/BB/BB	-	-	8,151	274	-	-	-	-	-	-	8,425
B/B/B	-	-	538	49	-	-	-	-	-	-	587
Caa/CCC/CCC	-	-	-	833	-	-	-	-	-	-	833
Ca/D/DDD	-	-	-	86	-	-	-	-	-	-	86
Short-term Ratings											
PI/MIG1/A-1/F-1	-	1,974	-	-	-	-	-	-	-	-	1,974
Unrated	78,309	35,056	9,692	70,513	142,214	42,729	47,522	-	-	5,032	431,067
Total Higher Ed	99,731	37,030	574,660	251,839	224,880	718,027	47,522	-	-	81,360	2,035,049
Fiduciary Funds:											
Long-term Ratings											
Aaa/AAA/AAA	-	-	262	5,256	15,866	1,538	-	-	-	481	23,403
Aa/AA/AA	-	-	1,143	-	7,997	-	-	-	-	541	9,681
A/A/A	-	-	4,098	-	-	-	-	-	-	-	4,098
Baa/BBB/BBB	-	-	2,733	77	-	-	-	-	-	-	2,810
Unrated	-	-	-	211	-	125,079	3,511,293	-	159,109	-	3,795,692
Total Fiduciary	-	-	8,236	5,544	23,863	126,617	3,511,293	-	159,109	1,022	3,835,684
All Other Funds:											
Long-term Ratings											
Aaa/AAA/AAA	16,210	-	10,538	59,535	224,686	326	-	-	-	1,328	312,623
Aa/AA/AA	-	-	43,595	3,236	12,116	-	-	-	-	5,265	64,212
A/A/A	-	-	174,721	2,039	144	-	-	-	-	-	176,904
Baa/BBB/BBB	-	-	157,576	911	784	-	-	-	-	-	159,271
Ba/BB/BB	-	-	43,371	451	192	-	-	-	-	-	44,014
B/B/B	-	-	41,871	-	-	-	-	-	-	-	41,871
Caa/CCC/CCC	-	-	8,789	-	-	-	-	-	-	-	8,789
Unrated	-	-	6,898	5,033	16,698	-	18,702	-	-	-	47,331
Total Other	16,210	-	487,359	71,205	254,620	326	18,702	-	-	6,593	855,015
Total	\$ 943,304	\$ 4,591,718	\$ 5,977,062	\$ 818,758	\$ 3,030,197	\$ 1,969,970	\$ 3,577,517	\$ 127,740	\$ 159,109	\$ 302,265	\$ 21,497,640

Interest Rate Risk

Interest rate risk is the risk that changes in the market rate of interest will adversely affect the value of an investment. The State manages interest rate risk using either weighted average maturity or duration. Weighted average maturity is a measure of the time to maturity, measured in years, that has been weighted to reflect the dollar size of individual investments within an investment type. Various methods are used to measure duration; in its simplest form, duration is a measure, in years, of the time-weighted present value of individual cash flows from an investment divided by the price of the investment.

Statute requires the State Treasurer to formulate investment policies regarding liquidity, maturity, and diversification for each fund or pool of funds in the State Treasurer's custody. The State Treasurer's formal investment policy targets a weighted average effective duration of 3 years within range of 1-5 years and a maximum stated maturity limited to 30 years from the settlement date for Treasurer's pool funds. The policy also sets maturity limits for the Unclaimed Property Tourism Promotion Trust Fund (1 - 30 years). The policy also mitigates interest rate risk through the use of maturity limits delineated to meet the needs of each funds and the use of active management to react to changes in the yield curve, economic forecasts, and the liquidity needs of the fund.

The following table shows the weighted average maturity and fair value amount for those investments managed using the weighted average maturity measure.

(Dollar Amounts in Thousands, Weighted Average Maturity in Years)

Investment Type	Treasurer's Pool		Higher Education Institutions		Fiduciary Funds		All Other Funds	
	Fair Value Amount	Weighted Average Maturity	Fair Value Amount	Weighted Average Maturity	Fair Value Amount	Weighted Average Maturity	Fair Value Amount	Weighted Average Maturity
U.S. Treasury Bills/Notes/Bonds	\$ 4,003,950	5.472	\$ 496,938	4.749	\$ 3,380	2.951	\$ 199,564	10.334
U.S. Agency Securities	827,363	2.707	114,600	23.006	-	-	16,210	2.543
Bond Mutual Funds	-	-	104,791	259.000	11,535	3.643	-	-
Commercial Paper	4,554,688	0.219	35,056	0.031	-	-	-	-
Corporate Bonds	4,906,807	6.369	572,316	6.930	8,236	2.551	487,358	7.294
Asset-Backed Securities	490,170	3.077	251,840	12.821	5,543	1.518	71,206	5.020
Money Market Funds	-	-	63,928	0.112	1,671	-	-	-
Municipal Bonds	213,290	9.178	76,328	16.280	1,022	0.330	6,593	22.866
Mortgage-Backed Securities	2,526,834	12.081	224,879	29.697	23,863	8.917	238,088	8.324
Other	127,740	2.618	4,230	(0.190)	-	-	-	-
Total Investments	<u>\$17,650,842</u>		<u>\$ 1,944,906</u>		<u>\$ 55,250</u>		<u>\$ 1,019,019</u>	

The table below presents the fair value amount and duration measure for State agencies that manage some or all of their investments using the duration measure.

The CollegeInvest program has investments reported in the College Savings Plan, a Private Purpose Trust Fund. CollegeInvest uses duration to manage the interest rate risk of selected mutual funds in the College Savings Plan. CollegeInvest's Private Purpose Trust Fund holds inflation linked bond mutual funds (Bond Mutual Fund-4) for \$225.6 million with a duration of 4.2 years and a short-term inflation protected securities index fund (Bond Mutual Fund-7) for \$90.6 million with a duration of 2.4 years. These securities are excluded from the duration table below because interest rate risk is effectively mitigated by the inflation protection attribute of the funds.

(Dollar Amounts in Thousands, Duration in Years)

	Fair Value Amount	Duration
Enterprise Funds:		
Higher Education Institutions:		
Colorado School of Mines:		
Bond Mutual Funds	\$ 1,043	7.380
Private Purpose Trust Funds:		
CollegeInvest:		
Bond Mutual Fund-1	\$ 1,239,949	6.500
Bond Mutual Fund-2	909,857	6.300
Bond Mutual Fund-3	571,458	7.500
Bond Mutual Fund-5	177,866	5.400
Bond Mutual Fund-6	93,784	3.800
Bond Mutual Fund-8	82,599	6.500
Bond Mutual Fund-9	35,315	7.800
Bond Mutual Fund-10	8,577	4.600
Bond Mutual Fund-11	1,484	6.200
Bond Mutual Fund-12	984	2.700
Bond Mutual Fund-13	779	6.900
Bond Mutual Fund-14	242	3.300
Other	482,591	3.500

Foreign Currency Risk

Foreign Currency risk is the risk that changes in exchange rates will adversely affect their value of an investment or deposit. The Treasurer's formal investment policy does not allow for investments in foreign currency. Risk is mitigated by only permitting a maximum of 4% of treasury pool assets to be invested in sovereign/government/supranational securities.

Concentration of Credit Risk

The State Treasurer's formal investment policy sets minimum and maximum holding percentages for each investment type for the investment pool and for the Unclaimed Property Tourism Promotion Trust Fund. The pool and the Unclaimed Property Tourism Promotion Trust Fund may be 100 percent invested in U.S. Treasury securities with more restrictive limits (ranging from 0 percent to 60 percent) set for the other allowed investment types. For the pool and the Unclaimed Property Tourism Promotion Trust Fund, the policy sets maximum concentrations in an individual issuer for certain investment types.

Fair Value Measurements

To the extent available, the State's investments are recorded at fair value as of June 30, 2023. Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 Investments – values are based on quoted prices (unadjusted) for identical assets (or liabilities) in active markets that a government can access at the measurement date.

Level 2 Investments – inputs other than quoted prices included within Level 1 – that are observable for an asset (or liability), either directly or indirectly.

Level 3 Investments – classified as Level 3 have unobservable inputs for an asset (or liability) and may require a degree of professional judgment.

The following table summarizes the State's investments within the fair value hierarchy at June 30, 2023:

(Amounts in Thousands)				
<u>Fair Value Measurements Using</u>				
	Fair Value as of June 30, 2023	Quoted prices in active markets for identical assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by Fair Value Level</u>				
U.S. Treasury Bills	\$ 158,113	\$ 136,900	\$ 21,213	\$ -
U.S. Treasury Notes/Bonds	4,567,110	4,436,420	130,690	-
U.S. Agency Securities (Explicitly Guaranteed)	14,869	-	14,869	-
U.S. Agency Securities (Not Explicitly Guaranteed)	943,304	234,643	708,661	-
Commercial Paper	4,591,718	-	4,591,718	-
Corporate Bonds	5,982,114	7,395	5,974,542	177
Municipal Bonds	297,234	49	297,185	-
Money Market Mutual Funds	1,317,746	1,317,746	-	-
Bond Mutual Funds	3,578,200	3,578,200	-	-
Asset-Backed Securities	818,759	-	818,759	-
Mortgage-Backed Securities	3,030,197	563	3,013,102	16,532
Sovereigns/Supranationals	127,740	-	127,740	-
Guaranteed Investment Contracts	159,109	-	-	159,109
Investment in Foundation Pool	599,141	-	-	599,141
Corporate Equities	14,132	14,132	-	-
Private Equities	7,430	-	-	7,430
International Equities	469	469	-	-
Equity Mutual Funds	8,780,153	8,780,153	-	-
Balanced Mutual Funds	5,549	5,549	-	-
Other	1,644,913	12,643	-	1,632,270
Total	<u>\$ 36,638,000</u>	<u>\$ 18,524,862</u>	<u>\$ 15,698,479</u>	<u>\$ 2,414,659</u>
Total investments measured at NAV	35,007			
Total other investments not valued at fair value	675,561			
Total	<u>\$ 37,348,568</u>			

On June 30, 2023, the Colorado School of Mines held an investment in an equity trust valued at \$35.0 million. The value was determined using the University's Net Asset Value (NAV) per share in the equity trust, redemption frequencies for these funds range from monthly to annually and redemption notice period range from two to 90 days.

On June 30, 2023, the University of Colorado held investments in private equities measured at a cost of \$23.0 million. It is the State's policy to report money market fund investments at fair value unless the institution managing the investment reports its value at amortized cost. At June 30, 2023, the University of Colorado held \$652.6 million of money market funds valued at amortized cost.

Treasurer's Investment Pool

Participation in the State Treasurer's cash/investment pool is mandatory for all State agencies with the exception of Colorado Mesa University, Colorado State University System, Colorado School of Mines, Fort Lewis State College, and the University of Colorado and its blended component units; however, all participate in the Treasurer's Pool. The Treasurer, in consultation with the State's investment custodian, determines the fair value of the pool's investments at each month-end for performance tracking purposes. Short-term realized gains, losses, and interest earnings, adjusted for amortization of investment premiums and discounts, are distributed monthly. If the statutes authorize the participant to receive interest and investment earnings, these gains or losses are prorated according to the average of the participant's daily balance during the month.

NOTE 5 – CAPITAL AND RIGHT-TO-USE ASSETS

On the government-wide *Statement of Activities*, depreciation charged to functional programs and business-type activities is as follows:

(Amounts in Thousands)		Depreciation
GOVERNMENTAL ACTIVITIES		Amount
	General Government	55,727.8
	Business, Community and Consumer Affairs	2,595.8
	Education	53,154.7
	Health and Rehabilitation	13,489.7
	Justice	47,369.9
	Natural Resources	375.2
	Social Assistance	25,759.6
	Transportation	322,662.0
Total Depreciation Expense - Governmental Activities		521,134.7
BUSINESS-TYPE ACTIVITIES		
	Higher Education	509,702.1
	Parks and Wildlife	19,291.4
	State Nursing Homes	1,607.8
	Unemployment Insurance	3,521.9
	Transportation	28,745.8
	Social Assistance	6,765.9
	Other Enterprise Funds	2,393.9
Total Depreciation Expense - Business-Type Activities		572,028.8
Total Depreciation Expense Primary Government		\$ 1,093,163.5

The schedules on the following pages show the capital asset and right-to-use asset activity during Fiscal Year 2023. The capital asset schedule shows that \$505.0 million of construction in progress projects were completed and added to capital assets for Governmental activities, and \$454.4 million of construction in progress were completed and added to capital assets for Business-Type activities. These amounts are net of additions.

Changes in Capital Assets

(Amounts in Thousands) *Restated	Beginning Balance*	Increases	CIP Transfers	Decreases/ Adjustments	Ending Balance
GOVERNMENTAL ACTIVITIES:					
Capital Assets Not Being Depreciated:					
Land	140,897	\$ -	\$ -	\$ (538)	\$ 140,359
Land Improvements	7,752	-	-	-	7,752
Collections	11,213	-	-	-	11,213
Other Capital Assets	6,805	-	-	-	6,805
Construction in Progress (CIP)	2,117,733	823,227	(563,156)	(32,275)	2,345,529
Infrastructure	1,078,492	-	58,133	-	1,136,625
Total Capital Assets Not Being Depreciated	3,362,892	823,227	(505,023)	(32,813)	3,648,283
Capital Assets Being Depreciated:					
Leasehold and Land Improvements	85,095	3,559	71	(924)	87,801
Buildings	3,825,959	37,278	157,941	(2,579)	4,018,599
Software	631,824	12,481	3,698	(10,163)	637,840
Vehicles and Equipment	1,068,586	63,924	1,522	(27,336)	1,106,696
Library Materials and Collections	5,924	511	-	(23)	6,412
Other Capital Assets	37,000	173	-	(52)	37,121
Infrastructure	13,092,990	35	341,791	597,519	14,032,335
Total Capital Assets Being Depreciated	18,747,378	117,961	505,023	556,442	19,926,804
Less Accumulated Depreciation:					
Leasehold and Land Improvements	(49,743)	(3,321)	-	539	(52,525)
Buildings	(1,447,708)	(105,212)	-	87	(1,552,833)
Software	(471,386)	(48,447)	-	10,225	(509,608)
Vehicles and Equipment	(682,508)	(70,288)	-	22,707	(730,089)
Library Materials and Collections	(4,371)	(398)	-	23	(4,746)
Other Capital Assets	(36,041)	(72)	-	51	(36,062)
Infrastructure	(5,993,405)	(293,397)	-	9,683	(6,277,119)
Total Accumulated Depreciation	(8,685,162)	(521,135)	-	43,315	(9,162,982)
Total Capital Assets Being Depreciated, net	10,062,216	(403,174)	505,023	599,757	10,763,822
TOTAL GOVERNMENTAL ACTIVITIES	13,425,108	420,053	-	566,944	14,412,105
BUSINESS- TYPE ACTIVITIES:					
Capital Assets Not Being Depreciated:					
Land	742,326	6,451	23,585	3,325	775,687
Land Improvements	17,041	-	2,247	-	19,288
Collections	37,577	3,613	-	(58)	41,132
Construction in Progress (CIP)	1,780,368	545,551	(480,269)	(724,270)	1,121,380
Other Capital Assets	24,105	-	-	(33)	24,072
Infrastructure	99,874	-	37	-	99,911
Total Capital Assets Not Being Depreciated	2,701,291	555,615	(454,400)	(721,036)	2,081,470
Capital Assets Being Depreciated:					
Leasehold and Land Improvements	1,049,828	8,222	33,462	(1,643)	1,089,869
Buildings	11,856,701	20,043	287,144	(4,659)	12,159,229
Software	272,420	6,016	6,174	(3,059)	281,551
Vehicles and Equipment	1,449,594	121,372	4,546	(47,039)	1,528,473
Library Materials and Collections	670,346	13,489	-	(17,000)	666,835
Other Capital Assets	4,128	158	3,102	-	7,388
Infrastructure	1,581,325	-	119,972	9,347	1,710,644
Total Capital Assets Being Depreciated	16,884,342	169,300	454,400	(64,053)	17,443,989
Less Accumulated Depreciation:					
Leasehold and Land Improvements	(564,243)	(42,107)	-	1,497	(604,853)
Buildings	(4,837,867)	(362,407)	-	(54)	(5,200,328)
Software	(188,128)	(18,516)	-	1,923	(204,721)
Vehicles and Equipment	(1,098,704)	(95,370)	-	41,967	(1,152,107)
Library Materials and Collections	(539,505)	(23,927)	-	16,975	(546,457)
Other Capital Assets	(2,303)	(200)	-	-	(2,503)
Infrastructure	(183,051)	(29,499)	-	-	(212,550)
Total Accumulated Depreciation	(7,413,801)	(572,026)	-	62,308	(7,923,519)
Total Capital Assets Being Depreciated, net	9,470,541	(402,726)	454,400	(1,745)	9,520,470
TOTAL BUSINESS- TYPE ACTIVITIES	12,171,832	152,889	-	(722,781)	11,601,940
TOTAL CAPITAL ASSETS, NET	\$ 25,596,940	\$ 572,942	\$ -	\$ (155,837)	\$ 26,014,045

Changes in Right-to-Use Assets

(Amounts in Thousands)	Beginning Balance	Increases	CIP Transfers	Decreases/ Adjustments	Ending Balance
GOVERNMENTAL ACTIVITIES:					
Right to Use Assets:					
Leased Land	-	11,195	-	(10,580)	615
Leased Buildings	288,612	65,821	-	(46,694)	307,739
Information Technology Subscriptions	-	59,952	-	(3,078)	56,874
Construction in Progress	-	4,620	-	(547)	4,073
Leased Vehicles, Equipment, Other	9,307	1,173	-	1,204	11,684
Total Right to Use Assets	297,919	142,761	-	(59,695)	380,985
Less Accumulated Amortization:					
Leased Land	-	(26)	-	-	(26)
Leased Buildings	(44,275)	(47,954)	-	352	(91,877)
Information Technology Subscriptions	-	(16,407)	-	1,582	(14,825)
Leased Vehicles, Equipment, Other	(2,647)	(4,753)	-	24	(7,376)
Total Accumulated Amortization	(46,922)	(69,140)	-	1,958	(114,104)
TOTAL GOVERNMENTAL ACTIVITIES RIGHT TO USE ASSETS, NET	250,997	73,621	-	(57,737)	266,881
BUSINESS- TYPE ACTIVITIES:					
Right to Use Assets:					
Leased Land	4,241	-	-	-	4,241
Leased Buildings	180,708	9,702	-	(3,397)	187,013
Information Technology Subscriptions	115,426	44,191	2,291	(7,736)	154,172
Construction in Progress	-	15,539	(2,291)	1,587	14,835
Leased Vehicles, Equipment, Other	17,727	4,987	-	(1,601)	21,113
Total Right to Use Assets	318,102	74,419	-	(11,147)	381,374
Less Accumulated Amortization:					
Leased Land	(61)	(62)	-	-	(123)
Leased Buildings	(31,528)	(23,925)	-	2,782	(52,671)
Information Technology Subscriptions	(24,520)	(38,413)	-	8,406	(54,527)
Leased Vehicles, Equipment, Other	(6,295)	(5,131)	-	863	(10,563)
Total Accumulated Amortization	(62,404)	(67,531)	-	12,051	(117,884)
TOTAL BUSINESS- TYPE ACTIVITIES RIGHT TO USE ASSETS, NET	255,698	6,888	-	904	263,490
TOTAL RIGHT TO USE ASSETS, NET	\$ 506,695	\$ 80,509	\$ -	\$ (56,833)	\$ 530,371

NOTE 6 – DEFINED BENEFIT PENSIONS

Summary of Significant Accounting Policies

The State of Colorado is a participating employer in the State Division Trust Fund (“SDTF”) and the Judicial Division Trust Fund (“JDTF”), both cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The State of Colorado is also a governmental nonemployer contributing entity in the SDTF, JDTF, School, and Denver Public Schools Division Trust Fund (“DPS”) Divisions. In addition, the University of Colorado offers a single-employer, defined benefit Alternate Medicare Payment pension plan to retirees of its Optional Retirement Plan. The net pension liability, deferred outflows of resources, deferred inflows of resources, pension expense, aid to other governments, information about the fiduciary net position, and additions to/deductions from the fiduciary net position of the SDTF, JDTF, School Division, DPS Division, and the Alternate Medicare Payment Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Senate Bill (SB)18-200 entitled *Modifications To PERA Public Employees’ Retirement Association To Eliminate Unfunded Liability* requires a direct distribution from the State Treasury to PERA for \$225 million annually to reduce unfunded PERA liabilities. The direct distributions are to occur until no unfunded actuarial accrued liabilities exist for any PERA Division Trust. PERA allocates the direct distribution to four PERA Division Trusts in proportion with payroll-based contributions. In addition to the \$225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of \$380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024. The direct distribution for fiscal year 2023 is shown below.

PERA Division Trust	(In Actual Dollars)		
	Additional Employer Contributions	Non-employer Contributions	Total Direct Distribution
State	\$ 189,217,129	\$ 9,030,081	\$ 198,247,210
Judicial	3,329,001	246,800	3,575,801
School	-	350,392,714	350,392,714
Denver Public Schools	-	52,784,275	52,784,275
	<u>\$ 192,546,130</u>	<u>\$ 412,453,870</u>	<u>\$ 605,000,000</u>

General Information about the Pension Plan

Eligible employees of the State of Colorado receive a pension benefit through the SDTF and the JDTF, both cost-sharing multiple-employer defined benefit pension plans administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes, administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. The Colorado General Assembly may amend Colorado State law provisions from time to time. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

PERA provides retirement, disability, and survivor benefits. Retirement benefits determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at Sections 24-51-602, 604, 1713, and 1714, C.R.S.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit

- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the DPS benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases, the service retirement benefit is limited to 100 percent of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. For the SDTF, State Troopers whose disability is caused by an on-the-job injury are immediately eligible to apply for disability benefits and do not have to meet the five years of service credit requirement. For the JDTF, the five-year requirement is not applicable to active judges. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions

Eligible employees and the State are required to contribute to the SDTF at rates established under Section 24-51-401, C.R.S., *et seq.* and Section 24-51-413, C.R.S. Employee and employer contribution rates for the period July 1, 2022 through June 30, 2023 are presented in the following tables:

State Division Trust Fund	July 1, 2022 Through June 30, 2023
Employee contribution (all employees except State Troopers)	11.00%
State Troopers Only	13.00%

Employee contribution rates for the SDTF are expressed as a percentage of salary as defined in Section 24-51-101(42) C.R.S.

The employer contribution requirements for all employees except State Troopers are summarized in the table below:

State Division Trust Fund	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023
Employer contribution rate	11.40%	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount apportioned to the SDTF	10.38%	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.10%	0.17%
Total employer contribution rate to the SDTF	20.48%	20.55%

The employer contribution requirements for State Troopers are summarized in the table below:

State Division Trust Fund	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023
Employer contribution rate	14.10%	14.10%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount apportioned to the SDTF	13.08%	13.08%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.10%	0.17%
Total employer contribution rate to the SDTF	23.18%	23.25%

Contribution rates for the SDTF are expressed as a percentage of salary as defined in Section 24-51-101(42), C.R.S.

Eligible employees and the State are required to contribute to the JDTF at rates established under Section 24-51-401 C.R.S., *et seq.* and Section 24-51-413, C.R.S. Employee and employer contribution rates for the period July 1, 2022 through June 30, 2023 are presented in the following tables:

Judicial Division Trust Fund	July 1, 2022 Through June 30, 2023
Employee contribution	11.00%

Judicial Division Trust Fund	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023
Employer contribution rate	14.91%	14.91%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount apportioned to the JDTF	13.89%	13.89%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.60%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	4.60%	5.00%
Total employer contribution rate to the JDTF	23.09%	23.89%

Contribution rates for the JDTF are expressed as a percentage of salary as defined in Section 24-51-101(42), C.R.S.

Employer contributions are recognized by the SDTF and by the JDTF in the period in which the compensation becomes payable to the member and the State is statutorily committed to pay the contributions to the SDTF and to the JDTF. Employer contributions made by the State to the SDTF and to the JDTF were \$905.5 million and \$15.9 million, respectively, for the year ended June 30, 2023.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute a \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SDTF based on the proportionate amount of annual payroll of the SDTF to the total annual payroll of the SDTF, School Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of \$380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires the State to make an additional direct distribution of approximately \$14.5 million (actual dollars), for a total of approximately \$49.5 million (actual dollars) to be contributed on July 1, 2023.

Net Pension Liability

The net pension liability for the SDTF and for the JDTF were measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total pension liability to December 31, 2022. The State's proportion of the net pension liability of the SDTF and of the JDTF is based on the State's contributions to the SDTF and to the JDTF for calendar year 2022 relative to the total contributions of all participating employers and the nonemployer contributions made by the State to the SDTF and to the JDTF.

The State reports a net pension liability in accordance with the requirements of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions* using the Schedule of Employer and Nonemployer Allocations and Schedule of Collective Pension Amounts published by PERA. Refer to the last four tables in Note RSI-2 for historical information on the State of Colorado's proportionate share of collective pension amounts as a nonemployer contributing entity. Historical information on the collective pension amounts is available in the Required Supplementary Information section of PERA's annual comprehensive financial report (ACFR) available at <https://www.copera.org/investments/pera-financial-reports>.

At June 30, 2023, the State reported a total liability of \$15.05 billion for its proportionate share of the net pension liability. The amounts recognized by the State for its proportionate share of the net pension liability are as follows:

(Amounts in thousands)	PERA Division Trust Fund				
	State	Judicial	School	DPS	Total
Proportionate share of the net pension liability attributable to:					
State's own employees	\$ 10,377,335	\$ 87,710	-	-	\$ 10,465,045
Employees of other governments	109,110	1,463	4,109,013	360,733	4,580,319
Total	\$ 10,486,445	\$ 89,173	\$ 4,109,013	\$ 360,733	\$ 15,045,364

Proportionate Share

The State's proportionate share at December 31, 2021 and December 31, 2022 as well as how the proportionate share increased or decreased is presented in the following table:

As a Participating Employer			
PERA Division	Proportionate Share		Increase (Decrease)
	12/31/2021	12/31/2022	
State	95.53%	95.45%	-0.08%
Judicial	92.75%	93.10%	0.35%
As a Governmental Nonemployer Contributing Entity			
PERA Division	Proportionate Share		Increase (Decrease)
	12/31/2021	12/31/2022	
State	0.47%	1.00%	0.54%
Judicial	0.88%	1.55%	0.67%
School	10.28%	22.57%	12.28%
DPS	22.70%	41.57%	18.88%

Pension Expense & Aid to Other Governments

For the year ended June 30, 2023, the State recognized pension expense for its own employees and expense to aid other governments related to support provided by the State as a governmental nonemployer contributing entity. The components of expense are presented in the following table.

(Amounts in thousands)	PERA Division Trust Fund				Total
	State	Judicial	School	DPS	
Pension expense	\$ 887,179	\$ (12,788)	-	-	\$ 874,391
Aid to other governments*	30,514	195	873,970	101,041	1,005,720
Total	\$ 917,693	\$ (12,593)	\$ 873,970	\$ 101,041	\$ 1,880,111

Deferred Outflows of Resources and Deferred Inflows of Resources

The State participates in the SDTF and the JDTF as both an employer and as a governmental nonemployer contributing entity. The following tables therefore segregate deferred outflows of resources and deferred inflows of resources between balances related to the State's own employees and balances related to employees of other governments. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

State Division Trust Fund

(Amounts in thousands)	Deferred Outflows of Resources Related to		Deferred Inflows of Resources Related to	
	State's Own Employees	Employees of Other Governments	State's Own Employees	Employees of Other Governments
Difference between expected and actual experience	\$ -	\$ -	\$ 139,133	\$ 1,463
Changes of assumptions or other inputs	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	1,319,307	13,872	-	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	178,792	43,949	177,860	24
Contributions subsequent to the measurement date	364,240	-	-	-
Total	\$ 1,862,339	\$ 57,821	\$ 316,993	\$ 1,487

Deferred outflows of resources of \$364.2 million related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other

amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

State Division Trust Fund

Year ended June 30:	(Amounts in thousands)
2024	(206,531)
2025	162,436
2026	491,743
2027	787,947

Judicial Division Trust Fund

(Amounts in thousands)	Deferred Outflows of Resources Related to		Deferred Inflows of Resources Related to	
	State's Own Employees	Employees of Other Governments	State's Own Employees	Employees of Other Governments
Difference between expected and actual experience	\$ 10,390	\$ 173	\$ -	\$ -
Changes of assumptions or other inputs	302	5	-	-
Net difference between projected and actual earnings on pension plan investments	32,213	537	-	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	275	1,092	1,831	423
Contributions subsequent to the measurement date	6,314	-	-	-
Total	\$ 49,494	\$ 1,807	\$ 1,831	\$ 423

Deferred outflows of resources of \$6.3 million related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Judicial Division Trust Fund

Year ended June 30:	(Amounts in thousands)
2024	1,626
2025	8,128
2026	13,498
2027	19,482

School & Denver Public Schools Division Trust Funds

The State participates in the School Division Trust Fund and the Denver Public Schools (DPS) Division Trust Fund as a governmental nonemployer contributing entity. Therefore, the deferred outflows of resources and deferred inflows of resources associated with the School and DPS Divisions relate only to employees of other governments.

School & DPS Division Trust Funds

(Amounts in thousands)	Deferred Outflows of Resources		Deferred Inflows of Resources	
	School Division	DPS Division	School Division	DPS Division
Difference between expected and actual experience	\$ 38,887	\$ 12,757	\$ -	\$ -
Changes of assumptions or other inputs	72,784	12,608	-	-
Net difference between projected and actual earnings on pension plan investments	551,992	136,640	-	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,029,497	144,141	399,790	59,198
Total	\$ 2,693,160	\$ 306,146	\$ 399,790	\$ 59,198

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as expense to aid other governments as follows:

School and DPS Division Trust Funds

Year ended June 30:	(Amounts in thousands)
2024	786,012
2025	893,539
2026	460,517
2027	400,250

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State Division Trust Fund	Judicial Division Trust Fund	School Division Trust Fund	DPS Division Trust Fund
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30 percent	2.30 percent	2.30 percent	2.30 percent
Real wage growth	0.70 percent	0.70 percent	0.70 percent	0.70 percent
Wage inflation	3.00 percent	3.00 percent	3.00 percent	3.00 percent
Salary increases, including wage inflation	3.30 - 10.90 percent	2.80 - 5.30 percent	3.40 - 11.00 percent	3.80 - 11.50 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent	7.25 percent	7.25 percent	7.25 percent
Discount rate	7.25 percent	7.25 percent	7.25 percent	7.25 percent
Post-retirement benefit increases:				
PERA benefit structure hired prior to 1/1/07	1.00 percent	1.00 percent	1.00 percent	1.00 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve	Financed by the Annual Increase Reserve	Financed by the Annual Increase Reserve	Financed by the Annual Increase Reserve

Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis. Pre-retirement mortality assumptions for members other than State Troopers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019. Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for members other than State Troopers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the

AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- HB 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled \$225 million (actual dollars) direct distribution, a warrant to PERA in the amount of \$380 million (actual dollars). The July 1, 2023, direct distribution is reduced by \$190 million (actual dollars) to \$35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from \$225 million (actual dollars) due to PERA's negative investment return in 2022.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the fiduciary net position of the SDTF, JDTF, and the School Division were projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the net pension liability to changes in the discount rate

The following table presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

Discount rate sensitivity

(Amount in thousands)	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability			
State Division Trust Fund	\$ 13,405,700	\$ 10,486,445	\$ 8,030,799
Judicial Division Trust Fund	137,762	89,173	47,560
School Division Trust Fund	5,377,285	4,109,013	3,049,877
DPS Division Trust Fund	610,511	360,733	154,839

Pension plan fiduciary net position. Detailed information about the SDTF's fiduciary net position is available in PERA's annual comprehensive financial report (ACFR) which can be at www.copera.org/investments/pera-financial-reports.

Payables to the PERA Defined Benefit Pension Plan

A short-term payable of approximately \$5.49 million existed at June 30, 2023 for employer and employee contributions due to PERA. C.R.S. 24-51-401 requires employer, employee, and retiree contributions be remitted to PERA within five days after the date the members and retirees are paid. PERA Rule 4.10-A specifies that employers are responsible for payment of interest computed on a daily rate for contributions not remitted timely.

Alternate Medicare Payment

Plan description. The University of Colorado offers an Alternate Medicare Payment (AMP) to retirees of the University of Colorado Optional Retirement Plan (ORP) participating in Medicare as an alternative to healthcare coverage provided under the University OPEB Plan (University OPEB). The AMP is a single- employer, defined benefit, pension plan established by the University who also administers and has the authority to amend benefits (e.g., ad hoc postemployment benefit changes). No assets are accumulated in a trust as the University funds the AMP on a pay-as-you-go basis. No stand-alone financial report is issued, and the AMP is not included in the report of a public employee retirement system.

Benefits. A participant must be in a benefits-eligible position at 50 percent or greater appointment immediately preceding retirement and have met the required number of service years. Only ORP retirees participating in Medicare are eligible to receive AMP benefits. The AMP is available to the employee and eligible spouse/same gender domestic partner. AMP benefits are not provided for dependent children. The AMP is non-contributory for the retiree and provides a monthly, non-salary dependent, cash payment to offset healthcare-related costs. As the monthly cash payments are not restricted as to use, they are considered a pension benefit rather than OPEB. Since the AMP's inception, monthly cash payments have been \$154 for a retiree, \$262 for a retiree plus spouse/same gender domestic partner, and \$108 for a surviving spouse.

Employees Covered by Benefit Terms. The actuarial valuation was based on census data as of March 1, 2022. Table below is a summary of the employees covered by the benefit terms used in the valuation.

Employees Covered by AMP's Benefit Terms	
Active employees	15,114
Retirees and beneficiaries currently receiving benefit payments	887
Retirees and beneficiaries entitled to but not yet receiving benefit payments	266
Total	16,267

Total Pension Liability. The AMP's total pension liability at June 30, 2023 of \$102.8 million was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date. The University contributed \$2.4 million for the year ended June 30, 2023.

Actuarial Assumptions and Other inputs. The AMP's total pension liability in the June 30, 2022 actuarial valuation was determined using the actuarial assumptions and other inputs in Table below.

AMP's Actuarial Assumptions and Other Inputs	
Actuarial cost method	Entry age
Inflation rate	2.50%
Discount rate	2.15%
Benefit cost trend rate	2.50%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based upon the PUB-2010 Amounts-Weighted Teachers Classification Table for Employees with generational projection using Scale MP-2021. With the exception of the mortality assumption, the demographic assumptions (retirement rates, termination rates, and salary scale) are based upon the December 31, 2019 Colorado PERA assumption study.

Changes in the Total Pension Liability. Table below details the changes in the AMP's total pension liability during Fiscal Year 2023.

Reconciliation of AMP's Total Pension Liability
(in thousands)

Fiscal Year Ending June 30, 2023

Total pension liability, beginning of year	\$124,662
Changes recognized for the fiscal year:	
Service cost	7,551
Interest on total AMP liability	2,821
Differences between expected and actual experience	(420)
Changes of assumption	(28,775)
Estimated benefit payments	(2,029)
Net changes	(20,852)
Total pension liability, end of year	\$103,810

Sensitivity of the total pension liability to changes in the discount rate. The following table presents the total pension liability of the AMP, as well as what the AMP's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

Sensitivity of AMP's Total Pension Liability to Changes in the Discount Rate (in thousands)

	1% Decrease	Discount Rate	1% Increase
Fiscal year ended	2.54%	3.54%	4.54%
June 30, 2023	123,506	103,810	88,258

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension. The University recognized \$10.64 million of pension expense for the AMP in Fiscal Year 2023. The following table presents the AMP's deferred outflows of resources and deferred inflows of resources related to pension from the following sources as of June 30, 2023.

AMP Deferred Outflows and Inflows of Resources (in thousands)

	Deferred Outflows	Deferred Inflows
Changes in Assumptions	23,625	26,441
Differences between expected and actual experience	-	7,976
Benefit payments subsequent to the measurement date	2,396	-
Total	26,021	34,417

The \$2.4 million reported as deferred outflows of resources as of June 30, 2023, resulting from benefit payments subsequent to the measurement date, will be recognized as a reduction to the AMP's total pension liability in the year ended June 30, 2024.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as summarized in table below.

**Future Amortization of AMP's Deferred
Outflows of Resources and Inflows of
Resources (in thousands)**

Years ending June 30:		
2024	\$	263
2025		(377)
2026		(637)
2027		(655)
2028		(912)
2029-2031		(8,474)
Total	\$	(10,792)

The following table lists the amortization bases included in the AMP's deferred outflows and inflows of resources as of June 30, 2023.

Amortization of AMP Deferred Outflows of Resources and Deferred Inflows of Resources (in thousands)						
Date Established	Type of Base	Period		Balance		Annual Amortization
		Original	Remaining	Original	Remaining	
July 1, 2016	Differences between expected and actual experience	8.5	1.5	\$ (101)	(17)	(12)
July 1, 2016	Changes in assumptions	8.5	1.5	10,999	1,941	1,294
July 1, 2017	Differences between expected and actual experience	8.5	2.5	(3,377)	(995)	(397)
July 1, 2017	Changes in assumptions	8.5	2.5	(3,180)	(936)	(374)
July 1, 2018	Differences between expected and actual experience	8.3	3.3	(109)	(44)	(13)
July 1, 2018	Changes in assumptions	8.3	3.3	4,940	1,965	595
July 1, 2019	Differences between expected and actual experience	8.3	4.3	(3,865)	(2,001)	(466)
July 1, 2019	Changes in assumptions	8.3	4.3	4,845	2,509	584
July 1, 2020	Differences between expected and actual experience	8.5	5.5	(124)	(79)	(15)
July 1, 2020	Changes in assumptions	8.5	5.5	23,408	15,146	2,754
July 1, 2021	Differences between expected and actual experience	8.5	6.5	(5,842)	(4,468)	(687)
July 1, 2021	Changes in assumptions	8.5	6.5	2,700	2,064	318
July 1, 2022	Differences between expected and actual experience	8.8	7.8	(420)	(372)	(48)
July 1, 2022	Changes in assumptions	8.8	7.8	(28,775)	(25,505)	(3,270)
				Total	\$ (10,792)	\$ 263

NOTE 7 – OTHER POST EMPLOYMENT BENEFIT (OPEB) PLANS

Summary of OPEB Plans

The State of Colorado participates in the following OPEB plans:

- PERA Health Care Trust Fund (HCTF) OPEB
- University of Colorado Healthcare and Life Insurance Subsidy
- Colorado State University OPEB
 - Retiree Medical Premium Refund Plan for DCP Participants
 - Retiree Medical Premium Subsidy for PERA Participants
 - Retiree Umbrella Rx Plan for PERA Participants
 - Long-Term Disability Plan

Disclosures provided in this note are applicable to the PERA Health Care Trust Fund (HCTF) OPEB and to the University of Colorado OPEB and Colorado State University OPEB.

PERA Health Care Trust Fund OPEB

Summary of Significant Accounting Policies

The State of Colorado participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Eligible employees of the State are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues an annual comprehensive financial report (ACFR) available at: www.copera.org/investments/pera-financial-reports.

Benefits Provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

Contributions

Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the State is statutorily committed to pay the contributions. Contributions made by the State and allocated to the HCTF for purposes of financial reporting were \$34.3 million for the year ended June 30, 2023.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the State reported a liability of \$257.6 million for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2022. The State's proportion of the net OPEB liability is based on contributions to the HCTF from the State for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the State's proportion was 31.56 percent, which was a decrease of 0.55 percent from its proportion measured as of December 31, 2021.

For the fiscal year ended June 30, 2023, the State recognized OPEB expense of \$6.6 million. At June 30, 2023, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

(Amounts in thousands)		Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		\$ 34	\$ 62,291
Changes of assumptions or other inputs		4,142	28,401
Net difference between projected and actual earnings on pension plan investments		15,702	32
Changes in proportion and differences between contributions recognized and proportionate share of contributions		17,244	31,335
Contributions subsequent to the measurement date		17,349	-
Total		<u>\$ 54,471</u>	<u>\$ 122,059</u>

\$17.3 million reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	(Amounts in thousands)
2024	(29,824)
2025	(27,693)
2026	(13,527)
2027	(4,432)
2028	(7,827)
Thereafter	<u>(1,709)</u>

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%	N/A
Long-Term investment rate, net of OPEB plan investment expenses, including price inflation	7.25%	7.25%	7.25%	7.25%
Discount Rate	7.25%	7.25%	7.25%	7.25%
Health care cost trend rates				
PERA benefit structure:				
Service-based premium subsidy	0.00%	0.00%	0.00%	0.00%
PERACare Medicare Plans	6.50% in 2022, gradually decreasing to 4.50% in 2030	6.50% in 2022, gradually decreasing to 4.50% in 2030	6.50% in 2022, gradually decreasing to 4.50% in 2030	6.50% in 2022, gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4.50% in 2029	3.75% in 2022, gradually increasing to 4.50% in 2029	3.75% in 2022, gradually increasing to 4.50% in 2029	3.75% in 2022, gradually increasing to 4.50% in 2029

The total OPEB liability for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,704	\$1,450	\$583	\$496	\$1,923	\$1,634
70	\$1,976	\$1,561	\$676	\$534	\$2,229	\$1,761
75	\$2,128	\$1,681	\$728	\$575	\$2,401	\$1,896

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,514	\$5,542	\$4,227	\$3,596	\$6,752	\$5,739
70	\$7,553	\$5,966	\$4,901	\$3,872	\$7,826	\$6,185
75	\$8,134	\$6,425	\$5,278	\$4,169	\$8,433	\$6,657

The 2022 Medicare Part A premium is \$499 per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the total OPEB liability for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree Table, adjusted as follows:

- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Sensitivity to Changes in Health Care Cost Trend Rates

The following table presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

Sensitivity - Health Care Cost Trend Rates

(Amounts in thousands)	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A	3.00%	4.00%	5.00%
Ultimate Medicare Part A	3.50%	4.50%	5.50%
Net OPEB Liability	\$250,349	\$257,641	\$265,576

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity to Changes in the Discount Rate

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

Sensitivity - Discount rate			
(Amount in thousands)	1% Decrease	Current	1% Increase
	(6.25%)	Discount Rate (7.25%)	(8.25%)
Proportionate Share of the Net OPEB Liability	\$ 298,683	\$ 257,641	\$ 222,538

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Payables to the PERA Health Care Trust OPEB Plan

A short-term payable of approximately \$258 thousand existed at June 30, 2023 for employer and employee contributions due to PERA. Section 24-51-401(1.7)(a)(I), C.R.S. requires employer, employee, and retiree contributions be remitted to PERA within five days after the date the members and retirees are paid. PERA Rule 4.10-A specifies that employers are responsible for payment of interest computed on a daily rate for contributions not remitted timely.

University of Colorado Healthcare and Life Insurance Subsidy (University OPEB)

Plan description. University OPEB provides OPEB for University employees who participate in either the University of Colorado Optional Retirement Plan (ORP) or the University of Colorado PERA Retirement Plans (PERA). University OPEB is a single-employer, defined benefit, OPEB plan administered by the University, and established by the Regents (Regent Policy 11.F Benefits) who have the authority to amend plan provisions. No assets are accumulated in a trust that meets the criteria established in GAAP, as the University funds University OPEB on a pay-as-you-go basis. No stand-alone financial report is issued, and University OPEB is not included in the report of a public employee retirement system.

Benefits. The University subsidizes a portion of healthcare and life insurance premiums for retirees on a pay-as-you-go basis. All employees in a benefit-eligible position at 50 percent or greater appointment immediately preceding retirement are eligible to participate based on age and years of service. Spouses/partners, surviving spouses/partners, and dependents are eligible for benefits. The University specifies the maximum amount that it will contribute towards retiree healthcare benefits at the beginning of each coverage period. The retiree is required to make up the difference between the total cost and the amount contributed by the University. Benefits are not dependent on salary. For non-Medicare retirees, the subsidy for medical plans ranges from \$610 per month to \$1,736 per month depending on the number of individuals covered. For Medicare retirees, the subsidy ranges from \$406 per month to \$1,030 per month depending on the number of individuals covered. For dental plans, the subsidy ranges from \$0 per month to \$58 per month. The amount of life insurance offered is the lesser of 25 percent of the employee's pre-retirement benefit or \$3,000. It is assumed for purposes of this report that everyone is eligible for the maximum life insurance benefit of \$3,000.

For ORP retirees, normal retirement benefits are available at age 55 with 20 years of service. Early retirement benefits begin at age 55 with 15 years of service. For PERA retirees, normal retirement benefits begin at 20 years of service and the individual must meet requirements as defined by PERA. The individual must retire with PERA concurrent with or prior to retirement from the University. Early retirement is available with fewer than 20 years of service. Healthcare benefits for PERA retirees cease at age 65. Following the death of an active employee, the surviving spouse receives 100 percent of the University contribution for a period of two years. After two years, the surviving spouse receives the portion of the University contribution that the employee earned immediately prior to death.

The percentage of the University contribution the retiree receives is based on the retiree's years of service at retirement divided by the required number of years of service. Enrollment in University OPEB is voluntary. University and participant payments for healthcare benefits are paid to the University of Colorado Health and Welfare Trust which is

responsible for administration of healthcare benefits. The University contributed \$19.2 million for the fiscal year ended June 30, 2023.

Employees Covered by Benefit Terms. The actuarial valuation was based on census data as of March 1, 2022. The following table presents a summary of the employees covered by the benefit terms used in the valuation.

Employees Covered by University OPEB's Benefit Terms

	Healthcare		Life Insurance	
	ORP	PERA	ORP	PERA
Active employees	15,114	5,831	16,593	5,030
Retirees and beneficiaries	1,648	536	2,337	3,305
Total	16,762	6,367	18,930	8,335

Total OPEB Liability. The University OPEB's total OPEB liability at June 30, 2023 of \$1.12 billion was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the actuarial assumptions and other inputs in the following table, applied to all periods included in the measurement, unless otherwise specified.

University OPEB's Actuarial Assumptions and Other Inputs

Actuarial cost method	Entry age
Discount rate	3.54 % at 6/30/2022 measurement date
Inflation	2.50%

Healthcare Cost Trend Rates:

Year	<u>Non-Medicare</u>			<u>Medicare</u>		
	Medical	Rx	Contributions	Medical	Rx	Contributions
2021-2022	6.7%	9.5%	7.3%	5.7%	9.5%	8.3%
2022-2023	6.6%	9.0%	7.1%	5.6%	9.0%	7.9%
2023-2024	6.4%	8.5%	6.9%	5.4%	8.5%	7.5%
2024-2025	6.1%	7.9%	6.6%	5.3%	7.9%	7.1%
2025-2026	5.9%	7.4%	6.2%	5.1%	7.4%	6.7%
2026-2027	5.6%	6.8%	5.9%	5.0%	6.8%	6.3%
2027-2028	5.3%	6.2%	5.5%	4.9%	6.2%	5.8%
2028-2029	5.0%	5.6%	5.2%	4.8%	5.6%	5.4%
2029-2030	4.8%	5.1%	4.8%	4.6%	5.1%	4.9%
2030-2031+	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%

Dental trend rate 4.50% in all years.

Administrative expense trend rate is 3.00% in all years.

Retirees' Share of Benefit Related Costs:

Plan	Retiree Only	Retiree and Spouse or Partner
Kaiser Medical	\$ 116.00	\$ 315.50
Exclusive Medical	\$ 54.00	\$ 193.50
High Deductible Medical	\$ -	\$ 20.00
Medicare Primary Medical	\$ 41.31	\$ 207.00
Essential Dental	\$ -	\$ 17.00
Choice Dental	\$ 17.00	\$ 51.50
Premier Dental	\$ 46.50	\$ 82.50

The discount rate was based upon the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based upon the PUB-2010 Amounts-Weighted Teachers Classification Table for Employees with generational projection using Scale MP-2021.

With the exception of the mortality assumption, the demographic assumptions (retirement rates, termination rates, and salary scale) are based upon the December 31, 2019 Colorado PERA assumption study,

Changes in the Total OPEB Liability. The following table details the changes in the University's total OPEB plan liability during fiscal year 2023.

Reconciliation of University OPEB's Total OPEB Liability *(in thousands)*

	Total OPEB Liability
Balance recognized at June 30, 2022	\$ 1,287,203
Changes recognized for the fiscal year:	
Services cost	111,208
Interest on total OPEB liability	29,892
Differences between expected and actual experience	(4,126)
Changes of assumption	(288,497)
Benefit payments	(16,226)
Net changes	(167,749)
Balance recognized at June 30, 2023	\$ 1,119,454

Changes of assumptions and other inputs reflect:

- Discount rate changed from 2.15 percent to 3.54 percent.

Sensitivity of the total OPEB liability to changes in the discount rate. The following table presents the total OPEB liability of the University OPEB, as well as what University OPEB's total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate for the fiscal year ended June 30, 2023.

Sensitivity of University OPEB's Total OPEB Liability to Changes in the Discount Rate *(in thousands)*

	1% Decrease	Discount Rate	1% Increase
Fiscal year ended	2.54%	3.54%	4.54%
June 30, 2023	1,317,165	1,119,454	962,043

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following table presents the total OPEB liability of the University OPEB, as well as what the University OPEB's total OPEB liability would be

if it were calculated using healthcare cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates for the fiscal year ended June 30, 2023.

Sensitivity of University OPEB's Total OPEB Liability to Changes in the
Healthcare Cost Trend Rate *(in thousands)*

Fiscal year ended	1% Decrease	Trend Rate	1% Increase
June 30, 2023	929,999	1,119,454	1,367,885

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

Related to OPEB. The University recognized \$121.3 million in OPEB expense for the University OPEB Plan in fiscal year 2023. There are no assets accumulating in trust for the University OPEB plan. The following table illustrates the deferred outflows and inflows of resources from various sources as of June 30, 2023.

University OPEB's Deferred Outflows and Inflows of Resources *(in thousands)*

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	149,627	117,349
Changes in Assumptions	166,723	261,660
Contributions subsequent to the measurement date	19,243	-
Total	335,593	379,009

The \$19.2 million reported as deferred outflows of resources as of June 30, 2023 resulting from contributions subsequent to the measurement date, will be recognized as a reduction to the University's OPEB liability in the year ending June 30, 2024.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as shown in the following table.

Future Amortization of University OPEB's Deferred Outflows of Resources and Inflows of Resources <i>(in thousands)</i>	
Years ending June 30:	
2024	\$ (19,832)
2025	(8,964)
2026	(3,997)
2027	7,281
2028	14,238
2029-2030	(51,385)
Total	\$ (62,659)

Amortization bases included in the University's OPEB deferred outflows and inflows of resources as of June 30, 2023 are presented in the following table.

Amortization of University OPEB's Deferred Outflows of Resources and Deferred Inflows of Resources (*in thousands*)

Date Established	Type of Base	Period		Balance		Annual Amortization
		Original	Remaining	Original	Remaining	
July 1, 2017	Differences between expected and actual experience	7.4	1.4	\$ (87,654)	(16,584)	(11,845)
July 1, 2017	Changes in assumptions	7.4	1.4	(46,406)	(8,780)	(6,271)
July 1, 2018	Differences between expected and actual experience	7.5	2.5	(1,728)	(578)	(230)
July 1, 2018	Changes in assumptions	7.5	2.5	35,919	11,974	4,789
July 1, 2019	Differences between expected and actual experience	7.5	3.5	(209,938)	(96,570)	(27,592)
July 1, 2019	Changes in assumptions	7.5	3.5	3,678	1,718	490
July 1, 2020	Differences between expected and actual experience	7.7	4.7	287	176	37
July 1, 2020	Changes in assumptions	7.7	4.7	168,948	103,125	21,941
July 1, 2021	Differences between expected and actual experience	7.7	5.7	201,889	149,451	26,219
July 1, 2021	Changes in assumptions	7.7	5.7	67,418	49,906	8,756
July 1, 2022	Differences between expected and actual experience	8.1	7.1	(4,126)	(3,617)	(509)
July 1, 2022	Changes in assumptions	8.1	7.1	(288,497)	(252,880)	(35,617)
				Total	\$ (62,659)	\$ (19,832)

Colorado State University - OPEB Health Plan Trust

Plan Description

CSU contributes to the OPEB Health Plan Trust, a single-employer defined benefit healthcare plan comprised of the CSU Retiree Medical Premium Refund Plan for DCP Participants (DCP Refund), CSU Retiree Medical Premium Subsidy for PERA Participants (PERA Subsidy), and the CSU Retiree Umbrella Rx Plan for PERA Participants (Rx Subsidy) plans. The plans, while merged, continue to provide premium support or medical benefits to eligible retired CSU faculty and nonclassified employees with the Rx Subsidy extending the benefit coverage of those eligible for the PERA Medicare Advantage plan to their spouses and dependents that elect to participate.

Membership of the plan consisted of the following as of June 30, 2023:

Employees Covered by OPEB Health Plan Trust

Active plan members	5,634
Retirees receiving a subsidy	1,232
Retirees eligible for a subsidy but not yet receiving one	372
Total	7,238

OPEB Health Plan Trust

The OPEB Health Plan Trust is comprised of three single-employer retirement benefit plans regarding healthcare: DCP Refund, PERA Subsidy, and Rx Subsidy. The funds are combined and available for use by the OPEB Health Plan Trust. The merger was approved by CSU's Interim President in October 2022, and was effective January 1, 2023. The plan will continue to follow the individual eligibility requirements for participating individuals as follows:

DCP Refund

Employees who retire from the University at age 55 with 20 or more years of service or age 60 with 5 or more years of service are eligible for this benefit. For eligible retirees with 20 or more years of service, CSU pays a healthcare premium refund of the lesser of \$648 per month or the actual cost of the retiree's (not including dependents) health insurance. Benefits are prorated for service between 5 and 20 years. DCP Refund plan participants include employees who were hired after April 1, 1993, who have no previous participation in PERA or have less than one year of participation in PERA or employees with at least one year of previous participation in PERA who elect to enroll in the DCP Refund plan at the time of appointment. DCP Refund plan participants also include certain employees hired prior to April 1, 1993 who made a one-time, irrevocable election at the time of implementation to terminate participation in PERA and join the DCP Refund plan. The DCP Refund plan is administered by HealthSmart.

PERA Subsidy

University faculty and nonclassified staff participating in the PERA retirement plan who meet CSU's age and years of service requirements and retire from the University with at least 10 years of University service, are eligible to receive a subsidy. Future enrollments are further restricted to those academic faculty and administrative professional staff participating in the PERA retirement plan and holding benefit eligible appointments on June 30, 2009. The amount of the subsidy for eligible retirees is their out-of-pocket expenses for retiree only coverage or an amount equal to the premium for single coverage under the lowest cost plan available to active faculty and nonclassified staff, whichever is less. The plan is administered by PERA which bills CSU on a monthly basis for the applicable premiums.

Rx Subsidy

The University provides reimbursement for the prescription copayments made by eligible faculty and nonclassified staff who retire from the University under the PERA retirement plan with at least 10 years of service. Retirees have to be age 65 or older or eligible for Medicare and enrolled in the PERA Medicare Advantage plan to be eligible for this plan. Future enrollments are further restricted to those academic faculty and administrative professional staff participating in the PERA retirement plan and holding benefit eligible appointments on June 30, 2009. PERA provides a prescription insurance program for retirees enrolled in any medical insurance plan. The PERACare Prescription insurance program covers the cost of prescriptions after the member pays a copay which varies depending on whether the prescription is purchased through a local retail pharmacy or through a mail-order pharmacy, and whether the drug is generic or a brand-name drug. The plan is administered by Employee Benefit Management Services, Inc.

On an annual basis, funds equal to the actuarially determined contribution (ADC), provided by the actuarial valuation, are transferred to the irrevocable trust. The funds contributed to the OPEB Health Plan Trust for the fiscal year ended June 30, 2023, were \$3.7 million. These funds, along with the amounts paid in by participants of \$17 thousand and the related interest income, have resulted in total funds available of \$81.8 million as of fiscal year ended June 30, 2023. The benefits paid by the University were \$2.8 million for the fiscal year ended June 30, 2023. For the fiscal year ended June 30, 2023, the OPEB Health Plan Trust had a total OPEB liability of \$114.2 million, a fiduciary net position of \$81.8 million, and a net OPEB liability of \$32.4 million. The fiduciary net position as a percentage of the total OPEB liability was 71.6 percent for the fiscal year ended June 30, 2023.

Contributions

CSU funds the plans using the ADC amount, an amount actuarially determined in accordance with the parameters of GASB Statement No. 43, which referred to it as annual required contribution. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial accrued liabilities over a period not to exceed 30 years. CSU's related information for the plan for the fiscal year ended June 30, 2023 is as follows:

**OPEB Health Plan
Trust**

Contribution Rates:

CSU	Based on ADC
Participants	\$0-\$99 / month based on eligibility

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the ADC of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Net OPEB Liability

The net OPEB liability was measured as of January 1, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation based on census data as of January 1, 2023, adjusting for benefit payments, expected growth in benefit obligations, changes in key assumptions and plan provisions, and any significant changes in plan demographics that occurred during the year.

Actuarial Methods and Assumptions

The total OPEB (asset) liability in the fiscal year ended June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	OPEB Health Plan Trust
Valuation Date	1/1/2023
Measurement Date	1/1/2023
Actuarial cost method	Entry Age Normal, Level of Percent of Pay
Amortization Method	30 Years Open
Remaining amortization period	30 Years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	6.35%
Inflation rate	2.50%
Salary increase rate	N/A
Healthcare cost trend rate	6.5% initial, 4.75% ultimate

Participant mortality was determined by separate mortality rates for non-annuitants and annuitants. Non-annuitants' mortality was based on Pri-2012 "Employees" sex-distinct tables and projected generationally using Scale MP-2021, and annuitants mortality was based on Pri-2012 "Non-Disabled Annuitants" sex-distinct tables and projected generationally using Scale MP-2021.

The actuarial assumptions used in the January 1, 2023, valuation for retirement rates, non-retirement termination rates, salary scale, and participation assumptions were based on an experience study conducted in 2019.

Discount Rate

The discount rate used to measure the total OPEB liability was as follows for the plan as of the fiscal year ended June 30, 2023:

	Discount Rate
OPEB Health Plan Trust	5.60%

The projection of cash flows used to determine the discount rate assumed that the contributions were made at rates equal to the actuarially determined contribution rates. In an underfunded plan, a 30-year open amortization method is not designed to fund any funding deficits. This amortization method in an underfunded plan will result in a growing funded status shortfall, eventual depletion of the Fiduciary Net Position and higher contributions in the future. Based on those assumptions, and the funded status of the OPEB Health Plan Trust as of the measurement date, the actuaries project the plan will experience a complete depletion of plan assets prior to satisfying all benefit obligations.

The OPEB Health Plan Trust's discount rate for the fiscal year ended June 30, 2023 was 5.60 percent, which incorporated a municipal bond rate of 3.72 percent, obtained from the Bond Buyer 20-Bond General Obligation Index.

Changes in the Net OPEB Liability

Changes in the net OPEB liability consist of the OPEB Health Plan Trust. The total of the plan as of fiscal year ended June 30, 2023 are as follows:

Changes in Net OPEB Liability (in thousands)			
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Measurement period beginning balance, January 1, 2022	\$ 52,893	82,997	(30,104)
Changes for the year:			
Service cost	1,364	-	1,364
Interest	2,265	-	2,265
Change in plan provisions	70,682	-	70,682
Differences between expected and actual experience	(405)	-	(405)
Change in assumptions	(14,035)	-	(14,035)
Contributions-employer	-	677	(677)
Net investment income	-	(4,573)	4,573
Benefit payments	(1,944)	(1,944)	-
Administrative expense	-	(269)	269
Net changes	57,927	(6,109)	64,036
Measurement period ending balance, December 31, 2022	\$ 110,820	76,888	33,932

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of CSU, as well as what CSU's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate as of fiscal year ended June 30, 2023:

Sensitivity of OPEB Health Plan Trust's Net OPEB Liability to Changes in the Discount Rate (in thousands)

	1% Decrease	Current Discount Rate	1% Increase
Fiscal year ended	(4.60%)	(5.60%)	(6.60%)
June 30, 2023	49,020	33,932	21,378

The following presents the net OPEB liability of CSU, as well as what CSU's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates as of fiscal year ended June 30, 2023:

Sensitivity of OPEB Health Plan Trust's Net OPEB Liability to Changes in the Healthcare Cost Trend Rate *(in thousands)*

	1% Decrease	Current Discount Rate	1% Increase
Fiscal year ended	(5.50%)	(6.50%)	(7.50%)
June 30, 2023	31,043	33,932	36,508

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

CSU recognized \$68 million of OPEB expense for the OPEB Health Plan Trust in Fiscal Year 2023. The following table presents the OPEB Health Plan Trust's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources as of June 30, 2023.

OPEB Health Plan Trust's Deferred Outflows and Inflows of Resources *(in thousands)*

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	733	2,225
Changes in Assumptions	2,143	16,048
Net difference between projected and actual earning	2,755	
Contributions subsequent to the measurement date	4,387	-
Total	10,018	18,273

\$4.4 million reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Future Amortization of OPEB Health Plan Trust Deferred Outflows of Resources and Inflows of Resources <i>(in thousands)</i>	
Years ending June 30:	
2024	\$ (3,952)
2025	(3,467)
2026	(3,107)
2027	149
2028	(591)
Thereafter	(1,674)
Total	\$ (12,642)

Payable to the OPEB Plan

For the fiscal years ended June 30, 2023, CSU reported no payable as there were no outstanding contributions due to the Trust.

NOTE 8 – OTHER EMPLOYEE BENEFITS

A. MEDICAL AND DISABILITY BENEFITS

The Group Benefit Plans Fund is a Pension and Other Employee Benefits Trust Fund established for the purpose of risk financing employee and state-official medical claims. The fund includes several medical plan options ranging from provider of choice to managed care. The State uses a self-funded approach for certain employee and state-official medical claims. The State's contribution to the premium is subject to appropriation by the legislature each year, and State employees pay the difference between the State's contribution and the premium required to meet actuarial estimates. Since the amount of the State contribution is at the discretion of the legislature, employees ultimately bear the risk of funding the benefit plans.

The premiums, which are based on actuarial analysis, are intended to cover claims, reserves, third party administrator fees, stop-loss premiums and other external administration costs (such as COBRA and case management). Premiums also include a fee to offset the internal costs of administering the plan. Internal costs include developing plan offerings, maintaining the online benefits system, and communicating benefit provisions to employees. Employee healthcare premiums are allowed on a pretax basis under the State's Salary Reduction Plan Document. Effective July 1, 2013, premiums also included a fee to implement a statewide wellness program. During Fiscal Year 2023, covered employees who elected to participate in the wellness plan received a monthly health insurance premium credit of \$20 depending on the level of participation.

The Group Benefit Plans short-term disability program provides an employee with 60 percent of their pay beginning after 30 days of disability or exhausting their sick leave balance, whichever is later. This benefit expires six months after the beginning of the disability.

For the Fiscal Year ended June 30, 2023, the State offered three statewide, self-funded PPO options administered by Cigna and three regional, fully-insured HMO options administered by Kaiser Permanente. Two of these medical options were HSA-qualified high-deductible health plans (HDHPs). The State offers two statewide dental PPO plans and two statewide vision PPO plans administered by Delta Dental and EyeMed, respectively.

The Public Employees Retirement Association (PERA) covers short-term disability claims for State employees eligible under its retirement plan (see Note 6). The Group Benefit Plans Fund provides short-term disability coverage for employees not yet qualified for the retirement plan and secondary benefits for employees also covered under the PERA short-term disability plan.

B. DEFINED CONTRIBUTION RETIREMENT PLANS

Defined Contribution Retirement Plan (PERA DC Plan)

Plan Description – Employees of the State of Colorado hired on or after January 1, 2006, employees of certain community colleges hired on or after January 1, 2008, and certain classified employees of State Colleges and Universities hired on or after January 1, 2019, have the option to participate in the SDTF, a cost-sharing multiple-employer defined benefit pension plan, or the Defined Contribution Retirement Plan (PERA DC Plan).

The PERA DC Plan is an Internal Revenue Code Section 401(a) governmental profit-sharing defined contribution plan. Title 24, Article 51, Part 15 of the C.R.S., as amended, assigns the authority to establish Plan provisions to the PERA Board of Trustees. The PERA DC Plan is also included in PERA's ACFR as referred to above.

Funding Policy – All participating employees in the PERA DC Plan and the State are required to contribute a percentage of the participating employees' PERA-includable salary to the PERA DC Plan. The employee and employer contribution rates for the period July 1, 2022 through June 30, 2023 are summarized in the tables below:

	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023
Employee Contribution Rates:		
All employees other than State Troopers	11.00%	11.00%
State Troopers	13.00%	13.00%
Employer Contribution Rates:		
On behalf of all employees other than State Troopers	10.15%	10.15%
State Troopers	12.85%	12.85%

Contribution rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Additionally, employers are required to contribute AED, SAED, and other statutory amounts, as follows:

	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.00%	5.00%
Automatic Adjustment Provision (AAP), as specified in C.R.S. § 24-51-413	1.00%	1.00%
Additional statutory contribution as specified in C.R.S. § 24-51-401 and § 24-51-1505	0.25%	0.25%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.10%	0.17%
Total employer contribution rate to the SDTF	11.35%	11.42%

Contribution Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Contribution requirements are established under Title 24, Article 51, Section 1505 of the C.R.S., as amended. Participating employees of the PERA DC Plan are immediately vested in their own contributions and investment earnings and are immediately 50% vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10%. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.80 as adopted by the PERA Board of Trustees in accordance with Title 24, Article 51, Section 204 of the C.R.S. As a result, forfeitures do not reduce pension expense. Participating employees in the PERA DC Plan contributed \$10.2 million and the State recognized contribution expenses of \$9.5 million for the PERA DC Plan.

University of Colorado - Optional Retirement Plan

Under the University's optional retirement plan (ORP), a 401(a) plan, certain members of the University are required to participate in a defined contribution retirement plan administered by the University for the benefit of full-time

faculty and exempt staff members. The State constitution assigns the authority to establish and amend plan provisions to the Regents. The contribution requirements of plan members and the University are established and may be amended by the Regents. Generally, employees are eligible for participation in the ORP upon hire and are vested immediately upon participation.

For the year ended June 30, 2023, the University's contribution to the defined contribution retirement plan was equal to 10 percent of covered payroll, and the employee contribution was equal to 5 percent of covered payroll. The University's contribution under the ORP approximated \$203.6 million.

Participants in the University's ORP choose to invest all contributions with one or more of three designated vendors. In addition, participants in the University's ORP are covered under federal Social Security. Federal Social Security regulations require both the employer and employee to contribute a percentage of covered payroll to Social Security.

Colorado State University (CSU) - University Optional Retirement Plan – The Defined Contribution Plan for Retirement (DCP)

Under each University's optional retirement plan, all Academic Faculty, Administrative Professionals, Post-Doctoral Fellows, Veterinary Interns and Clinical Psychology Interns appointed on or after April 1, 1993, are required as a condition of employment under Colorado law to participate in either the Defined Contribution Plan (DCP) for Retirement or, in very limited cases, in the PERA Defined Benefit plan (as eligibility permits). CSU began a sole record-keeper arrangement with Fidelity on June 1, 2023 for its DCP Plans. Prior to CSU's arrangement with Fidelity, DCP participants of the System selected from three investment companies as follows:

- Fidelity Investments / MetLife (eligible Faculty/Staff at CSU-Pueblo do not have access to this investment company)
- Teachers Insurance and Annuity Association (TIAA)
- Corebridge

The defined contribution retirement plans are established pursuant to state statute (C.R.S. § 24-54.5-101 to 24-54.5-107). The CSU plan was adopted by the Board of Governors in December 1992, the CSU-Pueblo plan was adopted in April 1993 and the CSU-Global plan was adopted in July 2010. The Defined Contribution Retirement Plan is a qualified plan under Section 401(a) of the IRC. CSU, CSU-Pueblo and CSU-Global are the Plan Sponsors. All participants contribute the required 8.0 percent of eligible salary. As required, CSU provides a matching contribution of 12.0 percent of eligible salary for all "permanent" appointees (those with regular, special and continuing appointments at half time or greater) and for temporary appointees with appointments of half time or greater for the second and subsequent consecutive year(s). CSU-Pueblo provides a matching contribution of 11.1 percent, as required, of eligible salary for all nonstudent employees, including those employees at less than half time and nonstudent temporary, hourly employees. CSU-Global provides a matching contribution of 11.1 percent, as required, of eligible salary for all nonstudent employees, including those employees at less than half time and nonstudent temporary, hourly employees. Both employee and employer contributions are vested immediately. Investments are participant directed within the funds available through the authorized investment companies. The System's aggregate contribution to the above three vendors was equal to 11.3 percent of covered payroll or approximately \$62.0 million for the fiscal year ended June 30, 2023. The employee aggregate contribution to the above three vendors was equal to 8.0 percent of covered payroll or approximately \$45.4 million for the fiscal year ended June 30, 2023.

NOTE 9 – RISK MANAGEMENT

State Risk Management – Liability Fund and Workers' Compensation

The State currently self-insures its agencies, officials, and employees for certain risks of loss to which they are exposed. These include general liability, motor vehicle liability, and workers' compensation. The State also purchases Stop Loss insurance to mitigate the risk of loss on claims paid. The State receives reimbursement for claims by individual claimant over \$500,000.

Workers' Compensation losses are self-insured pursuant to the Risk Management Act (24-30-1501). Excess Worker's Compensation insurance policy is purchased with a \$10,000,000 per occurrence deductible and a \$50,000,000 per occurrence limit.

Property Losses - "all risk, including flood and equipment breakdown" insurance policy is purchased with a \$500,000 per occurrence deductible, and a limit of \$450,000,000 per occurrence. Per statute, individual Department property claims have a \$5,000 per occurrence deductible (effective July 1, 2011).

Liability losses are self-insured pursuant to the Risk Management Act, including automobile liability, general liability, employment liability, and other claims brought under State and Federal law. Claims brought under state law are limited to \$424,000 per person and \$1,195,000 (for claims that occur on or after January 1, 2022 and before January 1, 2026) per accident pursuant to the Colorado Governmental Immunity Act (CGIA 24-10-101). Excess Public Liability coverage is purchased for claims outside of Colorado and claims brought under Federal law with a \$2,000,000 per occurrence deductible and a \$5,000,000 per occurrence limit. A Crime insurance policy is purchased with \$250,000 per occurrence deductible and a \$10,000,000 per occurrence limit to cover losses due to employee dishonesty and theft. There were no reductions in coverage. No settlements or judgments exceeded insurance coverage for each of the past three fiscal years. The estimated fiscal year end Incurred But Not Reported liability was provided by an independent actuary. No participation in a risk pool. We contract with an actuary to estimate liabilities in the workers' compensation and liability funds. There are no outstanding amounts for claims where annuities were purchased and the related liability removed from the books.

All funds and agencies of the State, except for the University of Colorado, Colorado State University (not including CSU-Pueblo and CSU-Global), the University of Northern Colorado, Colorado School of Mines, Fort Lewis College, Colorado Mesa University, Western State Colorado University, Adams State University and component units participate in the State Risk Management Fund. State agency premiums are based on an assessment of risk exposure and historical claims experience.

Claims are reported in the General Fund in accordance with GASB Interpretation No. 6, and therefore, related liabilities are only reported to the extent that they are due and payable at June 30. On the government-wide statements, risk management liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Those liabilities include an amount for claims that have been incurred but not reported and an adjustment for non-incremental claims expense that is based on current administrative costs as a percentage of current claims and projected to the total actuarial claims estimate.

Because actual claims liabilities depend on complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. A contractor completes an actuarial study each year determining both the current and long-term liabilities of the Risk Management Fund.

Colorado employers, including the State, are liable for occupational injuries and diseases of their employees through workers' compensation insurance or self-insurance. Benefits are prescribed by the Workers' Compensation Act of Colorado for medical expenses and loss of wages resulting from job-related injuries. The State is self-insured and uses the services of a third party administrator, CorVel Corporation, to administer its plan. The State reimburses CorVel the current cost of claims paid and related administrative expenses.

From January 1, 2000 through June 30, 2005, the State and its employees purchased insurance for medical claims. Beginning July 1, 2005, the State returned to the self-funding approach (used prior to January 1, 2000) for medical claims except for stop-loss insurance purchased for claims over \$500,000 per individual. The State also maintains a fully insured health plan with Cigna that is separate from the self-funded plan. In Fiscal Year 2023, the State recovered \$12.0 million related to the stop-loss insurance claims. The State's contribution to medical premiums is subject to appropriation by the legislature each year, and State employees pay the difference between the State's contribution and the premium required to meet actuarial estimates. Since the amount of the State's contribution is at the discretion of the legislature, employees ultimately bear the risk of funding the benefit plans. The claims and related liabilities are reported in the Group Benefit Plans, a Pension and Other Employee Benefits Trust Fund.

The State recorded approximately \$22.1 million of insurance recoveries during Fiscal Year 2023. Of that amount approximately \$4.4 million was related to asset impairments that occurred in prior fiscal years. The remaining \$17.7 million relates to the current year and was primarily recorded by Group Benefits Plans (including the \$12.0 million, as noted above), a Pension and Other Employee Benefits Fund, and \$3.6 million by Higher Education in the Higher Education Institutions Fund.

University of Colorado – General Liability, Property, and Workers' Compensation

The University of Colorado is self-insured for workers' compensation, auto, property and general liability claims. The Fund's liabilities are projected on a semi-annual basis by an actuary, Willis Towers Watson. The University has purchased excess insurance to cover losses over its' self-insured retention (SIR), which varies by line of coverage and policy year. The current SIR levels are \$500,000 per property claim, \$2,000,000 per workers' compensation claim, and \$1,250,000 per general liability claim. Tort claims are subject to the governmental immunity act, and damages are capped for specified areas at \$350,000 per person and \$990,000 per occurrence.

In October 2018, the University of Colorado formed a captive insurance company, Altitude West. A captive is a limited purpose, licensed insurance company; the main business purpose of which is to insure the risks of the captive's owner, who is also its principal beneficiary. The captive insurance company owner has direct involvement in and influence over the captive's major operations, including underwriting, claims management, policy form, and investments. Altitude West operates by and for the University of Colorado. The advantages offered by Altitude West as a captive insurer are significant. It gives the University the ability to provide customized coverage specific policy forms that will allow CU to address its unique risks and exposures. There were no reductions in insurance coverage in the prior year. There are seven claims that exceeded coverage in the past three fiscal years: five Property and two General Liability.

University of Colorado Denver – Graduate Medical Education Health Benefits Program and Medical Malpractice

The University of Colorado Anschutz Medical Campus and its faculty and staff are self-insured for medical malpractice liability under the terms of the Colorado Governmental Immunity Act. The University of Colorado Self-Insurance Trust to cover claims greater than \$500,000 per claimant and \$1,500,000 per occurrence. The policy provides \$10,000,000 coverage in aggregate annually; GME Health Benefit Program: The CU Graduate Medical Education (GME) Health Benefits Program is a comprehensive health and dental insurance program for physicians in training at the Anschutz Medical Campus. Coverage includes major medical, outpatient, lab, x-ray, prescriptions and personal psychiatric services for residents plus their immediate family (spouses and children). The plan's exposure to loss results from medical and dental claims filed on behalf of the enrolled members after receiving medical and dental services from qualified health care providers. Effective 7/1/2021, the program has been transferred to the University of Colorado Health and Welfare Trust, a fiduciary component unit of the University. No significant reductions in insurance coverage occurred during the fiscal year. Over the past three years, the plan has collected \$137,795 from the stop-loss insurance carrier for settlements in excess of the individual stop-loss insurance coverage; GME Health Benefit Program: Effective 7/1/2021, GME Health Benefits Program has been transferred to the University of Colorado Health and Welfare Trust, a fiduciary component unit of the University. No significant changes of reductions in insurance coverage from coverage in the prior year. The self-insured for medical malpractice liability in Anschutz Medical Campus is not in a risk pool. The basis of estimating the liability is from an annual actuarial study. The liability balance is discounted and established at a 75% confidence level. Additional information is on file in the Finance Office; GME Health Benefit Program: GME does not participate in a risk pool for this program. Liabilities are estimated using actuarial calculations from a professional insurance brokerage firm. Due to the nature of the plan,

claims are filed promptly after services are provided (typically within 30 days) with a limit stated in the plan that claims must be filed within 1 year of the date of service.

Colorado State University – Medical, Dental, and Disability Benefits and General Liability

CSU manages a combination of self-insured and fully-insured property and casualty insurance programs to best protect the University's assets. Separate accounts currently make up the self-insured program: workers' compensation, liability, auto comprehensive/collision, and property. CSU contracts various day-to-day operations of the self-funded benefit plans, including claims processing, to third-party administrators. CSU carries excess insurance for liability and workers' compensation claims over \$500 thousand per occurrence, including claims arising from employment practices. CSU's excess liability limits for this insurance are \$25.0 million per occurrence. CSU self-insures for property insurance claims less than \$100 thousand per occurrence with a \$1 thousand deductible per occurrence paid by the university department incurring the loss. CSU purchases property insurance with limits of \$1.0 billion. In addition to this, CSU carries auto insurance for out-of-state vehicles and workers' compensation for out-of-state employees, student intern professional liability, professional liability insurance (Architects & Engineers), crime insurance, foreign liability insurance, Cyber Liability, Aviation Liability, Unmanned Aerial Vehicles Liability, TULIP (Tenant User Liability Insurance Program), and self-insures for in-state auto insurance. As of March 1, 2016, CSU purchased liability, professional liability, and pollution liability for The Center for Environmental Management Military Lands (CEMML) operations, including their prescribed burn operations. This insurance included a primary layer of \$2.0 million aggregate, an umbrella layer of \$5.0 million, and an excess layer of \$5.0 million. In October 2017, after Board approval, additional limits were purchased so that CEMML could manage, and otherwise supervise prescribed burn activities. This resulted in insurance placed with total limits of liability equaling \$50.0 million for CEMML.

In addition to the above, CSU is self-insured for various other risks of loss. Separate accounts currently make up the self-insured program: healthcare, dental, short-term disability, Family and Medical Leave Insurance (FAMLI), and an unallocated reserve fund. CSU contracts various day-to-day operations of the healthcare and dental self-funded benefit plans, including claims processing, to third-party administrators. Short-term disability and FAMLI, a voter approved initiative known as Proposition 118 which allows paid time off for qualifying reasons defined under the law, are administered by the University. CSU received state approval to operate its own self-funded FAMLI program with premium contributions effective January 1, 2023, and claim submissions beginning January 1, 2024. Program funding is derived from a combination of premiums paid by benefit plan participants and various institutional match amounts. The self-funded benefit plans are fully self-insured except for healthcare coverage, which is reinsured for claims expenses above \$500 thousand per covered employee per year. The Unallocated Reserve Account is a general contingency reserve fund for miscellaneous and unanticipated expenses of the other health related accounts.

The amount of claims and administrative costs for the self-funded plans for the fiscal years ended June 30, 2023 and 2022 did not exceed plan revenues and reserves. Eligible faculty and nonclassified staff employees may select from various benefit plans and may elect to make premium contributions in the form of a pre-tax salary reduction.

The above health related programs had estimated claim liabilities of \$51.3 million and \$44.1 million at June 30, 2023 and 2022, respectively, which include incurred but not reported claims (IBNR) along with known claims at year end. These estimates are made through a combination of analyzing payments in early months of the subsequent year, historical trends, industry guidelines, and underwriting advice from our third-party administrator and benefits consultant.

In addition to these claims, workers' compensation had estimated claim liabilities of \$2.3 million at June 30, 2023. Liability self-insurance had estimated claim liabilities of \$1.2 million at June 30, 2023. These estimates are based on current data and actuarial reports. Property self-insurance had no estimated claim liabilities at June 30, 2023.

Changes in claims liabilities were as follows:

Changes in Claims Liabilities (Amounts in Thousands)				
Fiscal Year	Liability at July 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability at June 30
State Risk Management:				
Liability Fund				
2022-23	37,445	(22,521)	(17,764)	32,688
2021-22	25,495	6,673	(5,277)	37,445
2020-21	27,954	(6,400)	(3,941)	25,495
Workers' Compensation				
2022-23	88,086	26,883	32,320	82,649
2021-22	96,796	22,137	30,847	88,086
2020-21	104,030	25,262	32,496	96,796
Property				
2022-23	9,443	1,928	1,928	9,443
2021-22	9,443	739	739	9,443
2020-21	9,443	4,710	4,710	9,443
State Group Benefit Plans:				
2022-23	25,034	376,036	366,318	34,752
2021-22	21,061	322,881	318,908	25,034
2020-21	22,928	293,995	295,862	21,061
University of Colorado:				
General Liability, Property, and Workers' Compensation				
2022-23	18,613	8,120	6,542	20,191
2021-22	18,711	8,004	8,102	18,613
2020-21	17,621	7,530	6,440	18,711
University of Colorado Denver:				
Graduate Medical Education Health Benefits Program				
2022-23	-	-	-	-
2021-22	1,676	(751)	925	-
2020-21	2,502	13,293	14,119	1,676
Medical Malpractice				
2022-23	12,620	(915)	1,719	9,986
2021-22	12,251	1,911	1,542	12,620
2020-21	10,445	3,636	1,830	12,251
Colorado State University:				
Medical, Dental, and Disability Benefits and General Liability				
2022-23	47,719	80,356	73,241	54,834
2021-22	46,785	68,792	67,858	47,719
2020-21	37,074	69,799	60,088	46,785

NOTE 10 – LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

LEASES

State as Lessee

The State leases office space, buildings, software, and equipment. The total lease liability at June 30, 2023 is \$244.4 million for governmental activities and \$149.1 million for business-type activities. There are no significant residual payments excluded from the measurement of the lease liability. Outflows of resources recognized in the reporting period for variable payments not previously included in the measurement of the lease liability are \$3.8 million. There are no significant outflows of resources recognized in Fiscal Year 2023 for other payments, including residual value guarantees or termination penalties, not previously included in the measurement of the lease liability. Interest expense on leases recognized in Fiscal Year 2023 is \$1.9 million for governmental activities and \$2.6 million for business-type activities.

The following table presents lease principal and interest requirements to maturity.

(Amounts in Thousands)					
		Governmental Activities		Business-Type Activities	
	Fiscal Year(s)	Principal	Interest	Principal	Interest
2024	2024	\$ 53,662	\$ 2,535	\$ 22,746	\$ 2,393
2025	2025	43,123	2,012	19,051	2,084
2026	2026	39,279	1,658	17,066	1,764
2027	2027	24,342	1,356	15,403	1,473
2028	2028	17,259	1,117	14,143	1,233
2029	2029 to 2033	46,603	3,152	40,167	3,449
2034	2034 to 2038	17,615	836	18,826	910
2039	2039 to 2043	2,383	72	1,651	122
2044	2044 to 2048	104	8	-	-
2049	2049 to 2053	43	1	-	-
Total		\$ 244,413	\$ 12,747	\$ 149,053	\$ 13,428

There were no significant commitments under leases that existed before the commencement of the lease term; no significant losses associated with impairments; no significant sublease or sale-leaseback/lease-leaseback transactions; and no significant collateral as security.

Refer to *Note 5 – Capital and Right-to-Use Assets* for additional information on the total amount of leased assets by major class and related accumulated amortization.

State as Lessor

The State leases land use rights, buildings, office space, and excess facilities owned by institutions of higher education. There are no significant variable payments excluded from the measurement of the lease receivable and no significant inflows of resources from variable or other payments not previously included in the measurement of the lease receivable. The lease receivable at June 30, 2023 is \$444 thousand for governmental activities and \$104.2 million for business-type activities.

The State recognized rental income of \$98 thousand for governmental activities and \$11.8 million for business-type activities and interest income on leases of \$3 thousand for governmental activities and \$1.9 million for business-type activities. Inflows of resources recognized in the reporting period for variable and other payments not previously

included in the measurement of the lease receivable are \$43 thousand. There are no significant leases with options for the lessee to terminate the lease or abate payments if the State issues debt for which the principal and interest payments are secured by the lease payments.

There are no significant leases of assets that are held as investments; no significant regulated leases; and no leasing of assets to other entities considered to be a principal and ongoing operation of the State.

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The State implemented the requirements of Governmental Accounting Standards Board Statement No. 96 – *Subscription-Based Information Technology Arrangements* for the Fiscal Year ended June 30, 2023.

The State has various subscription-based information technology arrangements for hosting services, processing income tax returns, lottery prize administration, preparation and conduction of elections, peace officer training, document management, research portals, curriculum management, and ERP systems. The total subscription liability at June 30, 2023 is \$41.3 million for governmental activities and \$87.4 million for business-type activities. There are no significant residual payments excluded from the measurement of the subscription liability. Outflows of resources recognized in the reporting period for variable payments not previously included in the measurement of the subscription liability are \$464 thousand. Outflows of resources recognized in Fiscal Year 2023 for other payments, including termination penalties, not previously included in the measurement of the subscription liability are \$532 thousand. Interest expense on subscriptions recognized in Fiscal Year 2023 is \$583 thousand for governmental activities and \$1.6 million for business-type activities.

The following table presents subscription principal and interest requirements to maturity.

		(Amounts in Thousands)			
		Governmental Activities		Business-Type Activities	
	Fiscal Year(s)	Principal	Interest	Principal	Interest
2024	2024	\$ 15,077	\$ 529	\$ 31,714	\$ 1,359
2025	2025	12,454	325	14,321	893
2026	2026	7,300	201	9,999	534
2027	2027	6,461	30	3,721	303
2028	2028	-	-	11,672	162
2029	2029 to 2033	-	-	6,845	275
2034	2034 to 2038	-	-	1,192	10
2039	2039 to 2043	-	-	7,927	-
2044	2044 to 2048	-	-	-	-
2049	2049 to 2053	-	-	-	-
Total		\$ 41,292	\$ 1,085	\$ 87,391	\$ 3,536

There were no significant commitments under subscriptions that existed before the commencement of the subscription term, and no losses associated with impairments.

Refer to *Note 5 – Capital and Right-to-Use Assets* for additional information on the total amount of subscription assets by major class and related accumulated amortization.

NOTE 11 – NOTES, BONDS, AND CERTIFICATES OF PARTICIPATION PAYABLE

Various institutions of higher education, History Colorado, the Judicial Branch, and the Departments of Corrections, Transportation, Agriculture, Public Administration, Public Safety, and Treasury have outstanding notes, bonds, and/or Certificates of Participation (COPs) for the purchase of equipment or to construct facilities or infrastructure. Except for the Department of Corrections that receives Capital Projects Fund appropriations and the Department of Public Safety that receives General Purpose Revenue Fund appropriations for lease payments related to COPs, specific user revenues are pledged for the payments of interest and future retirement of the obligations. The State is not allowed by its Constitution to issue general obligation debt except to fund buildings for State use, to defend the State or the U.S. (in time of war), or to provide for unforeseen revenue deficiencies; additional restrictive limitations related to the valuation of taxable property also apply.

Collectively, the State's business-type activities had \$3,272.0 million in available net revenue after operating expenses to meet the \$264.4 million of debt service requirement related to revenue bonds.

The revenue of an individual business-type activity is generally not available to meet the debt service requirements of another business-type activity. (See additional disclosures regarding pledged revenue in Note 17.)

During Fiscal Year 2023, the State recorded \$422.2 million of interest costs, of which \$194.1 million was recorded by governmental activities and \$228.1 million was recorded by business-type activities. The governmental activities interest cost primarily comprises \$5.2 million of Highway Users Tax Fund interest on Transportation Revenue Anticipation Notes issued by the Department of Transportation, \$15.3 million of interest on Certificates of Participation issued by the Judicial Branch, and \$63.6 million of interest on Certificates of Participation issued by the State Treasurer for the Building Excellent Schools Today program. The business-type activities interest cost primarily comprises \$148.1 million of interest on revenue bonds issued by institutions of higher education, \$8.5 million of interest paid to lending institutions that made loans to students under the College Assist loan guarantee program, and \$57.4 million of interest on bonds issued by the Bridge Enterprise in the Transportation Enterprise. College Assist and the Transportation Enterprise are nonmajor enterprise funds. Annual maturities of notes, bonds, and COPs payable at June 30, 2023, are as follows:

(Amounts in Thousands)							
Governmental Activities (Non-Direct Borrowings and Non-Direct Placements)							
Fiscal Year	Notes Payable		Certificates of Participation		Totals		
	Principal	Interest	Principal	Interest	Principal	Interest	
2024	\$ 24,302	\$ 2,136	\$ 210,086	\$ 168,636	\$ 234,388	\$ 170,772	
2025	20,250	1,628	129,946	162,173	150,196	163,801	
2026	16,888	1,192	128,755	155,752	145,643	156,944	
2027	12,805	766	143,480	148,642	156,285	149,408	
2028	8,123	491	243,220	141,633	251,343	142,124	
2029 to 2033	14,770	618	815,065	583,576	829,835	584,194	
2034 to 2038	3	-	892,555	388,133	892,558	388,133	
2039 to 2043	-	-	918,255	152,763	918,255	152,763	
2044 to 2048	-	-	203,140	16,129	203,140	16,129	
Subtotals	97,141	6,831	3,684,502	1,917,437	3,781,643	1,924,268	
Unamortized Prem/Discount	-	-	526,605	-	526,605	-	
Totals	\$ 97,141	\$ 6,831	\$ 4,211,107	\$ 1,917,437	\$ 4,308,248	\$ 1,924,268	

(Amounts in Thousands)

Governmental Activities (Direct Borrowings and Direct Placements)

Fiscal Year	Notes Payable		Certificates of Participation		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 360	\$ 21	\$ 3,375	\$ 7,779	\$ 3,735	\$ 7,800
2025	140	13	9,210	7,266	9,350	7,279
2026	147	6	7,455	6,978	7,602	6,984
2027	-	-	9,705	7,188	9,705	7,188
2028	-	-	12,770	6,878	12,770	6,878
2029 to 2033	-	-	99,500	28,938	99,500	28,938
2034 to 2038	-	-	125,545	12,389	125,545	12,389
2039 to 2043	-	-	20,115	6,784	20,115	6,784
2044 to 2048	-	-	9,345	1,002	9,345	1,002
Subtotals	647	40	297,020	85,202	297,667	85,242
Unamortized Prem/Discount	-	-	(278)	-	(278)	-
Totals	\$ 647	\$ 40	\$ 296,742	\$ 85,202	\$ 297,389	\$ 85,242

(Amounts in Thousands)

Business-Type Activities (Non-Direct Borrowings and Non-Direct Placements)

Fiscal Year	Revenue Bonds		Notes Payable		Certificates of Participation		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 142,705	\$ 156,522	\$ 6,384	\$ 26,975	\$ 16,395	\$ 3,217	\$ 165,484	\$ 186,714
2025	364,903	148,335	6,983	26,731	17,236	2,378	389,122	177,444
2026	255,732	136,542	7,645	26,461	18,115	1,495	281,492	164,498
2027	226,534	127,859	8,510	26,160	19,050	566	254,094	154,585
2028	173,718	120,542	9,381	25,826	1,800	45	184,899	146,413
2029 to 2033	736,130	499,948	66,377	122,466	-	-	802,507	622,414
2034 to 2038	688,775	347,201	91,913	107,738	-	-	780,688	454,939
2039 to 2043	645,505	187,830	134,365	86,066	-	-	779,870	273,896
2044 to 2048	330,875	84,632	188,246	55,127	-	-	519,121	139,759
2049 to 2053	161,455	35,025	184,201	14,091	-	-	345,656	49,116
2054 to 2058	88,600	7,487	-	-	-	-	88,600	7,487
Subtotals	3,814,932	1,851,923	704,005	517,641	72,596	7,701	4,591,533	2,377,265
Unamortized Prem/Discount	216,381	-	-	-	7,324	-	223,705	-
Unaccrued Interest	(1,367)	-	-	-	-	-	(1,367)	-
Totals	\$ 4,029,946	\$ 1,851,923	\$ 704,005	\$ 517,641	\$ 79,920	\$ 7,701	\$ 4,813,871	\$ 2,377,265

(Amounts in Thousands)

Business-Type Activities (Direct Borrowings and Direct Placements)

Fiscal Year	Revenue Bonds		Notes Payable		Mortgages Payable		Certificates of Participation		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 245,454	\$ 17,241	\$ 6,856	\$ 4,288	\$ 439	\$ 362	\$ 2,065	\$ 323	\$ 254,814	\$ 22,214
2025	15,578	14,977	12,320	4,736	457	344	2,125	272	30,480	20,329
2026	18,920	14,128	12,009	4,008	476	325	2,160	220	33,565	18,681
2027	17,115	13,333	23,905	5,384	497	304	2,215	167	43,732	19,188
2028	21,780	12,716	17,835	4,328	2,817	1,189	2,265	113	44,697	18,346
2029 to 2033	210,235	50,697	25,802	9,626	4,248	164	2,320	57	242,605	60,544
2034 to 2038	215,515	23,996	8,736	6,525	-	-	-	-	224,251	30,521
2039 to 2043	46,670	9,486	8,785	4,690	-	-	-	-	55,455	14,176
2044 to 2048	26,285	3,475	11,005	2,470	-	-	-	-	37,290	5,945
2049 to 2053	6,565	878	5,144	245	-	-	-	-	11,709	1,123
Subtotals	824,117	160,927	132,397	46,300	8,934	2,688	13,150	1,152	978,598	211,067
Unamortized Prem/Discount	649	-	-	-	-	-	(4)	-	645	-
Unaccrued Interest	-	-	-	-	-	-	-	-	-	-
Totals	\$ 824,766	\$ 160,927	\$ 132,397	\$ 46,300	\$ 8,934	\$ 2,688	\$ 13,146	\$ 1,152	\$ 979,243	\$ 211,067

In March 2008, the Colorado School of Mines entered a derivative instrument agreement (interest rate swap) as an effective hedge against expected increasing interest costs on its variable rate debt.

Assuming current interest rates are applied over the term of the debt, at June 30, 2023, the Colorado School of Mines' aggregate debt service payments and net swap cash payments are reflected in the table below:

(Amounts in Thousands)

Net Debt Service for Colorado School of Mines' Interest Rate Swap Agreement				
Fiscal Year	Principal	Interest	Interest Rate Swap, Net	Total
2024	\$ 975	\$ 1,390	\$ 229	\$ 2,594
2025	1,000	1,350	222	2,572
2026	32,435	556	91	33,082
Totals	\$ 34,410	\$ 3,296	\$ 542	\$ 38,248

In January 2018, Colorado State University entered into a floating to fixed interest rate swap agreement in connection with the 2015D System Enterprise Revenue Bonds.

Assuming current interest rates are applied over the term of the debt, at June 30, 2023, Colorado State University's aggregate debt service payments and net swap cash payments are reflected in the table below:

(Amounts in Thousands)

Net Debt Service for Colorado State University Interest Rate Swap Agreement				
Fiscal Year	Principal	Interest	Interest Rate Swap, Net	Total
2024	\$ 1,005	\$ 2,995	\$ (1,392)	\$ 2,608
2025	1,005	2,951	(1,371)	2,585
2026	1,000	2,905	(1,350)	2,555
2027	1,570	2,854	(1,326)	3,098
2028	3,045	2,765	(1,285)	4,525
2029 to 2033	18,625	11,888	(5,525)	24,988
2034 to 2038	12,805	7,813	(3,631)	16,987
2039 to 2043	14,375	4,806	(2,234)	16,947
2044 to 2048	13,225	1,352	(628)	13,949
Totals	\$ 66,655	\$ 40,329	\$ (18,742)	\$ 88,242

In Fiscal Year 2020, CSU entered into a floating to fixed interest swap agreement in connection with the 2015A System Enterprise Revenue Bonds. This agreement gives the university the right to enter into a swap agreement on a future date, March 2025.

Assuming current interest rates are applied over the term of the debt, at June 30, 2023, Colorado State University's aggregate debt service payments and net swap cash payments are reflected in the table below:

(Amounts in Thousands)

Net Debt Service for Colorado State University Interest Rate Swap Agreement				
Fiscal Year	Principal	Interest	Interest Rate Swap, Net	Total
2024	\$ -	\$ 4,511	\$ -	\$ 4,511
2025	-	4,511	-	4,511
2026	375	4,511	(1,963)	2,923
2027	380	4,511	(1,972)	2,919
2028	390	4,511	(1,981)	2,920
2029 to 2033	2,080	22,554	(10,047)	14,587
2034 to 2038	7,585	21,768	(9,965)	19,388
2039 to 2043	11,980	19,810	(9,166)	22,624
2044 to 2048	19,015	18,110	(8,411)	28,714
2049 to 2053	46,765	11,049	(5,353)	52,461
2054 to 2058	20,170	1,428	(717)	20,881
Totals	\$ 108,740	\$ 117,274	\$ (49,575)	\$ 176,439

In April 2020, Metropolitan State University entered a derivative instrument agreement (interest rate swap) as an effective hedge against expected increasing interest costs.

Assuming current interest rates are applied over the term of the debt, at June 30, 2023, Metropolitan State University's aggregate debt service payments and net swap cash payments are reflected in the table below:

(Amounts in Thousands)

Net Debt Service for Metropolitan State University Interest Rate Swap Agreement				
Fiscal Year	Principal	Interest	Interest Rate Swap, Net	Total
2024	\$ -	\$ 2,014	\$ (749)	\$ 1,265
2025	1,535	1,943	(723)	2,755
2026	1,590	1,869	(695)	2,764
2027	1,655	1,793	(667)	2,781
2028	1,715	1,713	(637)	2,791
2029 to 2033	9,630	7,262	(2,700)	14,192
2034 to 2038	11,680	4,753	(1,767)	14,666
2039 to 2043	15,660	1,641	(610)	16,691
Totals	\$ 43,465	\$ 22,988	\$ (8,548)	\$ 57,905

The original principal amount of the State's debt disclosed in the above tables is as follows:

Non-Direct Borrowings and Non-Direct Placements (Amounts in Thousands)					
	Revenue Bonds	Notes Payable	Mortgages Payable	Certificates of Participation	Total
Governmental Activities	\$ -	\$ 117,439	\$ -	\$ 4,294,199	\$ 4,411,638
Business-Type Activities	5,195,873	718,072	12,450	227,990	6,154,385
Total	\$ 5,195,873	\$ 835,511	\$ 12,450	\$ 4,522,189	\$ 10,566,023

Direct Borrowings and Direct Placements (Amounts in Thousands)					
	Revenue Bonds	Notes Payable	Mortgages Payable	Certificates of Participation	Total
Governmental Activities	\$ -	\$ 9,504	\$ -	\$ 317,750	\$ 327,254
Business-Type Activities	879,695	152,930	12,450	34,080	1,079,155
Total	\$ 879,695	\$ 162,434	\$ 12,450	\$ 351,830	\$ 1,406,409

Assets pledged as collateral for debt across state departments and institutions of higher education include the following:

- The Colorado Bureau of Investigations (CBI) Grand Junction Regional Office and Forensic Laboratory (related to non-direct borrowing/direct placement for governmental activities);
- The CBI Pueblo Regional Office and Forensic Laboratory (related to non-direct borrowing/direct placement for governmental activities);
- The CBI Forensic Laboratory Equipment (related to direct borrowing/direct placement for governmental activities);
- The Colorado Department of Transportation (CDOT) Headquarters and Regional Office Buildings (related to non-direct borrowing/non-direct placement for governmental activities);
- The Colorado History Building at 1200 Broadway in Denver (related to direct borrowing/direct placement for governmental activities).

Regarding terms specified in debt agreements related to significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, and (3) subjective acceleration clauses, the following points were noted across state departments and institutions of higher education:

- In each Certificate of Participation (COP), the State has the right to purchase the Leased Property in connection with the defeasance or redemption of all of the Series 201X Certificates, as described in the section of the agreements' State's Purchase Option Price. Upon a nonrenewal of the Lease Term/s by reason of a Lease Event of Default or Lease Event of Nonappropriation, and so long as the State or Sublessee has not exercised its purchase option with respect to all the Leased Property, the State or Sublessee must vacate the Leased Property within 90 days. The Trustee/s may proceed to exercise any remedies available for the benefit of the Owners of the Certificates and may exercise any other remedies available upon default as provided in the Lease, including the sale of or lease of the Trustees' interest under the Site Lease/s (related to direct borrowing/direct placement for governmental activities).
- For Notes Payable, in the event of termination acceleration of payment for debt due (or to be due within that fiscal year) and the relinquishment of the equipment purchased through the energy performance contract measures could occur (related to direct borrowing/direct placement for business-type activities).
- CDOT will take over the payments for the C-470 bonds in the event High Performance Transportation Enterprise (HPTE) is unable to pay (related to non-direct borrowing/non-direct placement for business-type activities). Additionally, for Notes Payable, CDOT would take over debt service payments if HPTE was in default (related to direct borrowing/direct placement for business-type activities).

Derivative Instruments

Colorado State University: On January 16, 2018, the System entered into a floating to fixed interest rate swap agreement (2015 D Swap Agreement) in connection with the Series 2015 D System Enterprise Revenue Bonds (Notes from Direct Placements). The 2015 D Swap Agreement was entered into with the objective of protecting against the potential rising of interest rates. The 2015 D Swap Agreement had a notional value of \$66.7 million and a positive fair value of \$4.0 million as of June 30, 2023. The fair value of the 2015 D Swap Agreement was recorded as a noncurrent asset and a deferred inflow of resources as of fiscal year ended June 30, 2023. The 2015 D Swap Agreement had a notional value of \$66.7 million and a positive fair value of \$648 thousand as of June 30, 2022. The fair value of the 2015 D Swap Agreement was recorded as a noncurrent asset and a deferred inflow of resources as of fiscal year ended June 30, 2022. The 2015 D Swap Agreement has an effective date of July 1, 2019 and a termination date of March 1, 2047.

The 2015 D Swap Agreement provides for certain payments by The Royal Bank of Canada (RBC) equal to the difference between the fixed rate of 1.91390 percent payable by the System and 70 percent of one-month USD-LIBOR-BBA, payable by RBC. RBC, counterparty to the 2015 D Swap Agreement, determined the fair value as of June 30, 2023 using a discounted forecasted cash flow.

On February 18, 2020, the System entered into a floating to fixed interest rate swap agreement (2015 A Swap Agreement) in connection with the Series 2015 A System Enterprise Revenue Bonds. The 2015 A Swap Agreement was entered into with the objective of protecting against the potential rising of interest rates. The 2015 A Swap Agreement had a notional value of \$108.7 million and a positive fair value of \$11.8 million as of June 30, 2023. The fair value of the 2015 A Swap Agreement was recorded as a noncurrent asset and a deferred inflow of resources as of fiscal year ended June 30, 2023. The 2015 A Swap Agreement had a notional value of \$108.7 million and a positive fair value of \$8.3 million as of June 30, 2022. The fair value of the 2015 A Swap Agreement was recorded as a noncurrent asset and a deferred inflow of resources as of fiscal year ended June 30, 2022. The 2015 A Swap Agreement has an effective date of March 1, 2025 and a termination date of March 1, 2055.

The 2015 A Swap Agreement provides for certain payments by The Royal Bank of Canada (RBC) equal to the difference between the fixed rate of 1.74250 percent payable by the System and 70 percent of one-month USD-LIBOR-BBA, payable by RBC. RBC, counterparty to the 2015 A Swap Agreement, determined the fair value as of June 30, 2023 using a discounted forecasted cash flow.

Pursuant to the “Adjustable Interest Rate (LIBOR) Act”, starting the first London banking day after June 30, 2023, LIBOR will be replaced with the “Secured Overnight Financing Rate” (SOFR) published by the Federal Reserve Bank of New York.

There was no interest rate swap agreement activity for the fiscal year ended June 30, 2023.

Interest rate swap agreement activity for the fiscal year ended June 30, 2022 was as follows:

Table 11.4 Interest rate swap agreement

	Balance			Balance	Amount Due
	June 30, 2021	Additions	Reductions	June 30, 2022	Within One Year
					Year
Interest rate swap agreement \$	8,894	-	(8,894)	-	-

There can be risks inherent to interest rate swaps that the System addressed and monitors pursuant to entering into interest rate Swap Agreements:

- **Termination Risk** – Termination Risk is the need to terminate the transaction in a market that dictates a termination payment by the System. It is possible that a termination payment is required in the event of termination of a Swap Agreement due to a counterparty default. In general, exercising the right to optionally terminate an agreement should produce a benefit to the System, either through receipt of a payment from a termination, or if a termination payment is made by the System, a conversion to a more beneficial debt instrument or credit relationship.

Credit Risk – Credit Risk is the risk that the counterparty will not fulfill its obligations. The System considers the Swap Agreement counterparty’s (RBC) credit quality rating and whether the counterparty can withstand continuing credit market turmoil. As of June 30, 2023, RBC’s credit rating is rated Aa1 by Moody’s, AA- by S&P, and AA by Fitch.

The Swap Agreement contract contains a credit support annex that allows for collateral to be posted if the fair value threshold exceeds \$25.0 million at both parties’ current credit rating or \$10.0 million if the parties credit rating falls to A3/A-.

- **Basis Index Risk** – Basis Index Risk arises as a result of movement in the underlying variable rate indices that may not be in tandem, creating a cost differential that could result in a net cash outflow from the System. Basis Index Risk can also result from the use of floating, but different, indices.

Metropolitan State University: On September 30, 2020 MSU Denver executed a novation agreement which transferred the HLC@Metro Inc’s floating to fixed interest rate swap agreement (Swap Agreement) with Royal Bank of Canada (RBC) to the University. This was a part of the University’s acquisition of most of the HLC’s assets and liabilities on June 30, 2020. The Swap Agreement was entered with the objective of protecting against the potential increase of interest rates.

Pursuant to the interest rate swap, the University will pay RBC a fixed rate of 2.451% per annum. RBC will pay the University 80% of USD-LIBOR-BBA through June 30, 2023 and then 80% of SOFR afterward. In addition, the University was to pay JPMorgan, as owner of the Series 2020 Bonds, 80% of LIBOR, plus 150 basis points. This arrangement produced an interest rate on the Series 2020 Bonds equal to approximately 3.95% and helped ensure the University could leverage a low interest rate in an otherwise unpredictable market. Subsequently, in August 2021 MSU Denver issued its Series 2021, Institutional Enterprise Revenue Refunding bonds directly to PNC Bank to refund the Series 2020 bonds. The Series 2021 bonds required the University to pay PNC Bank 80% of LIBOR (through June 30, 2023 and then SOFR afterwards) plus 46 basis points which produced an effective interest rate of approximately 2.91%. The issuance of the Series 2021 bonds caused the swap to terminate and the related hedge accounting to cease. This required the value of the swap, or \$7.7 million, at the time of termination (August 2nd, the issuance date of the Series 2021) to be amortized over the remaining life of the swap. However, the agreement with RBC remains an embedded borrowing and is also amortized over the life of the agreement exactly offsetting the interest expense from

the swap amortization, resulting in no impact to the income statement. MSU Denver classified the embedded borrowing agreement in level 2 of the fair value hierarchy; whereby, RBC, the counterparty to the Agreement, determined the fair value as of June 30, 2023 and 2022 using an indicative mid-market valuation.

The Swap Agreement had a notional value of \$48.7 million and a fair value of \$2.0 million and a negative fair value of \$516 thousand as of June 30, 2023 and 2022, respectively. The fair value of the Swap Agreement was recorded as an asset and deferred inflow of resources as of June 30, 2023, and a noncurrent liability and a deferred outflow of resources as of June 30, 2022. The Swap Agreement has an effective date of September 1, 2020 and a termination date of July 1, 2042.

There can be risks inherent to interest rate swaps that the University addressed and monitors pursuant to entering into interest rate Swap Agreements:

- **Termination Risk** – Termination Risk is the need to terminate the transaction in a market that dictates a termination payment by the University. It is possible that a termination payment is required in the event of termination of a Swap Agreement due to a counterparty default. In general, exercising the right to optionally terminate an agreement should produce a benefit to the University, either through receipt of a payment from a termination, or if a termination payment is made by the University, a conversion to a more beneficial debt instrument or credit relationship.
- **Credit Risk** – Credit Risk is the risk that the counterparty will not fulfill its obligations. MSU Denver considers the Swap Agreement counterparty's (RBC) credit quality rating and whether the counterparty can withstand continuing credit market turmoil. As of June 30, 2023, RBC's credit rating is rated Aa1 by Moody's and AA- by S&P.

The Swap Agreement contract contains a credit support annex that allows for collateral to be posted if the market value threshold exceeds \$5.0 million and the credit rating is equal to A3 as rated by Moody's or A- as rated by S&P, or if threshold is zero but the credit ratings are Baa1 as rated by Moody's or BBB+ as rated by S&P.

- **Basis Index Risk** – Basis Index Risk arises as a result of movement in the underlying variable rate indices that may not be in tandem, creating a cost differential that could result in a net cash outflow from the University. Basis Index Risk can also result from the use of floating, but different, indices.

Colorado School of Mines: In fiscal year 2008, the University entered into a floating to fixed interest rate swap agreement (Swap Agreement) in connection with the 2008A issuance. The Swap Agreement was entered into with the objective of protecting against the potential of rising interest rates. The 2008A issuance was refunded with the Series 2010A issuance. The Series 2010A was refunded with the issuance of the Series 2018A Refunding Bonds, and the Series 2018A was refunded with the issuance of the Series 2022D Refunding Bonds. The original Swap Agreement has been cancelled, but the economic terms have been transferred and modified in association with the Series 2022D issuance. The Swap Agreement has a notional amount of \$34,410,000 and \$35,335,000 and a fair value of (\$4,836,000) and (\$4,525,000) at June 30, 2023 and 2022, respectively. The Swap Agreement provides for certain payments to or from Morgan Stanley equal to the difference between the fixed rate payable by the University and a variable rate payable by Morgan Stanley. For the Series 2022D bonds the Swap Agreement provides for certain payments to or from Morgan Stanley equal to the difference between the fixed rate of 3.907 percent payable by the University and the SIFMA Municipal Swap Index; the SIFMA rate was 4.01 percent at June 28, 2023 which was the last change date for FY2023. For the Series 2018A bonds that were connected to the Swap Agreement at June 30, 2002 the fixed rate payable by the University was 3.59 percent and the variable rate payable by Morgan Stanley was 67 percent of one-month USD-LIBOR-BBA; that rate was 1.787 percent at June 30, 2023. The fair value of the swap is classified as a noncurrent liability and the change in fair value of the swap is classified as a deferred outflow at June 30, 2023 and a deferred inflow at June 30, 2022. On the date of the refunding of the Series 2010A Bonds, the fair market value of the swap was (\$6,999,000) and was included in the calculation of deferred loss on refunding and is being amortized over the life of the Series 2022D and Series 2018A Refunding Bonds. Accumulated amortization of the deferred loss as of June 30, 2023 and 2022 was \$3,902,000 and \$3,452,000 respectively. Morgan Stanley, counterparty to the Swap Agreement, determined the fair value as of June 30, 2023 and 2022, using a discounted forecasted cash flows; however, the actual method and significant assumptions used are proprietary. The Swap Agreement has an effective date of March 5, 2008 and a termination date of December 1, 2037.

There can be risks inherent to interest rate swaps that the University addressed and monitors pursuant to entering into interest rate Swap Agreements:

- **Termination Risk** – The need to terminate the transaction in a market that dictates a termination payment by the University. It is possible that a termination payment is required in the event of termination of a swap agreement due to a counterparty default or following a decrease in credit rating. In general, exercising the right to optionally terminate an agreement should produce a benefit to the University, either through receipt of a payment from a termination, or if a termination payment is made by the University, a conversion to a more beneficial debt instrument or credit relationship.
- **Credit Risk** – The risk that the counterparty will not fulfill its obligations. The University considers the Swap Agreement counterparty's (Morgan Stanley) credit quality rating and whether the counterparty can withstand continuing credit market turmoil. As of June 30, 2023, Morgan Stanley's long term credit rating is A1 by Moody's and A- by Standards & Poor's.

For the outstanding Swap Agreement, the University has a maximum possible loss equivalent to the swaps' fair value at June 30, 2023 and 2022 related to the credit risk. However, the University was not exposed to this loss because of the negative fair value of the swaps as of June 30, 2023 and 2022. In addition, these agreements required no collateral and no initial net cash receipt or payment by the University.

- **Basis Index Risk** – Basis risk arises as a result of movement in the underlying variable rate indices that may not be in tandem, creating a cost differential that could result in a net cash outflow from the University. Basis risk can also result from the use of floating, but different, indices. To mitigate basis risk, it is the University's policy that any index used as part of an interest rate swap agreement shall be a recognized market index, including, but not limited to, the Securities Industry and Financial Markets Association (SIFMA) or the London Interbank Offered Rate (LIBOR).

NOTE 12 – CHANGES IN LONG-TERM LIABILITIES & SHORT-TERM DEBT

LONG-TERM LIABILITIES

Primary Government

The following table summarizes the changes in long-term liabilities for Fiscal Year 2023:

	(Amount in Thousands)				
	Beginning Balance July 1	Changes		Ending Balance June 30	Due Within One Year
		Additions	Reductions		
Governmental Activities					
Deposits Held In Custody For Others	\$ 18,218	\$ 1	\$ 52,050	\$ 70,269	\$ 68,788
Accrued Compensated Absences	224,782	35,346	(19,017)	241,111	18,534
Claims and Judgments Payable	172,882	1,000	(14,923)	158,959	42,147
Leases Payable	262,427	24,636	(42,650)	244,413	53,662
SBITAs Payable	-	43,444	(2,152)	41,292	15,077
Certificates of Participation from Direct Borrowings and Direct Placements	299,880	-	(3,138)	296,742	3,375
Certificates of Participation from Non-Direct Borrowings and Non-Direct Placements	4,351,305	9,860	(150,058)	4,211,107	210,086
Notes, Anticipation Warrants, Mortgages from Direct Borrowings and Direct Placements	1,483	149	(985)	647	360
Notes, Anticipation Warrants, Mortgages from Non-Direct Borrowings and Direct Placements	101,745	18,494	(23,098)	97,141	24,302
Net Pension Liability	5,828,306	5,618,011	-	11,446,317	-
Other Postemployment Benefits	182,721	-	(11,980)	170,741	-
Other Long-Term Liabilities	235,415	177,448	(30,921)	381,942	-
Total Governmental Activities Long-Term Liabilities	11,679,164	5,928,389	(246,872)	17,360,681	436,331
Business-Type Activities					
Deposits Held In Custody For Others	36,502	-	2,333	38,835	38,810
Accrued Compensated Absences	479,768	88,070	(52,272)	515,566	38,385
Claims and Judgments Payable	55,947	8,178	(3,744)	60,381	1,310
Leases Payable	159,122	14,249	(24,318)	149,053	22,746
SBITAs Payable	-	95,657	(8,266)	87,391	31,714
Derivative Instrument Liabilities	5,041	5,903	(6,108)	4,836	-
Bonds Payable from Direct Borrowings and Direct Placements*	785,108	70,110	(15,377)	839,841	245,442
Bonds Payable from Non-Direct Borrowings and Non-Direct Placements*	4,118,016	112,414	(215,559)	4,014,871	142,718
Certificates of Participation from Direct Borrowings and Direct Placements	15,233	-	(2,086)	13,147	2,065
Certificates of Participation from Non-Direct Borrowings and Non-Direct Placements	97,645	-	(17,726)	79,919	16,395
Notes, Anticipation Warrants, Mortgages from Direct Borrowings and Direct Placements	187,304	2,009	(47,984)	141,329	7,295
Notes, Anticipation Warrants, Mortgages from Non-Direct Borrowings and Non-Direct Placements	708,470	1,234	(5,697)	704,007	6,383
Net Pension Liability	2,582,558	1,120,299	-	3,702,857	-
Other Postemployment Benefits	1,368,070	-	(148,087)	1,219,983	-
Other Long-Term Liabilities	143,038	17,779	(13,389)	147,428	-
Total Business-Type Activities Long-Term Liabilities	10,741,822	1,535,902	(558,280)	11,719,444	553,263
Total Primary Government Long-Term Liabilities	\$ 22,420,986	\$ 7,464,291	\$ (805,152)	\$ 29,080,125	\$ 989,594

*Total beginning balance for Bonds is equal to prior year ending balance but there was a \$3.6 million net reclassification between direct and non-direct from two institutions of higher education.

Liabilities for accrued compensated absences, net pension liabilities, and other postemployment benefits of both governmental activities and the business-type activities are normally liquidated using resources of the fund that are responsible for paying the employee's salary. As a result, the resources of nearly all of the State's funds are used to liquidate the compensated absence, net pension, and OPEB liabilities.

The amounts in the table above for the changes in net pension liability and other postemployment benefits liability are netted and presented as either additions or reductions. See Note 6 for additional information on pensions and Note 7 for additional information on OPEB.

The amounts shown in the schedule above for Notes, Bonds, and Certificates of Participation do not include short-term borrowing disclosed in Note 10. A current portion is not normally identifiable for Claims and Judgments Payable, Derivative Instrument Liabilities, Other Post-Employment Benefits in business-type activities and Other Long-Term Liabilities in both governmental activities and business-type activities.

Long-term liabilities that are actuarially determined include amounts for claims that are incurred but not yet reported. Since these liabilities are not based on individually identifiable claims, it is not practicable to report gross

additions and reductions. (See Notes 7 and 9 for the amount of claims reported and paid and other adjustments to these actuarially determined liabilities.)

Governmental activities include internal service funds which apply full accrual accounting, and as a result, additions to Capital Lease Obligations shown above include amounts that are not shown as capital lease proceeds on the *Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds*.

SHORT-TERM DEBT

Education Loan Program Tax and Revenue Anticipation Notes (ETRAN)

The State Treasurer is authorized by law to issue notes and lend the proceeds to school districts in anticipation of local revenues for school district to be collected later.

On July 19, 2022, the State Treasurer issued \$350.0 million of ETRAN, Series 2022A. The blended coupon rate was 4.8 percent, with net interest costs (including cost of issuance) of \$5.5 million, a premium of \$10.8 million getting a total interest costs of \$15.9 million or 1.5 percent of offering. The notes matured on June 29, 2023, and were repaid.

On January 17, 2023, the State Treasurer issued \$425.0 million of ETRAN, Series 2022B. The blended coupon rate was 4.8 percent, with net interest costs (including cost of issuance) of \$5.0 million, a premium of \$4.3 million, total interest costs of \$9.1 million or 2.5 percent of offering. The notes matured on June 29, 2023 and were repaid.

Other Short-Term Financing

On June 20, 2018, the Board of Governors of the Colorado State University System authorized the issuance of Commercial Paper Notes (Notes) in the aggregate principal amount not to exceed \$50.0 million as part of the Series A (tax-exempt) and Series B (taxable) issuance. The maturity date of any Notes issued may not exceed two hundred and seventy days from the date of issuance and no maturity may be later than March 1, 2037. Pursuant to the Bond Resolution, the obligations are payable solely from net revenues paid in portions by both CSU and CSU-Pueblo, as defined in the bond agreement. The Notes are being used to finance certain projects, as determined by the Board, for any of the campuses for which the Board has spending authority.

The following schedule shows the changes in short-term financing for the period ended June 30, 2023:

	(Amounts in Thousands)			
	Beginning Balance	Changes		Ending Balance
	July 1	Additions	Reductions	June 30
Governmental Activities:				
Education Loan Anticipation Notes	-	775,000	(775,000)	-
Total Governmental Activities Short-Term Financing	-	775,000	(775,000)	-
Business-Type Activities:				
Tax Exempt Commercial Paper	28,420	-	(8,120)	20,300
Total Business-Type Activities Short-Term Financing	28,420	-	(8,120)	20,300
Total Short-Term Financing	\$ 28,420	\$ 775,000	\$ (783,120)	\$ 20,300

NOTE 13 – DEFEASED DEBT, CONDUIT DEBT & POLLUTION REMEDIATION OBLIGATIONS

DEFEASED DEBT

Debt is defeased by depositing in escrow accounts an amount sufficient, together with known minimum investment yields, to pay principal, interest, and any redemption premium on the debt to be defeased. During Fiscal Year 2023, debt was defeased in both governmental and business-type activities.

At June 30, 2023, the remaining balances of amounts previously placed in escrow accounts with paying agents are as follows:

(Amount in Thousands)	
<u>Agency</u>	<u>Amount</u>
Governmental Activities:	
Department of Treasury	\$ 525,205
Business-Type Activities:	
University of Colorado	566,665
Colorado State University	265,380
Colorado Community College System	39,625
Metropolitan State University of Denver	21,520
Total	<u>\$ 1,418,395</u>

For the State of Colorado, no bonds were issued in Fiscal Year 2023 to defease debt.

Regarding debt extinguishment, three institutions of higher education had \$85.6 million in face amount of extinguished debt, \$51.2 million of cash/monetary assets placed in escrow, and \$82.7 million in cash flows required to service.

CONDUIT DEBT OBLIGATIONS

A conduit debt obligation is a debt instrument issued in the name of a state or local government (the issuer) that is for the benefit of a third party primarily liable for the repayment of the debt instrument (the third-party obligor).

In 2014, the Colorado High Performance Transportation Enterprise (HPTE) entered into a concession agreement with Plenary Roads Denver (PRD). PRD constructed Phase II of the U.S. 36 project and now operates and maintains Phase I, Phase II and the existing I-25 express lanes. As part of the concession agreement, Public Activity Bonds (PABs) totaling \$20 million were issued by PRD with HPTE as a conduit issuer. As part of the financing for the U.S. 36 project, HPTE issued a \$54 million Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for the Phase I of the project, which was transferred to PRD at the closing of the U.S. 36 agreement with PRD. The \$54 million TIFIA loan was increased to \$60.1 million. For Phase II of the U.S. 36 project, PRD issued another TIFIA loan totaling \$71 million. The TIFIA loans and the PABs are to be repaid by PRD with toll revenue earned on the U.S. 36 corridor. If PRD defaults on the debt, their parent company CDPQ is required to cover the debt service payments. HPTE has no debt service obligations under the PABs or TIFIA loan. Since HPTE only has limited commitments by assuming no responsibility for debt service payments beyond the resources, no liability needs to be recognized by HPTE. As of June 30, 2023 the outstanding principal balances were as follows: PABS \$20,360,000, TIFIA \$60,076,837, and TIFIA 71,032,104. The concession agreement expires in Fiscal Year 2064-2065.

In 2017, the Colorado Statewide Bridge and Tunnel Enterprise (BTE) awarded the Central 70 project to Kiewit Meridian Partners LLC (KMP) to reconstruct approximately 8.5 miles of I-70 and replace the existing viaduct with a lowered section of highway and added managed lanes. To assist with the construction of the Central 70 project,

KMP issued \$115 million in Series 2016 PABS and \$51.7 million Series 2010A taxable bonds and obtained a TIFIA loan totaling \$465 million. KMP also issued \$465 million in 2021B taxable bonds as an initial bridge to the anticipated draw on the TIFIA loan at substantial completion. BTE served as a conduit issuer of 2016 PAB, 2021A and 2021B, which are payable by KMP and are non-recourse to BTE and not BTE obligations. Since BTE only has limited commitments by assuming no responsibility for debt service payments beyond the resources, no liability needs to be recognized by BTE. Separately, under the project agreement, if KMP defaults on the debt payments for any of the bonds or TIFIA loan and this results in a bankruptcy of KMP, this would constitute a developer default. Under the project agreement, the enterprises (BTE and HPTE), would owe a termination payment to KMP equal to no more than approximately 80 percent of the outstanding debt less specified offsets. The agreement with KMP expires in Fiscal Year 2051-52, when all of the debt will be repaid by KMP.

On June 28, 2023 the 2021B bond were paid off using the TIFIA loan proceeds. As of June 30, 2023 the outstanding balances were as follows:

- \$114,660,000 Series 2017 Bonds
- \$42,125,000 Series 2021A Bonds
- \$464,959,722 TIFIA Loan

POLLUTION REMEDIATION OBLIGATIONS

Various state agencies have pollution remediation obligations as defined by GASB Statement No. 49. Liability amounts are included in Other Current Liabilities or Other Long-Term Liabilities on the government-wide and proprietary fund-level *Statement of Net Position*.

The State has instances of hazardous waste contamination that qualify as Superfund sites. Superfund is the federal government's program to clean up these hazardous waste sites. A hazardous waste site becomes a Superfund site when placed on an Environmental Protection Agency (EPA) list that ranks sites according to a process that assesses current or potential health impacts. The following individually significant items are all Superfund sites under the control of the Department of Public Health and Environment.

The State's total amount of pollution remediation obligations as of June 30, 2023 was \$348.6 million, of which \$8.1 million is a current liability. Individually significant pollution remediation obligations are disclosed below:

- The Department of Public Health & Environment recorded a liability for remediation activities in the Clear Creek Basin of approximately \$170.1 million related to a number of inactive precious metal mines that caused contamination in surface water and soil in the basin. The liability includes remediation and site clean-up activities, projected post-remediation operating and monitoring costs, the State operation of an existing water treatment plant, and operation of a water treatment plant. Current operating and maintenance costs are estimated at \$1.5 million beginning in Fiscal Year 2022, increasing to approximately \$2.6 million in Fiscal Year 2029, with a projected annual increase of 2 percent thereafter. The department shares the remaining costs to complete the remediation projects with the EPA in a cost-sharing ratio of 10 percent State, 90 percent EPA for 10 years. After this time, the State assumes 100 percent of the operating and maintenance costs. Costs are estimated based on past experience with similar construction projects adjusted for such factors as differences in water flow needing treatment, previous site studies, preliminary design work, and cost changes for labor, materials, etc. Operating costs are similarly estimated giving consideration to generally the same factors as for construction costs.
- The Department of Public Health & Environment recorded a liability for remediation activities at the Summitville Mine of approximately \$143.2 million related to the operation of a water treatment plant. The mine is located in the San Juan Mountains, surrounded by the Rio Grande National Forest. The operating and maintenance costs of the treatment plant are to be shared with the EPA in a cost-sharing ratio of 10

percent State, 90 percent EPA through Fiscal Year 2022. Beginning in Fiscal Year 2023, the State will assume 100 percent of the operating costs of the treatment plant, with a projected total cost of approximately \$2.0 million per year, with a projected annual increase of 2 percent thereafter. Operating and maintenance estimates are based on experience in operating existing plants adjusted for the newer design and technological advancements. Potential changes affecting these estimates include regulatory changes in the EPA cost-sharing ratio, as well as technology and pricing changes that could impact operating costs.

- The Department of Public Health & Environment recorded a liability for remediation activities at the Captain Jack Mill located at the headwaters of the Left Hand Creek Watershed in the mountains west of Boulder of approximately \$12.7 million related to the cleanup of contamination from mine waste piles and drainage. The EPA and the State have agreed on a remediation plan from a recently completed engineering study, and the State is in the phase of conducting an in-site pilot that costs approximately \$0.2 million in Fiscal Year 2023. In Fiscal Year 2024, a sulfate reducing bioreactor is estimated to be completed with a projected cost of \$0.2 million. Upon completion, the State's 10% share of operations and maintenance will commence in Fiscal Year 2025. Annual ongoing projected costs for subsurface remedy average \$0.1 million per year until Fiscal Year 2035 when the State assumes 100% share of operations and maintenance, and projected costs increase to \$0.4 million per year with a 2 percent projected annual increase thereafter. The State is analyzing the feasibility of recovering approximately \$2.8 million by implementing an in-site remedy for treating the mine drainage. Other factors that could affect the estimated liability include whether the detailed design work results in construction costs higher than estimated in the engineering study.
- The Department of Public Health & Environment recorded a liability for remediation activities at the Bonita Peak Mining District site is located near Silverton, Colorado for approximately \$5.1 million. The Bonita Peak Mining District is within the Mineral Creek, Cement Creek, and the Upper Animas River drainages. The site consists of 48 historic mines or mining-related sources where ongoing releases of metal-laden water and sediments occur within Mineral Creek, Cement Creek, and the Upper Animas. An interim record of decision (IROD) establishes a site-wide repository for disposing of site-related mine waste from remedial action cleanups, sludge generated at the water treatment plant, and waste from future water treatment operations. The projected five-year costs are \$0.1 million per year for the first four years with a \$1.0 million projected cost in Fiscal Year 2026. The site-wide repository is estimated at \$0.3 million per year for a five-year period ending in Fiscal Year 2027. The State's share of O&M is not projected to start until Fiscal Year 2028, where projected annual costs are \$0.1 million, with a 2% annual increase thereafter. Approximately 20 of the 48 sites do not have viable responsible parties. Therefore, these sites will likely be addressed using a fund-financed remedial action of 90% EPA and 10% State, at which time the State's share will increase.
- The Department of Public Health & Environment recorded a liability of \$7.1 million for remediation activities at the California Gulch located in Lake County. Mining, mineral processing, and smelting in and near Leadville produced gold, silver, lead, copper, manganese, and zinc for more than 130 years. Wastes generated during the mining and ore processing contained metals, such as cadmium, copper, lead, and zinc, and were washed downstream and deposited along the Upper Arkansas River. Over the years, the wastes eroded, redeposited along the river, and accumulated in deposits up to four feet deep. The rise and fall of the water table resulted in alternating reducing and oxidizing conditions, creating an extremely acidic soil pH. An engineering study has been completed and a remediation plan selected. The cost estimates in that study, and past experience with time required for completion of detailed design and construction activities for the type of remedy contemplated, which includes plugging and capping mine waste piles, and the ongoing operating and maintenance costs, are the basis for the estimates of the State's liability.

NOTE 14 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of assets by the entity that is applicable to a future reporting period, and deferred inflows of resources represent an acquisition of assets by the entity that is applicable to a future reporting period. The table below provides information about amounts reported as deferred outflows/inflows on the *Statement of Net Position* as of June 30, 2023.

	(Amounts in Thousands)		
	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources:			
Refunding Losses	\$ 20,217	\$ 130,207	\$ 150,424
Derivatives	-	1,573	1,573
Other	7,127	535	7,662
Other Post Employment Benefits	40,242	359,947	400,189
Pensions	4,373,934	622,856	4,996,790
	<u>4,441,520</u>	<u>1,115,118</u>	<u>5,556,638</u>
Deferred Inflows of Resources:			
Refunding Gains	390	1,812	2,202
Derivatives	-	17,753	17,753
Lease Components	295	106,063	106,358
Nonexchange Transactions	-	33	33
Other	17,390	1,774	19,164
Unavailable Revenue	795	-	795
Service Concession Arrangements	-	122,023	122,023
Other Post Employment Benefits	75,825	443,532	519,357
Pensions	676,532	137,605	814,137
	<u>\$ 771,227</u>	<u>\$ 830,595</u>	<u>\$ 1,601,822</u>

NOTE 15 – NET POSITION AND FUND BALANCE

PRIOR PERIOD ADJUSTMENTS AND ACCOUNTING CHANGES TO NET POSITION

A. PRIOR PERIOD ADJUSTMENTS

Fund balances and net position at July 1, 2022 have been increased (decreased) as follows in order to correct errors:

<u>GOVERNMENTAL ACTIVITIES</u>	(Dollars in Thousands)
Major Governmental Funds	
General Fund	
Governor - Office of Economic Development	\$ 17,002
To correct trustee loan balance for a 2010 State Small Business Credit Initiative grant received by OEDIT and administered by Colorado Housing and Finance Authority.	
Total Major Governmental Funds	<u>17,002</u>
Nonmajor Governmental Funds	
Special Capital Construction Funds	
History Colorado	\$ (530)
To correct carrying balance off a BNY Mellon investment account which included activity in Fiscal years 2015 through 2022.	
Total Nonmajor Governmental Funds	<u>(530)</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 16,472</u>

B. ACCOUNTING CHANGES

Fund balance, net position, and fiduciary net position at July 1, 2022 have been increased (decreased) as follows in order to implement the requirements of GASB Statement No. 96 – Subscription Based IT Arrangement.

<u>BUSINESS-TYPE ACTIVITIES</u>	(Dollars in Thousands)
Major Enterprise Funds	
Higher Education Institutions	
Colorado School of Mines	\$ (15)
Colorado State University	374
Fort Lewis College	48
Metropolitan State University of Denver	1,463
Western State Colorado University	<u>331</u>
Total Major Enterprise Funds	<u>2,201</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 2,201</u>

C. FUND BALANCE

On the *Balance Sheet – Governmental Funds*, the fund balances on June 30, 2023, were comprised of the following categories. (refer to Note 1 for additional information):

	(Dollars in Thousands)		
	Restricted Purposes	Committed Purposes	Assigned Purposes
GENERAL FUND			
General Government	\$ 452,890	\$ 1,965,374	\$ 87,068
Business, Community and Consumer Affairs	-	334,166	-
Education	428,597	263,035	-
Health and Rehabilitation	-	23,358	-
Justice	-	7,026	-
Natural Resources	-	948	-
Social Assistance	-	12,753	-
TOTAL	\$ 881,487	\$ 2,606,660	\$ 87,068
HIGHWAY USERS TAX			
General Government	\$ 60,559	\$ 40,755	\$ -
Health and Rehabilitation	5,648	-	-
Justice	2,553	1,618	-
Natural Resources	300	-	-
Transportation	415,091	20,566	-
TOTAL	\$ 484,151	\$ 62,939	\$ -
OTHER GOVERNMENTAL FUNDS			
General Government	\$ 128,848	\$ 2,531,290	\$ -
Business, Community and Consumer Affairs	99,529	1,695,437	-
Education	1,517,985	97,483	-
Health and Rehabilitation	15,458	197,460	-
Justice	5	333,713	-
Natural Resources	19,496	1,405,867	-
Social Assistance	-	221,505	-
Transportation	-	192,571	-
TOTAL	\$ 1,781,321	\$ 6,675,326	\$ -

D. STABILIZATION ARRANGEMENTS

Restriction on State Appropriations – General Fund Reserve

In accordance with Section 24-75-201.1(1)(d) C.R.S., state general fund appropriations are limited in order to maintain sufficient available budgetary fund balance (the reserve) for the General Fund - General Purpose Revenue Component. For the fiscal year ended June 30, 2023, the required reserve is calculated as fifteen percent of General Purpose Revenue Fund appropriations less exceptions pursuant to Section 24-75-201.1(2) C.R.S. Section 24-75-201.5(1)(a) C.R.S. further requires the Governor to take action within the fiscal year to preserve one half of the reserve when economic forecasts indicate revenues will not be adequate to maintain the required reserve. In conjunction with the

Governor's actions to reduce expenditures, the legislature has traditionally taken action to use the reserve. Historically, the statutory reserve has only been expended during recessionary periods when other budget measures have been exhausted. As of June 30, 2023, on a legal budgetary basis the reserve was \$2 billion. Refer to the Budgetary Comparison Schedule General Fund – General Purpose Revenue Component, and to Note RSI-4 for additional information.

Emergency Reserve

Senate Bill (SB) 21-227 established the State Emergency Reserve Cash Fund effective with the State's fiscal year ended June 30, 2021. SB 21-227 required a transfer of \$101.0 million from the General Purpose Revenue Component of the General Fund and a transfer of \$100.0 million from the Controlled Maintenance Trust Fund to the State Emergency Reserve Cash Fund. The State Emergency Reserve Cash Fund is reported as the Emergency Reserve component of the State's General Fund. Refer to the Combining Balance Sheet – General Fund Components and to the Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund Components for additional information. The Emergency Reserve was \$74.4 million at June 30, 2023. The Emergency Reserve shall not be expended or appropriated for any purpose other than for an emergency declared by the Governor pursuant to 24-33.5-704(4). Refer to Note RSI-4 for additional information.

E. MINIMUM FUND BALANCE POLICIES

The appropriations process and statutory structure that governs State fiscal matters generally does not provide for the ability to set aside fund balances outside of those processes. However, in limited circumstances, boards and committees have fiscal policy and/or rulemaking authority. No minimum fund balances were established under this type of authority for Fiscal Year 2023.

F. NET POSITION DEFICITS

The following table shows deficit net position balances for individual nonmajor funds. See Note 2 for information regarding statutory spending violations and over expenditures.

	(Dollars in Thousands)	
	Enterprise Funds	Internal Service Funds
State Lottery	\$ (20,364)	\$ -
Correctional Industries	(15,308)	-
State Nursing Homes	(51,717)	-
Information Technology	-	(225,504)
Capitol Complex	-	(1,017)
Highways	-	(756)
Administrative Courts	-	(7,764)
Legal Services	-	(76,809)
	<u>\$ (87,389)</u>	<u>\$ (311,850)</u>

NOTE 16 – INTERFUND TRANSACTIONS

INTERFUND BALANCES

Interfund balances at June 30, 2023, consisted of the following:

DUE FROM							
(DOLLARS IN THOUSANDS)		Federal Special Revenue	Highway Users Tax	Other Governmental Funds	Higher Education Institutions	Healthcare Affordability	Transportation Enterprise
DUE TO	General						
General	\$ -	\$ 633	\$ 7,831	\$ 29,908	\$ 879	\$ 29,187	\$ -
Federal Special Revenue	4,004	-	-	-	489	-	-
Highway Users Tax	151	-	-	284	-	-	21,700
Other Governmental Funds	5,300	111	187	7,506	2,718	-	-
Higher Education Institutions	22,381	644	550	4,857	-	-	-
Healthcare Affordability	3,408	-	-	-	-	-	-
Other Enterprises	2,025	-	51	-	82	-	-
Internal Service Funds	15	-	-	-	-	-	-
Pension and Other Employee Benefit Trust	49	-	-	6	1,816	-	-
Private Purpose Trust	-	-	-	-	-	-	-
Total	\$ 37,333	\$ 1,388	\$ 8,619	\$ 42,561	\$ 5,984	\$ 29,187	\$ 21,700

(DOLLARS IN THOUSANDS)	DUE FROM						Total
	Unemployment Insurance	Other Enterprises	Internal Service Funds	Pension and Other Employee Benefit Trust	Private Purpose Trust	Custodial	
DUE TO							
General	\$ -	\$ 31,070	\$ 302	\$ 4	\$ -	\$ -	\$ 99,814
Federal Special Revenue	-	-	-	-	-	-	4,493
Highway Users Tax	-	-	-	-	-	-	22,135
Other Governmental Funds	7,713	15,247	-	-	-	1,240	40,022
Higher Education Institutions	-	567	-	14	-	-	29,013
Healthcare Affordability	-	-	-	-	-	-	3,408
Other Enterprises	-	12,219	-	-	521	-	14,898
Internal Service Funds	-	-	-	-	-	-	15
Pension and Other Employee Benefit Trust	-	3	-	-	-	-	1,874
Private Purpose Trust	-	11,562	-	-	-	-	11,562
Total	\$ 7,713	\$ 70,668	\$ 302	\$ 18	\$ 521	\$ 1,240	\$ 227,234

Interfund balances represent amounts owed between funds at the end of the fiscal year. They occur when there are timing differences between when transactions are recognized and when the related cash payments are made. They also occur when loans are made between funds.

The \$31.1 million due to the General Fund from Other Enterprises primarily consists of amounts owed from the State Lottery Fund as of June 30, 2023 for distributions related to the fourth quarter of Fiscal Year 2023 that were made in Fiscal Year 2024.

The balance of \$29.9 million due from Other Governmental Funds to the General Fund consists primarily of \$21.6 million in gaming distributions due from the Gaming Fund.

The Healthcare Affordability Fund had an internal payable to the General Fund of \$29.2 million. This amount represents Medicaid payments to providers in Fiscal Year 2023 for which the State was reimbursed in Fiscal Year 2024 due to the timing of the receipt of federal monies into the Healthcare Affordability Fund.

Of the \$22.4 million owed from the General Fund to Institutions of Higher Education, \$16.2 million was due from the Department of Higher Education to Institutions of Higher Education for various purposes.

The \$21.7 million owed from the Transportation Enterprise Fund to the Highway Users Tax Fund represents loans within the Colorado Department of Transportation and are not expected to be paid within one year.

Other Governmental Funds report an internal receivable of \$15.2 million from Other Enterprises. This balance reflects outstanding loans payable from the Parks and Wildlife Fund to the Resource Extraction Fund, \$14.2 million of which are not expected to be repaid within one year.

INTERFUND TRANSFERS

Interfund transfers for Fiscal Year 2023, consisted of the following:

TRANSFER FROM							
(DOLLARS IN THOUSANDS)							
	General	Federal Special Revenue	Highway Users Tax	Other Governmental Funds	Higher Education Institutions	Healthcare Affordability	Transportation Enterprise
TRANSFER TO							
General	\$ -	\$ 3,956	\$ 23,629	\$ 460,086	\$ 3,151	\$ 16,059	\$ 100
Federal Special Revenue	1,251	-	-	527	-	-	-
Highway Users Tax	91,136	-	-	399,706	-	-	-
Other Governmental Funds	1,356,875	34	59,338	331,532	-	-	-
Higher Education Institutions	404,074	117	-	157,670	-	-	-
Other Enterprises	4,512	-	-	5,096	325	-	-
Internal Service Funds	-	-	-	2,335	-	-	-
Pension and Other Employee Benefit Trust	-	-	-	1,102	-	-	-
Private Purpose Trust	-	-	-	-	-	-	-
Total	\$ 1,857,848	\$ 4,107	\$ 82,967	\$ 1,358,054	\$ 3,476	\$ 16,059	\$ 100

TRANSFER FROM						
(DOLLARS IN THOUSANDS)						
	Other Enterprises	Internal Service Funds	Pension and Other Employee Benefit Trust	Private Purpose Trust	Custodial	Total
TRANSFER TO						
General	\$ 98,566	\$ 7,210	\$ 261	\$ 8	\$ -	\$ 613,026
Federal Special Revenue	-	-	-	-	-	1,778
Highway Users Tax	-	-	-	-	-	490,842
Other Governmental Funds	5,539	108	-	-	69	1,753,495
Higher Education Institutions	1	-	-	-	-	561,862
Other Enterprises	27,872	-	-	-	-	37,805
Internal Service Funds	-	436	-	-	-	2,771
Pension and Other Employee Benefit Trust	-	-	-	-	-	1,102
Private Purpose Trust	2,000	-	-	-	-	2,000
Total	\$ 133,978	\$ 7,754	\$ 261	\$ 8	\$ 69	\$ 3,464,681

As a normal order of business, the General Assembly appropriates a large number of transfers between funds to allocate the State's resources to support programs across the State government.

The \$1,356.9 million transferred from the General Fund to Other Governmental Funds includes \$350.4 million to the Affordable Housing and Home Ownership Cash Fund, an Other Special Revenue Fund, as directed by Senate Bill 22-1340. In addition, \$290.0 million was transferred to the State Education Fund as directed by Senate Bill 22-202.

Transfers from Other Governmental Funds to the General Fund totaled \$460.1 million. The largest of these transfers was \$152.5 million of investment income from the State Lands Fund, a Permanent Fund. An additional \$83.3 million was transferred from the Resource Extraction Fund.

General Fund transfers to Higher Education Institutions totaled \$404.1 million. The majority of these transfers, \$206.9 million, were for student financial aid.

There were \$399.7 million of transfers from Other Governmental Funds to the Highway Users Tax Fund. This primarily consists of \$392.1 million of Rural Colorado Certificates of Participation withdrawals from the Capital Construction Fund to the Highways Fund.

\$331.5 million is reported as transfers from Other Governmental Funds to Other Governmental Funds. This amount is comprised primarily of \$174.3 million of tobacco tax transfers from the 2020 Tax Holding Fund, an Other Special Revenue Fund, to the State Education Fund.

NOTE 17 – PLEDGED REVENUE AND DONOR RESTRICTED ENDOWMENTS

PLEDGED REVENUE

Various institutions of higher education and the Department of Transportation have issued bonds, notes, and/or Certificates of Participation (COPs) for the purchase of equipment, and the construction of facilities and infrastructure. Specific user revenues are pledged for the payments of interest and future retirement of the obligations. In Fiscal Year 2023, the following pledges were in place:

The Department of Transportation Statewide Bridge Enterprise pledged \$107.2 million (gross) of federal highway funds, Build America Bonds, and surcharges to meet the current year interest payments on debt issued for construction activities related to the Funding Advancement for Surface Transportation and Economic Recovery (FASTER) Bridge Program. The debt was originally issued in Fiscal Year 2011 and has a final maturity date of Fiscal Year 2046. The pledged revenue represents 100 percent of the revenue stream, and \$489.8 of the pledge commitment remains outstanding.

The Department of Transportation High-Performance Transportation Enterprise pledged \$12.1 million (gross) of C-470 Express Lanes Senior Revenue Bonds to meet the current year interest payments on debt issued for the cost of designing, engineering, developing and constructing an Express Lanes project on a portion of C-470, widening and replacing adjacent general purpose lanes and rehabilitating or reconstructing related bridges. The debt was originally issued in Fiscal Year 2018 and has a final maturity date of Fiscal Year 2057. The pledged revenue represents 100 percent of the revenue stream, and \$393.4 million of the pledge commitment remains outstanding.

Higher Education Institutions have pledged auxiliary fees primarily related to student housing rent, and in some cases tuition, to meet the debt service commitment of their various bond issues. The debt issues involved had an earliest origination date in Fiscal Year 1999 and furthest maturity date of Fiscal Year 2055. In some instances, the gross revenue of the activity is pledged and in other instances the net available revenue is pledged. Total pledged revenue of the Higher Education Institutions is approximately \$3.1 billion. Individually significant Higher Education Institution pledges include:

- \$1.5 billion (net) pledged by the University of Colorado to secure \$134.0 million of current principal and interest on debt issued to finance the construction of enterprise facilities and to refund prior enterprise debt. The related debt was issued in Fiscal Year 2007 and has a final maturity date of Fiscal Year 2051. The pledged revenue represents approximately 76.6 percent of the revenue stream, and \$2.2 billion of the pledge (principal and interest) remains outstanding.
- \$671.1 million (net) pledged by Colorado State University to secure \$17.3 million of current principal and interest on debt issued to finance the construction, expansion, or renovation of certain recreation, research, athletic, and academic facilities. The related debt was originally issued in Fiscal Year 2011 and has a final maturity date of Fiscal Year 2055. The pledged revenue represents 81.7 percent of the total revenue stream, and \$1.7 billion of the pledge (principal and interest) remains outstanding.
- \$32.1 million (net) pledged by Colorado State University Pueblo to secure \$0.3 million of current principal and interest on debt issued to finance the construction, expansion, or renovation of certain recreation, research, athletic, and academic facilities. The related debt was originally issued in Fiscal Year 2013 and has a final maturity date of Fiscal Year 2044. The pledged revenue represents 75.8 percent of the total revenue stream, and \$152.9 million of the pledge (principal and interest) remains outstanding.

- \$49.0 million (gross) pledged by Arapahoe Community College to secure \$1.3 million of current principal and interest on debt. The related debt was originally issued in Fiscal Year 2013 and has a final maturity date of Fiscal Year 2048. The pledged revenue represents 100 percent of the total revenue stream, and \$34.2 million of the pledge (principal and interest) remains outstanding.
- \$26.7 million (gross) pledged by Community College of Aurora. The related debt was originally issued in Fiscal Year 2013 and has a final maturity date of Fiscal Year 2048. The pledged revenue represents 100 percent of the total revenue stream.
- \$23.8 million (gross) pledged by Community College of Denver to secure \$1.5 million of current principal and interest on debt. The related debt was originally issued in Fiscal Year 2013 and has a final maturity date of Fiscal Year 2048. The pledged revenue represents 100 percent of the total revenue stream, and \$17.4 million of the pledge (principal and interest) remains outstanding.
- \$75.3 million (gross) pledged by Front Range Community College to secure \$1.6 million of current principal and interest on debt. The related debt was originally issued in Fiscal Year 2013 and has a final maturity date of Fiscal Year 2048. The pledged revenue represents 100 percent of the total revenue stream, and \$18.4 million of the pledge (principal and interest) remains outstanding.
- \$51.0 million (gross) pledged by Pikes Peak Community College to secure \$0.5 million of current principal and interest on debt. The related debt was originally issued in Fiscal Year 2013 and has a final maturity date of Fiscal Year 2048. The pledged revenue represents 100 percent of the total revenue stream, and \$1.4 million of the pledge (principal and interest) remains outstanding.
- \$21.9 million (gross) pledged by Pueblo Community College to secure \$0.7 million of current principal and interest on debt. The related debt was originally issued in Fiscal Year 2013 and has a final maturity date of Fiscal Year 2048. The pledged revenue represents 100 percent of the total revenue stream, and \$11.3 million of the pledge (principal and interest) remains outstanding.
- \$31.9 million (gross) pledged by Red Rocks Community College to secure \$0.8 million of current principal and interest on debt. The related debt was originally issued in Fiscal Year 2013 and has a final maturity date of Fiscal Year 2048. The pledged revenue represents 100 percent of the total revenue stream, and \$18.9 million of the pledge (principal and interest) remains outstanding.
- \$8.1 million (net) pledged by the Auraria Higher Education Center to secure \$6.8 million of current principal and interest on debt issued to finance the building of parking structures and taking advantage of savings by refinancing bonds. The debt issuances had an earliest origination date of Fiscal Year 2006 and furthest maturity date of Fiscal Year 2034. The pledged revenue represents approximately 48.0 percent of the revenue stream, and \$49.7 million of the pledge (principal and interest) remains outstanding.
- \$232.9 million (net) pledged by the Colorado School of Mines to secure \$20.8 million of current principal and interest on debt issued to finance or refinance the construction, acquisition, improvement, renovation, and equipment for certain facilities and complete qualified conservation improvement projects. The debt issuances had an earliest origination date of Fiscal Year 1999 and furthest maturity date of Fiscal Year 2053. The pledged revenue represents approximately 91.2 percent of the revenue stream, and \$582.4 million of the pledge (principal and interest) remains outstanding.
- \$126.3 million (gross) pledged by Metropolitan State University of Denver to secure \$11.1 million of current principal and interest on debt issued to finance the construction, expansion, or renovation of certain academic

facilities. The related debt was originally issued in Fiscal Year 2010 and has a final maturity date of Fiscal Year 2047. The pledged revenue represents 100 percent of the revenue stream and \$171.4 million of the pledge (principal and interest) remains outstanding.

- \$97.4 million (net) pledged by Colorado Mesa University to secure \$15.7 million of current principal and interest on debt issued to construct auxiliary facilities. The related debt was originally issued in Fiscal Year 2010 and has a final maturity date of Fiscal Year 2053. The pledged revenue represents approximately 79.5 percent of the revenue stream and \$326.9 million of the pledge (principal and interest) remains outstanding.
- \$88.3 million pledged by the University of Northern Colorado to secure \$10.2 million of current principal and interest on debt issued to finance refunding of previous debt and for improvements of auxiliary facilities. The debt issuances had an earliest origination date of Fiscal Year 2014 and furthest maturity date of Fiscal Year 2046. The pledged revenue represents 71.4 percent of the revenue stream and \$167.3 million of the pledge (principal and interest) remains outstanding.
- \$16.7 million (net) pledged by Fort Lewis College to secure \$4.3 million of current principal and interest on debt issued to finance various energy conservation improvements and refunding bonds. The related debt was originally issued in Fiscal Year 2012 and has a final maturity date of Fiscal Year 2039. The pledged revenue represents approximately 48.3 percent of the revenue stream and \$57.4 million of the pledge (principal and interest) remains outstanding.
- \$26.3 million (net) pledged by the Western State Colorado University to secure \$7.2 million of current principal and interest on debt issued to finance a new student apartment complex and a new sports complex. The debt issuances had an earliest origination date of Fiscal Year 2010 and furthest maturity date of Fiscal Year 2045. The pledged revenue represents 56.4 percent of the revenue stream, and \$136.1 million of the pledge (principal and interest) remains outstanding.

Revenue available to meet debt service requirements is shown in the following table:

(Amounts In Thousands)

Agency Name	Gross Revenue	Direct Operating Expense	Available Net Revenue	Debt Service Requirements		
				Principal	Interest	Total
Higher Education Institutions	\$ 3,925,013	\$ (772,306)	\$ 3,152,706	\$ 129,694	\$ 109,452	\$ 239,146
Statewide Bridge Enterprise	107,203	-	107,203	-	17,181	17,181
High Performance Transportation Enterprise	12,092	-	12,092	-	8,090	8,090
	<u>\$ 4,044,308</u>	<u>\$ (772,306)</u>	<u>\$ 3,272,001</u>	<u>\$ 129,694</u>	<u>\$ 134,723</u>	<u>\$ 264,417</u>

DONOR RESTRICTED ENDOWMENTS

The State's donor restricted endowments exist solely in its institutions of higher education. The policies of individual boards govern the spending of net appreciation on investments; there is no State law that governs endowment spending. Donor restricted endowment appreciation amounts that are available for expenditure reported by the State's institutions of higher education totaled \$25.1 million.

The University of Colorado reported net appreciation on endowment investments of \$21.7 million that was available for spending. The University reported the related net position in Restricted for Permanent Funds and Endowments - Expendable on the Statement of Net Position - Proprietary Funds. The University spends its investment income in accordance with the University of Colorado Foundation's established spending policy.

The Colorado School of Mines reported \$1.7 million of net appreciation on endowment investments that was available for spending. The School reported the related net position in Restricted for Permanent Funds and Endowments - Expendable on the Statement of Net Position - Proprietary Funds. The School has an authorized spending rate of 4.25% of the rolling 36-month average fair value of the endowment investments.

Colorado State University reported net appreciation on endowment investments of \$1.7 million. The University reported the related net position in Restricted for Permanent Funds and Endowments - Expendable on the Statement of Net Position - Proprietary Funds. The University spends its investment income as authorized by the University's President.

NOTE 18 – RELATED PARTIES

RELATED ORGANIZATIONS

The following related organizations, for which the State appoints a voting majority of their governing boards, are not part of the reporting entity based on the criteria of GASB Statement No. 14, as amended by GASB Statements No. 39 and 61:

- Colorado Agricultural Development Authority
- Colorado Beef Council Authority
- Colorado Educational and Cultural Facilities Authority
- Colorado Health Benefit Exchange
- Colorado Health Facilities Authority
- Colorado Housing and Finance Authority
- Colorado New Energy Improvement District
- Colorado Sheep and Wool Authority
- Middle-Income Housing Authority
- Fire and Police Pension Association
- Pinnacol Assurance
- The State Board of the Great Outdoors Colorado Trust Fund
- Venture Capital Authority

Even though the appointment of governing boards of these authorities is similar to those included in the reporting entity, the State cannot impose its will upon these entities and it does not have a financial benefit or burden relationship with them. Detailed financial information may be obtained directly from these organizations.

RELATED PARTY TRANSACTIONS

The Colorado Housing & Finance Authority (CHFA) provides administrative services while serving as a fiscal agent for small business programs to provide relief to business that are affected by COVID-19, helps businesses that typically struggle to get access to a bank loan, and programs that promote energy efficiency and renewable energy in Colorado. The State paid a total of \$12.7 million to CHFA for the administration of these programs during Fiscal Year 2023.

The University of Colorado Health (UCH) is a legal entity separate from the University of Colorado. Faculty members of the University's School of Medicine perform a majority of their clinical practice and clinical training at UCH. The clinical revenue for these clinical services provided by the University's faculty is collected by University Physicians Inc., d/b/a CU Medicine, a blended component unit of the State. The University enters into contracts with UCH to support the University's educational mission. During Fiscal Year 2023, UCH paid the University \$92.6 million, and the University paid UCH \$11.7 million. At June 30, 2023, the University had accounts receivable from UCH of \$4.4 million.

The State Board of the Great Outdoors Colorado (GOCO) Trust Fund is a constitutionally created entity whose purpose is to administer the GOCO Program and Trust Fund. The purpose of the program is to promote the wildlife and outdoor recreation resources of the State using funds it receives from the Colorado Lottery. During Fiscal Year 2023, the Board awarded \$79.8 million to the Division of Parks and Wildlife at the Department of Natural Resources. At June 30, 2023, the amount the Division spent on GOCO grants was \$38.7 million, and GOCO owed the Department of Natural Resources \$12.4 million. Additionally, the GOCO Trust Fund is reported as a fiduciary

fund in the State's financial statements. The Department of Treasury recorded deposits of \$89.0 million and disbursements of \$77.7 million in the GOCO Trust Fund, and the Trust Fund had an ending cash balance of \$95.9 million as of June 30, 2023.

The Colorado Health Benefit Exchange, operating as Connect for Health Colorado, operates the State's health insurance marketplace. During Fiscal Year 2023, the Colorado Health Benefit Exchange received \$12.2 million in payments from the State for eligibility determinations and system changes.

The Colorado Beef Council Authority oversees the sale of cattle in Colorado and imported beef and beef products. Statute requires the Brand Board within the Department of Agriculture to collect a fee up to \$1 on each head of cattle inspected and remit it to the Colorado Beef Council Authority. In return for collecting and administering the fee, 3 percent is paid back to the Brand Board. During Fiscal Year 2023, the Brand Board paid \$3.2 million to the Colorado Beef Council Authority, and the Colorado Beef Council Authority paid \$0.1 million to the Brand Board.

NOTE 19 – COMMITMENTS AND CONTINGENCIES

COMMITMENTS

The State does not have any significant commitments at June 30, 2023.

SERVICE CONCESSION ARRANGEMENTS

The financial close of the 50 year concession agreement between HPTE and Plenary was completed on February 24, 2014. The concession agreement transferred the operations and revenues from the existing I-25 HOT lanes on March 7, 2014. Plenary financed, designed, and constructed Phase II of the U.S. 36 project and assumed the liability of the \$54 million TIFIA loan. Phase I of the U.S. 36 project is not part of the concession agreement, which was placed into service on July 22, 2015. Phase II of the U.S.36 project was placed into service on March 31, 2016.

On March 7, 2014 HPTE granted Plenary the right to toll the existing I-25 HOT lanes and to also toll U.S.36. Plenary also has the right to raise toll rates with permission from the HPTE Board of Directors. If the HPTE Board of Directors denies Plenary's request to raise the toll rates, HPTE must compensate Plenary for the lost toll revenue. The TIFIA liability of \$54 million and concession revenue will be amortized over the 50 year life of the agreement. Additionally, the Phase II asset (\$88 million) was initially recognized in Fiscal Year 2016 in accordance with the requirements of Statement No. 94 of the Governmental Accounting Standards Board – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and will also be amortized over the life of the 50 year agreement. Phase I of the U.S.36 project was placed into service on July 22, 2015. On this date, Plenary assumed the responsibility of the \$54 million TIFIA loan.

HPTE reported deferred inflow of resources related to the arrangement of \$122.0 million, which is included on the Statement of Net Position. The table below shows the carrying amount of HPTE's capital assets at fiscal year-end pursuant to the concession arrangement.

Project	Description	Carrying Amount
U.S. 36 Phase II	Tolling Equipment and Software	\$ -
U.S. 36 Phase II	Managed Lanes	87,097,828
U.S. 36 Phase II	36 Tolling Stations	42,138

AVAILABILITY PAYMENT ARRANGEMENTS

In 2017, to partially finance the Central 70 Project the Colorado Bridge and Tunnel Enterprise (BTE) issued \$120.8 million of Private Activity Bonds (PABs) and Kiewit Meridiam Partners (KMP) obtained a Transportation Infrastructure Finance Innovation Act (TIFIA) loan totaling \$416 million. In September 2021, BTE and KMP refinanced the PAB and TIFIA loans with the issuance of \$51.7 million Series 2021A and \$465 million 2021B PABs and \$465 million of a 2021 TIFIA loan. BTE issued the Series 2021A, 2021B, and the TIFIA loan as a conduit issuer and as a result, the bonds and TIFIA loan are not obligations of BTE and are payable solely by KMP. Within the terms of the agreement with KMP, there is also capital performance payments.

The capital performance payments are related to the Central 70 project started in March 2022 and are paid to the developer monthly and continue for a period of 30 years. The performance payments have a base operation, maintenance, and repair (OMR) component and a base capital performance payment (CPP) component. The OMR component is the responsibility of CDOT, and HPTE for operations and maintenance of the general purpose lanes and the express lanes through an Inter-Agency Agreement. OMR payments are delayed until substantial completion, which was delayed to February 2023 due to the settlement agreement that was entered into in May 2019.

The CPP component is designed to repay KMP for its total capital investment in the Central 70 project including debt in the form of PABs, and TIFIA loan, and KMP's equity contributions. BTE determined the present value of CPP by applying an implied interest rate of 3.91 percent, which was derived from the total KMP capital, which resulted in a finance purchase liability of \$699.3 million in Fiscal Year 2021-22.

The CPP is a base amount that escalates at 2% every year. The monthly payment is based on the annual CPP amount, divided by twelve months. The monthly payment can vary slightly due to the number of days in a month. The monthly payment is divided between principal and interest, as shown in the table below.

Total future debt service payments over the remaining life of the Central 70 Capital Performance Payments bonds as follows:

Central 70 Capital Performance Payments:

Fiscal Year	Interest Due	Principal Due	Net Debt Service Payment
2024	\$ 26,642,513	\$ 4,829,841	\$ 31,472,354
2025	26,440,379	5,661,422	32,101,801
2026	26,205,677	6,538,161	32,743,838
2027	25,936,188	7,462,526	33,398,714
2028	25,630,501	8,436,188	34,066,689
2029 to 2033	122,132,377	58,697,726	180,830,103
2034 to 2038	107,738,203	91,912,843	199,651,046
2039 to 2043	86,066,221	134,364,666	220,430,887
2044 to 2048	55,127,281	188,246,230	243,373,511
2049 to 2052	14,091,229	184,200,837	198,292,066
Total payments	\$ 516,010,569	\$ 690,350,440	\$ 1,206,361,009

ENCUMBRANCES

Most encumbrances are supported by annual appropriations and lapse at year-end. However, the Capital Projects Funds, Institutions of Higher Education, and Colorado Department of Transportation Funds (primarily the Highway Users Tax Fund) include multi-year encumbrances of \$63.3 million, \$171.9 million, and \$1.9 billion, respectively, which are related to purchase orders and long-term contracts for the construction of major capital projects and infrastructure.

FINANCIAL GUARANTEES

Colorado statutes (Section 22-41-110, C.R.S.) hold the State liable for defaults on school district bonds and other obligations unless a school district board of education adopts a resolution stating it will not accept payment on their behalf. The State Treasurer shall recover the amount forwarded on behalf of the school districts by withholding amounts from the school district's payments of the state share of the district's total program received and from property tax and specific ownership tax revenues collected by the county treasurer on behalf of the school district; except that the State Treasurer may not recover amounts from property tax revenues that are pledged to pay notes and bonds issued by the school district. The guarantee will continue to be in effect as long as any bonds or other obligations of a school district remain outstanding. As of June 30, 2023, \$11.2 billion of the school district bond is outstanding and no liability has been recorded, as the school districts have been deemed capable of meeting the debt service payments.

CONTINGENCIES

Numerous court cases are pending in which the plaintiffs allege that the State has deprived persons of their constitutional rights, civil rights, inadequately compensated them for their property, engaged in regulatory misfeasance, or breached contracts. In the aggregate, the monetary damages (actual, punitive, and attorney's fees) claimed in the constitutional and civil rights cases would exceed the insurance coverage available by a material amount. The property compensation and breach of contract suits are generally limited to the appraised value of the property or the contract amount. In the breach of contract suits, the State often files counterclaims. While it is reasonably possible that awards of judgment could occur, it is unlikely that those awards would have a material adverse effect on the State's financial condition.

Significant matters that are deemed a contingent liability to the State requiring disclosure are summarized below. A significant matter is defined as a single instance where an unfavorable outcome would result in damages of \$5.0 million or more.

GRANTS

The State receives federal grants for specific purposes that are subject to review and audit by grantor agencies. This federal funding is conditional upon compliance with the terms and conditions of such grant agreements and applicable federal laws and regulations. Issues resulting from federal reviews or audits can potentially cause disallowance of expenditures and consequently, a liability of the State.

The federal Department of Health and Human Services, Centers for Medicare and Medicaid (CMS) demanded the State return approximately \$38.4 million of performance bonus payments under the Children's Health Insurance Program Reauthorization Act of 2009, on the basis the State improperly included individuals in current enrollment counts. The State is vigorously defending against the recovery demand, but the likelihood of an unfavorable outcome is uncertain.

The Department of Health Care Policy & Financing may be responsible for repaying the Centers for Medicare and Medicaid Services approximately \$5.5 million for Home and Community Services authorized by Case Management Agencies. The unallowable costs are due to the Department inappropriately claiming a financial match for services authorized at a higher level than the member's assessed need.

GENERAL LITIGATION

The State is a defendant in a number of lawsuits or is subject to potentially be named as a party to lawsuits that are associated with its normal governmental operations. Although the outcomes are uncertain, some of these litigations could involve substantial losses. However, the State believes in most cases that it will not incur a resulting liability that would have a material or adverse effect on the State's financial condition. Should the State incur a loss through an unfavorable outcome, some of the losses may be covered through liability insurance.

NOTE 20 – TAX ABATEMENTS

The Governor's Office of Economic Development and International Trade (OEDIT) – through the State Economic Development Commission (EDC) – supports recruitment, retention, and economic growth throughout the State by offering a variety of incentives and tax credits. OEDIT provided significant tax abatements under three programs during the fiscal year: Colorado Enterprise Zone Business and Contribution Tax Credits, Job Growth Incentive Tax Credits, and the Regional Tourism Act program.

- The Colorado Enterprise Zone (EZ) program was created under Article 30 of Title 39 of the Colorado Revised Statutes (C.R.S.) to promote a business friendly environment in economically distressed areas by offering state income tax credits that incentivize businesses to locate and develop in these communities. The Enterprise Zone Contribution Credit is a sub-credit of the Enterprise Zone program created under Section 39-30-103.5, C.R.S. The Contribution Credit is issued to taxpayers that contribute to an economic development project initiated by the local zone administrator and approved by the EDC. Taxpayers investing in Enterprise Zones can earn a credit on their Colorado income tax by planning and executing specific economic development activities. The following incentives can be earned by businesses located in Enterprise Zones:

Business Income Tax Credits	Credit Amount
Investment Tax Credit	3.0 percent of equipment purchases
Commercial Vehicles Investment Tax Credit	1.5 percent of commercial vehicle purchases
Job Training Tax Credit	12 percent of qualified training expenses
New Employee Credit	\$1,100 per new job created
Agricultural Processor New Employee Credit	\$500 per new job created
Employer Sponsored Health Insurance Credit	\$1,000 per covered employee
Research & Development Increase Tax Credit	3 percent of increased R&D expenditures
Vacant Commercial Building Rehabilitation Tax Credit	25 percent of rehabilitation expenditures
Additional EZ Incentives	Incentive Amount
Manufacturing/Mining Sales and Use Tax Exemption	Expanded Sales & Use tax exemption in EZ
Contribution Tax Credit	25 percent cash/12.5 percent in-kind

Areas with high unemployment rates (25% above the State average), low per capita income (25% below the State average), and/or slower population growth (less than 25% of the State average in rural areas) may be approved for EZ designation by the EDC.

Each income tax year, a business located in an EZ must apply and be pre-certified prior to beginning an activity to earn any of the business tax credits listed in the table above. When pre-certifying, the business states that the credit is a contributing factor to the start-up, expansion, or relocation of the business. To certify for the credit, the investments and/or new jobs must have been made. At the end of the income tax year, a business must certify that the activities were performed. Contribution Tax Credits are earned by taxpayers making donations to eligible EZ Contribution Projects, and certifying those donations with the project organization or Local Enterprise Zone Administrator. The Commercial Vehicle Investment Tax Credit has a separate online application process.

The provision for recapturing abated taxes would be an income tax return audit conducted by the Department of Revenue.

- The Job Growth Incentive Tax Credit (JGITC) is a performance-based job creation incentive program created under Section 39-22-531 C.R.S., in which businesses must create and maintain permanent new jobs for one year before receiving the tax credit. The JGITC provides a state income tax credit equal to 50% of FICA paid by the business on the net job growth for each calendar year in the credit period. A business must undertake a job creation project for which the State of Colorado is competing with at least one other state for the project. The JGITC must be a major factor in the business decision to locate or retain the project in Colorado, and a business may not start or announce the proposed project (including

locating or expanding in the State, hiring employees related to the project, or making material expenditures for the project) until a final application has been submitted and approved by the EDC.

Businesses have to create at least 20 new jobs (full-time equivalents) in Colorado during the credit period with an average yearly wage of at least 100% of the county average wage based on where the business is located. A business located in an Enhanced Rural Enterprise Zone must create at least five net new jobs (full-time equivalents) in Colorado during the credit period with an average yearly wage of at least 100% of the county average wage based on where the business is located. The credit period is 96 consecutive months.

The provision for recapturing abated taxes would be an income tax return audit conducted by the Department of Revenue.

- The Regional Tourism Act (RTA) program was created under Sections 24-46-301 through 309 C.R.S., and provides Tax Increment Financing (TIF) to support construction of unique and extraordinary large scale tourism and entertainment facilities that will drive net new visitors and revenue to Colorado. A percentage of state sales tax within a geographic area in a given year that exceeds a base year amount is collected by the Department of Revenue and diverted to a project financing entity. The EDC shall not approve any project that would likely create an annual state sales tax revenue dedication of more than \$50 million to all regional tourism projects. A local government will need to submit a regional tourism project application to OEDIT within the application cycle deadline. OEDIT will review the application for general completeness and to make an initial determination regarding whether the application has met the general criteria for a regional tourism project. The EDC will review applications forwarded with OEDIT recommendations and may approve or reject the project based on a demonstration that the following criteria are materially met:
 - The project is of an extraordinary/unique nature and is reasonably anticipated to contribute significantly to economic development and tourism in the State and communities where the project is located.
 - The project is reasonably anticipated to result in a substantial increase in out-of-state tourism.
 - A significant portion of sales tax revenue generated by the project is reasonably anticipated to be attributable to transactions with nonresidents of the zone.
 - The local government has provided reliable economic data demonstrating that in the absence of state sales tax increment revenue, the project is not reasonably anticipated to be developed within the foreseeable future.

Recipients must follow the EDC resolution based on their application, and must build certain required elements and improvements and follow conditions established by the EDC. The provision for recapturing abated taxes is a formal decision by the EDC concluding the project has not commenced within five years.

- The Affordable Housing Credit was created under Section 39-22-2102 C.R.S., which is an insurance premiums tax credit allowed by this Section to address the shortage of affordable housing in the state, and increase access to affordable housing by encouraging developers to (1) build units specifically restricted for residents with incomes below the area median income, and (2) encourage private sector investment into the development and preservation of affordable housing. The Colorado Housing and Finance Authority (the Authority) may allocate a credit to an owner of a qualified development by issuing to the owner an allocation certificate. The Authority may determine the time at which such allocation certificate is issued. The credit shall be in an amount determined by the Authority, subject to program guidelines.

The allocated credit amount may be taken against the taxes imposed by this article for each taxable year of the credit period. Any amount of credit that exceeds the tax due for a taxable year may be carried forward as a tax credit against subsequent years' income tax liability up to eleven tax years following the tax year in which the allocation was made and must be applied first to the earliest years possible. Any amount of

the credit that is not used shall not be refunded to the taxpayer. Any taxpayer who is subject to the tax on insurance premiums established by Sections 10-3-209, 10-5-111, and 10-6-128 C.R.S., and who is therefore exempt from the payment of income tax and who is otherwise eligible to claim a credit may claim such credit and carry such credit forward against such insurance premium tax on its calendar quarter estimated tax payments made in accordance with Section 10-3-209 C.R.S. to the same extent as the taxpayer would have been able to claim or carry forward such credit or refund against income tax. All other provisions with respect to the credit, including the amount, allocation, and recapture of the credit and the years for which the credit may be claimed shall apply to a credit claimed pursuant to Section 39-22-2102(1) C.R.S.

As of the last day of any taxable year during the compliance period, if the amount of the qualified basis of a qualified development with respect to a taxpayer is less than the amount of the qualified basis as of the last day of the prior taxable year, then the amount of the taxpayer's state income tax liability for that taxable year shall be increased by the credit recapture amount. The credit recapture amount is an amount equal to the aggregate decrease in the credit allowed to the taxpayer for all prior taxable years that would have resulted if the accelerated portion of the credit allowable by reason were not allowed for all prior taxable years with respect to the reduced amount of qualified basis described in subsection (1) Section 39-22-2103 C.R.S.

Information relevant to disclosure of these tax abatement programs for the fiscal year ended June 30, 2023 is as follows:

Tax Abatement Program	Amount of Taxes Abated (in thousands)
Colorado Enterprise Zone Business Tax Credits	\$ 77,752.4
Colorado Enterprise Zone Contribution Tax Credits	14,274.5
Job Growth Incentive Tax Credits	36,037.7
Affordable Housing Tax Credit	22,199.7
Regional Tourism Act	14,559.7
Total	\$164,824.0

NOTE 21 – SUBSEQUENT EVENTS

DEBT ISSUANCES AND BORROWINGS

Colorado State Treasury

On July 20, 2023, the State issued Education Loan Program Tax and Revenue Anticipation Notes (ETRAN), Series 2023A. The notes mature on June 28, 2024. The total due on that date includes \$500 million in principal and \$23,472,222 in interest. By statute, interest on the notes is payable from the General Fund. The ETRAN was issued with a premium of \$7,726,000, an average coupon rate of 5.00%, and a yield of 3.28%.

On January 17, 2024, the State issued Education Loan Program Tax and Revenue Anticipation Notes (ETRAN), Series 2023B. The notes mature on June 28, 2024. The total due on that date includes \$670 million in principal and \$13,528,472 in interest. By statute, interest on the notes is payable from the General Fund. The ETRAN was issued with a premium of \$3,771,300, an average coupon rate of 4.52%, and a yield of 3.24%.

Department of Transportation

In August 2020, the Colorado Department of Transportation (CDOT) began working with the Build America Bureau (BAB) Transportation Infrastructure Finance Innovation Act (TIFIA) program to secure toll revenue backed financing for the I-25 Segment 7 and 8 project. The TIFIA loan facility will rely on pledge revenues generated from express lanes on Segments 2 and 3, which are open and operational. Preliminary financial analysis indicates that revenues from both segments would be more than sufficient to support a TIFIA loan facility far exceeding standard debt service coverage ratios. The final amount to be financed is up to \$501 million at an interest rate of two percent. CDOT closed on the TIFIA loan facility on August 3, 2023.

Institutions of Higher Education

University of Colorado

On July 18, 2023, the University of Colorado completed a tender process of \$134.8 million and issued Series 2023A Tax-Exempt Enterprise Refunding Revenue Bonds for \$117.4 million to fund the purchase of the qualified tenders. The bonds that were tendered included portions of Series 2015C, 2016A, 2017A1, 2017A2, 2018B, 2019A, 2019A2, 2019B, 2020B2, 2021C1, & 2021B. The simultaneous tender-refunding closed on August 1, 2023. Interest rates of the 2023A bonds are between 4.00% and 5.00%. The first interest payment is December 1, 2023, and the final maturity is June 1, 2048.

On December 21, 2023, the Board issued a total of \$214,535,000 2023B Bonds comprised of the following bonds as parity obligations under the Master Resolution which were purchased by Toronto-Dominion Public Finance LLC.

- The Regents of the University of Colorado, University Enterprise Refunding Revenue Bonds, Taxable (5.03%) (Convertible to Tax-Exempt (3.97%) Series 2023B-1 (the “Series 2023B-1 Bonds”) in the aggregate principal amount of \$96,035,000; maturing October 15, 2008, and
- The Regents of the University of Colorado, University Enterprise Refunding Revenue Bonds, Taxable (4.87%) (Convertible to Tax-Exempt (3.85%) Series 2023B-2 (the “Series 2023B-2 Bonds”) in the aggregate principal amount of \$118,500,000, maturing October 15, 2030.

These bonds refund the previously issued Series 2019C (“Refunded Bonds”). The proceeds are being held by Zions Bank as Escrow Agent to pay all interest and principal to the respective call dates of the Refunded Bonds. The issuance of the refunding bonds will result in minimized interest rate risk and more budget certainty for the campuses.

Colorado State University System

On November 14, 2023, Colorado State University System issued \$60.7 million in System Enterprise Revenue and Revenue Refunding Bonds Series 2023 A-1 and \$60.0 million in System Enterprise Revenue Bonds Series 2023 A-2 (Series 2023 A Bonds). A portion of the proceeds from the sale of the Series 2023 A-1 Bonds will be used to finance certain improvements to the Veterinary Health and Education Campus and the Andrew G. Clark Building in Fort

Collins. A portion of the proceeds from the sale of the Series 2023 A-1 Bonds will also be used to refund a portion of the Series 2017 B Bonds, refund a portion of the Series 2021 C Bonds, and defray in part the cost of paying, discharging, and cancelling certain Invited Bonds of the Board tendered to the Board in response to a Tender Offer. The 2023 A-1 Tendered Bonds were purchased and cancelled by the Board on the date of issuance of the Series 2023 A Bonds. A portion of the proceeds from the sale of the Series 2023 A-2 Bonds will be used to finance certain improvements to the Veterinary Health and Education Campus in Fort Collins. A portion of the proceeds from the sale of the Series 2023 A Bonds will be used to finance any other improvements to any of the campuses for which the Board has spending authority, other capital projects as may be designated by the Board, and pay the costs of issuing the Series 2023 A-2 Bonds.

Colorado Community College System

The series 2023 System wide Revenue Bonds for \$17,120,000 were issued on July 14, 2023. Interest is payable semiannually on May 1 and November 1. Final maturity of the bonds is November 1, 2037. The 2023 principal will be used for the purposes of financing the acquisition, construction and equipping of a STEM academic facility to the Community College of Aurora's CentreTech Campus and any other improvements to the CentreTech campus.

The Board has adopted a resolution statement that it will not participate in the State Intercept Program for the 2023 bonds.

Colorado School of Mines

On November 7, 2023 Mines issued \$132,485,000 of Institutional Enterprise bonds with a \$2,938,703 net premium, to fund Phase II of Mines Park Redevelopment project which provides new and updated on campus housing to upperclassmen and graduate students.

OTHER SUBSEQUENT EVENTS

Colorado Judicial Branch and Department of Law

On January 2, 2024, the Ralph L. Carr Colorado Judicial Center building and contents were vandalized. The Judicial Branch and Department of Law are managing insurance claims estimated at \$35 million by State Risk Management.

NOTE 22 – DISCRETELY PRESENTED COMPONENT UNITS

As described in Note 1, the State's discretely presented component units (DPCUs) are entities that are legally separate from the State, but included in the reporting entity due to their relationships with the State. This note discusses the significant balances reported in the financial statements for DPCUs and financial items directly related to the State's financial accountability for the DPCUs.

Basis of Accounting

The financial statements for the Colorado Water Resources and Power Development Authority (the Authority), a major DPCU, as well as the nonmajor DPCUs, the Denver Metropolitan Baseball Stadium District (the District) and the Statewide Internet Portal Authority (SIPA), are prepared on the accrual basis of accounting using the economic resources measurement focus and follow GASB standards for governments. The financial information for the Authority and the District is presented for the fiscal year ended December 31, 2022 and the financial information for SIPA is presented for the fiscal year ended June 30, 2023.

The financial information for the University of Colorado Foundation (the Foundation), a major DPCU, is presented for the fiscal year ended June 30, 2023. The Foundation follows standards for not-for-profit accounting promulgated by the Financial Accounting Standards Board (FASB), which recommends preparing financial statements using the accrual basis of accounting.

During 2022, the fiscal year presented, the District implemented GASB Statement No. 87 – Leases. The implementation of this statement had no net impact on the District's beginning net position.

During Fiscal Year 2023, SIPA implemented GASB Statement No. 96 – Subscription-Based Information Technology Arrangements. The implementation of this statement had no net impact on SIPA's beginning net position.

Cash and Cash Equivalents

The Authority reported cash and cash equivalents with a fair market value of \$366.7 million. This amount comprises \$355.1 million held by COLOTRUST (Colorado Local Government Liquid Asset Trust), \$2.6 million held in the State Treasurer's Investment Pool, \$8.4 million in a Federated Government Obligations Fund, and \$0.6 million in bank cash deposits. The COLOTRUST and Federated deposits had nationally recognized statistical rating organization (NRSRO) credit ratings of AAAm. The COLOTRUST deposits were measured at net asset value per share (NAV) and the Federated deposits were measured using quoted market prices. The fair market value disclosures for the Treasurer's Investment Pool are disclosed in Note 4.

Investments

The Foundation holds resources for the benefit of the State and the amount of those resources, the vast majority of which are investments, are significant to the State.

Since the Foundation's financial statements are prepared according to FASB not-for-profit standards, the investment risk disclosures typical of government financial statements are not disclosed. For its endowments, the Foundation has adopted an investment policy that seeks to provide a steady and increasing stream of funding while maintaining the purchasing power of the assets. The Foundation's investments are reported, to the extent possible, at fair market value. The FASB fair market value reporting requirements provide for a valuation method hierarchy similar to GASB's. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 Investments – values are based on quoted prices (unadjusted) for identical assets (or liabilities) in active markets that a government can access at the measurement date.

Level 2 Investments – inputs other than quoted prices included within Level 1 – that are observable for an asset (or liability), either directly or indirectly.

Level 3 Investments – classified as Level 3 have unobservable inputs for an asset (or liability) and may require a degree of professional judgment.

The following table summarizes the Foundation’s investments by type within the fair value hierarchy as of June 30, 2023 In addition to the investments reported at fair value below, the Foundation reports investment assets at cost or present value of \$85.8 million.

University of Colorado Foundation Fair Value Measurements Using (Amounts In Thousands)					
Investment Type	Fair Value as of 6/30/2023	Quoted prices in active markets for identical assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value Per Share
Mutual Funds - Domestic Equities	\$ 85,994	\$ 85,994	\$ -	\$ -	\$ -
Mutual Funds - International Equities	183,779	183,779	-	-	-
Mutual Funds - Fixed Income	1,925	1,925	-	-	-
Equity Securities	338,711	300,199	-	38,512	-
Exchange-Traded Fund	41,791	41,791	-	-	-
Fixed-Income Securities	226,937	-	226,937	-	-
Real Estate	106,271	-	-	-	106,271
Private Equity	551,211	-	-	-	551,211
Commingled Equity Securities	571,741	-	-	-	571,741
Absolute Return	276,516	-	-	-	276,516
Venture Capital	305,396	-	-	634	304,762
Commodities	41,707	-	-	-	41,707
Other	1,210	-	628	582	-
Assets Held Under Split-Interest Agreements	28,241	28,241	-	-	-
Beneficial Interest in Charitable Trusts Held by	12,886	-	-	12,886	-
Others					
Total	\$ 2,774,316	\$ 641,929	\$ 227,565	\$ 52,614	\$ 1,852,208

Receivables

The Authority loans funds to finance local government water resources projects, wastewater treatment projects, and drinking water projects. The Authority reported loans receivable of \$1,083.4 million as of December 31, 2022. The scheduled maturities of the loans receivable are below.

Colorado Water Resources and Power Development Authority **Loans Receivable** (In Thousands)

Year	Principal	Interest	Total
2023	\$ 75,470	\$ 8,722	\$ 84,192
2024	75,279	8,048	83,327
2025	74,600	7,184	81,784
2026	64,699	6,453	71,152
2027	65,216	5,799	71,015
2028 to 2032	283,116	22,396	305,512
2033 to 2037	206,275	15,658	221,933
2038 to 2042	115,396	10,483	125,879
2043 to 2047	68,852	5,523	74,375
2048 to 2052	54,520	1,894	56,414
2053	8	-	8
Total	\$ 1,083,431	\$ 92,160	\$ 1,175,591

The Foundation reported contributions receivable of \$162.9 million. This amount is net of allowances for uncollectible contributions and net present value discount. Of this amount, \$45.7 million is due within one year, \$115.3 million is due within one to five years, and \$1.9 million is due in more than five years.

Debt Service Requirements

The Authority has issued several bonds to finance local government water projects, which do not constitute debt of the State. During 2022, the Authority issued 2022 Series A (SRF) Clean Water Revenue Bonds for \$37.2 million.

The schedule below summarizes the remaining debt service payments for all bond issuances for the Authority.

Colorado Water Resources and Power Development Authority Debt Service Requirements (In Thousands)

Year	Principal	Interest	Total
2023	\$ 29,035	\$ 10,633	\$ 39,668
2024	29,540	9,411	38,951
2025	26,280	8,310	34,590
2026	18,360	7,319	25,679
2027	17,750	6,477	24,227
2028 to 2032	69,940	22,866	92,806
2033 to 2037	38,865	11,929	50,794
2038 to 2042	19,375	6,418	25,793
2043 to 2047	11,415	3,326	14,741
2048 to 2052	8,455	1,151	9,606
Total	\$ 269,015	\$ 87,840	\$ 356,855

Capital Assets

The District owns and operates a major league baseball stadium and other related capital assets. The District depreciates land improvements, buildings, and other property and equipment using the straight-line method over estimated useful lives that range from three to 50 years. Changes in capital assets for the District for 2022 are below.

Denver Metropolitan Major League Baseball Stadium District Changes in Capital Assets (In Thousands)

	Beginning Balance, 1/1/2022	Additions	Transfers	Retirements	Ending Balance, 12/31/2022
Historical Costs					
Land	\$ 20,664	\$ -	\$ -	\$ -	\$ 20,664
Land Improvements	13,214	-	-	-	13,214
Buildings	218,942	1,951	146	-	221,039
Construction in Progress	148	11,122	(146)	-	11,124
Other Property and Equipment	36,634	420	-	-	37,054
Total Historical Costs	289,602	13,493	-	-	303,095
Accumulated Depreciation					
Land Improvements	(7,136)	(214)	-	-	(7,350)
Buildings	(88,146)	(6,038)	-	-	(94,184)
Other Property and Equipment	(27,450)	(1,101)	-	-	(28,551)
Total Accumulated Depreciation	(122,732)	(7,353)	-	-	(130,085)
Net Capital Assets	\$ 166,870	\$ 6,140	\$ -	\$ -	\$ 173,010

Transactions with the Primary Government

Pursuant to statutes, with the written consent of the Department of Public Health and Environment, the Authority is authorized, on behalf of the State, to execute operating agreements with the United States Environmental Protection

Agency. The Authority entered into a memorandum of agreement with the Department of Public Health and Environment and the Department of Local Affairs, under which each has agreed to assume specified responsibilities. The Authority incurred expenses for the two state agencies totaling \$12.1 million in the fiscal year ending December 31, 2022.

The Foundation reported custodial funds of \$582.8 million, held for investment for the University of Colorado. In Fiscal Year 2023, the Foundation assessed 1.5 percent on the University's custodial endowments and 1.0 percent on the University's treasury funds, totaling \$7.9 million, to support advancement operations. \$222.0 million of distributions were transferred to the University and \$35.7 million of advancement support was paid to the University.

Pension Information

The Authority participates in the PERA defined benefit pension plan disclosed in Note 6. Disclosures in Note 6 for the PERA State Division Trust Fund (SDTF) regarding general information about the plan, contributions, and actuarial assumptions are also applicable to the Authority. The pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions specific to the Authority are provided below.

At December 31, 2022, the Authority reported a liability of \$2,433,615 for its proportionate share of the collective net pension liability.

The Authority recognized reduction of pension expense of \$150,602 and revenue of \$1,132 for support from the State as a nonemployer contributing entity for the fiscal year ended December 31, 2022. At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 16,559	\$ 3,386
Changes of assumptions or other inputs	86,768	-
Net difference between projected and actual earnings on pension plan investments	-	837,472
Changes in proportion	1,348	135,844
Contributions subsequent to the measurement date	250,355	-
Total	\$ 355,030	\$ 976,702

At December 31, 2022, the Authority reported \$250,355 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2023	\$ (194,977)
2024	(373,980)
2025	(201,730)
2026	(101,340)
	\$ (872,027)

Other Post-Employment Benefits (OPEB)

The Authority participates in the PERA defined benefit OPEB plan disclosed in Note 7. Disclosures in Note 7 for the PERA Health Care Trust Fund (HCTF) OPEB regarding general information about the plan, contributions, and actuarial assumptions are also applicable to the Authority. The OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB specific to the Authority are provided below.

At December 31, 2022, the Authority reported a liability of \$110,038 for its proportionate share of the collective net OPEB liability.

The Authority recognized a reduction of OPEB expense of \$3,404 for the fiscal year ended December 31, 2022. At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 168	\$ 26,091
Changes of assumptions or other inputs	2,278	5,969
Net difference between projected and actual earnings on OPEB plan investments	-	6,811
Changes in proportion	3,508	15,740
Contributions subsequent to the measurement date	12,623	-
Total	\$ 18,577	\$ 54,611

At December 31, 2022, the Authority reported \$12,623 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Amount
2023	\$ (13,059)
2024	(14,153)
2025	(13,490)
2026	(7,371)
2027	(560)
Thereafter	(24)
	\$ (48,657)



REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
BUDGET AND ACTUAL - APPROPRIATED GENERAL FUNDED
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Sales and Other Excise Taxes			\$ 4,297,419	
Income Taxes			7,650,934	
Other Taxes			455,576	
Federal Grants and Contracts			159	
Sales and Services			870	
Interest Earnings			173,539	
Other Revenues			36,085	
Transfers-In			79,551	
TOTAL REVENUES AND TRANSFERS-IN			12,694,133	
EXPENDITURES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Agriculture	\$ 14,763	\$ 17,209	\$ 17,052	\$ 157
Corrections	899,838	922,495	911,854	10,641
Education	4,500,296	4,501,259	4,495,014	6,245
Governor	57,025	57,299	56,428	871
Health Care Policy and Financing	4,084,846	3,642,494	3,607,112	35,382
Higher Education	1,362,604	1,363,548	1,360,951	2,597
Human Services	1,060,374	1,098,905	1,083,204	15,701
Judicial Branch	668,834	670,252	657,516	12,736
Labor and Employment	31,963	25,953	21,728	4,225
Law	20,624	20,758	20,414	344
Legislative Branch	66,740	66,750	66,719	31
Local Affairs	50,652	49,576	47,247	2,329
Military and Veterans Affairs	12,654	12,660	12,044	616
Natural Resources	38,689	39,073	37,502	1,571
Early Childhood	112,404	119,014	113,531	5,483
Personnel & Administration	27,058	27,263	23,951	3,312
Public Health and Environment	203,418	192,219	185,623	6,596
Public Safety	241,688	224,830	212,240	12,590
Regulatory Agencies	3,016	3,716	3,696	20
Revenue	102,233	103,971	99,021	4,950
State	1,152	1,152	1,081	71
Treasury	318,607	318,621	315,571	3,050
SUB-TOTAL OPERATING BUDGETS	13,879,478	13,479,017	13,349,499	129,518
Capital and Multi-Year Budgets:				
Departmental:				
Agriculture	\$ 2,677	\$ 5,208	\$ 2,519	\$ 2,689
Corrections	72,498	25,485	7,277	18,208
Education	5,670	4,955	706	4,249
Governor	15,104	67,075	23,248	43,827
Health Care Policy and Financing	6,044	6,588	412	6,176
Higher Education	152,156	202,711	72,021	130,690
Human Services	25,836	44,450	11,079	33,371
Judicial Branch	-	4,111	54	4,057
Labor and Employment	-	5,250	702	4,548
Local Affairs	3,534	1,303	191	1,112
Military and Veterans Affairs	2,053	6,370	336	6,034
Natural Resources	-	16,863	6,276	10,587
Early Childhood	-	3,459	3,075	384
Personnel & Administration	25,450	21,892	9,013	12,879
Public Health and Environment	2,763	4,902	514	4,388
Public Safety	4,067	3,969	3,549	420
Revenue	1,000	-	-	-
State	-	1,610	-	1,610
Transportation	500	1,300	500	800
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	319,352	427,501	141,472	286,029
TOTAL EXPENDITURES AND TRANSFERS-OUT	\$ 14,198,830	\$ 13,906,518	\$ 13,490,971	\$ 415,547
EXCESS OF REVENUES AND TRANSFERS-IN OVER (UNDER) EXPENDITURES AND TRANSFERS-OUT			<u>\$ (796,838)</u>	

The notes to the required supplementary information are an integral part of this schedule.

**SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES,
AND CHANGES IN FUND BALANCES/NET POSITION - BUDGETARY BASIS
BUDGET AND ACTUAL - APPROPRIATED CASH FUNDED
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Sales and Other Excise Taxes			\$ 6,779	
Income Taxes			1,066,400	
Other Taxes			125,824	
Tuition and Fees			3,387,580	
Sales and Services			1,880,888	
Interest Earnings			98,666	
Health Care Provider Fees			270	
Other Revenues			935,101	
Transfers-In			2,566,507	
Capital Contributions			713	
TOTAL REVENUES AND TRANSFERS-IN			10,068,728	
EXPENDITURES/EXPENSES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Agriculture	\$ 43,349	\$ 54,714	\$ 48,475	\$ 6,239
Corrections	68,205	67,972	34,153	33,819
Education	1,612,902	1,537,050	1,454,656	82,394
Governor	362,121	360,006	322,626	37,380
Health Care Policy and Financing	1,879,639	1,842,761	1,808,756	34,005
Higher Education	3,564,634	3,572,346	3,407,182	165,164
Human Services	358,064	356,101	292,812	63,289
Judicial Branch	188,272	185,634	145,543	40,091
Labor and Employment	107,990	88,595	73,157	15,438
Law	86,895	87,241	79,997	7,244
Legislative Branch	1,625	1,625	1,514	111
Local Affairs	169,003	107,792	97,400	10,392
Military and Veterans Affairs	3,684	3,684	3,054	630
Natural Resources	382,443	380,076	270,113	109,963
Early Childhood	42,360	42,591	26,992	15,599
Personnel & Administration	141,212	146,210	134,626	11,584
Public Health and Environment	296,684	276,013	204,818	71,195
Public Safety	289,762	291,356	268,458	22,898
Regulatory Agencies	115,424	114,044	103,235	10,809
Revenue	285,980	286,532	241,696	44,836
State	30,876	31,368	28,990	2,378
Transportation	169,588	184,412	59,437	124,975
Treasury	55,732	55,794	54,789	1,005
SUB-TOTAL OPERATING BUDGETS	10,256,444	10,073,917	9,162,479	911,438
Capital and Multi-Year Budgets:				
Departmental:				
Governor	-	144	144	-
Higher Education	42,014	137,066	34,325	102,741
Human Services	-	4,881	2,467	2,414
Labor and Employment	1,689	28,414	13,939	14,475
Military and Veterans Affairs	1,800	5,700	-	5,700
Natural Resources	115,722	214,590	25,728	188,862
Personnel & Administration	14,760	49,191	5,052	44,139
Public Health and Environment	4,531	3,061	1,497	1,564
Public Safety	-	1,538	1,371	167
Transportation	-	1,900	-	1,900
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	180,516	446,485	84,523	361,962
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS-OUT	\$ 10,436,960	\$ 10,520,402	\$ 9,247,002	1,273,400
EXCESS OF REVENUES AND TRANSFERS-IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS-OUT			\$ 821,726	

The notes to the required supplementary information are an integral part of this schedule.

**SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES,
AND CHANGES IN FUND BALANCES/NET POSITION - BUDGETARY BASIS
BUDGET AND ACTUAL - APPROPRIATED FEDERALLY FUNDED
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Federal Grants and Contracts			\$ 8,834,313	
TOTAL REVENUES AND TRANSFERS-IN			8,834,313	
EXPENDITURES/EXPENSES AND TRANSFERS-OUT:				
Capital and Multi-Year Budgets:				
Departmental:				
Health Care Policy and Financing	\$ 7,777,037	\$ 8,574,688	\$ 8,361,065	\$ 213,623
Human Services	217,598	225,792	218,661	7,131
Labor and Employment	14,330	14,330	14,279	51
Early Childhood	291,587	285,644	203,769	81,875
Personnel & Administration	-	221	192	29
Public Health and Environment	19,749	19,511	13,509	6,002
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	8,320,301	9,120,186	8,811,475	308,711
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS-OUT	\$ 8,320,301	\$ 9,120,186	\$ 8,811,475	\$ 308,711
EXCESS OF REVENUES AND TRANSFERS-IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS-OUT			\$ 22,838	

The notes to the required supplementary information are an integral part of this schedule.



**RECONCILING SCHEDULE
ALL BUDGET FUND TYPES
TO ALL GAAP FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)

	GOVERNMENTAL FUNDS			
	GENERAL	FEDERAL SPECIAL REVENUE FUND	HIGHWAY USERS TAX	OTHER GOVERNMENTAL FUNDS
BUDGETARY BASIS:				
Revenues and Transfers-In Appropriated (Required Supplementary Information):				
General	\$ 12,667,402	\$ -	\$ -	\$ 26,731
Cash	1,359,392	-	324,486	2,928,884
Federal	5,097,785	192	-	5,270
Sub-Total Revenues and Transfers-In Appropriated	19,124,579	192	324,486	2,960,885
Revenues and Transfers-In Non-Appropriated (Supplementary Information):				
General	1,707,786	-	-	-
Cash	6,231,387	32,785	2,231,492	5,276,981
Federal	5,463,930	500,114	733,152	491,027
Sub-Total Revenues and Transfers-In Non-Appropriated	13,403,103	532,899	2,964,644	5,768,008
Total Revenues and Transfers-In Appropriated and Non-Appropriated	32,527,682	533,091	3,289,130	8,728,893
Expenditures/Expenses and Transfers-Out Appropriated (Required Supplementary Information):				
General Funded	13,348,440	-	-	142,531
Cash Funded	1,079,580	-	317,709	2,396,461
Federally Funded	5,080,100	192	-	-
Expenditures/Expenses and Transfers-Out Appropriated	19,508,120	192	317,709	2,538,992
Expenditures/Expenses and Transfers-Out Non-Appropriated(Supplementary Information):				
General Funded	1,650,692	-	-	88
Cash Funded	5,710,301	3,017	2,410,139	3,509,201
Federally Funded	5,530,745	520,351	681,238	395,003
Expenditures/Expenses and Transfers-Out Non-Appropriated	12,891,738	523,368	3,091,377	3,904,292
Expenditures/Expenses and Transfers-Out Appropriated and Non-Appropriated	32,399,858	523,560	3,409,086	6,443,284
Excess of Revenues and Transfers-In Over (Under)				
Expenditures and Transfers-Out - Budget Basis - Appropriated	(383,541)	-	6,777	421,893
Excess of Revenues and Transfers-In Over (Under)				
Expenditures and Transfers-Out - Budget Basis - Non-Appropriated	511,365	9,531	(126,733)	1,863,716
BUDGETARY BASIS ADJUSTMENTS:				
Increase/(Decrease) for Unrealized Gains/Losses	(219,689)	101,574	(6,732)	(105,046)
Increase/(Decrease) for GAAP Expenditures Not Budgeted	694,007	14,082	730,018	1,397,339
Increase/(Decrease) for GAAP Revenue Adjustments	(1,719,153)	(9,793)	(742,476)	(2,027,590)
Increase/(Decrease) for Non-Budgeted Funds	-	-	-	-
Excess of Revenues and Transfers-In Over				
(Under) Expenditures and Transfers-Out - GAAP Basis	(1,117,011)	115,394	(139,146)	1,550,312
GAAP BASIS FUND BALANCES/NET POSITION:				
FUND BALANCE/NET POSITION, FISCAL YEAR BEGINNING	4,202,275	(122,266)	708,316	8,671,096
Prior Period Adjustments (See Note 15A)	17,002	-	-	(530)
Accounting Changes (See Note 15B)	-	-	-	-
NET POSITION - FISCAL YEAR BEGINNING (RESTATED)	4,219,277	(122,266)	708,316	8,670,566
FUND BALANCE/NET POSITION, FISCAL YEAR END	\$ 3,102,266	\$ (6,872)	\$ 569,170	\$ 10,220,878

The notes to the required supplementary information are an integral part of this schedule.

PROPRIETARY FUND TYPES							TOTAL PRIMARY GOVERNMENT	FIDUCIARY FUND TYPES
HIGHER EDUCATION INSTITUTIONS	TRANSPORTATION ENTERPRISE	UNEMPLOYMENT INSURANCE	HEALTHCARE AFFORDABILITY	OTHER ENTERPRISE FUNDS	INTERNAL SERVICE			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,694,133	\$ -	
3,416,240	9,449	14,228	1,204,332	303,961	505,006	10,065,978	2,750	
-	-	-	3,731,066	-	-	8,834,313	-	
3,416,240	9,449	14,228	4,935,398	303,961	505,006	31,594,424	2,750	
-	-	-	-	-	-	1,707,786	-	
681,866	(487,636)	821,366	8,078	1,414,359	30,181	16,240,859	6,081,713	
6,547	18,476	121,668	175,963	450,531	-	7,961,408	-	
688,413	(469,160)	943,034	184,041	1,864,890	30,181	25,910,053	6,081,713	
4,104,653	(459,711)	957,262	5,119,439	2,168,851	535,187	57,504,477	6,084,463	
-	-	-	-	-	-	13,490,971	-	
3,344,382	92	18,148	1,235,293	390,305	462,312	9,244,282	2,720	
-	-	-	3,731,183	-	-	8,811,475	-	
3,344,382	92	18,148	4,966,476	390,305	462,312	31,546,728	2,720	
-	-	-	-	-	-	1,650,780	-	
820,805	20,158	328,974	7,837	1,157,092	50,920	14,018,444	5,116,384	
44,017	-	96,590	175,964	474,016	-	7,917,924	-	
864,822	20,158	425,564	183,801	1,631,108	50,920	23,587,148	5,116,384	
4,209,204	20,250	443,712	5,150,277	2,021,413	513,232	55,133,876	5,119,104	
71,858	9,357	(3,920)	(31,078)	(86,344)	42,694	47,696	30	
(176,409)	(489,318)	517,470	240	233,782	(20,739)	2,322,905	965,329	
(46)	(3,093)	(18)	635	(18,268)	(1,368)	(252,051)	(9,514)	
42,835	(89,571)	(44,296)	3,856	168,108	(24,986)	2,891,392	(395,696)	
(12,806)	(150)	(60)	(4,253)	(146,837)	4,410	(4,658,708)	397,487	
531,459	-	-	-	-	-	531,459	-	
456,891	(572,775)	469,176	(30,600)	150,441	11	882,693	957,636	
5,776,858	1,436,506	(617,632)	175,307	1,044,806	(303,322)	20,971,944	11,489,450	
-	-	-	-	-	-	16,472	-	
2,201	-	-	-	-	-	2,201	-	
5,779,059	1,436,506	(617,632)	175,307	1,044,806	(303,322)	20,990,617	11,489,450	
\$ 6,235,950	\$ 863,731	\$ (148,456)	\$ 144,707	\$ 1,195,247	\$ (303,311)	21,873,310	\$ 12,447,086	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE RSI-1 – BUDGETARY INFORMATION

A. BUDGETARY BASIS

Budget schedules are presented as appropriated and nonappropriated for each category. The appropriated schedules are part of the Required Supplementary Information (RSI) section while the nonappropriated schedules are part of the Supplementary Information (SI) section.

The three budget-to-actual schedules in the RSI show revenues and expenditures that are legislatively appropriated, excluding informational only appropriations that do not require action of the legislature but are included in the appropriations bills for informational purposes only. These schedules are presented in the budgetary fund structure discussed below.

Budgetary fund types differ from fund types proscribed by generally accepted accounting principles. The budgetary fund types are general, cash, and federal funds. For budgetary purposes, cash funds include financial resources designated to support specific expenditures. Federal funds primarily include revenues received from the federal government. All other financial resources received are general-purpose revenues, and are not designated for specific expenditures until appropriated.

Eliminations of transfers and intrafund transactions are not made in the budgetary funds if those transactions are under budgetary control. Thus, revenues and expenditures in these funds are shown at their gross amounts. This results in significant duplicate recording of revenues and expenditures. An expenditure of one budgetary fund may be shown as a transfer-in or revenue in another budgetary fund and then be shown again as an expenditure in the second fund.

For budget purposes, depending on the accounting fund type involved, expenditures/expenses are determined using the modified accrual or accrual basis of accounting with the following exceptions:

- Payments to employees paid on a monthly basis for time worked in June of each fiscal year are made on the first working day of the following month; for general-funded appropriations those payments are reported as expenditures in the following fiscal year.
- Certain payments by state agencies to the Office of Information Technology for information technology services purchased in June using general-funded appropriations are reported as expenditures in the following fiscal year.
- Medicaid services claims are reported as expenditures only when the Department of Health Care Policy and Financing requests payment by the State Controller for medical services premiums under the Colorado Medical Services Act or for medical service provided by the Department of Human Services under the Colorado Medical Services Act. Similar treatment is afforded to non-administrative expenditures that qualify for federal participation under Title XIX of the federal Social Security Act except for medically indigent program expenditures. In most years, this results in the Department of Health Care Policy and Financing excluding expenditures accrued for services provided but not yet billed.
- Expenditures of the fiscal year in the following three categories that have not been paid at June 30 are reported in the following year: Old Age Pension Health and Medical Care program costs; state contributions required by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003; and financial administration costs of any non-administrative expenditure under the Children's Basic Health Plan.
- Unrealized gains and losses on investments are not recognized as changes in revenue on the budgetary basis.
- Pension expense related to unfunded pension liabilities are not recognized on a budgetary basis.

B. BUDGETARY PROCESS

The financial operations of the legislative, judicial, and executive branches of the State government, with the exception of custodial funds and federal moneys not requiring matching state funds, are controlled by annual appropriations made by the General Assembly. The Department of Transportation's portion of the Highway Fund is appropriated to the State Transportation Commission. Within the legislative appropriation, the Commission may appropriate the specific projects and other operations of the department. In addition, the Commission may appropriate available fund balance from its portion of the Highway Fund.

The total legislative appropriation is constitutionally limited to the unrestricted funds held at the beginning of the year plus revenues estimated to be received during the year as determined by the budgetary basis of accounting. The original appropriation by the General Assembly in the Long Appropriations Act segregates the budget of the State into its operating and capital components. The majority of the capital budgets are accounted for in the Capital Projects Fund, with the primary exception being budgeted capital funds used for infrastructure and institution of higher education capital projects.

The Governor has line item veto authority over the Long Appropriations Act, but the General Assembly may override each individual line item veto by a two-thirds majority vote in each house.

Most general and cash funded appropriations, with the exception of capital projects, lapse at year-end unless specifically required by the General Assembly or executive action is taken to rollforward all or part of the remaining unspent budget authority. Appropriations that meet the strict criteria for rollforward are reported in Note 19 - Encumbrances. Since capital projects appropriations are generally available for three years after appropriation, significant amounts of the capital budgets remain unexpended at fiscal year-end. Cash funded highway construction, maintenance and operations in the Department of Transportation are appropriated as operating budgets, but remain available in future years through action of the Transportation Commission.

The appropriation controls the combined expenditures and encumbrances of the State, in the majority of the cases, to the level of line item within the State agency. Line items are individual lines in the official budget document and vary from specific payments for specific programs to single appropriations at the agency level. Statutes allow the Judicial and Executive Branches, at year-end, to transfer legislative appropriations within departments for expenditures. The appropriation may be retroactively adjusted in the following session of the General Assembly by a supplemental appropriation.

On the three budget-to-actual schedules, the column titled Original Appropriation consists of the Long Appropriations Act and special bills, excluding informational only appropriations. The column titled Final Spending Authority includes the original appropriation and supplemental appropriations of the Legislature.

Spending occurs outside of the legislative appropriations process primarily for custodial purposes, federally-funded activity for which there is no general-purpose revenue matching requirement, statutory transfers, and other miscellaneous budgetary items. Additional budget-to-actual schedules related to nonappropriated activity are included in the Supplementary Section of the Annual Comprehensive Financial Report.

C. OVEREXPENDITURES

Depending on the accounting fund type involved, expenditures/expenses are determined using the modified accrual or accrual basis of accounting even if the accrual will result in an overexpenditure. The modified and full accrual basis of accounting is converted to the budgetary basis of accounting as noted above. In the General Purpose Revenue Fund and Capital Projects Fund, if earned cash revenues plus available fund balance and earned federal revenues are less than cash and federal expenditures, then those excess expenditures are considered general-funded expenditures. If general-funded expenditures exceed the general-funded appropriation then an overexpenditure occurs even if the expenditures did not exceed the total legislative line item appropriation. Individual overexpenditures are listed in Note 2. Some transactions considered revenues for budgetary

purposes, such as intrafund sales, are not considered GAAP revenues. Some events, such as the recognition of unrealized gains/losses on investments, affect revenues on a GAAP basis but not on the budgetary basis. Federal Medicaid revenues related to deferred Medicaid expenditures result in revenues on the GAAP statements but not on the budgetary schedules. These events and transactions are shown in the reconciliation as “Unrealized Gains/Losses” and/or “GAAP Revenue Adjustments.”

D. BUDGET TO GAAP RECONCILIATION

The *Reconciling Schedule – All Budget Fund Types to All GAAP Fund Types* shows how revenues, expenditures/expenses, and transfers under the budgetary basis in the budgetary fund structure and how nonappropriated revenues, expenditures/expenses, and transfers under the budgetary basis in the budgetary fund structure relate to the change in fund balances/net position for the funds presented in the fund-level financial statements.

Certain expenditures on a generally accepted accounting principle (GAAP) basis, such as bad debt expense related to loan activity and depreciation, are not budgeted by the General Assembly. In addition, certain General Purpose Revenue Fund payroll disbursements for employee time worked in June by employees paid on a monthly basis, June general-funded purchases of service from the Office of Information Technology, and Medicaid and certain other assistance program payments (see Section A above) accrued but not paid by June 30 are excluded from the expenditures are not shown on the budget-to-actual schedules but are included in the budget-to-actual reconciliation schedule as “GAAP Expenditures Not Budgeted.” Additionally, this line item includes some transactions considered expenditures for budgetary purposes, such as loan disbursements and capital purchases in proprietary fund types, are not expenditures on a GAAP basis.

Some transactions considered revenues for budgetary purposes, such as intrafund sales, are not considered GAAP revenues. Some events, such as the recognition of unrealized gains/losses on investments, affect revenues on a GAAP basis but not on the budgetary basis. Federal Medicaid revenues related to deferred Medicaid expenditures result in revenues on the GAAP statements but not on the budgetary schedules. These events and transactions are shown in the reconciliation as “Unrealized Gains/Losses” and/or “GAAP Revenue Adjustments.”

The inclusion of these revenues and expenditures and the change in nonbudgeted funds along with the balances from the budget-to-actual schedules is necessary to reconcile to the GAAP fund balance.

E. OUTSTANDING ENCUMBRANCES

The State uses encumbrance accounting as an extension of formal budget implementation in most funds except certain fiduciary funds, and certain Higher Education Institutions Funds. Under this procedure, purchase orders and contracts for expenditures of money are recorded to reserve an equivalent amount of the related appropriation. Encumbrances do not constitute expenditures or liabilities. They lapse at year-end unless specifically brought forward to the subsequent year.

NOTE RSI-2 – THE STATE’S DEFINED BENEFIT PENSION PLAN

A. PROPORTIONATE SHARE OF PENSION LIABILITY AND CONTRIBUTIONS

Proportionate Share – Public Employees Retirement Association (PERA) Trust Funds:

The State, Judicial, Denver Public Schools, and Schools Divisions Trust Funds – which are defined benefit cost-sharing multiple-employer pension plans – are administered by the Public Employees’ Retirement Association (PERA). The schedule below presents the State’s (primary government) proportionate share of the net pension liability for its retirement Trusts. The amounts presented for each Division were determined as of the measurement date, which is the calendar year-end that occurred within the State’s fiscal year. Information is not available prior to Calendar Year 2018 for the Denver Public Schools, Schools, and State and Judicial NCE Divisions.

(Amounts In Thousands)		State Division								
		CY 2022	CY 2021	CY 2020	CY 2019	CY 2018	CY 2017	CY 2016	CY 2015	CY 2014
State's proportion of the net pension liability		95.45%	95.53%	95.60%	95.49%	95.40%	95.37%	95.49%	95.71%	95.85%
State's proportionate share of Net Pension liability	\$	10,377,874	\$ 7,045,081	\$ 9,066,999	\$ 9,265,778	\$ 10,855,754	\$ 19,091,149	\$ 17,539,728	\$ 10,079,252	\$ 9,016,144
State's covered payroll	\$	4,369,392	\$ 3,362,986	\$ 3,132,159	\$ 3,376,294	\$ 3,262,962	\$ 2,796,014	\$ 2,751,094	\$ 2,687,152	\$ 2,586,800
State's proportionate share of the net pension liability as a percentage of its covered payroll		237.51%	209.49%	289.48%	274.44%	332.70%	682.80%	637.55%	375.09%	348.54%
Plan fiduciary net position as a percentage of the total pension liability		60.63%	73.05%	65.34%	62.24%	55.11%	43.20%	42.59%	56.11%	59.84%

(Amounts In Thousands)		Judicial Division								
		CY 2022	CY 2021	CY 2020	CY 2019	CY 2018	CY 2017	CY 2016	CY 2015	CY 2014
State's proportion of the net pension liability		93.10%	92.75%	93.49%	94.28%	94.06%	93.99%	94.17%	93.98%	93.60%
State's proportionate share of Net Pension liability	\$	89,574	\$ 8,507	\$ 57,929	\$ 85,727	\$ 132,873	\$ 218,136	\$ 239,423	\$ 172,824	\$ 129,499
State's covered payroll	\$	67,626	\$ 59,688	\$ 52,027	\$ 55,934	\$ 55,706	\$ 46,764	\$ 46,320	\$ 44,159	\$ 40,114
State's proportionate share of the net pension liability as a percentage of its covered payroll		132.46%	14.25%	111.34%	153.27%	238.52%	466.46%	516.89%	391.37%	322.83%
Plan fiduciary net position as a percentage of the total pension liability		80.98%	98.11%	87.06%	80.02%	68.48%	58.70%	53.19%	60.13%	66.89%

Denver Public Schools Division

(Amounts In Thousands)

	CY 2022	CY 2021	CY 2020*	CY 2019	CY 2018
State's proportion of the net pension liability	41.57%	22.70%	0.00%	30.71%	34.13%
State's proportionate share of Net Pension liability	\$ 360,715	\$ 1,355	\$ -	\$ 202,321	\$ 349,095
Plan fiduciary net position as a percentage of the total pension liability	81.93%	99.87%	90.48%	84.73%	75.69%

Schools Division

(Amounts In Thousands)

	CY 2022	CY 2021	CY 2020*	CY 2019	CY 2018
State's proportion of the net pension liability	22.57%	10.28%	0.00%	11.26%	12.03%
State's proportionate share of Net Pension liability	\$ 4,109,876	\$ 1,196,870	\$ -	\$ 1,681,628	\$ 2,129,952
Plan fiduciary net position as a percentage of the total pension liability	61.79%	74.86%	66.99%	64.52%	57.01%

State Division as a Non-Employer Contributing Entity

(Amounts In Thousands)

	CY 2022	CY 2021	CY 2020*	CY 2019	CY 2018
State's proportion of the net pension liability	1.00%	0.47%	0.00%	0.51%	0.55%
State's proportionate share of Net Pension liability	\$ 108,726	\$ 34,307	\$ -	\$ 49,203	\$ 62,292

Judicial Division as a Non-Employer Contributing Entity

(Amounts In Thousands)

	CY 2022	CY 2021	CY 2020*	CY 2019	CY 2018
State's proportion of the net pension liability	1.55%	0.88%	0.00%	0.64%	0.85%
State's proportionate share of Net Pension liability	\$ 1,491	\$ 81	\$ -	\$ 582	\$ 1,199

*The General Assembly passed House Bill 20-1379 which suspended contributions for Fiscal Year 2021 due to the COVID-19 pandemic; therefore, no liability was recognized. See Note 6 for additional information.

Contributions – Public Employees Retirement Association (PERA) Trust Funds:

The following schedule presents a ten-year history of the State's (primary government's) contribution to PERA for the State and Judicial Divisions for each fiscal year ending June 30. For the Fiscal Years 2019-2022, State and Judicial Trust Divisions, figures reported for the contributions as a percentage of covered payroll differs from the actual employer contribution rate specified in statute due to additional contractually required contributions directly distributed to PERA in accordance with Senate Bill 18-200. In addition, the State made statutorily required non-employer contributions for Fiscal Years 2019-2023 to the State and Judicial Trust Divisions not reflected in the table below (see Note 6 for additional information).

State Division

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Contractually required contributions	905,452	709,639	625,966	673,795	639,485	541,295	516,932	484,588	\$ 446,528	\$ 413,694
Contributions in relation to the contractually required contributions	(905,452)	(709,639)	(625,966)	(673,795)	(639,485)	(541,295)	(516,932)	(484,588)	(446,528)	(413,694)
Contribution deficiency(excess)	-	-	-	-	-	-	-	-	-	-
State's covered payroll	4,414,989	3,556,253	3,144,787	3,455,535	3,320,884	2,829,559	2,767,479	2,725,417	2,645,149	2,590,401
Contributions as a percentage of covered payroll	20.51%	19.95%	19.90%	19.50%	19.26%	19.13%	18.68%	17.78%	16.88%	15.97%

Judicial Division

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Contractually required contributions	\$ 15,874	\$ 10,312	\$ 8,488	\$ 11,601	\$ 10,031	\$ 7,754	\$ 7,546	\$ 7,571	\$ 6,878	\$ 6,218
Contributions in relation to the contractually required contributions	(15,874)	(10,312)	(8,488)	(11,601)	(10,031)	(7,754)	(7,546)	(7,571)	(6,878)	(6,218)
Contribution deficiency(excess)	-	-	-	-	-	-	-	-	-	-
State's covered payroll	67,832	60,170	51,796	57,548	56,296	47,454	46,181	46,332	42,088	38,057
Contributions as a percentage of covered payroll	23.40%	17.14%	16.39%	20.16%	17.82%	16.34%	16.34%	16.34%	16.34%	16.34%

The schedule on the following page presents a three-year history of the State's (primary government's) Senate Bill 18-200 contractually required contributions to PERA for the Denver Public Schools and Schools Divisions, and the State and Judicial Divisions for which the State is a non-employer contributing entity for each fiscal year ending June 30.

Denver Public Schools Division

	FY 2023	FY 2022	FY 2021*	FY 2020	FY 2019
Contractually required contributions	52,784	19,153	-	\$ 19,201	\$ 18,622
Contributions in relation to the contractually required contributions	(52,784)	(19,153)	-	(19,201)	(18,622)
Contribution deficiency(excess)	-	-	-	-	-

Schools Division

	FY 2023	FY 2022	FY 2021*	FY 2020	FY 2019
Contractually required contributions	350,393	127,781	-	\$ 127,367	\$ 126,505
Contributions in relation to the contractually required contributions	(350,393)	(127,781)	-	(127,367)	(126,505)
Contribution deficiency(excess)	-	-	-	-	-

State Division as a Non-Employer Contributing Entity

	FY 2023	FY 2022	FY 2021*	FY 2020	FY 2019
Contractually required contributions	9,030	\$ 3,432	-	\$ 3,480	\$ 3,607
Contributions in relation to the contractually required contributions	(9,030)	(3,432)	-	(3,480)	(3,607)
Contribution deficiency(excess)	-	-	-	-	-

Judicial Division as a Non-Employer Contributing Entity

	FY 2023	FY 2022	FY 2021*	FY 2020	FY 2019
Contractually required contributions	247	\$ 99	-	\$ 77	\$ 82
Contributions in relation to the contractually required contributions	(247)	(99)	-	(77)	(82)
Contribution deficiency(excess)	-	-	-	-	-

*The General Assembly passed House Bill 20-1379 which suspended contributions for Fiscal Year 2021 due to the COVID-19 pandemic;

therefore, no liability was recognized. See Note 6 for additional information.

Changes in Total Pension Liability and Related Ratios – University of Colorado Alternate Medicare Payments Plan:

The following schedule presents a six-year history (data not available prior to Fiscal Year 2017) of the University of Colorado's changes in total pension liability and related ratios for the Alternate Medicare Payments pension plan for each fiscal year ending June 30. No assets are held in trust to pay for plan benefits; therefore, the plan is not funded.

UNIVERSITY OF COLORADO SCHEDULE OF CHANGES IN ALTERNATE MEDICARE PAYMENT'S (AMP) TOTAL PENSION LIABILITY AND RELATED RATIOS

University of Colorado AMP Pension Plan (Amounts in Thousands)	Fiscal Year Ending June 30:						
	2023	2022	2021	2020	2019	2018	2017
Service cost	\$ 7,551	7,048	4,854	4,360	3,985	4,262	3,194
Interest on total pension liability	2,821	2,771	3,295	3,339	2,751	2,231	2,391
Differences between expected and actual experience	(420)	(5,842)	(124)	(3,865)	(109)	(3,377)	(101)
Changes of assumptions	(28,775)	2,700	23,408	4,845	4,940	(3,180)	10,999
Benefit payments	(2,029)	(1,819)	(1,828)	(1,692)	(1,566)	(1,448)	(1,349)
Net change in total pension liability	(20,852)	4,858	29,605	6,987	10,001	(1,512)	15,134
Total pension liability (beginning)	124,662	119,804	90,199	83,212	73,211	74,723	59,589
Total pension liability (ending)	103,810	124,662	119,804	90,199	83,212	73,211	74,723
Covered-employee payroll	\$ 1,744,237	1,583,766	1,692,641	1,436,909	1,369,276	1,187,065	943,644
Total Pension liability as a % of payroll	5.95%	7.87%	7.08%	6.28%	6.08%	6.17%	7.92%

B. SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION

PERA State and Judicial Trust Funds

Changes in assumptions or other inputs affecting trends in actuarial information for the PERA State and Judicial Trust Funds are presented on a calendar year basis, which is based on the actuarial valuation measurement date of December 31.

2022 Changes in Assumptions or Other Inputs Since 2021

- There were no changes made to the actuarial methods or assumptions.

2021 Changes in Assumptions or Other Inputs Since 2020

- The assumption used to value the automatic increase cap benefit provision was changed from 1.25 percent to 1.00 percent.

2020 Changes in Assumptions or Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Salary scale assumptions were revised to align with the revised economic assumptions and to more closely reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for State Troopers was changes to the PubS-2010 Employee Table with generational projection using scale MP-2019.

- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:
 - Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
 - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
 - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

2019 Changes in Assumptions or Other Inputs Since 2018

- The assumption used to value the AI cap benefit provision was changed from 1.50 percent to 1.25 percent.

2018 Changes in Assumptions or Other Inputs Since 2017

- The single equivalent interest rate (SEIR) for the State Division was increased from 4.72 percent to 7.25 percent to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the fiduciary net position (FNP), thereby eliminating the need to apply the municipal bond index rate.
- The SEIR for the School Division was increased from 4.78 percent to 7.25 percent to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate.
- The SEIR for the Judicial Division was increased from 5.41 percent to 7.25 percent to reflect the changes to the projection's valuation basis which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate.

2017 Changes in Assumptions or Other Inputs Since 2016

- The SEIR for the State Division was lowered from 5.26 percent to 4.72 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.

- The SEIR for the Judicial Division was increased from 5.18 percent to 5.41 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.
- The municipal bond index rate used in the determination of the SEIR for the State and Judicial Divisions changed from 3.86 percent on the prior measurement date to 3.43 percent on the measurement date.

2016 Changes in Assumptions or Other Inputs Since 2015

- The investment return assumption was lowered from 7.50 percent to 7.25 percent.
- The price inflation assumption was lowered from 2.80 percent to 2.40 percent.
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent.
- The post-retirement mortality assumption for healthy lives for the State Division was changed to the RP-2014 Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 73 percent factor applied to ages below 80 and a 108 percent factor applied to age 80 and above, projected to 2018, for males, and a 78 percent factor applied to ages below 80 and a 109 percent factor applied to age 80 and above, projected to 2020, for females.
- The post-retirement mortality assumption for healthy lives for the Judicial Division was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93 percent factor applied to ages below 80 and a 113 percent factor applied to age 80 and above, projected to 2018, for males, and a 68 percent factor applied to ages below 80 and a 106 percent factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90 percent of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35 percent to 0.40 percent.
- The SEIR for the State Division was lowered from 7.50 percent to 5.26 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate of 3.86 percent on the measurement date.
- The SEIR for the Judicial Division was lowered from 5.73 percent to 5.18 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate from 3.57 percent on the prior measurement date to 3.86 percent on the measurement date.

2015 Changes in Assumptions or Other Inputs Since 2014

- The SEIR for the Judicial Division was lowered from 6.14 percent to 5.73 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate from 3.70 percent on the prior measurement date to 3.57 percent on the measurement date.
- The following programming changes were made:
 - Valuation of the full survivor benefit without any reduction for possible remarriage.
 - Reflection of the employer match on separation benefits for all eligible years.

- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18-month AI timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- The following methodology changes were made:
 - Recognition of merit salary increases in the first projection year.
 - Elimination of the assumption that 35 percent of future disabled members elect to receive a refund.
 - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
 - Adjustments to the timing of the normal cost and UAAL payment calculations to reflect contributions throughout the year.

2014 Changes in Assumptions or Other Inputs Since 2013

- The SEIR for the Judicial Division was lowered from 6.66 percent to 6.14 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate from 4.73 percent on the prior measurement date to 3.70 percent on the measurement date.

2013 Changes in Assumptions or Other Inputs Since 2012

- The investment return assumption was lowered from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 3.50 percent to 2.80 percent.
- The wage inflation assumption was lowered from 4.25 percent to 3.90 percent.

University of Colorado Alternate Medicare Payments Plan

Changes in assumptions or other inputs affecting trends in actuarial information for the University of Colorado Alternate Medicare Payments pension plan are presented on a fiscal year basis, which is based on the actuarial valuation measurement date of June 30.

2022 Changes in Assumptions or Other Inputs Since 2021

- Discount rate changed from 2.15 percent to 3.54 percent.

2021 Changes in Assumptions or Other Inputs Since 2020

- Discount rate changed from 2.20 percent to 2.15 percent.
- Mortality table was updated from PUB-2010 "Teachers" table with generational projection using Scale PM-2020 to the PUB-2010 "Teachers" table with generational projection using Scale MP-2021.
- Termination rates and salary scale were updated from the December 31, 2015 Colorado PERA assumption study to the December 31, 2019 Colorado PERA assumption study.

2020 Changes in Assumptions or Other Inputs Since 2019

- Discount rate changed from 3.50 percent to 2.20 percent.
- Mortality table was updated from the PUB-2010 "Teachers" table with generational projection using Scale MP-2019 to the PUB-2010 "Teachers" table with generational projection using Scale MP-2020.

2019 Changes in Assumptions or Other Inputs Since 2018

- Discount rate changed from 3.85 percent to 3.50 percent.

- Mortality table was updated from the PUB-2010 “Teachers” table with generational projection using Scale MP-2018 to the PUB-2010 “Teachers” table with generational projection using Scale MP-2019.

2018 Changes in Assumptions or Other Inputs Since 2017

- Discount rate changed from 3.60 percent to 3.85 percent.
- Mortality table was updated to reflect the Public Retirement Plans Mortality Tables Report issued by the Society of Actuaries in January 2019. The specific assumption used the PUB- 2010 Teachers Classification Table with generational projection using Scale MP-2018. The impact of this change was an increase in Total Pension Liability of about 10 percent.

2017 Changes in Assumptions or Other Inputs Since 2016

- Discount rate changed from 2.85 percent to 3.60 percent.
- Spouse age differential changed from zero years for males and females to spouses two years younger for males and one year older for females.
- Spouse coverage assumption changed from 54 percent for males and 22 percent for females to 60 percent for males and 40 percent for females.
- The following assumptions were updated based on the December 31, 2015 Colorado PERA assumption study:
 - Mortality rates
 - Withdrawal rates

2016 Changes in Assumptions or Other Inputs

- A decrease in the discount rate from 3.85 percent to 2.85 percent.

NOTE RSI-3 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) INFORMATION

A. PROPORTIONATE SHARE OF PERA HEALTH CARE TRUST FUNDS OPEB LIABILITY AND CONTRIBUTIONS

Proportionate Share:

The State's Health Care Trust Fund (HCTF) – a defined benefit cost-sharing multiple-employer other post-employment benefit plan – is administered by the Public Employees' Retirement Association (PERA). The schedule below presents the State's (primary government's) proportionate share of the net OPEB liability for its OPEB plan. The amounts presented were determined as of the measurement date, which is the calendar year-end that occurred within the State's fiscal year. Information is not available prior to Calendar Year 2016.

(Amounts In Thousands)	CY 2022	CY 2021	CY 2020	CY 2019	CY 2018	CY 2017	CY 2016
State's proportion (percentage) of the collective net OPEB liability	31.56%	32.11%	32.96%	32.75%	33.40%	33.71%	33.83%
State's proportionate share of the collective net OPEB liability	\$ 257,641	\$ 276,863	\$ 313,213	\$ 368,098	\$ 454,363	\$ 438,113	\$ 438,677
State's covered payroll	\$ 3,346,821	\$ 2,918,834	\$ 3,102,215	\$ 3,023,000	\$ 2,923,641	\$ 2,842,778	\$ 2,797,414
State's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	7.70%	9.49%	10.10%	12.18%	15.54%	15.41%	15.68%
Fiduciary net position as a percentage of the total OPEB liability	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

Contributions:

The following schedule presents a ten-year history of the State's (primary government's) contribution to PERA for the HCTF as of each fiscal year ending June 30:

(Amounts In Thousands)	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Contractually required contributions	\$ 34,333	\$ 31,592	\$ 31,408	\$ 31,659	\$ 30,171	\$ 29,346	\$ 28,699	\$ 28,272	\$ 27,410	\$ 26,810
Contributions in relation to the contractually required contributions	(34,333)	(31,592)	(31,408)	(31,659)	(30,171)	(29,346)	(28,699)	(28,272)	(27,410)	(26,810)
Contribution deficiency(excess)	-	-	-	-	-	-	-	-	-	-
State's covered payroll	3,366,034	3,097,234	3,079,159	3,103,809	2,957,937	2,877,013	2,813,660	2,771,749	2,687,237	2,628,458
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

B. CHANGES IN THE TOTAL UNIVERSITY OPEB LIABILITIES AND RELATED RATIOS – UNIVERSITY OF COLORADO SYSTEM

The following schedule presents a five-year history (data not available prior to Fiscal Year 2018) of the University of Colorado's changes in total OPEB liabilities and related ratios for each fiscal year ending June 30. No assets are held in trust to pay for plan benefits; therefore, the plan is not funded.

SCHEDULE OF CHANGES IN TOTAL UNIVERSITY OPEB LIABILITY AND RELATED RATIOS

University OPEB Plan (Amounts in Thousands)	Fiscal Year Ending June 30:					
	2023	2022	2021	2020	2019	2018
Service cost	\$ 111,208	68,640	49,138	53,400	49,754	53,099
Interest cost	29,892	22,068	26,392	34,254	28,404	24,648
Differences between expected and actual experience	(4,126)	201,889	287	(206,938)	(1,728)	(87,654)
Changes of assumptions	(288,497)	67,418	168,948	3,678	35,919	(46,406)
Benefit payments	(16,226)	(14,407)	(16,062)	(15,461)	(15,163)	(17,211)
Net change in total OPEB liability	(167,749)	345,608	228,703	(131,067)	97,186	(73,524)
Total OPEB liability (beginning)	1,287,203	941,595	712,892	843,959	746,773	820,297
Total OPEB liability (ending)	1,119,454	1,287,203	941,595	712,892	843,959	746,773
Covered-employee payroll	\$ 2,100,077	1,896,938	2,053,724	1,719,840	1,663,010	1,475,177
Total OPEB liability as a % of payroll	53.31%	67.86%	45.85%	41.45%	50.75%	50.62%

C. SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY, SCHEDULE OF OPEB CONTRIBUTIONS, AND RELATED RATIOS – COLORADO STATE UNIVERSITY SYSTEM OTHER POSTEMPLOYMENT BENEFIT HEALTH PLAN TRUST

The amounts presented were determined as of the measurement date, which is the calendar year (CY) end that occurred within CSU's fiscal year.

	CY2022
Total OPEB liability:	
Service cost	\$ 1,364
Interest	2,265
Changes of benefit terms	70,682
Differences between expected and actual experience	(405)
Changes of assumptions	(14,035)
Benefit payments	(1,944)
Net change in total OPEB liability	57,927
Total OPEB liability - beginning	52,893
Total OPEB liability - ending (a)	\$ 110,820
Plan fiduciary net position:	
Contributions-employer	\$ 677
Net investment income	(4,573)
Benefit payments	(1,944)
Administrative expense	(269)
Net change in plan fiduciary net position	(6,109)
Plan fiduciary net position - beginning	82,997
Plan fiduciary net position - ending (b)	\$ 76,888
Net OPEB asset - ending (a)-(b)	\$ 33,932
Plan fiduciary net position as a percentage of the total OPEB liability	69.4%
Covered-employee payroll	\$ 485,660
Net OPEB asset as a percentage of covered-employee payroll	7.0%

The amounts presented are the contributions and payroll for each fiscal year.

Fiscal Year End	Actuarially Determined Contributions (A)	Contributions in Relation to the Actuarially Determined Contributions (B)	Contribution Deficiency (Excess) (A-B)	Covered-Employee Payroll (C)	Contributions as a Percentage of Covered-Employee Payroll (B/C)
FY2023	\$ 3,682	3,682	-	508,586	0.7%

Valuation date	The valuation dates are biennial dates as of January 1. As of fiscal year ended June 30, 2023, the valuation date was January 1, 2023.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal, level percent of pay
Amortization method	30 years open
Amortization period	30 years
Asset valuation method	Market value
Inflation	2.50%
Investment rate of return	6.35%
Salary increases	N/A
Cost-of-living adjustments	N/A
Healthcare cost trend rates	6.50 percent in 2023, 6.25 percent in 2024, 5.75 percent in 2025 and then decreasing 0.25 percent per year to 4.75 percent in 2029 and later.
Mortality	Separate mortality rates for non-annuitants (based on Pri-2012 "Employees" sex-distinct tables and projected generationally using Scale MP-2021) and annuitants (based on Pri-2012 "Non-Disabled Annuitants" sex-distinct tables and projected generationally using Scale MP-2021).

D. SIGNIFICANT CHANGES IN ASSUMPTIONS OR OTHER INPUTS AFFECTING TRENDS IN ACTUARIAL INFORMATION

PERA Health Care Trust Fund

2022 Changes in Assumptions or Other Inputs Since 2021

- The timing of the retirement decrement was adjusted to middle-of-year.

2021 Changes in Assumptions or Other Inputs Since 2020

- There were no changes made to the actuarial methods or assumptions.

2020 Changes in Assumptions or Other Inputs Since 2019

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.50 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the State Division (members other than State Troopers) was changed to the PubG-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for State Troopers was changes to the PubS-2010 Employee Table with generational projection using scale MP-2019.
- The pre-retirement mortality assumption for the Judicial Division was changed to the PubG-2010(A) Above Median Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the State Division (Members other than State Troopers) was changed to the PubG-2010 Health Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the Judicial Division was changed to the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019. The post-retirement non-disability beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2010 Contingent Survivor Table, adjusted as follows:
 - Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
 - Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The disability mortality assumption for State Troopers was changed to the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a benefit-weighted basis.

2019 Changes in Assumptions or Other Inputs Since 2018

- There were no changes made to the actuarial methods or assumptions.

2018 Changes in Assumptions or Other Inputs Since 2017

- There were no changes made to the actuarial methods or assumptions.

2017 Changes in Assumptions or Other Inputs Since 2016

- There were no changes made to the actuarial methods or assumptions.

2016 Changes in Assumptions or Other Inputs Since 2015

- The Entry Age actuarial cost method allocation basis was changed from a level dollar amount to a level percentage of pay.
- The investment rate of return assumption decreased, the price inflation assumption decreased, and the wage inflation assumption decreased by 0.25 percent, 0.40 percent, and 0.4 percent, respectively.
- Mortality tables related to the mortality assumption for active members, post-retirement mortality assumption for healthy lives, mortality assumption for disabled retirees were changed.
- Various other assumptions related to assumed rates, wage inflation, PERACare, initial per capita health care costs, health care cost trends, election rates, assumed age differences between future retirees and their participating spouses, and utilization rates changed.

2015 Changes in Assumptions or Other Inputs Since 2014

- Methodology changes included rates of morbidity and the timing of the normal cost and unfunded actuarial accrued liability payment calculations.
- Changes to actuarial assumptions included PERACare enrollee percentages, initial per capita health care costs, and health care cost trend rates for Medicare Part A premiums.

University of Colorado OPEB

2022 Changes in Assumptions or Other Inputs Since 2021

- Discount rate changed from 2.15 percent to 3.54 percent.

2021 Changes in Assumptions or Other Inputs Since 2020

- Discount rate changed from 2.20 percent to 2.15 percent.
- Mortality table was updated from PUB-2010 “Teachers” table with generational projection using Scale PM-2020 to the PUB-2010 “Teachers” table with generational projection using Scale MP-2021.
- Retirement rates for PERA employees, termination rates, and salary scale were updated from the December 31, 2015 Colorado PERA assumption study to the December 31, 2019 Colorado PERA assumption study.
- Claims and trend rates were updated to better reflect expected future plan experience.

2020 Changes in Assumptions or Other Inputs Since 2019

- Discount rate changed from 3.50 percent to 2.20 percent.
- Mortality table was updated from the PUB-2010 “Teachers” table with generational projection using Scale MP-2019 to the PUB-2010 “Teachers” table with generational projection using Scale MP-2020.

2019 Changes in Assumptions or Other Inputs Since 2018

- Discount rate changed from 3.85 percent to 3.50 percent.
- Mortality table was updated from the PUB-2010 “Teachers” table with generational projection using Scale MP-2018 to the PUB-2010 “Teachers” table with generational projection using Scale MP-2019.
- Health care trend rates were updated.
- Health care claim costs and retiree contributions were updated based upon recent expenditures.

2018 Changes in Assumptions or Other Inputs Since 2017

- Discount rate changed from 3.60 percent to 3.85 percent.
- Mortality table was updated to reflect the Public Retirement Plans Mortality Tables Report issued by the Society of Actuaries in January 2019. The specific assumption used the PUB-2010 Teachers Classification Table with generational projection using Scale MP-2018. The impact of this change was an increase in Total OPEB Liability of about 8 percent.

2017 Changes in Assumptions or Other Inputs Since 2016

- Discount rate changed from 2.85 percent to 3.60 percent.
- Health care trend rates were updated.
- Spouse age differential changed from zero years for males and females to spouses two years younger for males and one year older for females.
- Spouse coverage assumption changed from 54 percent for males and 22 percent for females to 60 percent for males and 40 percent for females for PERA participants.
- The following assumptions were updated based on the December 31, 2015 Colorado PERA assumption study:
 - Mortality Rates
 - Withdrawal Rates
 - Retirement rates (apply to PERA participants only)

CSU OPEB Health Plan Trust

2022 Changes in Assumptions or Other Inputs Effective for the Measurement Period

- The discount rate assumption was updated from 4.25 percent to 5.60 percent.
- The investment return assumption was updated from 4.25 percent to 6.35 percent.
- The medical cost inflation assumption was updated from 6.00 percent through 2024 then decreasing 0.25 percent per year to 4.75 percent in 2029 and later to 6.50 percent in 2023, 6.25 percent in 2024, 5.75 percent in 2025 and then decreasing 0.25 percent per year to 4.75 percent in 2029 and later.
- The mortality improvement scale assumption was updated from Scale BB with generational projections to Scale MP-2021 with generational projections.
- Expected claim costs were updated.

NOTE RSI-4

BUDGETARY COMPARISON SCHEDULE GENERAL FUND – GENERAL PURPOSE REVENUE COMPONENT

The State of Colorado reports components of the General Fund segregated by revenues being either general purpose or special purpose. Special purpose revenues are fund component revenues which are not of a sufficient original source to qualify for reporting as a special revenue fund. The special purpose components of the General Fund are: State Public Schools, Risk Management, and Other Special Purpose. General purpose revenues are not designated for a specific purpose and are reported in the General Purpose Revenue component of the General Fund. The General Purpose Revenue component of the General Fund is the primary operating fund of the state and is used to account for all financial resources and activity not required to be accounted for in another fund. Refer to the Supplementary Information section for additional information on the General Fund components and combining statements for the General Fund.

This schedule is presented primarily to report the change in budgetary fund balance from the prior fiscal year. The change in budgetary fund balance, as reconciled to the state's financial statements, supports the state's budgetary process. Ending budgetary fund balance on this schedule combined with relevant revenue forecasts are used to determine the total amount to be appropriated for the following fiscal year.

Beginning budgetary fund balances, resources (inflows), and amounts available for appropriation for the original budget and final budget are based on quarterly economic forecasts prepared by the Governor's Office of State Planning and Budgeting. Beginning budgetary fund balance and resources (inflows) in the actual amounts column reconcile to the state's accounting system. The March 2022 forecast is used for the original budget and the December 2022 forecast is used for the final budget. Charges to appropriations (outflows) for original and final budget are derived from budgeted expenditures recorded in the state's accounting system and agree to appropriations made by the General Assembly.

The original and final budget does not include budgeted amounts for federal grants and contracts, fees and other funding sources/uses, and revenues/expenditures not budgeted because they are currently not forecasted by the Office of State Planning and Budget. Amounts are included in the actual column because the activity is accounted for in this component of the General Fund.

Certain state laws result in budget-to-GAAP differences. Section 24-75-201(2)(a)(II), C.R.S. excludes Medicaid revenues from inflows of budgetary resources but they are revenues for financial reporting. Section 24-75-201(2)(a)(III), C.R.S. excludes Medicaid expenditures from outflows of budgetary resources but they are expenditures for financial reporting. Section 24-75-201(2)(a)(IV), C.R.S. excludes some payroll-related expenditures from outflows of budgetary resources but they are expenditures for financial reporting. Section 24-75-201(2)(a)(IV), C.R.S. excludes specific information technology expenditures from outflows of budgetary resources but they are expenditures for financial reporting purposes. Refer to the Budget-to-GAAP Reconciliation for amounts related to these statutorily-based budget-to-GAAP differences as well as for information on other budget-to-GAAP differences.

State law (Section 24-75-201.1, C.R.S.) restricts state appropriations from this component of the General Fund so that budgetary resources will be available for use in a state fiscal emergency. A state fiscal emergency may be declared by the passage of a joint resolution which is approved by a two-thirds majority vote of the members of both houses of the General Assembly and approved by the Governor. The statutory reserve for the fiscal year ended June 30, 2023 is \$2.0 billion and is the Committed portion of fund balance for the General Purpose Revenue component of the General Fund. The reserve is included in this schedule and therefore beginning and ending budgetary fund balance are net of the required reserve. A positive ending budgetary fund balance in the actual column indicates a reserve maintained in compliance with state law.



BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - GENERAL PURPOSE REVENUE COMPONENT
FOR THE YEAR ENDED JUNE 30, 2023
(DOLLARS IN THOUSANDS)

	Forecasted / Budgeted Amounts		Actual Amounts	Variance
	Original	Final	Budgetary Basis	
Budgetary fund balance, July 1, 2022	\$ 1,589,682	\$ 1,589,682	\$ 1,589,682	
Resources (Inflows):				
Sales and use tax	4,650,900	4,846,200	4,815,433	\$ (30,767)
Other excise taxes	342,000	323,300	104,054	(219,246)
Individual income tax, net	10,159,460	10,019,180	6,515,803	(3,503,377)
Corporate income tax, net	979,940	1,049,820	2,166,610	1,116,790
Insurance tax	437,000	464,400	516,659	52,259
Pari-mutuel, courts, and other	33,700	52,200	56,911	4,711
Investment income	36,800	89,600	188,421	98,821
Transfers-in from other funds	34,700	23,997	21,899	(2,098)
Amounts available for appropriation	<u>18,264,182</u>	<u>18,458,379</u>	<u>15,975,472</u>	<u>(2,482,907)</u>
Charges to appropriations (outflows):				
Agriculture	17,480	17,209	17,052	157
Corrections	900,318	922,975	912,373	10,602
Early Childhood	120,648	119,014	113,531	5,483
Education	4,502,726	4,501,259	4,495,002	6,257
Governor	67,785	66,591	65,720	871
Health Care Policy and Financing	4,107,286	3,664,934	3,624,659	40,275
Higher Education	1,380,583	1,378,748	1,360,951	17,797
Human Services	1,074,459	1,097,847	1,082,147	15,700
Judicial Branch	669,828	670,252	657,516	12,736
Labor and Employment	31,963	25,953	21,728	4,225
Law	20,759	20,758	20,414	344
Legislative Branch	66,757	66,750	66,719	31
Local Affairs	60,947	54,266	51,553	2,713
Military and Veterans Affairs	12,654	12,660	12,044	616
Natural Resources	38,689	39,073	37,502	1,571
Personnel and Administration	28,166	28,335	24,397	3,938
Public Health and Environment	204,418	192,219	185,623	6,596
Public Safety	247,145	230,288	216,849	13,439
Regulatory Agencies	3,016	5,761	5,741	20
Revenue	222,501	460,990	420,111	40,879
State	1,423	1,152	1,081	71
Treasury	1,458,963	1,657,522	1,488,515	169,007
Nondepartmental:				
Transfers-out to capital projects fund	117,894	117,894	117,894	-
Total charges to appropriations	<u>15,356,408</u>	<u>15,352,450</u>	<u>14,999,122</u>	<u>353,328</u>
Budgetary reserves and amounts not forecasted or budgeted:				
Increase in Contingency reserve - C.R.S. 24-75-201.1	(384,900)	(384,900)	(384,900)	
Release of prior year State Controller approved rollforwards	-	-	83,302	
State Controller approved rollforwards	-	-	(87,068)	
Net of revenues not forecasted and expenditures not budgeted	-	-	(156,497)	
Total budgetary reserves and amounts not forecasted or budgeted	<u>(384,900)</u>	<u>(384,900)</u>	<u>(545,163)</u>	
Budgetary fund balance, June 30, 2023	<u>\$ 2,522,874</u>	<u>\$ 2,721,029</u>	<u>\$ 431,187</u>	

The notes to the required supplementary information are an integral part of this schedule.

Budgetary Comparison Schedule
General Fund- General Purpose Revenue Component
Budget-to-GAAP Reconciliation
For the Year Ended June 30, 2023
(Dollars in Thousands)

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 15,975,472
Differences - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year	(1,589,682)
Federal revenues not forecasted	10,544,498
Fee revenues and other funding sources not forecasted	866,094
Other revenues not forecasted	(11,406)
Deferred Medicaid revenues are excluded from inflows of budgetary resources but are revenues for financial reporting purposes - C.R.S. 24-75-201 (2) (a) (II).	15,565
Fair value of investments in excess of cost is excluded from inflows of budgetary resources but is revenue for financial reporting purposes.	(97,808)
Eliminations of transfers and intrafund transactions are not made in the budgetary funds if those transactions are under budgetary control	(734,960)
Transfers are inflows of budgetary resources but are other financing sources for financial reporting purposes.	(201,032)
Capital asset related proceeds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(18,959)
Insurance recoveries are not revenues for financial reporting purposes.	(876)
Total revenues as reported on the combining statement of revenues, expenditures, and changes in fund balances - general fund components	<u>\$ 24,746,906</u>

Uses/outflows of resources and reserves:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	14,999,122
Differences - budget to GAAP:	
Expenditures of federal grants and contracts not budgeted	10,592,939
Fee revenue and other funding uses not budgeted	816,573
Other expenditures not budgeted	146,171
Transfers to other funds are outflows of budgetary resources but are other financing uses for financial reporting purposes.	(6,679,810)
Deferred Medicaid expenditures are excluded from outflows of budgetary resources but are expenditures for financial reporting purposes - C.R.S. 24-75-201 (2) (a) (II).	38,566
Deferred payroll expenditures are excluded from outflows of budgetary resources but are expenditures for financial reporting purposes - C.R.S. 24-75-201 (2) (a) (III).	7,598
Eliminations of transfers and intrafund transactions are not made in the budgetary funds if those transactions are under budgetary control.	(734,960)
Total expenditures as reported on the combining statement of revenues, expenditures, and changes in fund balances - general fund components	<u>\$ 19,186,199</u>



SUPPLEMENTARY INFORMATION



GENERAL FUND COMPONENTS

GENERAL PURPOSE REVENUE

This fund is the general operating fund for state operations and is used unless another fund has been established for a particular activity. The fund consists of general purpose revenues from various tax collections the largest being income and sales taxes.

SPECIAL PURPOSE FUNDS

The State Public School fund is a statutory fund that distributes substantially all of its resources to school districts each year; most of the resources of the fund are transfers from the General Purpose Revenue component of the General Fund.

The Risk Management fund accounts for the State's liability, property, and worker's compensation insurance activities; its revenues are primarily from charges to State agencies.

The Other Special Purpose Fund comprises all other funds without sufficient original source revenues to qualify as Special Revenue Funds. Included in this category is the Building Excellent Schools Tomorrow (BEST) program that provides grants and funds for public school construction, Lottery proceeds held by the Division of Parks and Wildlife for parks and outdoor recreation projects, the Charter School Institute, PERA payment, housing development, intellectual and developmental disability services, as well as over fifty smaller funds.

EMERGENCY RESERVE

The Emergency Reserve is part of the State's budgetary stabilization arrangements. The Emergency Reserve shall not be expended or appropriated for any purpose other than for an emergency declared by the Governor pursuant to Section 24-33.5-704(4). Refer to the Stabilization Arrangements section in Note 15 for additional information.

**COMBINING BALANCE SHEET
GENERAL FUND COMPONENTS
JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	GENERAL PURPOSE REVENUE	SPECIAL PURPOSE FUNDS				EMERGENCY RESERVE	TOTAL	INTRA-FUND RECEIVABLE ELIMINATIONS	TOTAL
		STATE PUBLIC SCHOOL	RISK MANAGEMENT	OTHER SPECIAL PURPOSE					
ASSETS:									
Cash and Pooled Cash	\$ 3,653,525	\$ 1,027	\$ 16,101	\$ 422,565	\$ 46,572	\$ 4,139,790	\$ -	\$ 4,139,790	
Taxes Receivable, net	2,428,977	-	-	-	-	2,428,977	-	2,428,977	
Other Receivables, net	614,303	7,362	3,870	17,122	-	642,657	-	642,657	
Due From Other Governments	1,621,660	3,332	-	18	-	1,625,010	-	1,625,010	
Due From Other Funds	108,091	-	-	49,349	385	157,825	(58,011)	99,814	
Inventories	44,954	-	-	-	-	44,954	-	44,954	
Prepays, Advances and Deposits	47,201	-	-	14	-	47,215	-	47,215	
Restricted Cash and Pooled Cash	4	254,750	-	675,465	70,067	1,000,286	-	1,000,286	
Restricted Receivables	-	-	-	12,993	-	12,993	-	12,993	
Investments	16,532	-	-	-	-	16,532	-	16,532	
Other Long-Term Assets	1,526	-	-	56,681	-	58,207	-	58,207	
TOTAL ASSETS	\$ 8,536,773	\$ 266,471	\$ 19,971	\$ 1,234,207	\$ 117,024	\$ 10,174,446	\$ (58,011)	\$ 10,116,435	
LIABILITIES:									
Tax Refunds Payable	\$ 1,197,924	\$ -	\$ -	\$ -	\$ -	\$ 1,197,924	\$ -	\$ 1,197,924	
Accounts Payable and Accrued Liabilities	1,303,298	-	702	47,024	-	1,351,024	-	1,351,024	
TABOR Refund Liability (Note 2B)	3,678,327	-	-	-	-	3,678,327	-	3,678,327	
Due To Other Governments	341,806	-	-	48,206	-	390,012	-	390,012	
Due To Other Funds	52,718	-	-	15	42,611	95,344	(58,011)	37,333	
Unearned Revenue	104,579	-	1,956	666	-	107,201	-	107,201	
Claims and Judgments Payable	242	-	-	-	-	242	-	242	
Other Current Liabilities	66,709	-	-	-	-	66,709	-	66,709	
Deposits Held In Custody For Others	39	-	-	51	-	90	-	90	
TOTAL LIABILITIES	6,745,642	-	2,658	95,962	42,611	6,886,873	(58,011)	6,828,862	
DEFERRED INFLOW OF RESOURCES:	179,926	5,381	-	-	-	185,307	-	185,307	
FUND BALANCES:									
Nonspendable:									
Inventories	44,954	-	-	-	-	44,954	-	44,954	
Prepays	47,074	-	-	14	-	47,088	-	47,088	
Restricted	-	260,063	-	621,424	-	881,487	-	881,487	
Committed	1,997,100	1,027	17,313	516,807	74,413	2,606,660	-	2,606,660	
Assigned	87,068	-	-	-	-	87,068	-	87,068	
Unassigned	(564,991)	-	-	-	-	(564,991)	-	(564,991)	
TOTAL FUND BALANCES	1,611,205	261,090	17,313	1,138,245	74,413	3,102,266	-	3,102,266	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
	\$ 8,536,773	\$ 266,471	\$ 19,971	\$ 1,234,207	\$ 117,024	\$ 10,174,446	\$ (58,011)	\$ 10,116,435	

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND COMPONENTS
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	SPECIAL PURPOSE FUNDS							
	GENERAL PURPOSE REVENUE	STATE PUBLIC SCHOOLS	RISK MANAGEMENT	OTHER SPECIAL PURPOSE	EMERGENCY RESERVE	TOTAL	INTRA-FUND TRANSFER ELIMINATIONS	TOTAL
REVENUES:								
Taxes:								
Individual and Fiduciary Income	\$ 6,515,803	\$ -	\$ -	\$ -	\$ -	\$ 6,515,803	\$ -	\$ 6,515,803
Corporate Income	2,166,610	-	-	-	-	2,166,610	-	2,166,610
Sales and Use	4,815,433	-	-	-	-	4,815,433	-	4,815,433
Excise	104,054	-	-	-	-	104,054	-	104,054
Other Taxes	516,996	-	-	-	-	516,996	-	516,996
Licenses, Permits, and Fines	16,679	-	22	72,840	-	89,541	-	89,541
Charges for Goods and Services	20,554	-	69,521	360	-	90,435	-	90,435
Rents	129	-	-	1	-	130	-	130
Investment Income (Loss)	93,695	-	1,579	26,721	(64,682)	57,313	-	57,313
Federal Grants and Contracts	10,209,709	-	-	18,753	-	10,228,462	-	10,228,462
Other	287,244	3,376	68	37,075	-	327,763	-	327,763
TOTAL REVENUES	24,746,906	3,376	71,190	155,750	(64,682)	24,912,540	-	24,912,540
EXPENDITURES:								
Current:								
General Government	266,596	-	80,948	5,760	-	353,304	-	353,304
Business, Community, and Consumer Affairs	242,656	-	-	45,091	-	287,747	-	287,747
Education	1,121,976	6,382	-	7,953	-	1,136,311	-	1,136,311
Health and Rehabilitation	1,233,772	-	-	252	-	1,234,024	-	1,234,024
Justice	1,868,307	-	-	32	-	1,868,339	-	1,868,339
Natural Resources	45,219	-	-	-	-	45,219	-	45,219
Social Assistance	11,159,756	-	-	12,276	-	11,172,032	-	11,172,032
Capital Outlay	44,867	-	-	155,946	-	200,813	-	200,813
Intergovernmental:								
Cities	59,077	-	-	55,833	-	114,910	-	114,910
Counties	1,643,984	-	-	16,942	-	1,660,926	-	1,660,926
School Districts	1,348,715	4,197,744	-	333,460	-	5,879,919	-	5,879,919
Special Districts	70,245	-	-	22,824	-	93,069	-	93,069
Federal	579	-	-	2,364	-	2,943	-	2,943
Other	40,927	-	-	580,225	-	621,152	-	621,152
Debt Service	39,523	-	-	95,028	-	134,551	-	134,551
TOTAL EXPENDITURES	19,186,199	4,204,126	80,948	1,333,986	-	24,805,259	-	24,805,259
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	5,560,707	(4,200,750)	(9,758)	(1,178,236)	(64,682)	107,281	-	107,281
OTHER FINANCING SOURCES (USES):								
Transfers-In	201,032	4,577,838	-	859,130	35,994	5,673,994	(5,060,968)	613,026
Transfers-Out	(6,679,810)	(174,788)	(2,452)	(52,188)	(9,578)	(6,918,816)	5,060,968	(1,857,848)
Issuance of Leases	18,460	-	-	131	-	18,591	-	18,591
Sale of Capital Assets	499	-	-	130	-	629	-	629
Insurance Recoveries	876	-	434	-	-	1,310	-	1,310
TOTAL OTHER FINANCING SOURCES (USES)	(6,458,943)	4,403,050	(2,018)	807,203	26,416	(1,224,292)	-	(1,224,292)
NET CHANGE IN FUND BALANCES	(898,236)	202,300	(11,776)	(371,033)	(38,266)	(1,117,011)	-	(1,117,011)
FUND BALANCE, FISCAL YEAR BEGINNING	2,492,439	58,790	29,089	1,509,278	112,679	4,202,275	-	4,202,275
Prior Period Adjustment (See Note 15A)	17,002	-	-	-	-	17,002	-	17,002
FUND BALANCE, FISCAL YEAR BEGINNING (RESTATED)	2,509,441	58,790	29,089	1,509,278	112,679	4,219,277	-	4,219,277
FUND BALANCE, FISCAL YEAR END	\$ 1,611,205	\$ 261,090	\$ 17,313	\$ 1,138,245	\$ 74,413	\$ 3,102,266	\$ -	\$ 3,102,266



OTHER GOVERNMENTAL FUNDS

The following statements present the combining balance sheet for Other Governmental Funds comprising Special Revenue, Debt Service, Capital Projects and Permanent funds.

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

Debt Service Funds - This fund accounts for the accumulation of resources, primarily transfers from other funds, for the payment of long-term debt principal and interest. It also accounts for the issuance of debt solely to refund debt of other funds. The primary debt serviced by this fund consists of Certificates of Participation issued by various departments and Transportation Revenue Anticipation Notes issued by the Department of Transportation to fund infrastructure.

Capital Project Funds - These funds are used to account for acquisition, construction, or improvement of State-owned facilities and certain equipment.

Permanent Funds - These funds report resources that are legally restricted to the extent that only earnings, and not principal, may be used to support State programs.

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT	TOTALS
ASSETS:					
Cash and Pooled Cash	\$ 4,721,771	\$ -	\$ 470,150	\$ -	\$ 5,191,921
Taxes Receivable, net	78,017	-	-	-	78,017
Other Receivables, net	260,641	-	4,705	18,167	283,513
Due From Other Governments	77,070	341	8,847	-	86,258
Due From Other Funds	39,541	-	481	-	40,022
Inventories	163,554	-	-	-	163,554
Prepays, Advances and Deposits	84,498	-	-	7	84,505
Restricted Cash and Pooled Cash	1,594,825	158,095	150	88,979	1,842,049
Restricted Investments	5,000	-	-	1,408,529	1,413,529
Restricted Receivables	69,519	-	-	-	69,519
Investments	145,509	-	1,044,846	-	1,190,355
Other Long-Term Assets	581,088	-	-	22,426	603,514
TOTAL ASSETS	\$ 7,821,033	\$ 158,436	\$ 1,529,179	\$ 1,538,108	\$ 11,046,756
DEFERRED OUTFLOW OF RESOURCES:					
	-	-	-	7,127	7,127
LIABILITIES:					
Tax Refunds Payable	\$ 13,113	\$ -	\$ -	\$ -	\$ 13,113
Accounts Payable and Accrued Liabilities	173,646	3,289	13,628	5,650	196,213
Due To Other Governments	122,705	-	-	5	122,710
Due To Other Funds	40,665	-	1,614	282	42,561
Unearned Revenue	366,904	-	607	-	367,511
Claims and Judgments Payable	90	-	-	-	90
Other Current Liabilities	31,763	-	-	3	31,766
Deposits Held In Custody For Others	217	-	-	-	217
TOTAL LIABILITIES	749,103	3,289	15,849	5,940	774,181
DEFERRED INFLOW OF RESOURCES:					
	58,824	-	-	-	58,824
FUND BALANCES:					
Nonspendable:					
Long-term Portion of Interfund Loans Receivable	-	-	85	-	85
Inventories	163,554	-	-	-	163,554
Permanent Fund Principal	-	-	-	1,516,090	1,516,090
Prepays	84,495	-	-	7	84,502
Restricted	1,626,169	155,147	5	-	1,781,321
Committed	5,138,888	-	1,513,240	23,198	6,675,326
TOTAL FUND BALANCES	7,013,106	155,147	1,513,330	1,539,295	10,220,878
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 7,821,033	\$ 158,436	\$ 1,529,179	\$ 1,545,235	\$ 11,053,883

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT	TOTALS
REVENUES:					
Taxes:					
Individual and Fiduciary Income	\$ 1,026,309	\$ -	\$ -	\$ -	\$ 1,026,309
Corporate Income	200,091	-	-	-	200,091
Sales and Use	62,613	-	-	-	62,613
Excise	365,281	-	-	-	365,281
Other Taxes	972,384	-	-	-	972,384
Licenses, Permits, and Fines	478,513	-	-	-	478,513
Charges for Goods and Services	206,629	-	-	-	206,629
Rents	5,059	-	-	259,950	265,009
Investment Income (Loss)	(35,786)	530	93,122	64,328	122,194
Federal Grants and Contracts	553,228	-	16,291	-	569,519
Additions to Permanent Funds	348,581	-	-	2,304	350,885
Unclaimed Property Receipts	128,772	-	-	-	128,772
Other	63,444	601	784	6	64,835
TOTAL REVENUES	4,375,118	1,131	110,197	326,588	4,813,034
EXPENDITURES:					
Current:					
General Government	40,449	-	20,135	1,175	61,759
Business, Community, and Consumer Affairs	507,724	-	5	-	507,729
Education	443,966	-	835	-	444,801
Health and Rehabilitation	163,539	-	164	-	163,703
Justice	268,917	-	9,307	-	278,224
Natural Resources	85,892	-	157	15,393	101,442
Social Assistance	292,377	-	7,123	-	299,500
Transportation	6,200	-	-	-	6,200
Capital Outlay	21,132	-	53,742	1,385	76,259
Intergovernmental:					
Cities	140,817	-	-	-	140,817
Counties	187,406	-	35	510	187,951
School Districts	1,037,227	-	-	-	1,037,227
Special Districts	44,793	-	-	-	44,793
Federal	1,043	-	-	-	1,043
Other	109,935	-	-	-	109,935
Debt Service	11,031	210,922	4,746	-	226,699
TOTAL EXPENDITURES	3,362,448	210,922	96,249	18,463	3,688,082
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,012,670	(209,791)	13,948	308,125	1,124,952
OTHER FINANCING SOURCES (USES):					
Transfers-In	1,380,676	220,138	152,681	-	1,753,495
Transfers-Out	(675,074)	-	(507,583)	(175,397)	(1,358,054)
Issuance of Leases	11,789	-	-	-	11,789
Sale of Capital Assets	2,490	-	462	10,489	13,441
Insurance Recoveries	5	-	4,684	-	4,689
TOTAL OTHER FINANCING SOURCES (USES)	719,886	220,138	(349,756)	(164,908)	425,360
NET CHANGE IN FUND BALANCES	1,732,556	10,347	(335,808)	143,217	1,550,312
FUND BALANCE, FISCAL YEAR BEGINNING	5,280,550	144,800	1,849,668	1,396,078	8,671,096
Prior Period Adjustment (See Note 15A)	-	-	(530)	-	(530)
FUND BALANCE, FISCAL YEAR BEGINNING (RESTATED)	5,280,550	144,800	1,849,138	1,396,078	8,670,566
FUND BALANCE, FISCAL YEAR END	\$ 7,013,106	\$ 155,147	\$ 1,513,330	\$ 1,539,295	\$ 10,220,878



CAPITAL PROJECTS FUND COMPONENTS

Transactions related to resources obtained and used for acquisition, construction, or improvement of State owned facilities and certain equipment are accounted for in the Capital Projects Fund, unless the activity occurs in a proprietary fund or in certain instances when the activity is incidental to a cash fund. For legal compliance purposes, the Capital Projects Fund is segregated into the following components:

REGULAR CAPITAL PROJECTS

This fund accounts for projects that are either fully or partially funded with general-purpose revenue that is transferred from the General Purpose Revenue Fund. It also includes cash-funded or mixed funded projects.

SPECIAL CAPITAL PROJECTS

This fund accounts for certain projects that are not funded with any general-purpose revenue. This includes projects funded with the proceeds of certificates of participation such as the Colorado History Center and the Ralph L. Carr Justice Center, federal projects in the Department of Military Affairs, Lottery-funded projects in the Department of Natural Resources, and several smaller projects.

**COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND COMPONENTS
JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	REGULAR CAPITAL PROJECTS	SPECIAL CAPITAL PROJECTS	TOTAL
ASSETS:			
Cash and Pooled Cash	\$ 444,827	\$ 25,323	\$ 470,150
Other Receivables, net	4,670	35	4,705
Due From Other Governments	2,488	6,359	8,847
Due From Other Funds	111	370	481
Restricted Cash and Pooled Cash	-	150	150
Investments	1,044,520	326	1,044,846
TOTAL ASSETS	\$ 1,496,616	\$ 32,563	\$ 1,529,179
LIABILITIES:			
Accounts Payable and Accrued Liabilities	\$ 11,611	\$ 2,017	\$ 13,628
Due To Other Funds	1,614	-	1,614
Unearned Revenue	-	607	607
TOTAL LIABILITIES	13,225	2,624	15,849
FUND BALANCES:			
Nonspendable:			
Long-term Portion of Interfund Loans Receivable	-	85	85
Restricted	-	5	5
Committed	1,483,391	29,849	1,513,240
TOTAL FUND BALANCES	1,483,391	29,939	1,513,330
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,496,616	\$ 32,563	\$ 1,529,179

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND COMPONENTS
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	REGULAR CAPITAL PROJECTS	SPECIAL CAPITAL PROJECTS	TOTAL
REVENUES:			
Taxes:			
Investment Income (Loss)	\$ 93,416	\$ (294)	\$ 93,122
Federal Grants and Contracts	4,089	12,202	16,291
Other	784	-	784
TOTAL REVENUES	98,289	11,908	110,197
EXPENDITURES:			
Current:			
General Government	16,123	4,012	20,135
Business, Community, and Consumer Affairs	5	-	5
Education	835	-	835
Health and Rehabilitation	164	-	164
Justice	7,534	1,773	9,307
Natural Resources	157	-	157
Social Assistance	6,986	137	7,123
Capital Outlay	44,843	8,899	53,742
Intergovernmental:			
Counties	35	-	35
Debt Service	4,746	-	4,746
TOTAL EXPENDITURES	81,428	14,821	96,249
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	16,861	(2,913)	13,948
OTHER FINANCING SOURCES (USES):			
Transfers-In	141,487	11,194	152,681
Transfers-Out	(501,302)	(6,281)	(507,583)
Sale of Capital Assets	-	462	462
Insurance Recoveries	-	4,684	4,684
TOTAL OTHER FINANCING SOURCES (USES)	(359,815)	10,059	(349,756)
NET CHANGE IN FUND BALANCES	(342,954)	7,146	(335,808)
FUND BALANCE, FISCAL YEAR BEGINNING	1,826,345	23,323	1,849,668
Prior Period Adjustment (See Note 15A)	-	(530)	(530)
FUND BALANCE, FISCAL YEAR BEGINNING (RESTATED)	1,826,345	22,793	1,849,138
FUND BALANCE, FISCAL YEAR END	\$ 1,483,391	\$ 29,939	\$ 1,513,330

SPECIAL REVENUE FUNDS

LABOR

This fund accounts for injured workers' medical benefits provided by statutes when the injury is not covered by workers' compensation benefits.

RESOURCE EXTRACTION

This fund accounts for receipts from severance taxes, mineral leasing, and fees associated with the regulation of mining activities. Expenditures include distributions to local governments, regulatory costs, and loans to special districts and local governments for water projects.

STATE EDUCATION

The State Education Fund was created in the State Constitution by a vote of the people in November 2000. The fund's primary revenue source is a tax of one third of one percent on federal taxable income. The revenues are restricted for the purpose of improving Colorado students' primary education by funding specific programs and by guaranteeing appropriation growth of at least one percent greater than annual inflation through Fiscal Year 2010-11, and by inflation thereafter.

GAMING

This fund accounts for operations of the Colorado Gaming Commission and its oversight of gaming operations in the State. It also accounts for the preservation activities of the Colorado Historical Society related to the revenues it receives from gaming.

TOBACCO IMPACT MITIGATION

This fund accounts for receipts directly from the tobacco litigation settlement, earnings on those funds, and the expenditures of programs funded by the tobacco master settlement agreement. In addition, it accounts for tax revenues received from an additional State tax on cigarettes and tobacco products approved by State voters in the 2004 general election and the expenditure of those tax revenues.

RESOURCE MANAGEMENT	This fund accounts for receipts from licenses, rents, and fees related to managing the water, oil and gas resources of the State. Most of the related programs are managed by the Colorado Department of Natural Resources.
ENVIRONMENT AND HEALTH PROTECTION	This fund accounts for a large number of individual programs managed primarily by the Department of Public Health and Environment. The programs are primarily designed to regulate air, water, and other forms of pollution, control the spread of diseases, and regulate activities that impact the health of the citizens of Colorado.
UNCLAIMED PROPERTY	This fund reports the escheats funds managed by the State Treasurer that are not held in trust for claimants. The receipts of the fund are from bank accounts, investment accounts, and insurance proceeds that are placed with the State when the owners of the assets cannot be located. Per statute, the owner's legal rights to the asset are protected in perpetuity; however, historically not all of the assets are claimed. The assets ultimately expected to be claimed and paid are reported as Net Position Held In Trust in the Unclaimed Property Trust Fund, a nonmajor Fiduciary Fund.
OTHER SPECIAL REVENUE	This fund category represents a collection of active funds created in statute that have a wide variety of purposes. Funds in this category also have a broad diversity of revenue types.

**COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2023**

(DOLLARS IN THOUSANDS)

	LABOR	RESOURCE EXTRACTION	STATE EDUCATION	GAMING
ASSETS:				
Cash and Pooled Cash	\$ 221,824	\$ 1,154,661	\$ -	\$ 257,429
Taxes Receivable, net	26,204	1,445	-	18,981
Other Receivables, net	12,940	51,421	1	110
Due From Other Governments	4,401	10,206	-	14
Due From Other Funds	7,832	14,877	-	35
Inventories	101,080	60,896	-	34
Prepays, Advances and Deposits	993	15,168	-	2,130
Restricted Cash and Pooled Cash	91,000	33,000	1,357,229	6,411
Restricted Investments	-	-	-	-
Restricted Receivables	-	-	-	-
Investments	1,002	-	-	-
Other Long-Term Assets	-	517,178	-	-
TOTAL ASSETS	\$ 467,276	\$ 1,858,852	\$ 1,357,230	\$ 285,144
LIABILITIES:				
Tax Refunds Payable	\$ -	\$ -	\$ -	\$ -
Accounts Payable and Accrued Liabilities	8,728	23,587	5,123	12,441
Due To Other Governments	-	95,891	-	24,552
Due To Other Funds	349	1,190	-	29,364
Unearned Revenue	18,144	1,460	-	1,269
Claims and Judgments Payable	78	-	-	-
Other Current Liabilities	571	-	-	-
Deposits Held In Custody For Others	-	-	-	5
TOTAL LIABILITIES	27,870	122,128	5,123	67,631
DEFERRED INFLOW OF RESOURCES:				
	-	1,445	-	-
FUND BALANCES:				
Nonspendable:				
Inventories	101,080	60,896	-	34
Prepays	993	15,168	-	2,130
Restricted	91,000	45,830	1,352,107	96,529
Committed	246,333	1,613,385	-	118,820
TOTAL FUND BALANCES	439,406	1,735,279	1,352,107	217,513
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 467,276	\$ 1,858,852	\$ 1,357,230	\$ 285,144

TOBACCO IMPACT MITIGATION	RESOURCE MANAGEMENT	ENVIRONMENT AND HEALTH PROTECTION	UNCLAIMED PROPERTY	OTHER SPECIAL REVENUE	TOTALS
\$ 124,635	\$ 45,617	\$ 807,663	\$ 466,248	\$ 1,643,694	\$ 4,721,771
43	-	-	-	31,344	78,017
68,431	50	50,081	1,193	76,414	260,641
1,048	-	37,693	-	23,708	77,070
-	5	-	-	16,792	39,541
-	-	1,544	-	-	163,554
4	1,878	2,164	26	62,135	84,498
-	-	-	-	107,185	1,594,825
-	-	-	5,000	-	5,000
-	-	-	-	69,519	69,519
-	-	-	128,668	15,839	145,509
-	-	-	-	63,910	581,088
<u>\$ 194,161</u>	<u>\$ 47,550</u>	<u>\$ 899,145</u>	<u>\$ 601,135</u>	<u>\$ 2,110,540</u>	<u>\$ 7,821,033</u>
\$ -	\$ -	\$ -	\$ -	\$ 13,113	\$ 13,113
21,298	1,562	25,551	409	74,947	173,646
64	-	153	116	1,929	122,705
3,256	63	1,633	116	4,694	40,665
-	12	69,065	-	276,954	366,904
-	-	-	-	12	90
-	34	27,042	-	4,116	31,763
-	-	-	-	212	217
<u>24,618</u>	<u>1,671</u>	<u>123,444</u>	<u>641</u>	<u>375,977</u>	<u>749,103</u>
<u>43</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,336</u>	<u>58,824</u>
-	-	1,544	-	-	163,554
4	1,878	2,164	26	62,132	84,495
32,405	6,666	1,632	-	-	1,626,169
<u>137,091</u>	<u>37,335</u>	<u>770,361</u>	<u>600,468</u>	<u>1,615,095</u>	<u>5,138,888</u>
<u>169,500</u>	<u>45,879</u>	<u>775,701</u>	<u>600,494</u>	<u>1,677,227</u>	<u>7,013,106</u>
<u>\$ 194,161</u>	<u>\$ 47,550</u>	<u>\$ 899,145</u>	<u>\$ 601,135</u>	<u>\$ 2,110,540</u>	<u>\$ 7,821,033</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)

	LABOR	RESOURCE EXTRACTION	STATE EDUCATION	GAMING
REVENUES:				
Taxes:				
Individual and Fiduciary Income	\$ -	\$ -	\$ 945,338	\$ -
Corporate Income	-	-	121,062	-
Sales and Use	-	-	-	-
Excise	-	-	-	-
Other Taxes	72,215	351,977	-	193,368
Licenses, Permits, and Fines	1,679	2,149	-	3,081
Charges for Goods and Services	101	33,925	-	203
Rents	6	-	-	-
Investment Income (Loss)	(752)	7,569	(19,615)	(2,100)
Federal Grants and Contracts	76,575	195,270	-	-
Additions to Permanent Funds	-	-	-	-
Unclaimed Property Receipts	-	-	-	-
Other	2,320	13,163	31	2,787
TOTAL REVENUES	152,144	604,053	1,046,816	197,339
EXPENDITURES:				
Current:				
General Government	49	-	-	222
Business, Community, and Consumer Affairs	52,556	15,064	-	40,970
Education	-	-	39,263	21,097
Health and Rehabilitation	671	598	-	130
Justice	12,258	-	-	-
Natural Resources	-	78,292	-	2,159
Social Assistance	-	-	-	1
Transportation	-	-	-	-
Capital Outlay	76	4,328	-	122
Intergovernmental:				
Cities	1,147	64,156	-	22,930
Counties	10,254	48,921	-	24,419
School Districts	23	3,157	968,769	11
Special Districts	148	27,110	-	2,535
Federal	-	12	-	-
Other	(2,059)	3,964	-	4,983
Debt Service	1,301	800	81	180
TOTAL EXPENDITURES	76,424	246,402	1,008,113	119,759
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	75,720	357,651	38,703	77,580
OTHER FINANCING SOURCES (USES):				
Transfers-In	25,805	9,638	464,337	15,600
Transfers-Out	(4,069)	(127,261)	(58,059)	(62,806)
Issuance of Leases	-	114	-	-
Sale of Capital Assets	2,490	-	-	-
Insurance Recoveries	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	24,226	(117,509)	406,278	(47,206)
NET CHANGE IN FUND BALANCES	99,946	240,142	444,981	30,374
FUND BALANCE, FISCAL YEAR BEGINNING	339,460	1,495,137	907,126	187,139
FUND BALANCE, FISCAL YEAR END	\$ 439,406	\$ 1,735,279	\$ 1,352,107	\$ 217,513

TOBACCO IMPACT MITIGATION	RESOURCE MANAGEMENT	ENVIRONMENT AND HEALTH PROTECTION	UNCLAIMED PROPERTY	OTHER SPECIAL REVENUE	TOTALS
\$ -	\$ -	\$ -	\$ -	\$ 80,971	\$ 1,026,309
-	-	-	-	79,029	200,091
-	-	-	-	62,613	62,613
101,433	-	-	-	263,848	365,281
-	-	350,209	-	4,615	972,384
94,183	70	47,615	67	329,669	478,513
1	1,746	85,580	-	85,073	206,629
-	-	-	-	5,053	5,059
3,123	(504)	(11,206)	(3,113)	(9,188)	(35,786)
2,054	-	90,747	-	188,582	553,228
-	-	-	-	348,581	348,581
-	-	-	128,772	-	128,772
485	1,347	16,759	6	26,546	63,444
201,279	2,659	579,704	125,732	1,465,392	4,375,118
408	-	165	4,967	34,638	40,449
-	131	46,635	1,657	350,711	507,724
3,696	-	44	-	379,866	443,966
24,772	-	76,762	-	60,606	163,539
311	-	73,732	-	182,616	268,917
-	5,109	75	-	257	85,892
106,727	-	55,364	-	130,285	292,377
-	-	1	-	6,199	6,200
-	343	8,000	45	8,218	21,132
831	18	1,635	-	50,100	140,817
25,338	563	2,680	10	75,221	187,406
26,764	70	68	2	38,363	1,037,227
2,881	-	2,999	100	9,020	44,793
-	-	892	55	84	1,043
9,705	1,321	22,649	124	69,248	109,935
68	-	669	532	7,400	11,031
201,501	7,555	292,370	7,492	1,402,832	3,362,448
(222)	(4,896)	287,334	118,240	62,560	1,012,670
45,220	16,301	132,948	16	670,811	1,380,676
(28,681)	(83)	(12,158)	(26,796)	(355,161)	(675,074)
-	-	2,761	1,885	7,029	11,789
-	-	-	-	-	2,490
-	5	-	-	-	5
16,539	16,223	123,551	(24,895)	322,679	719,886
16,317	11,327	410,885	93,345	385,239	1,732,556
153,183	34,552	364,816	507,149	1,291,988	5,280,550
\$ 169,500	\$ 45,879	\$ 775,701	\$ 600,494	\$ 1,677,227	\$ 7,013,106



PERMANENT FUNDS

STATE LANDS

This fund consists of the assets, liabilities, and operations related to lands granted to the State by the federal government for educational purposes. This fund also includes unclaimed assets from estates or trusts with unknown beneficiaries. Per statute, these assets become property of the State after 21 years.

OTHER PERMANENT TRUST

This fund category represents several minor permanent funds including Wildlife for Future Generations Fund and the Veterans Monument Preservation Fund.

**COMBINING BALANCE SHEET
PERMANENT FUNDS
JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	STATE LANDS	OTHER	TOTALS
ASSETS:			
Other Receivables, net	\$ 18,167	\$ -	\$ 18,167
Prepays, Advances and Deposits	7	-	7
Restricted Cash and Pooled Cash	65,781	23,198	88,979
Restricted Investments	1,408,529	-	1,408,529
Other Long-Term Assets	22,426	-	22,426
TOTAL ASSETS	\$ 1,514,910	\$ 23,198	\$ 1,538,108
DEFERRED OUTFLOW OF RESOURCES:			
	7,127	-	7,127
LIABILITIES:			
Accounts Payable and Accrued Liabilities	\$ 5,650	\$ -	\$ 5,650
Due To Other Governments	5	-	5
Due To Other Funds	282	-	282
Other Current Liabilities	3	-	3
TOTAL LIABILITIES	5,940	-	5,940
FUND BALANCES:			
Nonspendable:			
Permanent Fund Principal	1,516,090	-	1,516,090
Prepays	7	-	7
Committed	-	23,198	23,198
TOTAL FUND BALANCES	1,516,097	23,198	1,539,295
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,522,037	\$ 23,198	\$ 1,545,235

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	STATE LANDS	OTHER	TOTALS
REVENUES:			
Taxes:			
Rents	\$ 257,866	\$ 2,084	\$ 259,950
Investment Income (Loss)	64,312	16	64,328
Additions to Permanent Funds	2,304	-	2,304
Other	-	6	6
TOTAL REVENUES	324,482	2,106	326,588
EXPENDITURES:			
Current:			
General Government	1,175	-	1,175
Natural Resources	15,393	-	15,393
Capital Outlay	1,385	-	1,385
Intergovernmental:			
Counties	510	-	510
TOTAL EXPENDITURES	18,463	-	18,463
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	306,019	2,106	308,125
OTHER FINANCING SOURCES (USES):			
Transfers-Out	(175,397)	-	(175,397)
Sale of Capital Assets	10,489	-	10,489
TOTAL OTHER FINANCING SOURCES (USES)	(164,908)	-	(164,908)
NET CHANGE IN FUND BALANCES	141,111	2,106	143,217
FUND BALANCE, FISCAL YEAR BEGINNING	1,374,986	21,092	1,396,078
FUND BALANCE, FISCAL YEAR END	\$ 1,516,097	\$ 23,198	\$ 1,539,295

OTHER ENTERPRISE FUNDS

These funds account for operations of State agencies that provide a majority of their services to the public on a user charge basis; most of them have been designated by statute as enterprises. The major activities in these funds are:

PARKS AND WILDLIFE	Expenses of this fund are to preserve the State's parks, wildlife and promote outdoor recreational activities, while revenues are from hunting and fishing license fees as well as various fines.
COLLEGE ASSIST	This fund records the activities of College Assist, which guarantees Colorado and certain nationwide loans made by private lending institutions in compliance with operating agreements with the U.S. Department of Education to students attending postsecondary schools. It also includes loan programs for Colorado residents that are not reinsured by the federal government.
LOTTERY	The State Lottery encompasses the various lottery and lotto games run under Colorado Revised Statutes. The primary revenue source is lottery ticket sales, and the net proceeds are primarily distributed to the Great Outdoors Colorado Program (a related organization), the Conservation Trust Fund, and when receipts are adequate, the General Purpose Revenue Fund. The funds are used primarily for open space purchases and recreational facilities throughout the State.
STATE FAIR AUTHORITY	The State Fair Authority operates the Colorado State Fair, and other events, at the State fairgrounds in Pueblo.
CORRECTIONAL INDUSTRIES	This activity reports the production and sale of manufactured goods and farm products that are produced by convicted criminals who are incarcerated in the State prison system.
STATE NURSING HOMES	This activity is for nursing home and retirement care provided to the elderly at the State facilities at Fitzsimons, Homelake, Walsenburg, Florence, and Rifle.
PRISON CANTEENS	This activity accounts for the various canteen operations in the State's prison system.
PETROLEUM STORAGE TANK	This activity accounts for grants, registration fees, environmental response surcharges, and penalties associated with the regulation and abatement of fire and safety issues related to above and underground petroleum storage tanks.

OTHER ENTERPRISE ACTIVITIES

The other enterprise activities includes the State and CollegeInvest. The State includes the Business Enterprise Program, which is staffed by the visually impaired and manages food vending operations in State buildings; the Enterprise Services Fund of the Colorado Historical Society, which sells goods at State museums; and various smaller enterprise operations.

**COMBINING STATEMENT OF NET POSITION
OTHER ENTERPRISE FUNDS
JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	PARKS AND WILDLIFE	COLLEGE ASSIST	STATE LOTTERY	STATE FAIR AUTHORITY
ASSETS:				
Current Assets:				
Cash and Pooled Cash	\$ 372,766	\$ 167,283	\$ 72,918	\$ 5,593
Premiums/Taxes Receivable, net	-	-	-	-
Student and Other Receivables, net	16,039	-	38,217	166
Due From Other Governments	22,715	489	-	-
Due From Other Funds	12,218	-	-	-
Due From Component Units	-	-	-	-
Inventories	1,965	-	533	-
Prepays, Advances and Deposits	4,727	146	5,323	23
Total Current Assets	430,430	167,918	116,991	5,782
Noncurrent Assets:				
Restricted Cash and Pooled Cash	-	3,504	-	-
Restricted Receivables	-	25,302	-	-
Other Long-Term Assets	791	-	-	591
Depreciable/Amortizable Capital Assets, net	247,179	2,176	3,626	15,513
Land and Nondepreciable Capital Assets	464,440	-	-	10,378
Total Noncurrent Assets	712,410	30,982	3,626	26,482
TOTAL ASSETS	1,142,840	198,900	120,617	32,264
DEFERRED OUTFLOW OF RESOURCES:				
	42,392	766	3,378	2,003
LIABILITIES:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	29,495	1	9,683	1,075
Due To Other Governments	-	20,238	90	-
Due To Other Funds	1,348	-	38,743	370
Unearned Revenue	58,379	-	-	1,235
Compensated Absences Payable	1,488	85	18	17
Lease & Subscriptions Payable	218	229	918	-
Notes, Bonds, and COPs Payable	-	-	-	-
Other Current Liabilities	307	2,817	69,891	11
Total Current Liabilities	91,235	23,370	119,343	2,708
Noncurrent Liabilities:				
Due to Other Funds	14,211	-	-	-
Deposits Held In Custody For Others	25	-	-	-
Accrued Compensated Absences	10,302	139	861	113
Lease & Subscriptions Payable	3,171	1,160	2,321	-
Notes, Bonds, and COPs Payable	-	-	-	-
Net Pension Liability	231,091	3,805	20,433	7,162
Other Postemployment Benefits	5,603	76	519	166
Other Long-Term Liabilities	-	-	5	-
Total Noncurrent Liabilities	264,403	5,180	24,139	7,441
TOTAL LIABILITIES	355,638	28,550	143,482	10,149
DEFERRED INFLOW OF RESOURCES:				
	11,217	143	877	867
NET POSITION:				
Net investment in Capital Assets:	708,231	-	387	-
Restricted for:				
Other Purposes	31,961	8,568	3,168	-
Unrestricted	78,185	162,405	(23,919)	23,251
TOTAL NET POSITION	\$ 818,377	\$ 170,973	\$ (20,364)	\$ 23,251

CORRECTIONAL INDUSTRIES	STATE NURSING HOMES	PRISON CANTEENS	PETROLEUM STORAGE TANK	OTHER ENTERPRISE ACTIVITIES	TOTAL
\$ -	\$ 8,815	\$ 6,463	\$ 10,290	\$ 356,171	\$ 1,000,299
-	-	-	74	233	307
865	8	-	3,591	19,183	78,069
973	5,251	-	-	197,006	226,434
178	1,935	-	-	567	14,898
-	135	-	-	-	135
6,149	126	1,413	-	277	10,463
-	-	-	-	313	10,532
8,165	16,270	7,876	13,955	573,750	1,341,137
-	-	-	-	-	3,504
-	-	-	-	-	25,302
-	-	-	-	-	1,382
4,530	23,284	1,555	11	10,012	307,886
977	5,284	-	-	4,806	485,885
5,507	28,568	1,555	11	14,818	823,959
13,672	44,838	9,431	13,966	588,568	2,165,096
2,468	14,080	1,391	1,159	7,337	74,974
2,701	9,707	768	3,703	276,857	333,990
-	564	-	-	-	20,892
4,434	-	-	-	11,562	56,457
25	663	-	-	8,749	69,051
152	260	-	5	29	2,054
63	301	-	-	271	2,000
-	17	-	-	-	17
60	379	-	14	-	73,479
7,435	11,891	768	3,722	297,468	557,940
-	-	-	-	-	14,211
-	-	-	-	-	25
431	2,292	262	941	1,024	16,365
1,149	409	-	-	1,324	9,534
-	941	-	-	(4)	937
15,385	81,975	7,034	6,661	27,577	401,123
398	2,057	178	164	594	9,755
-	-	-	-	-	5
17,363	87,674	7,474	7,766	30,515	451,955
24,798	99,565	8,242	11,488	327,983	1,009,895
6,650	11,070	489	753	2,862	34,928
4,295	-	1,555	11	12,202	726,681
-	-	-	-	-	43,697
(19,603)	(51,717)	536	2,873	252,858	424,869
\$ (15,308)	\$ (51,717)	\$ 2,091	\$ 2,884	\$ 265,060	\$ 1,195,247

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	PARKS AND WILDLIFE	COLLEGE ASSIST	STATE LOTTERY	STATE FAIR AUTHORITY
OPERATING REVENUES:				
License and Permits	\$ 184,731	\$ -	\$ 59	\$ -
Tuition and Fees	10	-	-	-
Sales of Goods and Services	12,398	-	889,778	7,738
Investment Income (Loss)	-	(4,124)	-	-
Rental Income	-	-	-	611
Federal Grants and Contracts	42,679	176,328	-	-
Intergovernmental Revenue	38,425	-	-	-
Other	2,379	2	1,241	-
TOTAL OPERATING REVENUES	280,622	172,206	891,078	8,349
OPERATING EXPENSES:				
Salaries and Fringe Benefits	120,388	15,925	9,761	5,825
Operating and Travel	135,380	145,191	84,104	4,315
Cost of Goods Sold	1,222	-	25,957	-
Depreciation and Amortization	19,332	469	974	994
Intergovernmental Distributions	11,164	-	-	-
Debt Service	-	8,468	-	-
Prizes and Awards	10	7,995	575,473	892
TOTAL OPERATING EXPENSES	287,496	178,048	696,269	12,026
OPERATING INCOME (LOSS)	(6,874)	(5,842)	194,809	(3,677)
NONOPERATING REVENUES AND (EXPENSES):				
Taxes	-	-	-	-
Fines and Settlements	2,129	-	-	-
Investment Income (Loss)	531	6,657	1,507	39
Rental Income	18,984	-	-	-
Gifts and Donations	1,628	-	-	439
Intergovernmental Distributions	-	-	(75,707)	-
Gain/(Loss) on Sale or Impairment of Capital Assets	52	-	-	-
Insurance Recoveries from Prior Year Impairments	74	-	-	-
Debt Service	(65)	-	(36)	-
Other Revenues	10	-	-	1,907
TOTAL NONOPERATING REVENUES (EXPENSES)	23,343	6,657	(74,236)	2,385
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	16,469	815	120,573	(1,292)
CONTRIBUTIONS, TRANSFERS, AND OTHER ITEMS:				
Capital Grants and Contributions	-	-	-	2,519
Additions to Permanent Endowments	-	-	-	-
Transfers-In	32,608	-	5	1,300
Transfers-Out	(6,835)	(91)	(120,335)	(1,287)
TOTAL CONTRIBUTIONS AND TRANSFERS	25,773	(91)	(120,330)	2,532
CHANGE IN NET POSITION	42,242	724	243	1,240
NET POSITION - FISCAL YEAR BEGINNING	776,135	170,249	(20,607)	22,011
NET POSITION - FISCAL YEAR ENDING	\$ 818,377	\$ 170,973	\$ (20,364)	\$ 23,251

CORRECTIONAL INDUSTRIES	STATE NURSING HOMES	PRISON CANTEENS	PETROLEUM STORAGE TANK	OTHER ENTERPRISE ACTIVITIES	TOTALS
\$ -	\$ -	\$ -	\$ 473	\$ 26,117	\$ 211,380
-	-	-	10	1,396	1,416
26,242	19,520	22,365	-	173,342	1,151,383
-	-	-	-	190	(3,934)
-	-	-	-	1,487	2,098
-	34,162	-	-	197,362	450,531
-	219	-	-	71	38,715
103	447	879	541	23,025	28,617
26,345	54,348	23,244	1,024	422,990	1,880,206
803	42,028	3,572	10,237	15,905	224,444
8,039	10,416	3,858	23,262	312,517	727,082
10,903	-	15,194	-	253	53,529
590	1,757	217	3	1,724	26,060
-	7,026	-	-	562	18,752
-	-	-	-	-	8,468
-	-	10	-	1	584,381
20,335	61,227	22,851	33,502	330,962	1,642,716
6,010	(6,879)	393	(32,478)	92,028	237,490
-	-	-	37,091	13,084	50,175
-	-	-	10	72	2,211
138	451	42	(137)	(1,618)	7,610
113	-	-	-	-	19,097
5	-	-	-	2	2,074
-	-	-	-	-	(75,707)
-	-	-	-	(1)	51
-	-	-	-	-	74
(276)	(234)	-	(262)	(34)	(907)
-	-	-	-	-	1,917
(20)	217	42	36,702	11,505	6,595
5,990	(6,662)	435	4,224	103,533	244,085
-	-	-	-	-	2519
-	-	-	-	10	10
60	3,507	-	-	325	37805
(353)	(2,098)	(87)	-	(2,892)	-133978
(293)	1,409	(87)	-	(2,557)	(93,644)
5,697	(5,253)	348	4,224	100,976	150,441
(21,005)	(46,464)	1,743	(1,340)	164,084	1,044,806
\$ (15,308)	\$ (51,717)	\$ 2,091	\$ 2,884	\$ 265,060	\$ 1,195,247

**COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	PARKS AND WILDLIFE	COLLEGE ASSIST	STATE LOTTERY	STATE FAIR AUTHORITY
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from:				
Tuition, Fees, and Student Loans	\$ -	\$ -	\$ -	\$ -
Fees for Service	190,267	-	-	6,622
Receipts for Interfund Services	60	-	-	170
Sales of Products	-	-	885,809	179
Gifts, Grants, and Contracts	39,399	181,662	-	-
Income from Property	18,984	-	-	611
Other Sources	38,847	-	1,355	1,383
Cash Payments to or for:				
Employees	(120,258)	(15,770)	(10,719)	(5,483)
Suppliers	(73,318)	(1,751)	(37,345)	(4,493)
Payments for Interfund Services	(3,056)	(97)	(281)	-
Sales Commissions and Lottery Prizes	(9,477)	-	(645,834)	-
Other Governments	(11,164)	-	-	-
Other	(17,816)	(164,843)	(68)	(1,085)
NET CASH PROVIDED BY OPERATING ACTIVITIES	52,468	(799)	192,917	(2,096)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers-In	32,608	-	5	3,819
Transfers-Out	(6,835)	(91)	(120,335)	(1,287)
Receipt of Deposits Held in Custody	1,239	-	-	-
Release of Deposits Held in Custody	(1,243)	-	-	-
Gifts and Grants for Other Than Capital Purposes	1,628	-	-	439
Intergovernmental Distributions	-	-	(79,442)	-
Unclaimed Property Fund Interest	-	-	-	1,896
NonCapital Debt Proceeds	-	-	-	-
NonCapital Debt Service Payments	-	-	-	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	27,397	(91)	(199,772)	4,867
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of Capital Assets	(79,722)	(1,143)	(1,177)	(23,951)
Proceeds from Sale of Capital Assets	28,115	644	901	13,976
Capital Debt Service Payments	-	-	-	-
Lease Payments	(6,431)	(32)	(874)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(58,038)	(531)	(1,150)	(9,975)

CORRECTIONAL INDUSTRIES	STATE NURSING HOMES	PRISON CANTEENS	PETROLEUM STORAGE TANK	OTHER ENTERPRISE ACTIVITIES	TOTALS
\$ -	\$ -	\$ -	\$ -	\$ 1,419	\$ 1,419
276	18,813	-	-	129,191	345,169
8,827	2	15	-	37,748	46,822
18,025	12	22,350	-	972	927,347
-	32,465	-	-	182,165	435,691
113	-	-	-	1,513	21,221
128	304	877	38,165	83,626	164,685
(6,565)	(47,487)	(3,147)	(10,660)	(15,715)	(235,804)
(19,552)	(5,437)	(19,978)	(389)	-	(162,263)
(142)	(82)	(114)	(89)	(28)	(3,889)
-	-	(11)	-	(69)	(655,391)
-	(6,897)	-	-	(562)	(18,623)
(75)	(103)	(16)	(21,977)	(302,241)	(508,224)
1,035	(8,410)	(24)	5,050	118,019	358,160
60	3,507	-	-	325	40,324
(353)	(2,098)	(87)	-	(2,892)	(133,978)
-	-	-	-	-	1,239
-	-	-	-	-	(1,243)
5	-	-	-	2	2,074
-	-	-	-	-	(79,442)
-	-	-	-	-	1,896
-	1	-	-	1	2
-	(1)	-	-	(1)	(2)
(288)	1,409	(87)	-	(2,565)	(169,130)
(1,350)	(2,051)	(24)	-	(1,566)	(110,984)
741	911	12	-	-	45,300
(175)	-	-	-	(103)	(278)
(101)	(202)	-	(262)	(7)	(7,909)
(885)	(1,342)	(12)	(262)	(1,676)	(73,871)

(Continued)

STATEMENT OF CASH FLOWS, CONTINUED
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

(DOLLARS IN THOUSANDS)	PARKS AND WILDLIFE	COLLEGE ASSIST	STATE LOTTERY	STATE FAIR AUTHORITY
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends on Investments	9,290	6,657	2,733	11
Increase(Decrease) from Unrealized Gain(Loss) on Investments	(8,759)	-	(1,225)	39
NET CASH FROM INVESTING ACTIVITIES	531	6,657	1,508	50
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	22,358	5,236	(6,497)	(7,154)
CASH AND POOLED CASH , FISCAL YEAR BEGINNING	350,408	165,551	79,415	12,747
CASH AND POOLED CASH, FISCAL YEAR END	\$ 372,766	\$ 170,787	\$ 72,918	\$ 5,593
RECONCILIATION OF OPERATING INCOME TO NET CASH				
PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (6,874)	\$ (5,842)	\$ 194,809	\$ (3,677)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation/Amortization	19,332	469	974	994
Investment/Rental Income and Other Revenue in Operating Income	-	-	-	-
Rents, Fines, Donations, and Grants and Contracts in NonOperating	21,256	-	-	-
Compensated Absences Expense	1,589	(1)	95	(9)
Interest and Other Expense in Operating Income	34,028	32	-	46
Net Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows Related to Operating Activities:				
(Increase) Decrease in Operating Receivables	(18,017)	6,839	(3,929)	29
(Increase) Decrease in Inventories	(46)	-	1,228	-
(Increase) Decrease in Other Operating Assets and Deferred Outflows	(1,284)	(29)	(173)	90
(Increase) Decrease in Pension Deferred Outflow	(15,997)	(111)	(2,083)	(173)
(Increase) Decrease in OPEB Deferred Outflow	(134)	2	(25)	(4)
Increase (Decrease) in Accounts Payable	5,129	(110)	4,810	(472)
Increase (Decrease) in Pension Liability	71,496	1,149	6,315	2,633
Increase (Decrease) in OPEB Liability	(534)	(2)	(48)	(4)
Increase (Decrease) in Other Operating Liabilities and Deferred Inflows	(829)	(2,377)	(3,919)	603
Increase (Decrease) in Pension Deferred Inflow	(56,414)	(813)	(5,107)	(2,134)
Increase (Decrease) in OPEB Deferred Inflow	(233)	(5)	(30)	(18)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 52,468	\$ (799)	\$ 192,917	\$ (2,096)
SUPPLEMENTARY INFORMATION - NONCASH TRANSACTIONS:				
Capital Assets Funded by the Capital Projects Fund	-	-	-	2,519
Capital Assets Acquired by Grants or Donations and Payable Increases	21	-	-	-
Unrealized Gain/Loss on Investments and Interest Receivable Accruals	-	-	1,225	-
Loss on Disposal of Capital and Other Assets	-	-	-	-
Amortization of Debt Valuation Accounts and Interest Payable Accruals	-	1	-	-

CORRECTIONAL INDUSTRIES	STATE NURSING HOMES	PRISON CANTEENS	PETROLEUM STORAGE TANK	OTHER ENTERPRISE ACTIVITIES	TOTALS
14	289	216	288	2,457	21,955
124	162	(174)	(425)	(3,885)	(14,143)
138	451	42	(137)	(1,428)	7,812
-	(7,892)	(81)	4,651	112,350	122,971
-	16,707	6,544	5,639	243,821	880,832
\$ -	\$ 8,815	\$ 6,463	\$ 10,290	\$ 356,171	\$ 1,003,803

\$ 6,010	\$ (6,879)	\$ 393	\$ (32,478)	\$ 92,028	\$ 237,490
590	1,757	217	3	1,724	26,060
-	-	-	-	(190)	(190)
113	-	-	37,101	13,157	71,627
(201)	(330)	33	243	(205)	1,214
(190)	(71)	-	-	359	34,204
885	(2,429)	-	40	(20,627)	(37,209)
(1,796)	(58)	(491)	-	(31)	(1,194)
-	24	-	-	10	(1,362)
(1,081)	(4,180)	(17)	(672)	(3,837)	(28,151)
1	(2)	6	(3)	(100)	(259)
558	3,373	(635)	845	33,970	47,468
(614)	19,316	1,885	1,575	9,542	113,297
(237)	(434)	(26)	(34)	13	(1,306)
504	284	-	-	(2,411)	(8,145)
(3,577)	(18,867)	(1,396)	(1,570)	(5,404)	(95,282)
70	86	7	-	21	(102)
\$ 1,035	\$ (8,410)	\$ (24)	\$ 5,050	\$ 118,019	\$ 358,160

-	-	-	-	-	2,519
-	-	-	-	-	21
-	-	-	-	-	1,225
-	-	-	-	1	1
-	32	-	-	(6)	27



INTERNAL SERVICE FUNDS

These funds account for operations of State agencies that provide a majority of their services to other State agencies on a user charge basis. The major activities in these funds are:

CENTRAL SERVICES

This fund accounts for the sales of goods and services to other State agencies. The sales items include mail services, printing, quick copy, graphic design, microfilming, fleet, and motor pool.

STATEWIDE FINANCIAL INFORMATION TECHNOLOGY SYSTEMS CASH FUND

This fund accounts for information technology maintenance and upgrades as well as direct and indirect costs of the department in connection with Statewide financial and human resources information technology systems.

INFORMATION TECHNOLOGY

This fund accounts for computer and telecommunications services sold to other State agencies.

CAPITOL COMPLEX

This fund accounts for the cost and income related to maintaining State office space in the complex surrounding the State Capitol. Only certain capitol complex capital assets are reported in this fund, and other capitol complex capital assets are reported on the government-wide financial statements.

HIGHWAYS

This fund is used to account for the operations of the Department of Transportation print shop.

PUBLIC SAFETY

This fund accounts for aircraft rental to State agencies by the Department of Public Safety.

OFFICE OF ADMINISTRATIVE COURTS

This fund accounts for the operations of the Office of Administrative Courts in the Department of Personnel & Administration.

LEGAL SERVICES

This fund accounts for the Attorney General's services to State agencies in the Department of Law.

OTHER INTERNAL SERVICE ACTIVITIES

This fund primarily accounts for the activities of the Central Collections Unit within the Department of Personnel & Administration. The unit collects receivables due to State agencies on a straight commission basis.

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2023**

(DOLLARS IN THOUSANDS)

	CENTRAL SERVICES	FINANCIAL INFORMATION TECHNOLOGY	INFORMATION TECHNOLOGY	CAPITOL COMPLEX
ASSETS:				
Current Assets:				
Cash and Pooled Cash	\$ 18,331	\$ 5,345	\$ 22,587	\$ 7,921
Other Receivables, net	2,129	147	10	2
Due From Other Governments	-	-	42	-
Due From Other Funds	-	-	15	-
Inventories	2,863	-	-	78
Prepays, Advances and Deposits	35	-	9,881	-
Total Current Assets	23,358	5,492	32,535	8,001
Noncurrent Assets:				
Restricted Cash and Pooled Cash	-	6,398	-	-
Depreciable/Amortizable Capital Assets, net	83,440	4,257	37,437	5,975
Land and Nondepreciable Capital Assets	459	3,389	145	428
Total Noncurrent Assets	83,899	14,044	37,582	6,403
TOTAL ASSETS	107,257	19,536	70,117	14,404
DEFERRED OUTFLOW OF RESOURCES:				
	3,644	1,006	47,427	1,540
LIABILITIES:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	3,558	206	23,486	961
Due To Other Governments	4	-	-	-
Due To Other Funds	-	-	88	-
Unearned Revenue	-	-	1,350	-
Compensated Absences Payable	-	-	1,087	-
Lease & Subscriptions Payable	468	-	9,652	-
Notes, Bonds, and COPs Payable	20,416	775	-	1,670
Other Current Liabilities	1,397	-	-	-
Total Current Liabilities	25,843	981	35,663	2,631
Noncurrent Liabilities:				
Accrued Compensated Absences	702	151	8,345	260
Lease & Subscriptions Payable	462	-	21,291	-
Notes, Bonds, and COPs Payable	59,153	9,085	-	4,020
Net Pension Liability	20,789	5,433	265,158	9,308
Other Postemployment Benefits	506	134	6,344	232
Total Noncurrent Liabilities	81,612	14,803	301,138	13,820
TOTAL LIABILITIES	107,455	15,784	336,801	16,451
DEFERRED INFLOW OF RESOURCES:				
	695	300	6,247	510
NET POSITION:				
Net investment in Capital Assets:	3,400	-	6,638	713
Unrestricted	(649)	4,458	(232,142)	(1,730)
TOTAL NET POSITION	\$ 2,751	\$ 4,458	\$ (225,504)	\$ (1,017)

HIGHWAYS	PUBLIC SAFETY	ADMINISTRATIVE COURTS	LEGAL SERVICES	OTHER INTERNAL SERVICE ACTIVITIES	TOTALS
\$ -	\$ 522	\$ 2,871	\$ 8,334	\$ 251	\$ 66,162
17	12	26	5	3	2,351
-	-	-	-	-	42
-	-	-	-	-	15
169	-	-	-	-	3,110
-	-	-	338	-	10,254
186	534	2,897	8,677	254	81,934
-	-	-	-	-	6,398
59	491	200	501	-	132,360
-	-	-	85	-	4,506
59	491	200	586	-	143,264
245	1,025	3,097	9,263	254	225,198
78	-	1,919	21,403	131	77,148
24	-	378	4,585	-	33,198
-	-	-	-	-	4
214	-	-	-	-	302
-	-	-	-	-	1,350
-	-	-	356	-	1,443
-	-	80	-	-	10,200
-	-	-	-	-	22,861
-	-	-	-	-	1,397
238	-	458	4,941	-	70,755
-	-	479	2,819	-	12,756
-	-	97	-	-	21,850
-	-	-	-	-	72,258
394	-	11,083	95,326	-	407,491
12	-	277	2,197	-	9,702
406	-	11,936	100,342	-	524,057
644	-	12,394	105,283	-	594,812
435	-	386	2,192	80	10,845
59	491	23	586	-	11,910
(815)	534	(7,787)	(77,395)	305	(315,221)
\$ (756)	\$ 1,025	\$ (7,764)	\$ (76,809)	\$ 305	\$ (303,311)

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)

	CENTRAL SERVICES	FINANCIAL INFORMATION TECHNOLOGY	INFORMATION TECHNOLOGY	CAPITOL COMPLEX
OPERATING REVENUES:				
Sales of Goods and Services	\$ 93,427	\$ 10,952	\$ 340,796	\$ 140
Rental Income	-	-	-	16,132
Intergovernmental Revenue	-	104	-	-
Other	-	73	5,658	-
TOTAL OPERATING REVENUES	93,427	11,129	346,454	16,272
OPERATING EXPENSES:				
Salaries and Fringe Benefits	10,364	2,366	202,792	3,989
Operating and Travel	55,170	6,925	125,777	8,075
Depreciation and Amortization	21,679	4,246	16,457	1,453
Prizes and Awards	1	-	6	-
TOTAL OPERATING EXPENSES	87,214	13,537	345,032	13,517
OPERATING INCOME (LOSS)	6,213	(2,408)	1,422	2,755
NONOPERATING REVENUES AND (EXPENSES):				
Investment Income (Loss)	-	(210)	(877)	-
Gain/(Loss) on Sale or Impairment of Capital Assets	2,877	-	(140)	124
Insurance Recoveries from Prior Year Impairments	22	-	-	-
Debt Service	(1,801)	(7)	(1,838)	(374)
Other Expenses	-	(73)	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	1,098	(290)	(2,855)	(250)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	7,311	(2,698)	(1,433)	2,505
CONTRIBUTIONS, TRANSFERS, AND OTHER ITEMS:				
Capital Grants and Contributions	713	-	-	-
Transfers-In	517	2,223	1	30
Transfers-Out	(678)	(390)	(975)	(1,361)
TOTAL CONTRIBUTIONS AND TRANSFERS	552	1,833	(974)	(1,331)
CHANGE IN NET POSITION	7,863	(865)	(2,407)	1,174
NET POSITION - FISCAL YEAR BEGINNING	(5,112)	5,323	(223,097)	(2,191)
NET POSITION - FISCAL YEAR ENDING	\$ 2,751	\$ 4,458	\$ (225,504)	\$ (1,017)

HIGHWAYS	PUBLIC SAFETY	ADMINISTRATIVE COURTS	LEGAL SERVICES	OTHER INTERNAL SERVICE ACTIVITIES	TOTALS
\$ 1,064	\$ 132	\$ 6,961	\$ 57,250	\$ -	\$ 510,722
-	-	-	-	-	16,132
-	-	-	-	-	104
-	-	-	144	-	5,875
1,064	132	6,961	57,394	-	532,833
-	1	4,516	56,313	(516)	279,825
558	10	1,160	4,260	-	201,935
12	374	85	276	-	44,582
-	-	-	-	-	7
570	385	5,761	60,849	(516)	526,349
494	(253)	1,200	(3,455)	516	6,484
(17)	-	(30)	161	1	(972)
-	-	-	-	-	2,861
-	-	-	-	-	22
(15)	-	-	(6)	-	(4,041)
-	-	-	-	-	(73)
(32)	-	(30)	155	1	(2,203)
462	(253)	1,170	(3,300)	517	4,281
-	-	-	-	-	713
-	-	-	-	-	2,771
-	-	(99)	(4,251)	-	(7,754)
-	-	(99)	(4,251)	-	(4,270)
462	(253)	1,071	(7,551)	517	11
(1,218)	1,278	(8,835)	(69,258)	(212)	(303,322)
\$ (756)	1,025	\$ (7,764)	\$ (76,809)	\$ 305	\$ (303,311)

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)

	CENTRAL SERVICES	FINANCIAL INFORMATION TECHNOLOGY	INFORMATION TECHNOLOGY	CAPITOL COMPLEX
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from:				
Fees for Service	\$ 2,820	\$ -	\$ 614	\$ 8
Receipts for Interfund Services	91,072	10,952	340,323	133
Sales of Products	12	-	-	-
Gifts, Grants, and Contracts	-	-	50	-
Income from Property	-	-	-	16,132
Other Sources	83	177	-	126
Cash Payments to or for:				
Employees	(10,681)	(2,515)	(200,820)	(4,604)
Suppliers	(53,543)	(145)	(45,340)	(6,572)
Payments for Interfund Services	(3,708)	(6,759)	(75,478)	(868)
Other	(38)	(221)	(736)	(1)
NET CASH PROVIDED BY OPERATING ACTIVITIES	26,017	1,489	18,613	4,354
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers-In	761	2,223	1	30
Transfers-Out	(678)	(390)	(975)	(1,361)
Receipt of Deposits Held in Custody	1,386	-	-	-
Release of Deposits Held in Custody	(135)	-	-	-
NonCapital Debt Proceeds	3	-	-	-
NonCapital Debt Service Payments	(3)	-	-	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	1,334	1,833	(974)	(1,331)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of Capital Assets	(47,657)	(6,778)	(9,904)	(3,062)
Proceeds from Sale of Capital Assets	27,482	3,389	1,232	281
Capital Debt Proceeds	-	9,860	-	-
Capital Debt Service Payments	4	(7)	(1,309)	(88)
Lease Payments	(1,801)	-	(529)	(286.00)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(21,972)	6,464	(10,510)	(3,155)

HIGHWAYS	PUBLIC SAFETY	ADMINISTRATIVE COURTS	LEGAL SERVICES	OTHER INTERNAL SERVICE ACTIVITIES	TOTALS
\$ 1	\$ 46	\$ 39	\$ 42	\$ 2	\$ 3,572
4	74	6,915	57,208	-	506,681
1,058	3	-	-	-	1,073
-	-	-	-	-	50
-	-	-	-	-	16,132
-	-	-	144	-	530
(9)	-	(4,901)	(50,777)	(1)	(274,308)
(774)	(18)	(510)	(3,692)	-	(110,594)
(235)	-	(672)	(661)	-	(88,381)
-	-	-	(2)	-	(998)
45	105	871	2,262	1	53,757
-	-	-	-	-	3,015
-	-	(99)	(4,251)	-	(7,754)
-	-	-	-	-	1,386
-	-	-	-	-	(135)
-	-	-	-	-	3
-	-	-	-	-	(3)
-	-	(99)	(4,251)	-	(3,488)
(13)	-	(78)	(82)	-	(67,574)
-	-	-	28	-	32,412
-	-	-	-	-	9,860
(15)	-	-	(6)	-	(1,421)
-	-	-	-	-	(2,616)
(28)	-	(78)	(60)	-	(29,339)

(Continued)

STATEMENT OF CASH FLOWS, CONTINUED
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

(DOLLARS IN THOUSANDS)

	CENTRAL SERVICES	FINANCIAL INFORMATION TECHNOLOGY	INFORMATION TECHNOLOGY	CAPITOL COMPLEX
Interest and Dividends on Investments	-	77	-	-
Increase(Decrease) from Unrealized Gain(Loss) on Investments	-	(287)	(877)	-
NET CASH FROM INVESTING ACTIVITIES	-	(210)	(877)	-
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	5,379	9,576	6,252	(132)
CASH AND POOLED CASH , FISCAL YEAR BEGINNING	12,952	2,167	16,335	8,053
CASH AND POOLED CASH, FISCAL YEAR END	\$ 18,331	\$ 11,743	\$ 22,587	\$ 7,921
RECONCILIATION OF OPERATING INCOME TO NET CASH				
PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 6,213	\$ (2,408)	\$ 1,422	\$ 2,755
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation/Amortization	21,679	4,246	16,457	1,453
Investment/Rental Income and Other Revenue in Operating Income	1,117	-	(5,637)	-
Rents, Fines, Donations, and Grants and Contracts in NonOperating	22	(73)	-	124
Compensated Absences Expense	(185)	(69)	(940)	(103)
Interest and Other Expense in Operating Income	(18)	-	12	664
Net Changes in Assets, Deferred Outflows, Liabilities, and Deferred				
Inflows Related to Operating Activities:				
(Increase) Decrease in Operating Receivables	(597)	(147)	128	1
(Increase) Decrease in Inventories	(1,048)	-	-	8
(Increase) Decrease in Other Operating Assets and Deferred Outflows	(8)	18	(1,036)	-
(Increase) Decrease in Pension Deferred Outflow	(2,045)	(387)	(25,029)	(921)
(Increase) Decrease in OPEB Deferred Outflow	(24)	(2)	(291)	(10)
Increase (Decrease) in Accounts Payable	(995)	24	5,957	(19)
Increase (Decrease) in Pension Liability	6,662	1,576	87,201	2,816
Increase (Decrease) in OPEB Liability	(24)	(17)	(368)	(21)
Increase (Decrease) in Other Operating Liabilities and Deferred Inflows	18	-	(596)	(1)
Increase (Decrease) in Pension Deferred Inflow	(4,713)	(1,269)	(58,504)	(2,381)
Increase (Decrease) in OPEB Deferred Inflow	(37)	(3)	(163)	(11)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 26,017	\$ 1,489	\$ 18,613	\$ 4,354
SUPPLEMENTARY INFORMATION - NONCASH TRANSACTIONS:				
Capital Assets Funded by the Capital Projects Fund	470	-	-	-
Loss on Disposal of Capital and Other Assets	(2,877)	-	140	-
Amortization of Debt Valuation Accounts and Interest Payable Accruals	4	-	66	-

HIGHWAYS	PUBLIC SAFETY	ADMINISTRATIVE COURTS	LEGAL SERVICES	OTHER INTERNAL SERVICE ACTIVITIES	TOTALS
-	-	67	248	3	395
(17)	-	(98)	(88)	(2)	(1,369)
(17)	-	(31)	160	1	(974)
-	105	663	(1,889)	2	19,956
-	417	2,208	10,223	249	52,604
\$ -	\$ 522	\$ 2,871	\$ 8,334	\$ 251	\$ 72,560

\$ 494	\$ (253)	\$ 1,200	\$ (3,455)	\$ 516	\$ 6,484
12	374	85	276	-	44,582
-	-	-	-	-	(4,520)
-	-	-	-	-	73
-	-	6	246	-	(1,045)
13	-	-	26	-	697
1	(9)	(7)	1	2	(627)
(21)	-	-	-	-	(1,061)
-	-	-	(52)	-	(1,078)
49	-	(1,184)	(10,556)	180	(39,893)
2	1	(17)	(203)	8	(536)
7	(8)	(21)	230	(1)	5,174
(363)	-	3,712	35,410	(3)	137,011
(17)	-	(9)	(16)	-	(472)
(235)	-	-	-	-	(814)
102	-	(2,874)	(19,628)	(667)	(89,934)
1	-	(20)	(17)	(34)	(284)
\$ 45	\$ 105	\$ 871	\$ 2,262	\$ 1	\$ 53,757

-	-	-	-	-	470
-	-	-	-	-	(2,737)
-	-	-	-	-	70

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the State in its governmental capacity on behalf of local governments, citizens, and other external parties. Pension and Other Employee Benefits Trust Funds, Private Purpose Trust Funds and Custodial Funds are included in this category. The major components of the fiduciary funds are:

PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

STATE EMPLOYEE BENEFIT PLANS	This fund was established for the purpose of risk financing employee and state-official medical claims. The fund includes several medical plan options ranging from provider of choice to managed care and wellness activity. The State uses a self-funded approach for certain employee and state-official medical claims.
INSTITUTIONS OF HIGHER EDUCATION OTHER POST-EMPLOYMENT BENEFITS TRUST	This fund consists of Colorado State University and University of Colorado. Colorado State University administers four employee defined benefit healthcare plans as part of a single qualifying trust. The plans provide post-employment subsidies for medical premiums, supplemental subscription benefits and income replacement benefits for long-term disability. University of Colorado participates in two types of OPEB plans – a single-employer plan administered by the University and a cost-sharing plan administered by PERA.

PRIVATE PURPOSE TRUST FUNDS

TREASURER'S	This fund comprises a portion of the escheats funds managed by the State Treasurer. The receipts of the fund are from bank accounts, investment accounts, and insurance proceeds that are placed with the State when the owners of the assets cannot be located. The owner's legal rights to the asset are protected in perpetuity. The fund reports Net Position Held in Trust for the amount ultimately expected to be claimed and paid based on analysis of the history of claims paid versus collections.
COLLEGE SAVINGS PLAN	The College Savings Plan (commonly referred to as the Scholars Choice Fund) authorized in statute is used to record the deposits, withdrawals, and investment returns of participants in the college savings program. The moneys in the fund are neither insured nor guaranteed by the State.
OTHER	This fund primarily accounts for receipts collected from racetracks and simulcast facilities for distribution to horse breeders and associations who participate in state-regulated parimutuel horse racing.

CUSTODIAL FUNDS

These funds are held in custody for others. Major items include sales taxes collected for cities and counties; litigation settlement escrow accounts; contractor's performance escrow accounts; deposits held to ensure land restoration by mining and oil exploration companies; amounts held for the trustee related to Certificates of Participation or revenue Bonds for Higher Education Institutions, Building Excellent Schools Today (BEST), the Bridge Enterprise program; and assets invested for the Colorado Water Resources and Power Development Authority (a discretely presented component unit).

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)		STATE EMPLOYMENT BENEFIT PLANS	INSTITUTIONS OF HIGHER EDUCATION OTHER POST- EMPLOYMENT BENEFITS TRUST
ASSETS:			
Cash and Pooled Cash	\$	81,231	\$ 1,281
Other Receivables, net		7,695	39,305
Due From Other Funds		1,874	-
Prepays, Advances and Deposits		-	164
Investments:			
Government Securities		-	3,380
Corporate Bonds		-	8,236
Municipal Bonds		-	1,022
Private Equities		-	7,430
Asset Backed Securities		-	797
Mortgages		-	7,997
Mutual Funds		-	115,689
Other Investments		-	23,785
TOTAL ASSETS		90,800	209,086
LIABILITIES:			
Accounts Payable and Accrued Liabilities		23,186	4,048
Due To Other Funds		18	-
Claims and Judgments Payable		34,752	-
Other Current Liabilities		-	38,697
Accrued Compensated Absences		72	-
TOTAL LIABILITIES		58,028	42,745
NET POSITION:			
Restricted for:			
OPEB		-	166,341
Held in Trust for:			
Pension/Benefit Plan Participants		32,772	-
TOTAL NET POSITION	\$	32,772	\$ 166,341

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)			
	STATE EMPLOYMENT BENEFIT PLANS	INSTITUTIONS OF HIGHER EDUCATION OTHER POST- EMPLOYMENT BENEFITS TRUST	
ADDITIONS:			
Member Contributions	\$ 73,963	\$ 2,120	
Employer Contributions	443,978	3,682	
Investment Income/(Loss)	1,125	7,495	
Other Additions	13,111	399,099	
Transfers-In	1,102	-	
TOTAL ADDITIONS	533,279	412,396	
DEDUCTIONS:			
Distributions to Participants	-	4,296	
Health Insurance Premiums Paid	361,552	-	
Health Insurance Claims Paid	147,033	-	
Other Benefits Plan Expense	30,752	-	
Administrative Expense	17,193	-	
Other Deductions	388	385,711	
Transfers-Out	261	-	
TOTAL DEDUCTIONS	557,179	390,007	
CHANGE IN NET POSITION	(23,900)	22,389	
NET POSITION - FISCAL YEAR BEGINNING	56,672	143,952	
NET POSITION - FISCAL YEAR ENDING	\$ 32,772	\$ 166,341	

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

(DOLLARS IN THOUSANDS)	TREASURER'S	COLLEGE SAVINGS PLAN	OTHER
ASSETS:			
Cash and Pooled Cash	\$ 278,887	\$ 93,953	\$ 14,570
Other Receivables, net	4	12,976	1,127
Due From Other Funds	-	11,562	-
Investments:			
Government Securities	-	-	5,421
Corporate Bonds	-	-	7,395
Asset Backed Securities	4,746	-	-
Mortgages	15,866	-	-
Mutual Funds	-	10,287,165	350
Guaranteed Investment Contracts	-	159,109	-
Other Investments	-	502,239	-
TOTAL ASSETS	299,503	11,067,004	28,863
LIABILITIES:			
Accounts Payable and Accrued Liabilities	-	11,317	5,950
Due To Other Funds	-	521	-
Unearned Revenue	-	12,289	6,122
Other Long-Term Liabilities	-	11,770	-
TOTAL LIABILITIES	-	35,897	12,072
NET POSITION:			
Held in Trust for:			
Individuals, Organizations, and Other Entities	299,503	11,031,107	16,791
TOTAL NET POSITION	\$ 299,503	\$ 11,031,107	\$ 16,791

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	TREASURER'S	COLLEGE SAVINGS PLAN	OTHER
ADDITIONS:			
Investment Income/(Loss)	\$ (680)	\$ 931,836	\$ 705
Gifts and Bequests	804	-	-
Permanent and Trust Additions	-	1,113,054	11,616
Unclaimed Property Receipts	87,035	-	-
Other Additions	-	104	3,103
Transfers-In	-	2,000	-
TOTAL ADDITIONS	87,159	2,046,994	15,424
DEDUCTIONS:			
Distributions to Participants	55,754	1,135,314	7,467
Distributions - Intergovernmental Entities	812	-	-
Administrative Expense	-	-	321
Other Deductions	-	39,985	5,387
Transfers-Out	-	-	8
TOTAL DEDUCTIONS	56,566	1,175,299	13,183
CHANGE IN NET POSITION	30,593	871,695	2,241
NET POSITION - FISCAL YEAR BEGINNING	268,910	10,159,412	14,550
NET POSITION - FISCAL YEAR ENDING	\$ 299,503	\$ 11,031,107	\$ 16,791

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	EXTERNAL INVESTMENT POOL	TAX COLLECTIONS AND DISBURSEMENTS	OTHER
ASSETS:			
Cash and Pooled Cash	\$ 42,604	\$ 258,669	\$ 284,205
Taxes Receivable, net	-	253,694	-
Other Receivables, net	-	65	2,195
Prepays, Advances and Deposits	-	-	8
Other Long-Term Assets	-	-	65,442
TOTAL ASSETS	42,604	512,428	351,850
LIABILITIES:			
Tax Refunds Payable	-	1,850	-
Accounts Payable and Accrued Liabilities	-	-	608
Due To Other Governments	-	378	198
Due To Other Funds	-	122	1,118
Unearned Revenue	-	-	293
Other Current Liabilities	-	-	1,060
Other Long-Term Liabilities	-	683	-
TOTAL LIABILITIES	-	3,033	3,277
NET POSITION:			
Held in Trust for:			
Individuals, Organizations, and Other Entities	42,604	509,395	348,573
TOTAL NET POSITION	\$ 42,604	\$ 509,395	\$ 348,573

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)			
	EXTERNAL INVESTMENT POOL	TAX COLLECTIONS AND DISBURSEMENTS	OTHER
ADDITIONS:			
Investment Income/(Loss)	\$ (3,208)	\$ (382)	\$ (346)
Gifts and Bequests	-	-	2
Court Awards and Restitution Receipts	-	-	192,817
Collections of Sales Tax for Other Governments	-	2,864,831	227,498
Collections of Investment Funds	21,683	-	-
Other Additions	-	-	74,291
TOTAL ADDITIONS	18,475	2,864,449	494,262
DEDUCTIONS:			
Distributions of Investment Funds	6,085	-	-
Payments of Sales Tax to Other Governments	-	2,858,566	222,600
Administrative Expense	-	1,490	5,750
Other Deductions	-	-	228,008
Transfers-Out	-	-	69
TOTAL DEDUCTIONS	6,085	2,860,056	456,427
CHANGE IN NET POSITION	12,390	4,393	37,835
NET POSITION - FISCAL YEAR BEGINNING	30,214	505,002	310,738
NET POSITION - FISCAL YEAR ENDING	\$ 42,604	\$ 509,395	\$ 348,573



COMPONENT UNITS

The following statements present the Other Component Units (Nonmajor) aggregated in the combined component unit statements. Descriptions of each of the component units presented can be found in Note 1.

**COMBINING STATEMENT OF NET POSITION
OTHER COMPONENT UNITS (NONMAJOR)
JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	STATEWIDE INTERNET PORTAL AUTHORITY	TOTAL
ASSETS:			
Current Assets:			
Cash and Pooled Cash	\$ 1,230	\$ 6,276	\$ 7,506
Restricted Cash and Pooled Cash	6,302	5,000	11,302
Other Receivables, net	8,000	8,638	16,638
Prepays, Advances and Deposits	-	422	422
Other Current Assets	-	6,819	6,819
Total Current Assets	15,532	27,155	42,687
Noncurrent Assets:			
Other Long-Term Assets	113,282	-	113,282
Depreciable/Amortizable Capital Assets, net	141,224	19	141,243
Land and Nondepreciable Capital Assets	32,004	-	32,004
Total Noncurrent Assets	286,510	19	286,529
TOTAL ASSETS	302,042	27,174	329,216
DEFERRED OUTFLOW OF RESOURCES:	-	846	846
LIABILITIES:			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	3,374	5,601	8,975
Unearned Revenue	-	10,798	10,798
Other Current Liabilities	-	127	127
Total Current Liabilities	3,374	16,526	19,900
Noncurrent Liabilities:			
Net Pension Liability	-	1,458	1,458
Other Postemployment Benefits	-	91	91
Total Noncurrent Liabilities	-	1,556	1,556
TOTAL LIABILITIES	3,374	18,082	21,456
DEFERRED INFLOW OF RESOURCES:	120,782	59	120,841
NET POSITION:			
Net investment in Capital Assets:	173,228	19	173,247
Restricted for:			
Other Purposes	6,622	-	6,622
Unrestricted	(1,964)	9,860	7,896
TOTAL NET POSITION	\$ 177,886	\$ 9,879	\$ 187,765

**COMBINING STATEMENT OF ACTIVITIES
OTHER COMPONENT UNITS (NONMAJOR)
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)			
	DENVER METROPOLITAN MAJOR LEAGUE BASEBALL STADIUM DISTRICT	STATEWIDE INTERNET PORTAL AUTHORITY	TOTAL
EXPENSES	\$ 8,250	\$ 45,368	\$ 53,618
PROGRAM REVENUES:			
Charges for Services	6,253	45,143	51,396
Capital Grants and Contributions	5,093	-	5,093
TOTAL PROGRAM REVENUES:	11,346	45,143	56,489
NET (EXPENSE) REVENUE	3,096	(225)	2,871
GENERAL REVENUES:			
Unrestricted Investment Earnings (Losses)	25	381	406
TOTAL GENERAL REVENUES	25	381	406
CHANGE IN NET POSITION	3,121	156	3,277
NET POSITION - FISCAL YEAR BEGINNING	174,765	9,723	184,488
NET POSITION - FISCAL YEAR ENDING	\$ 177,886	\$ 9,879	\$ 187,765



NON-APPROPRIATED BUDGET SCHEDULES

The schedules on the following pages provide, by department, nonappropriated budget-to-actual activity. The budgets are based on a variety of sources that are not subject to appropriation by the General Assembly that generally include most federal awards, custodial agreements, and Colorado statutes. In Higher Education Institutions informational only appropriations for tuition and certain fees contained in the State's legislative appropriations act are not controlling. Therefore, expenditures may exceed recorded budgets in these appropriations.

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
BUDGET AND ACTUAL - NON-APPROPRIATED GENERAL FUNDED
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Sales and Other Excise Taxes			\$ 579,367	
Income Taxes			1,031,479	
Other Taxes			61,420	
Federal Grants and Contracts			21	
Sales and Services			117	
Interest Earnings			22,384	
Other Revenues			4,865	
Transfers-In			8,133	
TOTAL REVENUES AND TRANSFERS-IN			1,707,786	
EXPENDITURES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Corrections	\$ -	\$ 524	519	\$ 5
Governor	-	9,292	9,292	-
Health Care Policy and Financing	-	22,440	17,547	4,893
Higher Education	15,200	15,200	-	15,200
Local Affairs	4,690	4,690	4,306	384
Personnel & Administration	526	1,072	446	626
Public Safety	-	5,457	4,608	849
Regulatory Agencies	2,045	2,045	2,045	-
Revenue	272,096	357,019	321,090	35,929
Treasury	1,338,901	1,338,901	1,172,945	165,956
Transfers Not Appropriated by Department	117,894	117,894	117,894	-
SUB-TOTAL OPERATING BUDGETS	1,751,352	1,874,534	1,650,692	223,842
Capital and Multi-Year Budgets:				
Departmental:				
Higher Education	1,898	307	88	219
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	1,898	307	88	219
TOTAL EXPENDITURES AND TRANSFERS-OUT	\$ 1,753,250	\$ 1,874,841	\$ 1,650,780	\$ 224,061
EXCESS OF REVENUES AND TRANSFERS-IN OVER (UNDER) EXPENDITURES AND TRANSFERS-OUT			\$ 57,006	

The notes to the required supplementary information are an integral part of this schedule.

**SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES,
AND CHANGES IN FUND BALANCES/NET POSITION - BUDGETARY BASIS
BUDGET AND ACTUAL - NON-APPROPRIATED CASH FUNDED
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Sales and Other Excise Taxes			\$ 1,116,098	
Income Taxes			160,000	
Other Taxes			1,800,255	
Tuition and Fees			326,178	
Sales and Services			2,264,079	
Interest Earnings			1,236,371	
Other Revenues			7,068,962	
Transfers-In			8,350,629	
TOTAL REVENUES AND TRANSFERS-IN			22,322,572	
EXPENDITURES/EXPENSES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Agriculture	\$ 27,649	\$ 29,107	\$ 22,081	\$ 7,026
Corrections	34,662	104,078	95,261	8,817
Education	4,546,447	4,529,047	4,492,357	36,690
Governor	735,135	1,021,450	356,963	664,487
Health Care Policy and Financing	52,681	118,797	72,748	46,049
Higher Education	2,001,584	2,430,049	2,384,492	45,557
Human Services	311,734	180,654	142,805	37,849
Judicial Branch	46,838	218,056	210,919	7,137
Labor and Employment	2,926,276	2,930,399	410,855	2,519,544
Law	31,755	32,465	17,079	15,386
Legislative Branch	21,617	21,617	6,574	15,043
Local Affairs	528,858	718,621	297,896	420,725
Military and Veterans Affairs	2,493	2,631	1,720	911
Natural Resources	1,045,324	1,224,990	516,866	708,124
Early Childhood	28,172	12,129	11,791	338
Personnel & Administration	656,850	667,287	648,240	19,047
Public Health and Environment	215,256	288,396	70,687	217,709
Public Safety	233,780	235,424	21,279	214,145
Regulatory Agencies	190,076	190,076	189,014	1,062
Revenue	1,295,460	4,332,615	4,237,582	95,033
State	6,620	6,656	1,113	5,543
Transportation	4,639,907	4,638,286	1,381,150	3,257,136
Treasury	4,584,890	4,872,747	3,505,138	1,367,609
Budgets/Transfers Not Recorded by Department	7,108	8,496	8,563	(67)
SUB-TOTAL OPERATING BUDGETS	24,171,172	28,814,073	19,103,173	9,710,900
Capital and Multi-Year Budgets:				
Departmental:				
Higher Education	997	32,688	31,480	1,208
Human Services	-	175	175	-
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	997	32,863	31,655	1,208
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS-OUT	\$ 24,172,169	\$ 28,846,936	\$ 19,134,828	\$ 9,712,108
EXCESS OF REVENUES AND TRANSFERS-IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS-OUT			\$ 3,187,744	

The notes to the required supplementary information are an integral part of this schedule.

**SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES,
AND CHANGES IN FUND BALANCES/NET POSITION - BUDGETARY BASIS
BUDGET AND ACTUAL - NON-APPROPRIATED FEDERALLY FUNDED
FOR THE YEAR ENDED JUNE 30, 2023**

(DOLLARS IN THOUSANDS)	ORIGINAL APPROPRIATION	FINAL SPENDING AUTHORITY	ACTUAL	(OVER)/UNDER SPENDING AUTHORITY
REVENUES AND TRANSFERS-IN:				
Federal Grants and Contracts			\$ 7,961,408	
TOTAL REVENUES AND TRANSFERS-IN			7,961,408	
EXPENDITURES/EXPENSES AND TRANSFERS-OUT:				
Operating Budgets:				
Departmental:				
Capital and Multi-Year Budgets:				
Departmental:				
Agriculture	\$ 3,947	\$ 64,291	\$ 7,735	\$ 56,556
Corrections	2,932	53,967	7,386	46,581
Education	1,048,450	2,425,351	1,259,355	1,165,996
Governor	357,181	3,559,045	141,953	3,417,092
Health Care Policy and Financing	470,746	738,084	492,638	245,446
Higher Education	39,621	1,459,280	322,264	1,137,016
Human Services	339,538	3,487,674	2,502,622	985,052
Judicial Branch	9,474	49,117	25,418	23,699
Labor and Employment	183,078	7,859,821	292,221	7,567,600
Law	3,228	3,228	2,264	964
Local Affairs	82,575	1,030,692	354,637	676,055
Military and Veterans Affairs	131,103	50,503	27,948	22,555
Natural Resources	86,027	296,577	69,617	226,960
Early Childhood	32,035	272,841	176,492	96,349
Personnel & Administration	144	20,631	4,263	16,368
Public Health and Environment	304,694	1,862,962	741,087	1,121,875
Public Safety	68,999	2,044,104	411,346	1,632,758
Regulatory Agencies	1,596	210,395	202,254	8,141
Revenue	1,160	10,549	4,124	6,425
State	-	14,205	1,937	12,268
Transportation	829,242	2,259,963	685,426	1,574,537
Treasury	178,972	184,937	184,937	-
SUB-TOTAL CAPITAL AND MULTI-YEAR BUDGETS	4,174,742	27,958,217	7,917,924	20,040,293
TOTAL EXPENDITURES/EXPENSES AND TRANSFERS-OUT	\$ 4,174,742	\$ 27,958,217	\$ 7,917,924	\$ 20,040,293
EXCESS OF REVENUES AND TRANSFERS-IN OVER/(UNDER) EXPENDITURES/EXPENSES AND TRANSFERS-OUT			\$ 43,484	

The notes to the required supplementary information are an integral part of this schedule.





**SCHEDULE OF TABOR REVENUE
AND COMPUTATIONS**

STATE OF COLORADO
OFFICE OF THE STATE CONTROLLER
COMPARISON OF NONEXEMPT TABOR REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Fiscal Year 2023	Fiscal Year 2022	Increase (Decrease)	Percent Change
GENERAL REVENUES				
Individual Income Tax, Net	\$ 9,841,679,815	\$ 10,558,698,416	\$ (717,018,601)	-6.8%
Sales and Use Tax, Net	4,552,829,698	4,321,563,924	231,265,774	5.4%
Corporate Income Tax, Net	2,166,610,057	1,469,314,785	697,295,272	47.5%
Insurance Taxes	516,658,785	390,176,232	126,482,553	32.4%
Interest and Investment Income	178,122,124	65,385,157	112,736,967	172.4%
Fiduciary Income Tax, Net	84,763,875	146,666,016	(61,902,141)	-42.2%
Alcoholic Beverages Tax, Net	56,306,424	56,340,487	(34,063)	-0.1%
Tobacco Products Tax, Net	47,637,923	52,613,504	(4,975,581)	-9.5%
Court and Other Fines	9,461,719	6,130,218	3,331,501	54.3%
Business Licenses and Permits	6,031,839	6,273,319	(241,480)	-3.8%
Miscellaneous Revenue	2,146,090	1,644,108	501,982	30.5%
General Government Service Fees	951,104	177,069	774,035	437.1%
Gaming and Other Taxes	337,574	414,131	(76,557)	-18.5%
Welfare Service Fees	27,876	21,404	6,472	30.2%
Other Charges For Services	6,413	9,535	(3,122)	-32.7%
TOTAL GENERAL-FUNDED REVENUES	17,463,571,316	17,075,428,305	388,143,011	2.3%
PROGRAM REVENUES				
Fuel and Transportation Taxes, Net	656,816,500	636,262,629	20,553,871	3.2%
Severance Taxes	352,161,843	314,626,168	37,535,675	11.9%
Motor Vehicle Registrations	275,752,258	291,688,617	(15,936,359)	-5.5%
Court and Other Fines	187,824,545	173,284,723	14,539,822	8.4%
Business Licenses and Permits	185,462,167	201,313,247	(15,851,080)	-7.9%
General Government Service Fees	175,288,293	163,908,926	11,379,367	6.9%
Gaming and Other Taxes	123,452,004	114,973,451	8,478,553	7.4%
Interest and Investment Income	122,960,648	60,853,831	62,106,817	102.1%
Other Charges For Services	118,419,895	162,262,162	(43,842,267)	-27.0%
Health Service Fees	76,237,271	81,587,682	(5,350,411)	-6.6%
Rents and Royalties	66,931,592	67,964,883	(1,033,291)	-1.5%
Miscellaneous Revenue	63,036,027	58,716,677	4,319,350	7.4%
Sales and Use Tax, Net	62,613,254	54,978,007	7,635,247	13.9%
Employment Taxes	49,519,165	48,729,715	789,450	1.6%
Driver's Licenses	47,439,887	48,100,964	(661,077)	-1.4%
Public Safety Service Fees	39,789,913	41,532,302	(1,742,389)	-4.2%
Transportation Fees	38,964,737	-	38,964,737	N/A
Nonbusiness Licenses and Permits	31,887,932	34,073,120	(2,185,188)	-6.4%
Insurance Taxes	26,257,903	43,955,565	(17,697,662)	-40.3%
Certifications and Inspections	25,779,633	25,196,168	583,465	2.3%
Local Governments and Authorities	12,826,024	7,819,851	5,006,173	64.0%
Educational Fees	7,267,741	5,954,811	1,312,930	22.0%
Higher Education Auxiliary Sales and Services	3,638,302	3,156,553	481,749	15.3%
Welfare Service Fees	3,077,548	2,965,173	112,375	3.8%
Sales of Products	2,382,016	1,409,742	972,274	69.0%
Alcoholic Beverages Tax, Net	780,682	814,146	(33,464)	-4.1%
Other Excise Taxes, Net	279,843	404,176	(124,333)	-30.8%
Other Revenue	270,716	-	270,716	N/A
Tobacco Products Tax, Net	95	170	(75)	-44.1%
TOTAL PROGRAM REVENUES	2,757,118,434	2,646,533,459	110,584,975	4.2%
Prior Year Errors		(162,341)	162,341	
Qualification of Enterprises		19,491,581	(19,491,581)	
TOTAL NONEXEMPT REVENUE	\$ 20,220,689,750	\$ 19,741,291,004	\$ 479,398,746	2.4%

STATE OF COLORADO
SCHEDULE OF COMPUTATIONS REQUIRED
UNDER ARTICLE X, SECTION 20
AS OF JUNE 30, 2023

	FISCAL YEAR 2022	FISCAL YEAR 2023
COMPUTATION OF NONEXEMPT REVENUES		
Total State Expenditures	\$ 66,984,948,853	\$ 69,947,368,354
Less Exempt Enterprises Expenses:		
Higher Education Enterprises	12,811,522,707	13,937,749,908
Colorado Healthcare Affordability and Sustainability Enterprise	4,580,819,378	5,148,694,666
CollegeInvest	1,142,879,307	1,178,278,868
State Lottery	825,307,675	892,346,392
College Assist	519,777,136	550,536,971
Unemployment Compensation Section	1,612,340,983	488,067,809
Health Insurance Affordability Enterprise	330,940,802	386,189,018
Parks and Wildlife	262,572,906	329,841,605
State Nursing Homes	56,650,036	64,972,665
Statewide Bridge Enterprise	37,431,166	118,892,323
Statewide Transportation Enterprise	40,950,347	49,848,148
Correctional Industries	52,630,462	43,901,395
Family and Medical Leave Insurance	-	41,969,927
Petroleum Storage Tank Fund	37,309,341	33,791,358
988 Crisis Hotline	4,029,394	10,134,849
Brand Board	4,910,918	6,508,013
Front Range Waste Diversion Enterprise	2,828,540	5,010,029
Clean Screen Authority	3,177,471	4,040,845
Capitol Parking Authority	1,102,777	1,424,895
Community Access Enterprise	124,041	1,203,745
Clean Motor Vehicle Fleet Enterprise	-	968,549
Electronic Recording Technology Fund	2,921,397	534,830
Orphaned Wells Enterprise	-	390,592
Air Quality Enterprise	240,002	167,620
Air Pollution Mitigation Enterprise	20,695	106,150
Clean Transit Enterprise	13,735	95,414
Natural Disaster Mitigation	-	16,275
Subtotal Enterprise Expenses	<u>22,330,501,216</u>	<u>23,295,682,859</u>
Total District Expenditures	<u>44,654,447,637</u>	<u>46,651,685,494</u>
Less Exempt District Revenues:		
Federal Funds	12,603,746,611	12,031,958,955
Interfund Transfers	10,376,276,030	10,939,784,857
Amounts Held for Others (Note 11)	3,199,901,869	3,367,442,101
Voter Approved Revenue Changes (Note 8)	2,000,075,890	2,355,160,146
Other Sources and Additions (Note 7)	2,024,295,200	1,041,709,676
Property Sales	194,302,273	240,418,802
Damage Awards	106,311,821	140,468,228
Gifts	60,329,075	62,824,777
Exempt Investment Income	(1,100,084,841)	27,335,380
Subtotal Exempt District Revenues	<u>29,465,153,928</u>	<u>30,207,102,922</u>
Nonexempt District Expenditures	15,189,293,709	16,444,582,573
District Reserve/Fund Balance Increase (Decrease)	823,570,679	212,708,297
Excess TABOR Revenues	<u>3,728,426,616</u>	<u>3,563,398,880</u>
Total Nonexempt District Revenues	<u>\$ 19,741,291,004</u>	<u>\$ 20,220,689,750</u>
COMPUTATION OF DISTRICT FUND BALANCE CHANGES		
Beginning District Fund Balance	\$ 13,823,736,938	\$ 18,411,410,685
Prior Period District Fund Balance Adjustments (Note 11)	8,978,490	16,472,413
(Qualification)/Disqualification of Enterprises (Note 14)	26,697,962	(47,075,071)
District Reserve/Fund Balance Increase (Decrease)	823,570,679	212,708,297
Excesss TABOR Revenues	3,728,426,616	3,563,398,880
Ending District Fund Balance	<u>\$ 18,411,410,685</u>	<u>\$ 22,156,915,204</u>
FISCAL YEAR 2023 COMPUTATION OF SPENDING LIMITATIONS		
	FISCAL YEAR SPENDING	EXCESS STATE REVENUES CAP
FY 2022 Limit	\$ 12,930,251,512	\$ 16,012,864,388
Fiscal Year 2022 Base Adjustment for Disqualification of Enterprises (Note 14)	(8,195,233)	(8,195,233)
Other Agency Revenues From Qualification of Enterprises (Note 14)	706,178	706,178
Qualification of Enterprises (Note 14)	<u>(19,491,581)</u>	<u>(19,491,581)</u>
FY 2022 Adjusted Limit	\$ 12,903,270,876	\$ 15,985,883,752
Allowable TABOR Growth Rate (Note 12)	4.2%	4.2%
FY 2023 Adjusted Limit	\$ 13,445,208,253	\$ 16,657,290,870
Less Fiscal Year 2023 Nonexempt District Revenues	<u>(20,220,689,750)</u>	<u>(20,220,689,750)</u>
Amount (Over)Under Adjusted Limit FY 2023	<u>\$ (6,775,481,497)</u>	<u>\$ (3,563,398,880)</u>
Amounts remaining in excess of the limit to be refunded in future years		
Total amount to be refunded in future years		\$ 3,678,327,061
FY 2023 retention of approved revenues in excess of the limit (not refundable) C.R.S. 24-77-103.6(1)(b)		\$ 3,212,082,617

NOTES TO THE TABOR SCHEDULE OF REQUIRED COMPUTATIONS

NOTE 1. PURPOSE OF THE SCHEDULE OF REQUIRED COMPUTATIONS

The purpose of the Schedule of Required Computations is to determine and document compliance with Title 24 Article 77 of the Colorado Revised Statutes, which is the implementing statute for Article X Section 20 of the State Constitution (TABOR). The report is required to include at a minimum State fiscal year spending, reserves, revenues, and debt. The schedule also includes a calculation of the limit on fiscal year spending, a calculation of the Excess State Revenues Cap under Referendum C (see Note 9), and the amount required to be refunded or the amount of excess revenue retained by law, as well as all related adjustments.

TABOR has many provisions including a requirement for a vote of the people for new taxes or tax rate increases and a limit on the amount of fiscal year spending. Fiscal year spending is defined as District expenditures and reserve increases except those expended from exempt sources, such as gifts, federal funds, damage awards, property sales, reserves, and other items. This definition, while focused on spending is essentially a limitation on revenue retention because reserve increases are unspent revenues. Therefore, the terms fiscal year spending and nonexempt revenue are used interchangeably throughout these notes.

The limit on revenue retention is based on an allowable growth percentage (see Note 12) applied to the lesser of the prior year's revenues or the prior year's limit. Revenues in excess of the limit are required to be refunded to taxpayers unless voters approve retention of the excess. In the 2005 general election, voters approved Referendum C, which allowed the State to retain revenues in excess of the limit for a five-year period. Beginning in Fiscal Year 2011, under Referendum C provisions, revenues are refunded only when they exceed the Excess State Revenues Cap (see Note 9).

NOTE 2. BASIS OF ACCOUNTING

Pursuant to Article 77 of Title 24, Colorado Revised Statutes, this report is prepared in accordance with generally accepted accounting principles (GAAP) for governmental entities except where an irreconcilable difference exists between GAAP, and State statute or the provisions of Article X Section 20 of the State Constitution (TABOR). The accounting principles used by the State are more fully described in Note 1 to the Financial Statements.

NOTE 3. DEFINITION OF THE DISTRICT

TABOR defines the District as "the State or any local government, excluding enterprises." It further defines an enterprise as "a government-owned business authorized to issue its own revenue bonds and receiving under 10 percent of annual revenue in grants from all Colorado State and local governments combined."

The General Assembly, for the purpose of implementing TABOR, stated in Section 24-77-102(16) C.R.S.:

(a) that "State" means the central civil government of the State of Colorado, which consists of the following:

- (I) the legislative, executive, and judicial branches of government established by Article III of the State Constitution;
- (II) all organs of the branches of government specified in subparagraph (I) of paragraph (a) of this subsection (16), including the departments of the executive branch; the legislative houses and agencies; and the appellate and trial courts and court personnel; and
- (III) State institutions of higher education.

(b) "State" does not include:

- (I) any enterprise [including an institution or group of institutions of higher education that has been designated as an enterprise];
- (II) any special purpose authority;
- (III) any organization declared to be a joint governmental entity.

The General Assembly has designated the following as enterprises excluded from the District:

- State Lottery,
- College Assist,
- CollegeInvest,
- Division of Parks and Wildlife,
- State Nursing Homes,
- Division of Correctional Industries,
- Petroleum Storage Tank Fund,
- State Fair Authority,
- Division of Brand Inspection,
- Clean Screen Authority,
- Capitol Parking Authority,
- Statewide Transportation Enterprise,
- Statewide Bridge Enterprise,
- Unemployment Insurance Enterprise,
- Electronic Recording Technology Fund,
- Colorado Healthcare Affordability and Sustainability Enterprise,
- Front Range Waste Diversion Enterprise,
- Health Insurance Affordability Enterprise,

- Clean Motor Vehicle Fleet Enterprise,
- Clean Transit Enterprise,
- Air Pollution Mitigation Enterprise,
- Air Quality Enterprise,
- Community Access Enterprise,
- Natural Disaster Mitigation Enterprise,
- 988 Crisis Hotline Enterprise,
- Orphaned Wells Mitigation Enterprise,
- Family and Medical Leave Insurance Enterprise,
- Fuels Impact Enterprise.

It further established a statutory mechanism that allows the governing boards of institutions of higher education to designate certain auxiliary operations as enterprises, which are also exempt from TABOR. Senate Bill 04-189 expanded the authority for each governing board of State institutions of higher education to designate the entire institution as a TABOR exempt enterprise. The Board of Regents of the University of Colorado designated the entire University of Colorado as an enterprise during Fiscal Year 2005, and the remaining boards designated their institutions as enterprises in Fiscal Year 2006. The Auraria Higher Education Center Board of Directors did not designate all of its activities as a TABOR enterprise, but it continues to have selected activities designated as a TABOR enterprise.

Although the General Assembly and governing boards have designated certain enterprises as exempt from TABOR, those enterprises must continue to meet the criteria of a government-owned business authorized to issue its own revenue bonds and to receive less than 10 percent of its revenue in grants from all Colorado State and local governments combined. The State Fair Authority remained disqualified as an enterprise for Fiscal Year 2023.

NOTE 4. DEBT

Certificates of Participation, which are used by the State for long-term lease purchases, are not considered debt of the State for purposes of this report as provided by Section 24-30-202(5.5) C.R.S.

In interrogatories submitted by the General Assembly regarding House Bill 99-1325, the Colorado Supreme Court ruled that Transportation Revenue Anticipation Notes (TRANS) issued by the Colorado Department of Transportation do not constitute debt of the State as defined in Article XI Section 3 of the State Constitution. However, the Supreme Court ruled that the TRANS are a multiple-fiscal year obligation as defined by Article X Section 20 of the State Constitution, thus requiring an approving election before issuance.

NOTE 5. EMERGENCY RESERVES

TABOR requires the reservation, for declared emergencies, of three percent or more of fiscal year spending, excluding bonded debt service payments. This requirement for Fiscal Year 2023 totals \$606.6 million.

At June 30, 2023, the net assets of the following funds were designated as the reserve, up to the limits set in House Bill 22-1329:

- Major Medical Insurance Fund - \$25.0 million.
- State Emergency Reserve Cash Fund - \$232.2 million.
- Colorado Water Conservation Board Construction Fund - \$33.0 million.
- Disaster Emergency Fund - \$66.0 million
- Unclaimed Property Tourism Promotion Trust Fund - \$5.0 million.
- Marijuana Tax Cash Fund - \$100.0 million.
- Controlled Maintenance Trust Fund - \$38.8 million.

Based on actual fiscal year nonexempt revenues in Fiscal Year 2023, the required reserve was \$606.6 million. Because the actual reserve requirement was more than the amount set in House Bill 22-1329, the total amount restricted for the reserve was \$106.6 million less than the combined maximums allowable in the designated funds detailed above. There is no process by which the General Assembly can adjust the designated reserve after the end of the legislative session when the total TABOR revenues are finally known.

During Fiscal Year 2023, two executive orders called for \$0.46 million to be transferred from the State Emergency Cash Fund to the Disaster Emergency Fund. Executive Order D 2023 002 called for \$0.12 million to be transferred for extreme winter weather in 2023, and Executive Order D 2023 010 called for \$0.34 million to be transferred for the Gageby Creek Fire in Bent County.

NOTE 6. STATUS OF REFUNDING

In Fiscal Year 2023 there are four TABOR refund mechanisms in State law – the property tax exemption reimbursement, the reimbursement to local governments for a reduction in property values used to assess property taxes, the one-time equal distribution of excess State revenues to qualified individuals (which replaces the six-tier sales tax refund), and an increase to the earned income tax credit. A summary of each is noted below:

1. Property tax exemption reimbursement – with the enactment of Senate Bill 17-267, excess revenue is first refunded via reimbursements to local governments equal to the amount of property tax revenue they lose as a result of the property tax exemptions for seniors and disabled veterans. The amount refunded via this mechanism is the lesser of actual reimbursements or the total refund obligation in accordance with Section 39-3-209(2) C.R.S. If the amount of excess revenue is less than the amount required to reimburse local governments for property tax exemptions for seniors and disabled veterans, then only the portion of the reimbursement equal to the refund obligation is accounted as a TABOR refund. This portion is paid from General Fund revenue set aside in the year when the TABOR surplus was collected. This is considered an under-distribution and is carried forward until the reimbursement is paid. The remaining portion of the reimbursement is financed from revenue collected in the fiscal year when the reimbursement is paid.

2. Reimbursement to local governments for lower property valuations used in property tax assessments – with the enactment of Senate Bill 22-238, local governments will be reimbursed for losses in revenue due to lower property valuations used to assess property taxes in 2023 and 2024.
3. Identical refund distribution to qualified individuals – with enactment of Senate Bill 23B-003 in the November special session, the State created a temporary refund mechanism for tax year 2023 that replaces the six-tier sales tax refund mechanism. After refunds are made through the property tax exemption reimbursement mechanism, each qualified individual is eligible to an identical reimbursement of a portion of the State’s Fiscal Year 2023 excess TABOR revenue. Individuals filing a joint return are eligible for two refunds.
4. Increase in the earned income tax credit for the 2023 tax year – with the enactment of House Bill 23B-1002 in the November special session, the State increased the earned income tax credit rate for resident individuals from 25 percent to 50 percent of the federal credit. The reduction in 2024 revenue to the State (when tax returns are filed) resulting from the larger tax credits, will be a one-time mechanism for refunding a portion of the State’s excess Fiscal Year 2023 TABOR revenue.

Regardless of the refund mechanism, Section 24-77-103.8 C.R.S. requires that under-distributions of refunds be carried forward to subsequent years and added to the required refund in a future year when revenue is over the spending limit. Over-distributions of refunds, pursuant to Section 24-77-103.7 C.R.S., are also carried forward to subsequent years and are used to offset any future refund liability. The amount of the over/under carry forward is to be applied in the year following the year in which the refund is required to be made, which results in a two-year lag between the recording of the excess revenue and the adjustment for over or under refunds of those excess revenues.

At the beginning of Fiscal Year 2023, the State had an outstanding TABOR refund liability of \$3,848.1 million. During the year the following amounts were refunded: \$9.7 thousand from the Fiscal Year 2015 liability, \$0.5 million from the Fiscal Year 2019 liability, \$77.1 million from the Fiscal Year 2021 liability, and \$3,664.0 million from the Fiscal Year 2022 liability. Refund liabilities for Fiscal Years 2019, 2021, and 2022 were increased (in net) by \$8.4 million to adjust for prior-year revenue recording errors and a Fiscal Year 2022 base calculation error. Excess revenue over the ESRC in Fiscal Year 2023 added \$3,563.4 million to the total liability. At June 30, 2023, the amount of refunds payable is \$3,678.3 million. (See Note 15 for more detail).

NOTE 7. OTHER SOURCES AND ADDITIONS

The \$1,041.7 million reported in this line item primarily comprises: \$517.2 million of pension and other employee benefit trust fund investment earnings and additions by the State and participants; \$51.8 million related to future leases; \$229.7 million of revenue to permanent funds and trusts; \$49.6 million of local government expenditures recorded by the State as revenues and expenditures to meet grant matching-funds

requirements; \$12.0 million of proceeds from insurance; and \$172.5 million of other miscellaneous revenue.

NOTE 8. VOTER APPROVED REVENUE CHANGES

When State voters approve a revenue change, the resulting revenues are exempt from the TABOR limit on fiscal year spending. The following revenue changes were approved by voters:

- In the 1998 general election, voters approved a citizen-initiated law, Section 25-8-501.1 C.R.S. – Regulation of Commercial Hog Facilities – which instituted a permit fee. The State collected \$55,499 and \$103,700 from this exempt source in Fiscal Year 2023 and Fiscal Year 2022, respectively.
- In the 2000 general election, voters approved a citizen-initiated amendment that added Section 14 to Article XVIII of the State Constitution. This amendment allowed the use of marijuana for medical purposes and authorized the Department of Public Health and Environment to charge a fee for the issuance of a permit for such purpose. The State recorded \$2.0 million and \$2.1 million including interest and unrealized gains/losses from this revenue source in Fiscal Year 2023 and Fiscal Year 2022, respectively.
- In the 2000 general election, voters approved a citizen-initiated amendment that added Section 17 to Article IX of the State Constitution. This amendment created the State Education Fund and diverted the revenues from a tax of one-third of one percent on taxable income of individuals, corporations, estates, and trusts from the General Fund to the State Education Fund. It also exempted the revenue from TABOR. The amendment was effective January 1, 2001, and resulted in \$1,476.4 million and \$1,224.6 million of tax revenues, interest, operating transfers and unrealized gains/losses, as exclusions from fiscal year spending in Fiscal Year 2023 and Fiscal Year 2022, respectively.
- In the 2004 general election, voters approved a citizen-initiated amendment that added Section 21 to Article X of the State Constitution. The amendment authorized additional cigarette and tobacco taxes (3.2 cents per cigarette and 20 percent of manufacturer’s list price for other tobacco products) effective January 1, 2005. The amendment specified the use of the tax revenue generated for specific health related programs, and it exempted the revenue from the TABOR limitations. The State recorded \$116.0 million and \$126.7 million of tax revenues, interest, transfers, and unrealized gains/losses from this exempt source in Fiscal Year 2023 and Fiscal Year 2022, respectively.
- In the 2005 general election, Colorado voters approved Referendum C – a measure referred to the voters by the Legislature. The referendum allowed the State to retain revenues in excess of the TABOR limit for a period of five years, and it stated that the excess revenue retained qualified as a voter approved revenue change. However, in order to determine the amount retained, the Schedule of Required Computations includes the retained amount as nonexempt revenue.

Therefore, the retained amount is not reported in this note as a voter approved revenue change (see Note 9).

- In the 2008 general election, voters approved an amendment required to implement locally approved changes to the parameters for Limited Gaming under Section 9(7) of Article XVIII of the Colorado Constitution. This amendment allowed the residents of Central City, Black Hawk, and Cripple Creek to vote to extend casino hours, approve additional games and increase the maximum single bet limit. It required distribution of most of the gaming tax revenue that resulted from the new gaming limits to Colorado community colleges and to gaming cities and counties, and it exempted the new revenue from State and local revenue and spending limits. The State collected \$48.8 million and \$48.0 million of extended limited gaming revenue in Fiscal Year 2023 and Fiscal Year 2022, respectively.
- In the 2013 general election, Colorado voters approved Proposition AA, a measure referred to the voters by the Legislature. The proposition authorized a 15 percent State excise tax on the average wholesale price of retail marijuana, and, in addition to the existing 2.9 percent State sales tax, an additional 10 percent State sales tax on retail marijuana and retail marijuana products, effective January 1, 2014. The amendment specified the use of the excise tax revenue generated for public school construction (for the first \$40.0 million collected) with any additional excise revenue generated to be used for marijuana regulation.

With the enactment of Senate Bill 267 in the 2017 legislative session, the retail marijuana sales tax rate increased from 10 percent to 15 percent and exempted the 2.9 percent sales tax. The State's share of the retail tax increased from 85 percent to 90 percent. These changes took effect on July 1, 2017. The 15 percent excise tax on the wholesale price of retail marijuana still applies.

The State recorded \$57.8 million of State excise tax and \$219.9 million of retail marijuana State sales tax revenues from these exempt sources in Fiscal Year 2023. In the prior fiscal year, the State recorded \$99.4 million and \$258.7 million respectively, from these two sources.

- In Fiscal Year 2022, it was determined that retail marijuana fees are exempt from the provisions of Article X, Section 20 of the Colorado Constitution, as a voter approved revenue under Amendment 64, which passed in 2012. The State recorded \$5.0 million and \$5.8 million of retail marijuana fees in Fiscal Year 2023 and Fiscal Year 2022, respectively.
- In the 2019 Statewide election, Colorado voters approved Proposition DD – a measure referred to voters by the Legislature in House Bill 19-1327. The proposition allowed the State to tax the proceeds of sports betting activity and to use the revenue for implementing the State water plan and for other purposes. The State recorded \$25.6 million and \$12.4 million from this revenue source in Fiscal Year 2023 and Fiscal Year 2022, respectively.
- In the 2020 Statewide election, voters approved Proposition EE – a measure referred to voters by the Legislature in House Bill 20-1427. The “yes” vote on the proposition allowed the State to

impose a tax on nicotine liquids and other vaping products, and to increase existing cigarette and tobacco taxes. The revenue is to provide funding for schools, housing development and rental assistance, health care programs, tobacco education programs and other State and local general spending. The State recorded \$200.8 million and \$222.2 million from this revenue source in Fiscal Year 2023 and Fiscal Year 2022, respectively.

- In the 2022 Statewide election, voters approved Proposition 123, creating the State Housing Fund. The measure allows the State to provide grants for affordable housing and rental assistance through the diversion of 0.1 percent of income tax revenue. In FY 2023 the State recorded \$160 million of revenue in the State Housing Fund.
- In the 2022 Statewide election, voters also approved Proposition FF which established the Healthy School Meals for All Program and allowed the State to give grants to schools that purchase locally produced food. The program is funded by limiting the amount that taxpayers earning more than a certain threshold can deduct from their income taxes. In FY 2023 the State recorded \$42.7 million in the Healthy School Meals for All Fund.

NOTE 9. REFERENDUM C

Referendum C was placed on the ballot by the General Assembly and was approved by voters in the November 2005 election. It contained the following provisions:

- The State was authorized to retain and spend all revenues in excess of the limit on fiscal year spending after July 1, 2005, and before July 1, 2010 (five fiscal years). The authorization constituted a voter approved revenue change.
- After July 1, 2010, the State is allowed to retain revenues in excess of the limit on fiscal year spending up to a newly defined Excess State Revenues Cap (ESRC). The ESRC is the highest population and inflation-adjusted nonexempt revenue amount in the period from July 1, 2005, to June 30, 2010, also adjusted for qualification and disqualification of enterprises. This provision effectively disabled the ratchet down provision of TABOR during the five-year period. (The term “ratchet down” is used to describe the TABOR provision that requires each year’s base for calculating the limit to be the lesser of the prior year’s revenues or the prior year’s limit.)
- In the 2017 legislative session, enactment of Senate Bill 17-267 lowered the ESRC base by \$200.0 million. This one-time change took effect in Fiscal Year 2018 and permanently modified future year calculations of the amount over or under the ESRC. The revised ESRC in Fiscal Year 2018 set a new base, which will continue to increase (or decrease) in future years by the combined percentage change in population and inflation.
- In the 2021 legislative session, enactment of Senate Bill 21-260 restored the ESRC base that had been lowered three years earlier by Senate Bill 17-267. The increase to the base was \$225.0 million, which includes adjustments for population growth and inflation. The revised base will continue to

increase (or decrease) in future years by the combined percentage change in population and inflation.

- A General Fund Exempt Account was created within the General Fund to consist of the retained revenues for each fiscal year of the retention period. The Legislature appropriates money in the account for health care, education (including related capital projects), firefighter and police pension funding (for local governments), and strategic transportation projects.
- The Director of Research of the Legislative Council is required to report the amount of revenues retained with a description of how the retained revenues were expended.
- The State Controller's annual report demonstrating compliance with the statutes implementing TABOR is required to include the amount of revenues that the State is authorized to retain and expend.

With the end of the Referendum C five-year excess revenue retention period, the State was subject to an ESRC starting in Fiscal Year 2011. Calculation of the original TABOR limit continues to apply, but the ESRC replaces the previous TABOR limit for triggering taxpayer refunds.

Since the inception of Referendum C in Fiscal Year 2006, the State has retained \$33,751.7 million - \$3.6 million during the initial five-year revenue retention period, and an additional \$30,158.1 million due to the ESRC exceeding the Fiscal Year Spending Limit (FYSL) in Fiscal Year 2011 through Fiscal Year 2023.

NOTE 10. DISTRICT RESERVES

District reserves are the cumulative fund balances of the State reported in the State's Annual Comprehensive Financial Report at the fund level rather than the government-wide level. District reserves therefore exclude capital assets, liabilities that are not recorded in governmental funds at the fund level (primarily long-term liabilities), as well as net assets of the TABOR enterprises. The majority of these funds include balances not available for general appropriation due to legal and contractual restrictions.

NOTE 11. PRIOR PERIOD DISTRICT FUND BALANCE ADJUSTMENTS AND ACCOUNTING CHANGES

In Fiscal Year 2023, the State increased the District's fund balance by \$16.5 million (net). A \$17.0 million increase was recorded to adjust the accounting of a contract between the Office of Economic Development and Trade and the Colorado Housing and Finance Authority; and a second adjustment was recorded to decrease the balance \$0.5 million in the reclass of a loss involving the disposal of a land asset.

NOTE 12. SOURCES OF TABOR GROWTH LIMIT

The allowable percentage increase in State fiscal year spending equals the sum of inflation and the percentage change in State population in the calendar year ending six months prior to the start of the fiscal

year. Inflation is defined in Section C.R.S. 24-77-102(8) C.R.S. as "the percentage change in the consumer price index for the Denver-Boulder Consolidated Metropolitan Statistical Area For All Urban Consumers, All Goods, as published by the U.S. Department of Labor, Bureau of Labor Statistics, or its successor index." The Bureau of Labor Statistics' successor index beginning with the Fiscal Year 2018 Schedule of Computations is the index for the Denver-Aurora-Lakewood area.

The 4.2 percent allowable growth rate comprises a 0.07 percent increase for population growth (census population for 2021 compared to 2020) and a 3.5 percent increase for inflation.

NOTE 13. SPENDING LIMIT ADJUSTMENTS FOR PRIOR YEAR ERRORS

With the addition of the ESRC, spending limit adjustments only impact the calculation of the Fiscal Year Spending Limit (FYSL). In Fiscal Year 2023 there were no prior year revenue recognition errors that were large enough to impact the prior year base, therefore there were no adjustments to the Fiscal Year 2023 FYSL.

NOTE 14. ENTERPRISE QUALIFICATION AND DISQUALIFICATION

The TABOR amendment to the State Constitution specifies that qualification and disqualification of enterprises shall change the District base. In order to ensure comparability between the base and current year nonexempt revenue, when an activity qualifies as an enterprise the base is reduced by the activity's prior year nonexempt revenue offset by revenue that would have been counted as nonexempt due to the activity's interaction with other State agencies. When a TABOR enterprise becomes disqualified, its current year nonexempt revenue is added to the base after application of the population and inflation growth adjustment and its prior year payments to other State agencies are removed from the base (before application of the allowable growth rate).

In Fiscal Year 2023, the Auraria Higher Education Center's (AHEC) Tivoli Center operation regained its TABOR enterprise status resulting in a \$0.5 million reduction to the ESRC and the FYSL, before application of the 4.2 percent allowable growth rate. The requalification also increased the District's fund balance by \$0.7 million. In Fiscal Year 2023, Adams State University also regained its TABOR enterprise status, resulting in a \$19.0 million reduction to the ESRC and the FYSL before application of the allowable growth rate. Adam State's requalification decreased the District's fund balance by \$47.8 million.

An adjustment totaling \$0.7 million was made to increase the two bases before application of the 4.2 percent growth rate, to offset the dollar amount of transactions between the State on one side, and AHEC and Adams State University on the other side, which were affected by regaining enterprise status.

An \$8.2 million reduction was made to the two bases before application of the allowable growth rate, to adjust the beginning balances for an error made the previous year. The effect of the error on Fiscal Year 2022 refunds payable was also made and is part of the \$8.4 million refund liability adjustment referenced in Note 6.

NOTE 15. TREATMENT OF AMOUNTS HELD FOR FUTURE REFUND

Section 24-77-103.5 C.R.S. requires that errors in the amount to be refunded be corrected in the year they are discovered. During Fiscal Year 2023, various departments in the State discovered \$136.1 thousand of net revenue from the prior years that had been incorrectly recognized exempt from the provisions of TABOR.

NOTE 16. FUTURE REFUNDS

During the fiscal year, \$3,741.6 million was refunded to tax payers from excess revenue in Fiscal Year 2022, and any prior years where excess revenue was still left to be paid. Since Fiscal Year 2023 nonexempt District revenues were above the ESRC by \$3,563.8 million. This amount is added to the total refund liability making the balance at June 30, 2023 equal to \$3,678.3 million. For a description of the refund mechanisms in place for the Fiscal Year 2023 excess revenue, see Note 6.



Statistical Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023



COLORADO

Office of the State Controller

Department of Personnel & Administration

**GOVERNMENT-WIDE
SCHEDULE OF NET POSITION
GOVERNMENTAL ACTIVITIES
Last Ten Fiscal Years**

(DOLLARS IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
ASSETS:										
Current Assets:										
Cash and Pooled Cash	\$ 11,973,905	\$ 13,920,593	\$ 11,224,875	\$ 2,521,649	\$ 3,658,234	\$ 3,107,217	\$ 2,567,219	\$ 2,703,416	\$ 2,696,950	\$ 2,302,356
Restricted Cash and Pooled Cash	2,630,952	3,067,114	122,403	611,626	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	8,460
Taxes Receivable, net	2,246,561	1,557,088	1,739,314	2,746,658	1,722,496	1,476,297	1,325,689	1,251,185	1,252,907	1,224,629
Other Receivables, net	960,863	803,926	663,412	609,665	708,209	654,761	717,660	572,655	450,805	210,062
Due From Other Governments	1,741,951	2,309,326	1,638,331	803,219	468,940	754,910	524,240	440,053	787,269	570,721
Internal Balances	75,085	59,557	48,657	179,643	43,557	38,459	26,262	28,967	28,022	19,336
Due From Component Units	-	-	-	-	19	18	154	347	135	54
Inventories	231,261	249,611	269,427	142,367	101,161	52,102	54,152	53,261	54,194	53,125
Prepays, Advances and Deposits	201,257	149,493	122,230	544,537	90,371	84,277	72,047	67,468	67,917	73,025
Total Current Assets	20,061,835	22,116,708	15,828,649	8,159,364	6,792,987	6,168,041	5,287,423	5,117,352	5,338,199	4,461,768
Noncurrent Assets:										
Restricted Assets:										
Restricted Cash and Pooled Cash	844,539	405,850	2,971,240	1,810,813	1,742,791	1,589,926	1,493,996	1,923,920	2,140,729	2,554,938
Restricted Investments	1,413,529	1,237,772	1,324,475	1,212,311	1,098,543	847,587	867,572	732,662	761,140	657,772
Restricted Receivables	414,152	346,150	323,485	453,551	445,384	633,173	587,580	510,028	363,300	258,107
Investments	1,206,887	151,960	158,487	1,564,800	1,177,035	449,308	255,069	219,369	280,100	428,321
Other Long-Term Assets	950,428	776,847	763,849	771,885	758,544	613,249	614,932	675,809	636,260	686,349
Depreciable/Amortizable Capital Assets, net	11,030,703	10,313,213	10,063,683	9,856,574	10,101,317	10,242,384	9,994,890	9,976,023	9,772,651	9,600,423
Land and Nondepreciable Capital Assets	3,648,283	3,362,892	3,005,913	2,739,690	2,121,606	1,914,285	2,041,812	1,851,910	1,968,227	1,931,832
Capital Assets Held as Investments	-	-	-	-	-	42,896	42,899	33,055	-	-
Total Noncurrent Assets	19,508,521	16,594,684	18,611,132	18,409,624	17,445,220	16,332,808	15,898,750	15,922,776	15,922,407	16,117,742
TOTAL ASSETS	39,570,356	38,711,392	34,439,781	26,568,988	24,238,207	22,500,849	21,186,173	21,040,128	21,260,606	20,579,510
DEFERRED OUTFLOW OF RESOURCES:										
	4,441,520	2,379,265	1,654,895	2,348,666	4,421,051	2,563,034	3,503,643	818,761	350,796	18,289
LIABILITIES:										
Current Liabilities:										
Tax Refunds Payable	1,211,037	1,153,949	1,154,442	951,302	927,857	918,688	886,992	856,076	669,992	718,211
Accounts Payable and Accrued Liabilities	1,961,289	2,031,900	1,756,431	1,428,804	1,318,548	1,369,262	1,165,137	1,166,681	1,367,263	1,043,961
TABOR Refund Liability (Note 2B)	3,678,327	3,848,101	547,872	143,993	431,685	39,837	21,807	31,358	173,346	706
Due To Other Governments	555,136	487,922	379,075	375,757	283,432	306,883	395,627	232,724	233,087	245,300
Due To Component Units	-	-	-	-	-	-	-	-	-	15
Unearned Revenue	3,157,667	3,801,840	4,513,916	1,291,503	150,512	185,677	126,307	123,769	100,467	92,674
Accrued Compensated Absences	18,534	21,087	15,331	15,719	14,097	12,758	11,865	11,522	12,185	10,470
Claims and Judgments Payable	42,147	46,036	45,135	46,660	42,298	42,812	46,369	46,343	47,682	61,623
Leases Payable	68,739	44,761	30,538	27,212	26,162	25,789	28,254	28,261	27,760	26,941
Notes, Bonds, and COPs Payable	238,123	144,466	110,285	70,565	50,865	55,515	46,990	171,835	200,975	187,910
Other Current Liabilities	107,688	31,332	24,245	23,647	31,020	22,837	27,678	29,525	19,052	19,979
Total Current Liabilities	11,038,687	11,611,394	8,577,270	4,375,162	3,276,476	2,980,058	2,757,026	2,698,094	2,851,809	2,407,790
Noncurrent Liabilities:										
Deposits Held In Custody For Others	1,481	1,482	1,779	598	584	136	116	90	139	139
Accrued Compensated Absences	222,577	203,695	214,870	197,457	166,680	162,645	158,435	154,510	149,817	145,992
Claims and Judgments Payable	116,812	126,846	141,339	151,757	168,190	180,865	260,535	276,010	299,785	301,591
Leases Payable	216,966	217,666	87,460	92,610	97,438	106,084	113,899	122,404	144,569	148,055
Notes, Bonds, and COPs Payable	4,367,514	4,609,947	3,881,964	2,837,608	2,108,495	1,379,778	1,266,507	1,174,467	1,331,892	1,541,225
Net Pension Liability	11,446,317	5,828,306	5,874,655	7,804,791	9,377,357	11,933,852	10,919,603	6,295,004	5,565,526	-
Other Postemployment Benefits	170,741	182,721	203,724	233,180	284,264	272,038	-	-	-	-
Other Long-Term Liabilities	381,942	235,415	228,926	229,134	267,983	457,567	407,912	415,669	423,809	402,954
Total Noncurrent Liabilities	16,924,350	11,406,078	10,634,717	11,547,135	12,470,991	14,492,965	13,127,007	8,438,154	7,915,537	2,539,956
TOTAL LIABILITIES	27,963,037	23,017,472	19,211,987	15,922,297	15,747,467	17,473,023	15,884,033	11,136,248	10,767,346	4,947,746
DEFERRED INFLOW OF RESOURCES:										
	771,227	3,689,509	3,531,733	3,704,384	4,997,905	560,903	98,746	133,375	47,262	338
Net investment in Capital Assets:	10,063,658	8,901,296	9,172,398	9,648,006	10,327,956	10,879,491	14,071,021	11,330,474	10,654,690	10,125,644
Restricted for:										
Construction and Highway Maintenance	510,993	656,022	671,488	874,840	954,461	885,775	915,033	966,743	936,535	1,080,201
Education	1,612,022	964,741	724,957	194,060	203,648	295,468	107,012	309,957	766,688	1,110,180
Debt Service	155,147	144,800	148,326	115,664	104,011	91,950	79,966	68,105	56,534	44,752
Emergencies	337,867	349,981	244,000	208,095	191,245	201,166	194,369	217,328	217,328	153,150
Permanent Funds and Endowments:										
Expendable	11,570	12,954	8,886	8,936	10,651	8,267	7,643	5,801	7,301	7,271
Nonexpendable	1,539,295	1,396,078	1,457,856	1,419,630	1,291,071	1,087,000	1,020,225	950,976	896,872	800,132
Other Purposes	1,069,918	1,144,759	839,781	1,079,316	1,042,422	831,995	671,306	717,185	626,649	358,694
Unrestricted	(22,858)	813,045	83,264	(4,257,574)	(6,211,579)	(7,251,155)	(8,359,538)	(3,977,303)	(3,365,803)	1,969,691
TOTAL NET POSITION	\$ 15,277,612	\$ 14,383,676	\$ 13,350,956	\$ 9,290,973	\$ 7,913,886	\$ 7,029,957	\$ 8,707,037	\$ 10,589,266	\$ 10,796,794	\$ 15,649,715

**GOVERNMENT-WIDE
SCHEDULE OF NET POSITION
BUSINESS-TYPE ACTIVITIES
Last Ten Fiscal Years**
(DOLLARS IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
ASSETS:										
Current Assets:										
Cash and Pooled Cash	\$ 3,179,952	\$ 3,125,906	\$ 2,662,612	\$ 2,023,015	\$ 1,841,335	\$ 3,093,539	\$ 2,846,015	\$ 2,525,453	\$ 2,454,684	\$ 2,246,115
Restricted Cash and Pooled Cash	-	-	-	391,766	-	-	-	-	-	-
Investments	3,299,384	2,861,839	2,261,237	1,926,752	344,755	1,827,559	549,079	392,188	378,115	254,744
Restricted Investments	-	-	-	123,303	-	-	-	-	-	-
Taxes Receivable, net	158,455	149,003	125,713	87,301	115,535	111,099	125,258	123,638	142,241	135,207
Other Receivables, net	1,229,726	1,072,292	827,965	783,784	770,415	601,666	490,427	640,664	430,306	408,364
Due From Other Governments	1,126,518	1,004,537	2,550,350	970,990	172,251	145,051	136,231	94,860	134,455	150,697
Internal Balances	(75,085)	(59,557)	(48,657)	(179,643)	(43,557)	(38,459)	(26,262)	(28,967)	(28,022)	(19,336)
Due From Component Units	14,489	22,131	24,857	26,385	28,175	16,174	23,041	18,188	11,370	23,716
Inventories	42,096	49,356	50,406	57,124	58,481	54,944	59,196	54,748	57,950	54,015
Prepays, Advances and Deposits	56,119	41,143	37,461	37,686	41,567	29,020	31,679	28,756	28,186	37,433
Total Current Assets	9,031,654	8,266,650	8,491,944	6,248,463	3,328,957	5,840,593	4,234,664	3,849,528	3,609,285	3,290,955
Noncurrent Assets:										
Restricted Assets:										
Restricted Cash and Pooled Cash	542,690	217,265	353,797	511,559	1,562,065	284,025	241,268	457,926	499,742	429,965
Restricted Investments	46,838	55,762	131,547	172,683	72,895	106,798	95,280	167,540	246,783	303,678
Restricted Receivables	25,302	32,006	20,808	22,651	39,570	35,362	38,605	40,009	31,609	45,477
Investments	1,455,552	1,374,316	2,109,357	1,441,901	2,900,742	995,987	2,097,484	1,941,040	1,969,155	1,896,811
Other Long-Term Assets	198,316	220,812	114,217	123,685	109,831	130,529	129,350	129,425	129,850	99,380
Depreciable/Amortizable Capital Assets, net	9,783,960	9,635,331	9,042,147	8,471,869	8,341,557	8,028,339	7,502,858	7,050,226	6,190,355	5,876,698
Land and Nondepreciable Capital Assets	2,081,470	2,701,291	2,195,349	2,349,747	1,952,976	1,843,135	1,921,788	1,652,441	1,788,595	1,370,142
Total Noncurrent Assets	14,134,128	14,236,783	13,967,222	13,094,095	14,979,636	11,424,175	12,026,633	11,438,607	10,856,089	10,022,151
TOTAL ASSETS	23,165,782	22,503,433	22,459,166	19,342,558	18,308,593	17,264,768	16,261,297	15,288,135	14,465,374	13,313,106
DEFERRED OUTFLOW OF RESOURCES:										
	1,115,118	871,551	909,377	534,121	931,725	1,750,279	2,332,443	649,853	348,635	118,103
LIABILITIES:										
Current Liabilities:										
Tax Refunds Payable	5,754	-	-	-	-	-	-	-	-	-
Accounts Payable and Accrued Liabilities	1,124,313	1,018,688	955,419	705,641	697,916	592,545	786,944	771,248	751,169	659,085
Due To Other Governments	1,348,881	1,497,932	1,693,848	375,140	73,297	64,474	46,765	38,615	22,048	30,805
Due To Component Units	12,603	330	240	151	206	44	1,249	645	623	528
Unearned Revenue	598,384	455,854	421,714	770,398	351,010	345,734	328,261	306,222	407,108	346,264
Accrued Compensated Absences	38,385	38,223	31,583	28,747	27,340	26,203	25,381	22,761	20,960	18,117
Claims and Judgments Payable	1,310	1,014	819	1,273	1,581	-	-	-	-	-
Leases Payable	54,460	21,276	5,984	5,832	5,474	6,529	7,292	9,132	8,618	6,610
Notes, Bonds, and COPs Payable	420,298	158,167	104,291	179,765	196,235	154,053	146,604	267,134	251,947	244,366
Other Postemployment Benefits	20,305	16,560	14,753	16,448	-	-	-	-	-	14,076
Other Current Liabilities	368,252	391,334	2,813,580	813,537	323,850	191,660	134,584	139,765	125,054	127,033
Total Current Liabilities	3,992,945	3,599,378	6,042,231	2,896,932	1,676,909	1,381,242	1,477,080	1,555,522	1,587,527	1,446,884
Noncurrent Liabilities:										
Deposits Held In Custody For Others	25	25	25	25	25	20	20	20	-	-
Accrued Compensated Absences	477,181	441,545	433,340	397,622	350,352	339,007	317,070	293,365	268,600	250,148
Claims and Judgments Payable	59,071	54,933	52,714	45,168	42,390	35,505	37,361	39,657	41,460	40,982
Leases Payable	181,984	137,846	68,240	29,813	31,928	41,623	42,599	47,994	45,663	35,582
Derivative Instrument Liability	4,836	5,041	25,602	46,864	14,193	6,837	9,251	13,222	9,515	8,566
Notes, Bonds, and COPs Payable	5,372,816	5,753,609	5,082,716	4,917,042	4,757,334	4,970,288	4,638,363	4,480,091	4,418,327	4,131,227
Due to Component Units	1,334	1,364	1,458	1,704	1,798	1,692	1,678	1,631	1,661	1,743
Net Pension Liability	3,702,857	2,582,558	3,370,077	3,570,647	4,237,019	7,448,575	6,934,505	3,957,073	3,579,748	-
Other Postemployment Benefits	1,219,983	1,368,070	1,041,543	835,859	1,015,792	938,450	343,570	289,133	241,779	181,511
Other Long-Term Liabilities	146,094	141,674	138,497	102,896	110,482	59,956	15,863	28,569	83,521	44,768
Total Noncurrent Liabilities	11,166,181	10,486,665	10,214,212	9,947,640	10,561,313	13,841,953	12,340,280	9,150,755	8,690,274	4,694,527
TOTAL LIABILITIES	15,159,126	14,086,043	16,256,443	12,844,572	12,238,222	15,223,195	13,817,360	10,706,277	10,277,801	6,141,411
DEFERRED INFLOW OF RESOURCES:										
	830,595	1,473,096	1,260,085	1,918,407	2,482,076	620,945	206,047	250,058	38,380	-
Net investment in Capital Assets:										
Restricted for:	5,679,176	6,151,070	5,973,861	5,923,907	5,618,074	5,108,898	6,982,288	5,051,345	4,417,947	3,653,265
Education	639,644	738,283	632,230	978,486	870,941	470,363	504,096	462,636	439,535	642,611
Unemployment Insurance	-	-	-	(18,877)	1,258,552	1,070,082	911,183	740,049	620,575	402,770
Debt Service	30,175	33,648	36,346	16,081	80,693	219,248	28,429	85,617	75,666	39,862
Emergencies	-	-	-	34,000	34,000	34,000	34,000	34,000	34,000	34,000
Permanent Funds and Endowments:										
Expendable	212,155	200,814	232,960	173,493	173,553	173,406	165,637	157,611	150,270	7,901
Nonexpendable	89,955	88,147	89,102	83,909	83,198	84,480	91,878	83,274	87,679	64,712
Other Purposes	43,697	34,778	34,494	34,528	118,895	65,961	65,961	101,209	88,686	56,296
Unrestricted	1,596,377	569,105	(1,146,978)	(2,111,827)	(3,717,886)	(4,055,531)	(4,213,139)	(1,734,088)	(1,416,530)	2,388,381
TOTAL NET POSITION	\$ 8,291,179	\$ 7,815,845	\$ 5,852,015	\$ 5,113,700	\$ 4,520,020	\$ 3,170,907	\$ 4,570,333	\$ 4,981,653	\$ 4,497,828	\$ 7,289,798

**GOVERNMENT-WIDE
SCHEDULE OF NET POSITION
TOTAL PRIMARY GOVERNMENT
Last Ten Fiscal Years**

(DOLLARS IN THOUSANDS)

	2023	2021	2020	2019	2018	2017	2016	2015	2014
ASSETS:									
Current Assets:									
Cash and Pooled Cash	\$ 15,153,857	\$ 13,887,487	\$ 4,544,664	\$ 5,499,569	\$ 6,200,756	\$ 5,413,234	\$ 5,228,869	\$ 5,151,634	\$ 4,548,471
Restricted Cash and Pooled Cash	2,630,952	122,403	1,003,392	-	-	-	-	-	-
Investments	3,299,384	2,261,237	1,926,752	344,755	1,827,559	549,079	392,188	378,115	263,204
Restricted Investments	-	-	123,303	-	-	-	-	-	-
Taxes Receivable, net	2,405,016	1,865,027	2,833,959	1,838,031	1,587,396	1,450,947	1,374,823	1,395,148	1,359,836
Other Receivables, net	2,190,589	1,491,377	1,393,449	1,478,624	1,256,427	1,208,087	1,213,319	881,111	618,426
Due From Other Governments	2,868,469	4,188,681	1,774,209	641,191	899,961	660,471	534,913	921,724	721,418
Due From Component Units	14,489	24,857	26,385	28,194	16,192	23,195	18,535	11,505	23,770
Inventories	273,357	319,833	199,491	159,642	107,046	113,348	108,009	112,144	107,140
Prepays, Advances and Deposits	257,376	159,691	582,223	131,938	113,297	103,726	96,224	96,103	110,458
Total Current Assets	29,093,489	24,320,593	14,407,827	10,121,944	12,008,634	9,522,087	8,966,880	8,947,484	7,752,723
Noncurrent Assets:									
Restricted Assets:									
Restricted Cash and Pooled Cash	1,387,229	3,325,037	2,322,372	3,304,856	1,873,951	1,735,264	2,381,846	2,640,471	2,984,903
Restricted Investments	1,460,367	1,456,022	1,384,994	1,171,438	954,385	962,852	900,202	1,007,923	961,450
Restricted Receivables	439,454	344,293	476,202	484,954	668,535	626,185	550,037	394,909	303,584
Investments	2,662,439	2,267,844	3,006,701	4,077,777	1,445,295	2,352,553	2,160,409	2,249,255	2,325,132
Other Long-Term Assets	1,148,744	878,066	895,570	868,375	743,778	744,282	805,234	766,110	785,729
Depreciable/Amortizable Capital Assets, net	20,814,663	19,105,830	18,328,443	18,442,874	18,270,723	17,497,748	17,026,249	15,963,006	15,477,121
Land and Nondepreciable Capital Assets	5,729,753	5,201,262	5,089,437	4,074,582	3,757,420	3,963,600	3,504,351	3,756,822	3,301,974
Capital Assets Held as Investments	-	-	-	-	42,896	42,899	33,055	-	-
Total Noncurrent Assets	33,642,649	32,578,354	31,503,719	32,424,856	27,756,983	27,925,383	27,361,383	26,778,496	26,139,893
TOTAL ASSETS	62,736,138	56,898,947	45,911,546	42,546,800	39,765,617	37,447,470	36,328,263	35,725,980	33,892,616
DEFERRED OUTFLOW OF RESOURCES:									
	5,556,638	2,564,272	2,882,787	5,352,776	4,313,313	5,836,086	1,468,614	699,431	136,392
LIABILITIES:									
Current Liabilities:									
Tax Refunds Payable	1,216,791	1,154,442	951,302	927,857	918,688	886,992	856,076	669,992	718,211
Accounts Payable and Accrued Liabilities	3,085,602	2,711,850	2,134,445	2,016,464	1,961,807	1,952,081	1,937,929	2,118,432	1,703,046
TABOR Refund Liability (Note 2B)	3,678,327	547,872	143,993	431,685	39,837	21,807	31,358	173,346	706
Due To Other Governments	1,904,017	2,072,923	750,897	356,729	371,357	442,392	271,339	255,135	276,105
Due To Component Units	12,603	240	151	206	44	1,249	645	623	543
Unearned Revenue	3,756,051	4,935,630	2,061,901	501,522	531,411	454,568	429,991	507,575	438,938
Accrued Compensated Absences	56,919	46,914	44,466	41,437	38,961	37,246	34,283	33,145	28,587
Claims and Judgments Payable	43,457	45,954	47,933	43,879	42,812	46,369	46,343	47,682	61,623
Leases Payable	123,199	36,522	33,044	31,636	32,318	35,546	37,393	36,378	33,551
Notes, Bonds, and COPs Payable	658,421	214,576	250,330	247,100	209,568	193,594	438,969	452,922	432,276
Other Postemployment Benefits	20,305	14,753	16,448	-	-	-	-	-	14,076
Other Current Liabilities	475,940	2,837,825	837,184	354,870	214,497	162,262	169,290	144,106	147,012
Total Current Liabilities	15,031,632	14,619,501	7,272,094	4,953,385	4,361,300	4,234,106	4,253,616	4,439,336	3,854,674
Noncurrent Liabilities:									
Due to Other Funds	-	-	-	-	-	-	-	-	-
Deposits Held In Custody For Others	1,506	1,804	623	609	156	136	110	139	139
Accrued Compensated Absences	699,758	648,210	595,079	517,032	501,652	475,505	447,875	418,417	396,140
Claims and Judgments Payable	175,883	194,053	196,925	210,580	216,370	297,896	315,667	341,245	342,573
Leases Payable	398,950	155,700	122,423	129,366	147,707	156,498	170,398	190,232	183,637
Derivative Instrument Liability	4,836	25,602	46,864	14,193	6,837	9,251	13,222	9,515	8,566
Notes, Bonds, and COPs Payable	9,740,330	8,964,680	7,754,650	6,865,829	6,350,066	5,904,870	5,654,558	5,750,219	5,672,452
Due to Component Units	1,334	1,458	1,704	1,798	1,692	1,678	1,631	1,661	1,743
Net Pension Liability	15,149,174	9,244,732	11,375,438	13,614,376	19,382,427	17,854,108	10,252,077	9,145,274	-
Other Postemployment Benefits	1,390,724	1,245,267	1,069,039	1,300,056	1,210,488	343,570	289,133	241,779	181,511
Other Long-Term Liabilities	528,036	367,423	332,030	378,465	517,523	423,775	444,238	507,330	447,722
Total Noncurrent Liabilities	28,090,531	20,848,929	21,494,775	23,032,304	28,334,918	25,467,287	17,588,909	16,605,811	7,234,483
TOTAL LIABILITIES	43,122,163	35,468,430	28,766,869	27,985,689	32,696,218	29,701,393	21,842,525	21,045,147	11,089,157
DEFERRED INFLOW OF RESOURCES:									
	1,601,822	4,791,818	5,622,791	7,479,981	1,181,848	304,793	383,433	85,642	338
Net investment in Capital Assets:	15,742,834	15,146,259	15,571,913	15,946,030	15,988,389	21,053,309	16,381,819	15,072,637	13,778,909
Restricted for:									
Construction and Highway Maintenance	510,993	671,488	874,840	954,461	885,775	915,033	966,743	936,535	1,080,201
Education	2,251,666	1,357,187	1,172,546	1,074,589	765,831	611,108	772,593	1,206,223	1,752,791
Unemployment Insurance	-	-	(18,877)	1,258,552	1,070,082	911,183	740,049	620,575	402,770
Debt Service	185,322	184,672	131,745	184,704	311,198	108,395	153,722	132,200	84,614
Emergencies	337,867	244,000	242,095	225,245	235,166	228,369	251,328	251,328	187,150
Permanent Funds and Endowments:									
Expendable	223,725	241,846	182,429	184,204	181,673	173,280	163,412	157,571	15,172
Nonexpendable	1,629,250	1,546,958	1,503,539	1,374,269	1,171,480	1,112,103	1,034,250	984,551	864,844
Other Purposes	1,113,615	874,275	1,113,844	1,161,317	897,956	737,267	818,394	715,335	414,990
Unrestricted	1,573,519	(1,063,714)	(6,369,401)	(9,929,465)	(11,306,686)	(12,572,677)	(5,711,391)	(4,782,333)	4,358,072
TOTAL NET POSITION	\$ 23,568,791	\$ 19,202,971	\$ 14,404,673	\$ 12,433,906	\$ 10,200,864	\$ 13,277,370	\$ 15,570,919	\$ 15,294,622	\$ 22,939,513

**GOVERNMENT-WIDE
SCHEDULE OF CHANGES IN NET POSITION
GOVERNMENTAL ACTIVITIES
Last Ten Fiscal Years**

(DOLLARS IN THOUSANDS)

Functions/Programs	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PROGRAM REVENUES:										
Charges for Services:										
Licenses and Permits	\$ 644,321	\$ 673,509	\$ 598,900	\$ 559,579	\$ 559,093	\$ 564,076	\$ 541,936	\$ 518,820	\$ 501,319	\$ 472,215
Service Fees	460,047	385,121	379,086	406,363	390,589	358,109	1,006,976	1,139,226	879,139	901,839
Fines and Forfeits	292,171	187,272	210,963	190,399	225,878	190,733	206,662	195,256	201,021	181,098
Rents and Royalties	269,809	228,547	131,454	156,296	175,085	147,310	132,310	142,752	199,067	182,893
Sales of Products	2,842	3,783	4,964	16,763	10,042	3,218	3,205	3,303	3,390	2,141
Unemployment Surcharge	49,519	48,730	40,154	38,076	34,091	34,245	32,507	30,768	29,381	28,635
Other	322,055	385,954	369,431	187,856	211,706	152,285	138,928	143,251	131,151	144,949
Operating Grants and Contributions	11,739,867	11,040,507	10,495,268	7,788,096	6,822,479	6,627,757	8,149,334	8,578,146	7,726,668	6,782,914
Capital Grants and Contributions	651,505	604,090	544,553	617,224	428,332	745,497	814,739	819,321	817,469	728,544
TOTAL PROGRAM REVENUES	14,432,136	13,557,513	12,774,773	9,960,652	8,857,295	8,823,230	11,026,597	11,570,843	10,488,605	9,425,228
EXPENSES:										
General Government	1,874,530	653,468	822,391	1,214,677	1,493,871	739,872	653,247	485,611	449,261	447,359
Business, Community, and Consumer Affairs	1,503,579	1,602,867	1,368,553	713,827	734,786	912,495	919,676	777,458	711,558	641,182
Education	8,497,292	8,127,798	6,656,947	6,875,955	6,469,072	6,086,573	6,045,204	5,859,964	5,687,573	5,472,563
Health and Rehabilitation	1,941,186	2,230,242	1,660,656	836,872	935,044	1,258,445	1,170,889	2,898,841	822,556	720,997
Justice	2,657,026	2,303,604	1,691,958	1,734,902	1,970,515	3,254,155	2,974,666	2,209,158	2,075,534	1,840,989
Natural Resources	177,343	161,976	99,053	90,248	123,036	219,659	169,528	135,491	120,374	92,383
Social Assistance	12,843,160	11,812,410	10,157,280	9,430,179	8,589,168	8,810,715	10,489,419	8,825,599	9,627,104	8,089,560
Transportation	2,117,396	1,941,505	1,632,855	1,884,872	1,875,438	2,179,299	2,105,462	1,830,368	1,896,904	1,872,441
Total Governmental Activities										
Interest on Debt	187,327	117,938	135,332	103,339	109,075	60,778	58,764	62,021	59,078	53,094
TOTAL EXPENSES	31,798,839	28,951,808	24,225,025	22,884,871	22,300,005	23,521,991	24,586,855	23,084,511	21,449,942	19,230,568
NET (EXPENSE) REVENUE	(17,366,703)	(15,394,295)	(11,450,252)	(12,924,219)	(13,442,710)	(14,698,761)	(13,560,258)	(11,513,668)	(10,961,337)	(9,805,340)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Sales and Use Taxes	4,866,608	4,632,361	3,954,846	3,703,217	3,632,282	3,449,844	3,151,679	2,940,839	2,762,222	2,754,977
Excise Taxes	482,359	547,853	433,686	330,600	301,292	311,625	321,419	290,276	267,858	236,761
Individual Income Tax	6,609,219	7,157,507	8,292,319	8,037,272	7,505,245	6,978,833	6,291,376	6,061,679	5,847,141	5,285,634
Corporate Income Tax	2,265,237	1,471,691	1,090,209	638,303	963,380	714,313	432,802	643,761	613,316	600,002
Other Taxes	1,441,205	924,118	517,762	562,124	705,986	577,961	452,042	410,277	673,275	617,612
Restricted Taxes	1,718,955	1,627,154	1,468,337	1,271,553	1,348,050	1,273,482	1,169,457	1,132,687	1,186,515	1,052,692
Unrestricted Investment Earnings (Losses)	194,952	70,997	50,931	37,599	30,196	21,798	16,987	15,705	11,992	17,312
Other General Revenues	125,003	114,568	104,683	95,460	95,051	199,934	103,476	107,005	96,613	112,958
(Transfers-Out) / Transfers-In	189,744	(443,435)	(366,962)	(395,097)	(279,131)	(254,324)	(353,647)	(352,733)	(256,738)	(172,442)
Internal Capital Contributions	-	-	-	-	-	44	-	(1,583)	-	-
Permanent Fund Additions	350,885	315,002	141,128	580	1,062	277	766	80	401	397
TOTAL GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:	18,244,167	16,417,816	15,686,939	14,281,611	14,303,413	13,273,787	11,586,357	11,247,993	11,202,595	10,505,903
TOTAL CHANGES IN NET POSITION	877,464	1,023,521	4,236,687	1,357,392	860,703	(1,424,974)	(1,973,901)	(265,675)	241,258	700,563
NET POSITION - BEGINNING	14,383,676	13,350,956	9,290,973	7,913,886	7,029,957	8,707,037	10,589,266	10,796,794	15,649,715	14,958,731
Prior Period Adjustment	16,472	8,978	(196,566)	19,695	23,226	8,583	91,672	58,147	(6,626)	1,718
Accounting Changes	-	221	19,862	-	-	(260,689)	-	-	(5,087,553)	(11,297)
NET POSITION, FISCAL YEAR BEGINNING (as restated)	14,400,148	13,360,155	9,114,269	7,933,581	7,053,183	8,454,931	10,680,938	10,854,941	10,555,536	14,949,152
NET POSITION - ENDING	\$ 15,277,612	\$ 14,383,676	\$ 13,350,956	\$ 9,290,973	\$ 7,913,886	\$ 7,029,957	\$ 8,707,037	\$ 10,589,266	\$ 10,796,794	\$ 15,649,715

**GOVERNMENT-WIDE
SCHEDULE OF CHANGES IN NET POSITION
BUSINESS-TYPE ACTIVITIES
Last Ten Fiscal Years**

(DOLLARS IN THOUSANDS)

Functions/Programs	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PROGRAM REVENUES:										
Charges for Services:										
Licenses and Permits	\$ 269,743	\$ 224,091	\$ 219,820	\$ 205,044	\$ 179,382	\$ 168,045	\$ 165,182	\$ 159,704	\$ 157,971	\$ 141,770
Service Fees	3,748,988	3,408,111	2,932,454	2,766,551	2,712,042	2,449,817	1,404,677	1,297,576	1,145,897	1,068,966
Education - Tuition, Fees, and Sales	3,707,977	3,504,334	3,055,836	3,483,570	3,484,740	3,404,969	3,239,887	3,005,967	2,881,240	2,672,136
Fines and Forfeits	6,392	3,090	3,336	3,648	3,493	4,630	5,769	4,101	3,968	15,470
Rents and Royalties	88,028	83,401	67,981	69,154	52,866	74,482	45,177	40,077	41,944	39,675
Sales of Products	944,631	889,172	847,369	722,152	747,732	686,196	622,179	661,084	605,101	607,744
Unemployment Surcharge	828,946	741,627	602,104	546,038	546,650	562,095	646,336	603,708	698,609	736,985
Other	265,369	270,765	202,739	243,765	207,087	164,008	188,112	165,237	155,707	154,424
Operating Grants and Contributions	7,511,633	7,371,360	14,095,372	8,374,699	5,119,323	5,082,655	2,556,915	2,449,163	2,281,931	2,569,038
Capital Grants and Contributions	127,011	153,514	183,207	123,273	62,609	89,542	43,873	42,996	78,304	56,899
TOTAL PROGRAM REVENUES	17,498,718	16,649,465	22,210,218	16,537,894	13,115,924	12,686,439	8,918,107	8,429,613	8,050,672	8,063,107
EXPENSES:										
Higher Education	9,350,370	8,339,105	6,900,408	6,993,311	7,111,041	8,612,196	7,829,889	6,446,902	6,004,484	5,618,507
Healthcare Affordability	5,130,361	4,550,548	4,198,822	3,515,207	3,414,018	3,294,611	-	-	-	-
Unemployment Insurance	488,008	1,607,811	9,465,001	4,765,139	385,192	444,181	518,891	531,607	530,130	756,484
Lottery	772,292	717,699	691,944	582,721	580,808	547,805	494,110	517,847	474,578	477,434
Parks and Wildlife	287,308	225,095	170,705	166,782	184,870	294,065	257,959	203,794	191,426	170,898
College Assist	178,136	171,430	79,637	201,200	222,726	247,361	315,478	320,774	338,631	341,684
Other Business-Type Activities	642,460	496,569	523,885	128,606	212,190	301,094	219,844	282,471	217,838	209,871
TOTAL EXPENSES	16,848,935	16,108,257	22,030,402	16,352,966	12,110,845	13,741,313	9,636,171	8,303,395	7,757,087	7,574,878
NET (EXPENSE) REVENUE	649,783	541,208	179,816	184,928	1,005,079	(1,054,874)	(718,064)	126,218	293,585	488,229
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Other Taxes	13,084	11,556	9,238	-	-	-	-	-	7	-
Special and/or Extraordinary Items	-	-	-	-	-	-	(808)	-	-	(22,186)
(Transfers-Out) / Transfers-In	(189,744)	443,435	366,962	395,097	279,131	254,324	353,647	352,733	256,738	172,442
Internal Capital Contributions	-	-	-	-	57,541	51,439	-	10,183	-	-
Permanent Fund Additions	10	8	5	-	-	-	-	-	-	-
TOTAL GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:	(176,650)	454,999	376,205	395,097	336,672	305,763	352,839	362,916	256,745	150,256
TOTAL CHANGES IN NET POSITION	473,133	996,207	556,021	580,025	1,341,751	(749,111)	(365,225)	489,134	550,330	638,485
NET POSITION - BEGINNING	7,815,845	5,852,015	5,113,700	4,520,020	3,170,907	4,570,333	4,981,653	4,497,828	7,289,798	6,688,706
Prior Period Adjustment	-	978,053	181,689	11,209	7,362	-	545	(5,309)	-	(6,922)
Accounting Changes	2,201	(10,430)	605	2,446	-	(650,315)	(46,640)	-	(3,342,300)	(30,471)
NET POSITION, FISCAL YEAR BEGINNING (as restated)	7,818,046	6,819,638	5,295,994	4,533,675	3,178,269	3,920,018	4,935,558	4,492,519	3,947,498	6,651,313
NET POSITION - ENDING	\$ 8,291,179	\$ 7,815,845	\$ 5,852,015	\$ 5,113,700	\$ 4,520,020	\$ 3,170,907	\$ 4,570,333	\$ 4,981,653	\$ 4,497,828	\$ 7,289,798

**GOVERNMENT-WIDE
SCHEDULE OF CHANGES IN NET POSITION
TOTAL PRIMARY GOVERNMENT
Last Ten Fiscal Years**

(DOLLARS IN THOUSANDS)

Functions/Programs	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PROGRAM REVENUES:										
Charges for Services:										
Licenses and Permits	\$ 914,064	\$ 897,600	\$ 818,720	\$ 764,623	\$ 738,475	\$ 732,121	\$ 707,118	\$ 678,524	\$ 659,290	\$ 613,985
Service Fees	4,209,035	3,793,232	3,311,540	3,172,914	3,102,631	2,807,926	2,411,653	2,436,802	2,025,036	1,970,805
Education - Tuition, Fees, and Sales	3,707,977	3,504,334	3,055,836	3,483,570	3,484,740	3,404,969	3,239,887	3,005,967	2,881,240	2,672,136
Fines and Forfeits	298,563	190,362	214,299	194,047	229,371	195,363	212,431	199,357	204,989	196,568
Rents and Royalties	357,837	311,948	199,435	225,450	227,951	221,792	177,487	182,829	241,011	222,568
Sales of Products	947,473	892,955	852,333	738,915	757,774	689,414	625,384	664,387	608,491	609,885
Unemployment Surcharge	878,465	790,357	642,258	584,114	580,741	596,340	678,843	634,476	727,990	765,620
Other	587,424	656,719	572,170	431,621	418,793	316,293	327,040	308,488	286,858	299,373
Operating Grants and Contributions	19,251,500	18,411,867	24,590,640	16,162,795	11,941,802	11,710,412	10,706,249	11,027,309	10,008,599	9,351,952
Capital Grants and Contributions	778,516	757,604	727,760	740,497	490,941	835,039	858,612	862,317	895,773	785,443
TOTAL PROGRAM REVENUES	31,930,854	30,206,978	34,984,991	26,498,546	21,973,219	21,509,669	19,944,704	20,000,456	18,539,277	17,488,335
EXPENSES:										
General Government	1,874,530	653,468	822,391	1,214,677	1,493,871	739,872	653,247	485,611	449,261	447,359
Business, Community, and Consumer Affairs	1,503,579	1,602,867	1,368,553	713,827	734,786	912,495	919,676	777,458	711,558	641,182
Education	8,497,292	8,127,798	6,656,947	6,875,955	6,469,072	6,086,573	6,045,204	5,859,964	5,687,573	5,472,563
Health and Rehabilitation	1,941,186	2,230,242	1,660,656	836,872	935,044	1,258,445	1,170,889	2,898,841	822,556	720,997
Justice	2,657,026	2,303,604	1,691,958	1,734,902	1,970,515	3,254,155	2,974,666	2,209,158	2,075,534	1,840,989
Natural Resources	177,343	161,976	99,053	90,248	123,036	219,659	169,528	135,491	120,374	92,383
Social Assistance	12,843,160	11,812,410	10,157,280	9,430,179	8,589,168	8,810,715	10,489,419	8,825,599	9,627,104	8,089,560
Transportation	2,117,396	1,941,505	1,632,855	1,884,872	1,875,438	2,179,299	2,105,462	1,830,368	1,896,904	1,872,441
Interest on Debt	187,327	117,938	135,332	103,339	109,075	60,778	58,764	62,021	59,078	53,094
Higher Education	9,350,370	8,339,105	6,900,408	6,993,311	7,111,041	8,612,196	7,829,889	6,446,902	6,004,484	5,618,507
Healthcare Affordability	5,130,361	4,550,548	4,198,822	3,515,207	3,414,018	3,294,611	-	-	-	-
Unemployment Insurance	488,008	1,607,811	9,465,001	4,765,139	385,192	444,181	518,891	531,607	530,130	756,484
Lottery	772,292	717,699	691,944	582,721	580,808	547,805	517,847	517,847	474,578	477,434
Parks and Wildlife	287,308	225,095	170,705	166,782	184,870	294,065	257,959	203,794	191,426	170,898
College Assist	178,136	171,430	79,637	201,200	222,726	247,361	315,478	320,774	338,631	341,684
Other Business-Type Activities	642,460	496,569	523,885	128,606	212,190	301,094	219,844	282,471	217,838	209,871
TOTAL EXPENSES	48,647,774	45,060,065	46,255,427	39,237,837	34,410,850	37,263,304	34,223,026	31,387,906	29,207,029	26,805,446
NET (EXPENSE) REVENUE	(16,716,920)	(14,853,087)	(11,270,436)	(12,739,291)	(12,437,631)	(15,753,635)	(14,278,322)	(11,387,450)	(10,667,752)	(9,317,111)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Sales and Use Taxes	4,866,608	4,632,361	3,954,846	3,703,217	3,632,282	3,449,844	3,151,679	2,940,839	2,762,222	2,754,977
Excise Taxes	482,359	547,853	433,686	330,600	301,292	311,625	321,419	290,276	267,858	236,761
Individual Income Tax	6,609,219	7,157,507	8,292,319	8,037,272	7,505,245	6,978,833	6,291,376	6,061,679	5,847,141	5,285,634
Corporate Income Tax	2,265,237	1,471,691	1,090,209	638,303	963,380	714,313	432,802	643,761	613,316	600,002
Other Taxes	1,454,289	935,674	527,000	562,124	705,986	577,961	452,042	410,277	673,282	617,612
Restricted Taxes	1,718,955	1,627,154	1,468,337	1,271,553	1,348,050	1,273,482	1,169,457	1,132,687	1,186,515	1,052,692
Unrestricted Investment Earnings (Losses)	194,952	70,997	50,931	37,599	30,196	21,798	16,987	15,705	11,992	17,312
Other General Revenues	125,003	114,568	104,683	95,460	95,051	199,934	103,476	107,005	96,613	112,958
Special and/or Extraordinary Items	-	-	-	-	-	-	(808)	-	-	(22,186)
Internal Capital Contributions	-	-	-	-	57,541	51,483	-	8,600	-	-
Permanent Fund Additions	350,895	315,010	141,133	580	1,062	277	766	80	401	397
TOTAL GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:	18,067,517	16,872,815	16,063,144	14,676,708	14,640,085	13,579,550	11,939,196	11,610,909	11,459,340	10,656,159
TOTAL CHANGES IN NET POSITION	1,350,597	2,019,728	4,792,708	1,937,417	2,202,454	(2,174,085)	(2,339,126)	223,459	791,588	1,339,048
NET POSITION - BEGINNING	22,199,521	19,202,971	14,404,673	12,433,906	10,200,864	13,277,370	15,570,919	15,294,622	22,939,513	21,647,437
Prior Period Adjustment	16,472	987,031	(14,877)	30,904	30,588	8,583	92,217	52,838	(6,626)	(5,204)
Accounting Changes	2,201	(10,209)	20,467	2,446	-	(911,004)	(46,640)	-	(8,429,853)	(41,768)
NET POSITION, FISCAL YEAR BEGINNING (as restated)	22,218,194	20,179,793	14,410,263	12,467,256	10,231,452	12,374,949	15,616,496	15,347,460	14,503,034	21,600,465
NET POSITION - ENDING	\$ 23,568,791	\$ 22,199,521	\$ 19,202,971	\$ 14,404,673	\$ 12,433,906	\$ 10,200,864	\$ 13,277,370	\$ 15,570,919	\$ 15,294,622	\$ 22,939,513

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
Last Ten Fiscal Years**

(DOLLARS IN MILLIONS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES:										
Taxes	\$ 17,398	\$ 16,414	\$ 15,837	\$ 14,616	\$ 14,199	\$ 13,389	\$ 11,835	\$ 11,471	\$ 11,205	\$ 10,596
Less: Excess TABOR Revenues	-	-	-	-	-	-	-	-	170	-
Licenses, Permits, and Fines	978	961	895	832	869	940	838	810	801	758
Charges for Goods and Services	469	389	386	426	403	363	1,012	1,144	885	905
Rents	270	228	131	156	175	147	132	143	199	183
Investment Income	309	(1,009)	164	397	352	41	46	139	99	115
Federal Grants and Contracts	12,031	12,588	10,847	7,837	6,680	7,047	8,685	9,047	8,283	7,183
Unclaimed Property Receipts	129	110	143	55	47	78	64	65	61	53
Other	798	750	472	354	426	397	338	321	329	365
TOTAL REVENUES	32,382	30,431	28,875	24,673	23,151	22,402	22,950	23,140	22,032	20,158
EXPENDITURES:										
Current:										
General Government	505	412	467	401	377	381	344	324	305	331
Business, Community and Consumer Affairs	1,050	1,122	880	526	493	480	453	474	469	395
Education	1,587	1,432	698	982	911	832	869	852	785	730
Health and Rehabilitation	1,522	2,029	1,623	911	846	778	770	1,784	699	658
Justice	2,324	2,237	2,108	2,103	1,971	1,808	1,705	1,741	1,648	1,605
Natural Resources	147	146	120	131	129	128	113	107	103	107
Social Assistance	11,492	10,543	9,072	8,345	7,539	7,572	9,358	8,726	8,627	7,416
Transportation	1,691	1,529	1,485	1,555	1,298	1,348	1,364	1,331	1,282	1,203
Capital Outlay	356	593	393	418	265	272	189	191	325	298
Intergovernmental:										
Cities	507	637	587	523	503	471	491	425	421	412
Counties	2,121	2,107	2,205	1,751	1,916	1,759	1,740	1,656	1,627	1,573
School Districts	6,919	6,754	6,033	5,961	5,594	5,171	5,122	4,995	4,909	4,475
Other	1,006	539	393	451	410	244	255	227	205	202
Debt Service	369	318	229	163	179	128	239	280	270	261
TOTAL EXPENDITURES	31,596	30,398	26,293	24,221	22,431	21,372	23,012	23,113	21,675	19,666
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	786	33	2,582	452	720	1,030	(62)	27	357	492
OTHER FINANCING SOURCES (USES)										
Transfers-In	2,860	3,076	2,737	1,702	1,813	5,447	5,851	4,915	4,535	5,405
Transfers-Out:										
Higher Education	(284)	(284)	(284)	(284)	(376)	(230)	(230)	(181)	(181)	(143)
Other	(3,019)	(3,226)	(2,812)	(1,811)	(1,711)	(5,458)	(5,966)	(5,079)	(4,607)	(5,390)
Face Amount of Debt Issued	0	650	775	666	740	156	129	11	-	97
Bond Premium/Discount	0	155	178	137	57	21	14	-	-	6
Capital Lease Debt Issuance	47	288	5	1	1	4	1	-	-	25
Sale of Capital Assets	14	11	7	55	24	10	15	7	3	27
Insurance Recoveries	6	2	6	3	2	7	8	5	13	2
Debt Refunding Issuance	-	-	19	-	-	-	-	-	-	112
Debt Refunding Premium Proceeds	-	-	4	-	-	-	-	-	-	-
Debt Refunding Payments	-	-	(23)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(376)	672	612	469	550	(43)	(178)	(322)	(237)	141
NET CHANGE IN FUND BALANCE	410	705	3,194	921	1,270	987	(240)	(295)	120	633
FUND BALANCE - BEGINNING	13,459	12,746	9,492	8,579	7,349	6,364	6,609	6,847	6,734	6,100
Prior Period Adjustments	16	9	40	(8)	(40)	(2)	(5)	58	(7)	-
Accounting Changes	-	-	20	-	-	-	-	-	-	1
FUND BALANCE, FISCAL YEAR BEGINNING (as restated)	13,475	12,755	9,552	8,571	7,309	6,362	6,604	6,905	6,727	6,101
FUND BALANCE - ENDING	\$ 13,885	\$ 13,460	\$ 12,746	\$ 9,492	\$ 8,579	\$ 7,349	\$ 6,364	\$ 6,609	\$ 6,847	\$ 6,734

GENERAL PURPOSE REVENUE (AFTER TABOR REFUNDS)
GENERAL FUND
IN DOLLARS AND AS A PERCENT OF TOTAL
Last Ten Fiscal Years

(DOLLARS IN MILLIONS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Income Tax:										
Individual	\$ 6,516	\$ 7,163	\$ 8,306	\$ 8,056	\$ 7,328	\$ 7,006	\$ 6,209	\$ 5,993	\$ 5,888	\$ 5,273
Corporate	2,167	1,469	1,118	670	856	736	467	606	635	665
(Refunds)										
Net Income Tax	\$ 8,683	\$ 8,632	\$ 9,424	8,726	8,184	7,742	\$ 6,676	6,599	6,523	5,938
Sales, Use, and Excise Taxes	4,919	4,689	4,033	3,759	3,695	3,501	3,188	2,996	2,990	2,763
Less: Excess TABOR Revenues	-	-	-	-	-	-	-	-	(170)	-
Net Sales, Use, and Excise Taxes	4,919	4,689	4,033	3,759	3,695	3,501	3,188	2,996	2,820	2,763
Insurance Tax	517	390	336	337	315	304	291	280	257	239
Gaming and Other Taxes	57	39	45	40	53	156	-	16	14	12
Investment Income	188	69	50	31	27	20	15	13	9	15
Severance Taxes to be Refunded	-	-	-	-	-	-	54	-	-	-
Other	-	-	-	-	-	-	40	26	19	25
TOTAL GENERAL REVENUES	\$ 14,364	\$ 13,819	\$ 13,888	\$ 12,893	\$ 12,274	\$ 11,723	\$ 10,264	\$ 9,930	\$ 9,642	\$ 8,992
Percent Change From Previous Year	3.9%	-0.5%	7.7%	5.0%	4.7%	14.2%	3.4%	3.0%	7.2%	5.1%

(AS PERCENT OF TOTAL EXCLUDING TABOR REFUND)

Net Income Tax	60.4%	62.5%	67.9%	67.7%	66.7%	66.0%	65.0%	66.5%	66.5%	66.0%
Sales, Use, and Excise Taxes	34.3	33.9	29.0	29.2	30.1	29.9	31.2	30.1	30.5	30.7
Insurance Tax	3.6	2.8	2.4	2.6	2.6	2.6	2.8	2.8	2.6	2.7
Other Taxes	0.4	0.3	0.3	0.3	0.4	1.3	0.0	0.2	0.1	0.1
Interest	1.3	0.5	0.4	0.2	0.2	0.2	0.1	0.1	0.1	0.2
Severance Taxes to be Refunded	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.3	0.2	0.3
TOTAL GENERAL REVENUES	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**EXPENDITURES BY DEPARTMENT¹ AND TRANSFERS
FUNDED BY GENERAL PURPOSE REVENUES
Last Ten Fiscal Years**

(DOLLARS IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Department: ¹										
Agriculture	\$ 17,082	\$ 41,887	\$ (17)	\$ 12,018	\$ 11,346	\$ 10,428	\$ 10,639	\$ 10,050	\$ 8,633	\$ 7,697
Corrections	908,691	856,220	2,841	876,905	837,497	773,788	748,559	758,545	717,579	675,706
Education	4,495,205	4,283,225	14,771	4,412,459	4,114,576	4,070,889	3,764,298	3,477,785	3,357,324	3,153,609
Governor	65,882	85,577	827,832	45,321	42,375	36,283	39,615	34,609	30,267	22,819
Health Care Policy and Financing	3,607,140	3,012,391	4,079,836	3,021,536	2,923,196	2,727,717	2,468,392	2,446,338	2,274,875	2,100,771
Higher Education	1,360,951	1,224,482	84,070	1,110,841	1,001,121	894,450	870,664	856,849	761,306	658,901
Human Services	1,085,027	1,095,826	3,179,655	1,088,434	1,055,818	984,291	918,130	936,071	877,162	812,603
Judicial Branch	659,901	609,860	611,554	597,673	561,799	514,874	487,636	481,550	441,700	386,870
Labor and Employment	21,904	20,152	1,003,256	24,341	20,539	21,302	21,579	7,754	660	50
Law	20,452	15,069	558,991	17,553	16,396	15,722	14,774	14,525	13,457	12,127
Legislative Branch	66,900	59,410	18,334	54,052	51,082	48,202	44,880	43,410	41,132	38,712
Local Affairs	51,661	51,338	13,694	46,290	37,125	29,184	25,235	25,481	22,244	17,540
Military and Veterans Affairs	12,053	11,216	53,583	10,924	10,983	30,814	8,253	7,907	7,792	7,094
Natural Resources	37,386	41,140	114,198	34,282	32,307	30,882	28,711	27,519	26,216	25,141
Personnel & Administration	24,355	20,072	9,917	16,229	13,971	12,088	12,273	11,034	7,601	31,407
Public Health and Environment	185,700	83,264	33,469	60,841	53,492	46,506	48,448	49,964	59,383	53,588
Public Safety	217,194	156,970	30,679	163,721	185,018	124,204	122,404	113,976	126,747	165,240
Regulatory Agencies	5,762	2,869	63,890	2,334	6,224	5,964	5,742	6,073	6,007	1,730
Revenue	327,583	336,448	39,138	327,633	260,583	250,438	90,957	149,361	97,249	73,626
Transportation	-	-	-	-	-	-	392	102	-	-
Treasury	1,323,593	1,401,545	(10,375)	660,126	774,821	190,457	15,908	12,522	5,684	108,870
Transfer to Capital Construction Fund	117,894	227,003	1,286,711	112,692	90,382	92,084	84,484	271,130	248,502	186,715
Transfer to Various Cash Funds	1,997,100	1,612,200	361,300	361,300	814,200	674,900	194,735	90,196	67,555	260,272
Transfer to the Highway Users Tax Fund	-	-	-	-	-	-	79,000	199,200	-	-
Other Transfers and Nonoperating Disbursements	249,023	249,023	25,125	25,125	278,999	181,151	153,379	143,492	127,795	126,263
TOTALS	\$ 16,858,439	\$ 15,497,187	\$ 12,402,452	\$ 13,082,630	\$ 13,193,850	\$ 11,766,618	\$ 10,259,087	\$ 10,175,443	\$ 9,326,870	\$ 8,927,351
Percent Change	8.8%	25.0%	-5.2%	-0.8%	12.1%	14.7%	0.8%	9.1%	4.5%	-0.4%
(AS PERCENT OF TOTAL)										
Education	26.7%	27.6%	0.1%	33.7%	31.2%	34.6%	36.7%	34.2%	36.0%	35.3%
Health Care Policy and Financing	21.4	19.4	32.9	23.1	22.2	23.2	24.1	24.0	24.4	23.5
Higher Education	8.1	7.9	0.7	8.5	7.6	7.6	8.5	8.4	8.2	7.4
Human Services	6.4	7.1	25.6	8.3	8.0	8.4	8.9	9.2	9.4	9.1
Corrections	5.4	5.5	0.0	6.7	6.3	6.6	7.3	7.5	7.7	7.6
Transfer to Capital Construction Fund	0.7	1.5	10.4	0.9	0.7	0.8	0.8	2.7	2.7	2.1
Transfer to Various Cash Funds	11.8	10.4	2.9	2.8	6.2	5.7	1.9	0.9	0.7	2.9
Transfers to the Highway Users Tax Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.8	2.0	0.0	0.0
Judicial	3.9	3.9	4.9	4.6	4.3	4.4	4.8	4.7	4.7	4.3
Revenue	1.9	2.2	0.3	2.5	2.0	2.1	0.9	1.5	1.0	0.8
All Others	13.7	14.5	22.2	8.9	11.5	6.6	5.3	4.9	5.2	7.0
TOTALS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹ Expenditures in this schedule are reported on the modified accrual basis (GAAP basis) rather than the budgetary basis, which defers certain payroll, Medicaid costs and related revenues, and other statutorily defined expenditures to the following fiscal year. Certain expenditures are shown in the department that makes the external payment rather than being shown in the department that receives the original general-funded appropriation.

**FUND BALANCE
GOVERNMENTAL FUND TYPES
Last Ten Fiscal Years**

(DOLLARS IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL:										
Nonspendable:										
Inventories	\$ 44,954	\$ 47,144	\$ 70,664	\$ 14,343	\$ 9,944	\$ 7,975	\$ 8,503	\$ 7,522	\$ 8,894	\$ 8,721
Prepays	47,088	49,094	50,702	69,432	38,547	38,173	39,348	37,977	40,971	38,535
Restricted	881,487	735,951	609,779	823,528	814,658	626,068	442,249	497,814	398,948	468,758
Committed	2,606,660	2,584,838	1,287,662	616,483	1,114,406	970,235	646,700	513,986	705,844	411,362
Assigned	87,068	83,302	123,036	35,241	33,264	29,641	17,218	19,283	20,731	7,651
Unassigned	(564,991)	701,946	2,403,821	842,567	52,088	334,660	-	-	-	-
TOTAL FUND BALANCE	3,102,266	4,202,275	4,545,664	2,401,594	2,062,907	2,006,752	1,154,018	1,076,582	1,175,388	935,027
FEDERAL SPECIAL REVENUE:										
Nonspendable:										
Inventories	116	-	-	-	-	-	-	-	-	-
Prepays	36,405	14,137	-	-	-	-	-	-	-	-
Restricted	-	-	11,373	21,350	-	-	-	-	-	-
Unassigned	(43,393)	(136,403)	-	-	-	-	-	-	-	-
TOTAL FUND BALANCE	(6,872)	(122,266)	11,373	21,350	-	-	-	-	-	-
HIGHWAY USERS TAX:										
Nonspendable:										
Long-term Portion of Interfund Loans Receivable	-	-	-	-	-	-	-	30	-	-
Inventories	19,527	18,793	17,908	20,946	18,012	8,281	9,334	8,860	8,377	7,673
Prepays	2,553	295	6,077	5,032	3,717	3,729	679	1,252	1,908	1,481
Restricted	484,151	630,718	679,412	900,962	961,284	882,113	917,778	975,001	942,510	1,080,201
Committed	62,939	58,510	49,045	51,413	59,641	58,076	52,929	46,278	35,765	41,017
TOTAL FUND BALANCE	569,170	708,316	752,442	978,353	1,042,654	952,199	980,720	1,031,421	988,560	1,130,372
ALL OTHER GOVERNMENTAL FUNDS:										
Nonspendable:										
Long-term Portion of Interfund Loans Receivable	85	-	-	-	13	12	-	19,141	-	-
Inventories	163,554	181,625	179,646	105,795	72,311	35,171	35,445	36,166	36,059	36,008
Permanent Fund Principal	1,516,090	1,374,975	1,438,292	1,398,247	1,274,846	1,186,138	1,122,480	1,043,619	971,676	868,383
Prepays	84,502	62,106	46,242	35,781	39,324	38,387	27,007	24,046	23,941	27,884
Restricted	1,781,321	1,332,860	986,088	558,485	503,018	516,128	418,847	607,618	1,000,463	1,466,516
Committed	6,675,326	5,719,530	4,785,759	3,992,116	3,583,836	2,614,577	2,624,986	2,770,832	2,650,703	2,269,885
TOTAL FUND BALANCE	10,220,878	8,671,096	7,436,027	6,090,424	5,473,348	4,390,413	4,228,765	4,501,422	4,682,842	4,668,676
TOTAL FUND BALANCE	\$ 13,885,442	\$ 13,459,421	\$ 12,745,506	\$ 9,491,721	\$ 8,578,909	\$ 7,349,364	\$ 6,363,503	\$ 6,609,425	\$ 6,846,790	\$ 6,734,075

**TABOR REVENUES, EXPENDITURES,
FISCAL YEAR SPENDING LIMITATIONS,
AND REFUNDS
Last Ten Fiscal Years**

(DOLLARS IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
DISTRICT REVENUES:										
Exempt District Revenues	\$ 30,207,103	\$ 29,465,154	\$ 27,782,645	\$ 20,523,556	\$ 18,613,345	\$ 17,388,665	\$ 17,784,588	\$ 18,170,415	\$ 16,980,420	\$ 17,076,305
Nonexempt District Revenues	20,220,690	19,741,291	16,169,779	14,873,754	14,788,420	13,720,881	12,891,657	12,824,408	12,530,772	11,691,905
TOTAL DISTRICT REVENUES	50,427,793	49,206,445	43,952,424	35,397,310	33,401,765	31,109,546	30,676,245	30,994,823	29,511,192	28,768,210
Percent Change In Nonexempt District Revenues	2.4%	22.1%	8.7%	0.6%	7.8%	6.4%	0.5%	2.3%	7.2%	5.3%
DISTRICT EXPENDITURES:										
Exempt District Expenditures	30,207,102	29,465,154	27,782,645	20,523,556	18,613,345	17,388,666	17,784,588	18,170,415	16,980,420	17,076,305
Nonexempt District Expenditures	16,444,583	15,189,294	12,287,617	13,759,681	13,001,752	12,852,870	13,251,437	13,076,457	12,237,753	11,016,588
TOTAL DISTRICT EXPENDITURES	46,651,685	44,654,448	40,070,262	34,283,237	31,615,097	30,241,536	31,036,025	31,246,872	29,218,173	28,092,893
Percent Change In Nonexempt District Expenditures	8.3%	23.6%	-10.7%	5.8%	1.2%	-3.0%	1.3%	6.9%	11.1%	7.3%
TOTAL DISTRICT RESERVE/FUND BALANCE INCREASE (DECREASE)	\$ 3,776,108	\$ 4,551,997	\$ 3,882,162	\$ 1,114,073	\$ 1,786,668	\$ 868,010	\$ (359,780)	\$ (252,049)	\$ 293,019	\$ 675,317
FISCAL YEAR SPENDING LIMIT										
Prior Fiscal Year Spending Limitation	\$ 12,930,252	\$ 12,628,068	\$ 12,249,004	\$ 11,759,345	\$ 11,220,749	\$ 10,761,667	\$ 10,427,606	\$ 9,976,946	\$ 9,566,586	\$ 9,247,466
Adjustments To Prior Year Limit ¹	(26,981)	(3,037)	(3,315)	-	-	(24,108)	10,480	(45,595)	(962)	(152)
ADJUSTED PRIOR YEAR FISCAL SPENDING LIMITATION	12,903,271	12,625,031	12,245,689	11,759,345	11,220,749	10,737,559	10,438,086	9,931,351	9,565,624	9,247,314
Allowable Growth Rate (Population Plus Inflation)	4.2%	2.2%	3.1%	4.1%	4.8%	4.5%	3.1%	4.4%	4.3%	3.3%
Current Fiscal Year Spending Limitation	13,445,208	12,902,782	12,625,305	12,241,478	11,759,345	11,220,749	10,761,667	10,368,330	9,976,946	9,552,475
Adjustments To Current Year Limit	-	27,470	2,763	7,525	-	-	-	59,276	0	14,111
ADJUSTED CURRENT YEAR FISCAL SPENDING LIMITATION	13,445,208	12,930,252	12,628,068	12,249,003	11,759,345	11,220,749	10,761,667	10,427,606	9,976,946	9,566,586
EXCESS STATE REVENUE CAP (ESRC) ²	16,657,291	16,012,864	15,644,324	14,956,372	14,360,084	13,702,371	13,327,811	12,946,499	12,361,032	11,852,383
NONEXEMPT DISTRICT REVENUES	20,220,690	19,741,291	16,169,779	14,873,754	14,788,420	13,720,881	12,891,657	12,824,408	12,530,772	11,691,905
Amount Over(Under) Adjusted Fiscal Year Spending Limitation	6,775,482	6,811,039	3,541,711	2,624,751	3,029,075	2,500,132	2,129,990	2,396,802	2,553,826	2,125,319
Amount Over(Under) Excess State Revenue Cap	3,563,399	3,728,427	525,455	(82,618)	428,336	18,510	(436,154)	(122,091)	169,740	(160,478)
Correction Of Prior Years' Refunds	-	-	-	575	3,207	-	(346)	(13,899)	-	-
FISCAL YEAR REFUND	\$ 3,563,399	\$ 3,728,427	\$ 525,455	\$ -	\$ 431,685	\$ 18,510	\$ -	\$ -	\$ 173,346	\$ -

¹ - Large adjustments to the prior year limit are primarily related to activities qualifying as TABOR enterprises, after which the activity's revenues and expenditures are no longer shown in the district amounts.

² - Beginning in Fiscal Year 2011, with the expiration of the Referendum C retention period, Fiscal Year Refunds are based on the Excess State Revenue Cap rather than the Fiscal Year Spending Limit.

DEBT SERVICE EXPENDITURES
ALL GOVERNMENTAL FUND TYPES
Last Ten Fiscal Years
(DOLLARS IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
DEBT SERVICE EXPENDITURES:										
Principal	\$ 173,940	\$ 158,908	\$ 98,582	\$ 61,201	\$ 85,722	\$ 62,203	\$ 177,925	\$ 210,390	\$ 194,818	\$ 184,106
Interest	194,944	159,250	130,554	102,291	94,654	65,566	60,781	69,729	74,689	77,005
TOTAL DEBT SERVICE EXPENDITURES	<u>\$ 368,884</u>	<u>\$ 318,158</u>	<u>\$ 229,136</u>	<u>\$ 163,492</u>	<u>\$ 180,376</u>	<u>\$ 127,769</u>	<u>\$ 238,706</u>	<u>\$ 280,119</u>	<u>\$ 269,507</u>	<u>\$ 261,111</u>
Percent Change Over Previous Year	15.9%	38.9%	40.2%	-9.4%	41.2%	-46.5%	-14.8%	3.9%	3.2%	5.9%
TOTAL NONCAPITAL EXPENDITURES	30,163,492	28,715,830	24,893,602	22,859,536	21,394,396	20,293,035	21,788,949	22,034,812	20,480,883	19,001,514
TOTAL CAPITAL EXPENDITURES	1,432,721	1,682,641	1,399,666	1,361,585	1,036,687	1,079,152	1,222,662	1,078,383	1,194,596	664,762
TOTAL GOVERNMENTAL EXPENDITURES	31,596,213	30,398,471	26,293,268	24,221,121	22,431,083	21,372,187	23,011,611	23,113,195	21,675,479	19,666,276
DEBT SERVICE EXPENDITURES AS PERCENT OF										
TOTAL NONCAPITAL EXPENDITURES:										
Principal	0.6%	0.6%	0.4%	0.3%	0.4%	0.3%	0.8%	1.0%	1.0%	1.0%
Interest	0.6%	0.6%	0.5%	0.4%	0.4%	0.3%	0.3%	0.3%	0.4%	0.4%
Total Debt Service Expenditures	1.2%	1.1%	0.9%	0.7%	0.8%	0.6%	1.1%	1.3%	1.3%	1.4%

TOTAL OUTSTANDING DEBT^{1,2,3}

PRIMARY GOVERNMENT

Last Ten Fiscal Years

(DOLLARS IN THOUSANDS)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Revenue Backed Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,925	\$ 289,789	\$ 443,881
Certificates of Participation	4,507,849	4,651,185	3,989,933	2,903,588	2,152,555	1,426,314	1,302,382	1,205,172	1,227,828	1,267,869
Leases	285,705	262,426	117,998	119,822	123,600	131,873	142,153	150,665	172,329	174,996
Notes and Mortgages	97,788	103,228	2,315	4,585	6,805	8,979	11,115	13,205	15,250	17,385
TOTAL GOVERNMENTAL OUTSTANDING DEBT	4,891,342	5,016,839	4,110,246	3,027,995	2,282,960	1,567,166	1,455,650	1,496,967	1,705,196	1,904,131
Business-Type Activities:										
Revenue Backed Debt	4,854,712	4,903,124	4,938,280	4,637,188	4,452,563	4,602,833	4,391,057	4,320,596	4,242,726	3,967,023
Certificates of Participation	93,066	112,878	132,403	393,248	433,021	461,461	346,769	372,661	399,231	403,761
Leases	236,445	159,124	74,224	35,645	37,402	48,152	49,891	57,126	54,281	42,192
Notes and Mortgages	845,335	895,774	116,325	66,371	67,985	60,047	61,396	53,968	28,317	4,810
TOTAL BUSINESS-TYPE OUTSTANDING DEBT	6,029,558	6,070,900	5,261,232	5,132,452	4,990,971	5,172,493	4,849,113	4,804,351	4,724,555	4,417,786
Total Primary Government:										
Revenue Backed Debt	4,854,712	4,903,124	4,938,280	4,637,188	4,452,563	4,602,833	4,391,057	4,448,521	4,532,515	4,410,904
Certificates of Participation	4,600,915	4,764,063	4,122,336	3,296,836	2,585,576	1,887,775	1,649,151	1,577,833	1,627,059	1,671,630
Leases	522,150	421,550	192,222	155,467	161,002	180,025	192,044	207,791	226,610	217,188
Notes and Mortgages	943,123	999,002	118,640	70,956	74,790	69,026	72,511	67,173	43,567	22,195
TOTAL OUTSTANDING DEBT ¹	\$ 10,920,900	\$ 11,087,739	\$ 9,371,478	\$ 8,160,447	\$ 7,273,931	\$ 6,739,659	\$ 6,304,763	\$ 6,301,318	\$ 6,429,751	\$ 6,321,917
Percent Change Over Previous Year	-1.5%	18.3%	14.8%	12.2%	7.9%	6.9%	0.1%	-2.0%	1.7%	3.5%
Colorado Population (In Thousands) Restated for Census	5,735	5,736	5,736	5,759	5,772	5,677	5,600	5,530	5,438	5,350
Per Capita Debt (Dollars Per Person) Restated for Census	\$1,904	\$1,933	\$1,634	\$1,417	\$1,260	\$1,187	\$1,126	\$1,140	\$1,182	\$1,182
Per Capita Income (Thousands Per Person)	\$62.1	\$61.4	\$61.4	\$61.3	\$59.0	\$58.5	\$55.3	\$52.4	\$52.4	\$50.7
Per Capita Debt as a Percent of Per Capita Income	3.1%	3.1%	2.7%	2.3%	2.1%	2.0%	2.0%	2.2%	2.3%	2.3%

¹ - General Obligation Debt is prohibited by the State Constitution except to fund buildings for state use, to defend the state or the U.S. (in time of war), or to provide for unforeseen revenue deficiencies.

² - Colorado State Constitution requires multi-years obligations to be approved by voters therefore there is no specific legal debt limitation.

³ - Beginning in Fiscal Year 2014 debt liabilities are not offset by unamortized refunding gains or losses. With GASB Statement No. 65, these balances became deferred inflows and or outflows.

REVENUE BOND COVERAGE
Last Ten Fiscal Years
(DOLLARS IN THOUSANDS)

Fiscal Year	Gross Revenue	Direct Operating Expense	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
Governmental Funds: Transportation Revenue Anticipation Notes (TRANS)							
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00
2022	-	-	-	-	-	-	0.00
2021	-	-	-	-	-	-	0.00
2020	-	-	-	-	-	-	0.00
2019	-	-	-	-	-	-	0.00
2018	-	-	-	-	-	-	0.00
2017	-	-	-	-	-	-	0.00
2016	1,566,285	1,437,505	128,780	126,100	2,680	128,780	1.00
2015	1,358,950	1,191,461	167,489	157,220	10,269	167,489	1.00
2014	1,240,588	1,073,259	167,329	147,225	20,104	167,329	1.00
Enterprise Funds (Excluding Higher Education): State Fair, CollegeInvest, Statewide Bridge Enterprise, and Unemployment Insurance							
2023	\$ 119,295	\$ -	\$ 119,295	\$ -	\$ 25,271	\$ 25,271	4.72
2022	123,525	-	123,525	-	25,271	25,271	4.89
2021	114,451	-	114,451	-	25,271	25,271	4.53
2020	112,362	-	112,362	-	17,699	17,699	6.35
2019	111,674	-	111,674	-	18,234	18,234	6.12
2018	106,022	-	106,022	-	18,234	18,234	5.81
2017	109,927	-	109,927	-	18,234	18,234	6.03
2016	231,775	-	231,775	124,965	20,546	145,511	1.59
2015	363,612	-	363,612	249,925	24,857	274,782	1.32
2014	486,250	-	486,250	374,885	30,620	405,505	1.20
Higher Education Institutions							
2023	\$ 3,925,013	\$ 772,306	\$ 3,152,706	\$ 129,694	\$ 109,452	\$ 239,146	13.18
2022	2,696,365	682,283	2,014,082	111,448	107,051	218,499	9.22
2021	2,210,602	586,621	1,623,981	84,250	80,160	164,410	9.88
2020	2,425,323	673,165	1,752,158	186,477	155,530	342,007	5.12
2019	2,419,403	685,793	1,733,610	132,929	159,090	292,019	5.94
2018	2,290,836	643,503	1,647,333	127,378	161,525	288,903	5.70
2017	2,170,616	618,649	1,551,967	117,118	160,835	277,953	5.58
2016	1,984,082	455,553	1,528,529	103,957	157,999	261,956	5.84
2015	1,250,735	579,200	671,535	107,878	152,923	260,801	2.57
2014	1,170,939	557,627	613,312	94,581	138,121	232,702	2.64

COLORADO DEMOGRAPHIC DATA
Last Ten Fiscal Years

Year	Population (000)	Percentage Share of U.S. Population	Total Personal Income (Billions)	Per Capita Personal Income (Dollars)	% of U.S. Per Capita Income	Employ- ment (000)	Unemploy- ment %
2023 est Revised	5,913	1.77%	\$ 457.8	\$ 77,419	113.8%	3,148	3.2%
2022 Revised	5,858	1.76%	\$ 433.5	\$ 74,001	113.3%	3,159	3.2%
2021 Revised	5,815	1.75%	\$ 410.9	\$ 70,670	110.2%	3,024	5.4%
2020 Revised	5,784	1.74	378.1	65,362	109.25	2,895	7.3
2019 revised	5,735	1.74	356.3	62,134	110.08	3,062	2.7
2018 Revised	5,677	1.74	331.9	58,455	108.1	2,983	3.0
2017 Revised	5,600	1.72	309.4	55,253	106.6	2,903	2.6
2016 revised	5,530	1.71	289.7	52,386	105.0	2,797	3.1
2015 Revised	5,438	1.70	284.8	52,372	107.1	2,715	3.8
2014	5,350	1.68	271.3	50,711	107.7	2,662	5.0

Source: U.S. Department of Commerce, Bureau of Economic Analysis, U.S. Census Bureau, and Colorado Department of Labor and Employment

COLORADO EMPLOYMENT^{1,2}
BY INDUSTRY
Last Ten Fiscal Years
(AMOUNTS IN THOUSANDS)

Industry	2023 est	Revised 2022	Revised 2021	Revised 2020	Revised 2019	Revised 2018	Revised 2017	Revised 2016	Revised 2015	Revised 2014
Natural Resources and										
Mining	23.7	20.7	19.8	21.8	28.8	28.6	25.8	23.7	30.7	34.1
Construction	181.0	183.0	176.8	174.9	179.1	173.2	163.7	155.3	148.8	142.2
Manufacturing	153.5	152.9	148.7	146.8	150.5	147.5	144.3	142.7	141.0	136.6
Transportation, Trade, and Utilities	507.6	501.2	485.7	469.2	477.9	470.4	461.3	453.9	445.7	432.7
Information	79.8	78.4	76.3	75.0	77.1	75.6	72.3	72.2	70.7	70.3
Financial Activities	174.7	178.7	177.7	172.8	174.6	171.6	168.1	163.9	159.0	153.9
Professional and Business Services	506.1	485.8	452.8	430.4	439.2	423.5	412.4	405.4	398.1	386.6
Educational and Health Services	359.6	353.8	347.9	339.2	347.6	340.7	334.1	325.8	313.3	298.0
Leisure and Hospitality	350.1	339.1	306.4	272.0	345.4	339.7	333.2	323.6	312.8	300.4
Other Services	123.0	118.9	113.6	108.9	114.8	110.9	108.6	107.3	104.2	100.9
Government	462.8	452.2	438.3	440.2	455.1	445.6	436.7	428.1	416.5	407.9
Total	2,921.9	2,864.7	2,744.0	2,651.2	2,790.1	2,727.3	2,660.5	2,601.9	2,540.8	2,463.6

Source: Colorado Department of Labor and Employment and the Colorado Business Economic Outlook Committee.

¹ Provided in lieu of information regarding Colorado's principal employers because employer data could not be obtained.

² Excludes nonagricultural self-employed, unpaid family, and domestic workers.

VALUE OF TOTAL CONSTRUCTION
IN COLORADO BY TYPE
Last Ten Years
(AMOUNTS IN MILLIONS)

Year	Residential	Non- Residential	Non- Building	Total
2023 est	\$ 12,969	\$ 5,500	\$ 4,400	22,869
Revised 2022	14,019	5,700	4,000	23,719
Revised 2021	15,071	5,594	2,800	23,465
Revised 2020	12,153	5,482	3,410	21,045
Revised 2019	10,853	5,113	3,141	19,107
Revised 2018	11,773	8,155	4,523	24,451
Revised 2017	10,362	6,155	2,976	19,493
Revised 2016	10,161	5,988	2,706	18,855
Revised 2015	8,659	4,991	3,036	16,686
Revised 2014	7,566	4,351	2,439	14,356

Source: Department of Census, F.W. Dodge Company, Division of McGraw-Hill, the Colorado Contractors Assoc., and Colorado Business Economic Outlook Committee.

**COLORADO SALES AND
GROSS FARMING REVENUES
Last Ten Years**

(AMOUNTS IN BILLIONS)

Year	Retail Sales	Gross Farm Revenues
2023 est revised	\$ 142.00	\$ 9.77
2022 revised	137.00	10.10
2021 Revised	125.00	9.95
2020 Revised	109.00	9.11
2019 Revised	100.00	8.58
2018 revised	95.00	8.30
2017 Revised	91.00	8.26
2016 revised	88.00	7.62
2015 Revised	83.00	8.92
2014	79.00	9.18

Includes only those sales reported on sales tax reports.

Source: Colorado Business Economic Outlook Agricultural Committee



DEMAND DRIVERS OF THE PRIMARY GOVERNMENT¹
BY FUNCTIONS/PROGRAMS
Last Ten Years²

	2023	2022	2021	2020	2019
GOVERNMENTAL ACTIVITIES:					
General Government:					
Funds	1,118	1,096	1,020	901	883
Employees (calculated Average Employment)	82,577	79,964	78,990	79,974	78,213
Balance in Treasury Pool (in millions)	\$20,381.9	\$22,299.5	\$17,704.8	\$9,358.1	\$9,055.2
Business, Community, and Consumer Affairs:					
Professional Licenses at Regulatory Agencies	Not Available	1,048,156	972,910	949,632	865,914
Unemployment Rate (percent) ⁴	3.2	3.2	5.4	6.7	2.8
Employment Level ⁴	3,148,239	3,159,057	3,024,476	2,880,890	3,101,412
Education:					
Public Schools	1,890	1,885	1,875	1,864	1,861
Primary School Students		883,264	886,517	883,199	913,223
Health and Rehabilitation:					
Average Daily Population of Mental Health Institutes ³	Not Available	Not Available	Not Available	709	595
Average Daily Population of Regional Centers ³	165	186	215	231	238
Justice:					
District Court Cases Filed ³	Not Available	Not Available	Not Available	233,682	216,437
County Court Cases Filed ³	Not Available	Not Available	Not Available	413,894	Not available
Inmate Admissions	Not Available	Not Available	Not Available	7,982	9,691
Inmate Releases	Not Available	Not Available	Not Available	10,523	9,897
Average Daily Inmate Population	Not Available	Not Available	Not Available	19,466	20,223
Citations Issued by the State Patrol	95,326	101,898	113,777	128,806	136,086
Crashes Covered by the State Patrol	29,368	26,125	24,947	26,300	29,767
Natural Resources:					
Active Oil and Gas Wells ³	Not Available	Not Available	Not Available	52,500	55,000
Oil and Gas Drilling Permits ³	Not Available	Not Available	Not Available	7,000	6,200
Annual State Park Visitors ³	Not Available	Not Available	Not Available	16,100,000	14,300,000
Water Loans				328	326
Social Assistance:					
Medicaid Recipients ³	Not Available	Not Available	Not Available	1,292,797	1,350,445
Monthly Cases for Cash Assistance & Subsidy Payments ³	Not available	Not available	Not available	Not available	Not available
Transportation:					
Lane Miles	Not Available	23,275,689	23,117,096	23,111,433	23,054,349
Bridges	3,479	3,388	3,464	3,467	3,462
BUSINESS-TYPE ACTIVITIES:					
Higher-Education:					
Resident Students ³	Not Available	Not Available	Not Available	143,856	147,705
Nonresident Students ³	Not Available	Not Available	Not Available	38,218	37,952
Unemployment Insurance:					
Individuals Served - Employment and Training ³	331,510	657,374	202,869	493,731	366,130
Initial Unemployment Claims ³	Not Available	Not Available	Not Available	504,839	101,599
CollegeInvest: ⁷					
Loans Issued or Purchased					-
Average Balance per Loan					-
Lottery:					
Scratch Tickets Sold	79,498,559	82,024,371	94,634,346	89,295,642	85,738,142
Lotto Tickets Sold	17,614,092	27,201,416	19,159,180	16,791,434	28,034,842
Powerball Tickets Sold	41,516,617	31,474,738	26,960,528	20,647,247	35,073,981
Other Lottery Tickets Sold	74,064,101	52,336,943	61,337,174	50,733,691	67,466,124
Wildlife:					
Hunting & Fishing Licenses Sold ³	Not Available	Not Available	1,800,000	1,800,000	1,700,000
College Assist:					
Guaranteed Loans - In State	-	-	-	-	-
Guaranteed Loans - Out of State	-	-	-	-	-

*Data not available.

¹All amounts are counts except where dollars or percentages are indicated.

²Data presented by either fiscal year or calendar year based on availability of information.

³Data represents estimates from budgetary documents and is not adjusted to actuals.

⁴Data represents annual averages of monthly estimates from Department of Labor and Employment statistical information and is not adjusted to actuals
Source: JBC Budget in Brief and Various State Agencies' Self-Reported Statistical Information.

2018	2017	2016	2015	2014
874	848	815	719	638
76,578	74,252	72,483	72,369	70,823
\$7,763.2	\$6,852.0	\$7,413.7	\$7,683.2	\$7,047.8
853,163	829,350	813,639	789,643	750,306
3.3	2.7	3.2	3.9	5.0
2,994,752	2,911,079	2,803,436	2,719,500	2,662,404
1,889	1,833	1,853	1,836	1,824
911,536	910,280	905,018	899,112	889,006
581	543	545	545	486
248	257	255	263	273
218,413	225,438	216,970	231,188	289,965
412,714	425,947	430,398	446,255	493,341
9,972	8,851	9,912	9,912	9,620
9,947	9,844	10,269	10,269	10,506
20,003	20,000	20,179	20,678	20,478
138,772	141,949	145,181	140,943	138,661
28,964	30,264	30,542	29,572	28,292
54,400	54,600	52,600	52,300	50,350
4,460	4,620	3,725	4,333	4,300
14,400,000	14,800,000	12,300,000	11,699,543	11,556,388
318	328	312	294	289
1,420,267	1,385,945	1,289,795	1,003,612	809,452
Not available	Not available	Not available	63,646	65,208
23,026,130	23,053,073	22,984,731	23,018,184	23,018,184
3,451	3,455	3,427	3,439	3,443
146,138	142,180	145,769	150,073	155,748
32,884	32,884	30,869	29,305	28,580
360,911	425,253	469,274	553,258	552,303
107,471	129,887	152,658	157,161	199,007
-	-	-	-	-
-	-	-	-	-
83,746,578	84,041,528	87,433,955	89,637,387	89,961,317
28,462,945	30,609,106	27,422,320	29,837,628	33,809,181
36,013,750	29,860,519	47,427,269	29,581,783	35,134,907
56,312,662	54,533,766	29,682,863	50,521,072	56,956,625
1,700,000	1,700,000	1,600,000	2,300,000	2,300,000
-	-	-	-	-
-	-	-	-	-

**AVERAGE COUNT OF STATE EMPLOYEES BY FUNCTION
AND AVERAGE MONTHLY EMPLOYEE SALARY
Last Ten Fiscal Years**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government	3,708	3,503	3,486	3,437	3,340	3,320	3,238	3,102	3,005	3,092
Business, Community, and Consumer Affairs	3,170	2,958	2,859	2,696	2,723	2,741	2,756	2,451	2,441	2,482
Education	50,664	48,576	47,046	48,469	47,297	45,884	43,762	42,494	42,767	41,501
Health and Rehabilitation	4,130	4,200	4,376	4,232	4,117	4,147	4,122	4,023	4,007	3,990
Justice	14,026	14,124	14,576	14,601	14,380	14,192	14,076	13,974	13,760	13,416
Natural Resources	1,742	1,657	1,650	1,678	1,626	1,611	1,619	1,623	1,599	1,579
Social Assistance	2,172	1,938	1,871	1,794	1,711	1,672	1,661	1,810	1,766	1,731
Transportation	2,965	3,008	3,126	3,067	3,019	3,011	3,018	3,006	3,024	3,032
TOTAL AVERAGE EMPLOYMENT	82,577	79,964	78,990	79,974	78,213	76,578	74,252	72,483	72,369	70,823
 TOTAL CLASSIFIED	 29,340	 29,375	 30,586	 30,777	 30,999	 31,133	 31,159	 31,102	 31,246	 31,284
AVERAGE MONTHLY SALARY	\$ 5,468	\$ 5,234	\$ 5,056	\$ 5,049	\$ 4,826	\$ 4,650	\$ 4,554	\$ 4,539	\$ 4,502	\$ 4,391
 TOTAL NON-CLASSIFIED	 53,237	 50,589	 48,404	 49,197	 47,214	 45,445	 43,093	 41,381	 41,123	 39,539
AVERAGE MONTHLY SALARY	\$ 8,051	\$ 7,818	\$ 7,466	\$ 7,384	\$ 7,181	\$ 6,980	\$ 6,872	\$ 6,691	\$ 6,306	\$ 6,140

- Classified employees are those holding positions within the State Personnel System. Non-classified employees are excluded from the State Personnel System and are not subject to the rule-making authority of the State Personnel Director. Non-classified positions are found primarily in the Judicial Branch, the Legislative Branch, the Governor's cabinet and office staff, the Department of Law, the Department of Education, and as administrators and faculty in the Department of Higher Education.

- For each State agency, the average salary for full-time employees was divided into the part-time employee payroll amount to determine the average employee count. Average salary was computed as total classified or nonclassified salary divided by related average employee count.

**COLORADO STATE HIGHWAY SYSTEM
CENTERLINE AND LANE MILES
LAST TEN FISCAL YEARS**

Mileage Type	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
CenterLine Miles ¹										
Urban	1,498	1,500	1,500	1,500	1,502	1,510	1,510	1,523	1,523	1,385
Rural	7,574	7,574	7,574	7,575	7,575	7,578	7,578	7,580	7,580	7,718
TOTAL CENTERLINE MILES	9,072	9,074	9,074	9,075	9,077	9,088	9,088	9,103	9,103	9,103
Percent Change	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%	-0.2%	0.0%	0.0%	0.0%
Lane Miles ²										
Urban	5,982	5,868	5,860	5,803	5,789	5,808	5,742	5,771	5,771	5,326
Rural	17,293	17,249	17,250	17,251	17,237	17,245	17,242	17,247	17,247	17,688
TOTAL LANE MILES	23,275	23,117	23,110	23,054	23,026	23,053	22,984	23,018	23,018	23,014
Percent Change	0.7%	0.0%	0.2%	0.1%	-0.1%	0.3%	-0.1%	0.0%	0.0%	0.0%
Roadways ³										
Percent Rated Good/Fair					80	79	79	79	79	79
Percent Rated Poor					20	21	21	21	21	21
TOTAL PERCENTAGE	0	0	0	0	100	100	100	100	100	100

¹Centerline miles measure roadway miles without accounting for the number of lanes.

²Lane miles measure the total distance of all roadway lanes, and are therefore a better indicator of actual maintenance requirements.

³In 2013 CDOT changed the overall metric by which pavement condition is measured. The new measure is based on Driveability Life, which identifies how long a pavement will last until the user experience becomes unacceptable.

Source: Department of Transportation

**COLORADO STATE-OWNED BRIDGES
BY FUNCTIONAL CLASSIFICATION
LAST TEN FISCAL YEARS**

Functional Classification	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Principal Arterial ¹	1,380	1,321	1,404	1,408	1,404	1,387	1,390	1,372	1,377	1,114
Other Principal Arterial	931	925	926	927	925	932	931	930	930	1,199
Minor Arterial	664	663	673	669	668	670	670	666	667	667
Collector	381	374	375	375	377	383	387	383	390	391
Local	123	105	88	88	88	79	77	76	75	72
TOTAL BRIDGES	3,479	3,388	3,466	3,467	3,462	3,451	3,455	3,427	3,439	3,443
Percent Change	2.7%	-2.3%	0.0%	0.1%	0.3%	-0.1%	0.8%	-0.3%	-0.1%	0.1%
Percent Rated Poor ²	4.43	4.17	5.64	6.27	6.32	4.42	4.90	5.60	5.60	5.70

¹Includes Interstate, Expressways, and Freeways.

²In 2013 CDOT changed the overall metric for assessing bridges due to Public Law 112-141. The focus is now on Structurally Deficient bridges.

Source: Department of Transportation

**BUILDING SQUARE FOOTAGE
OWNED BY THE PRIMARY GOVERNMENT
BY FUNCTIONS/PROGRAMS**

Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GOVERNMENTAL ACTIVITIES:										
General Government	3,876,500	4,258,458	4,184,192	4,221,513	3,732,465	3,975,641	4,110,351	4,091,577	3,630,949	3,898,443
Business, Community, and Consumer Affairs ¹	1,270,639	1,277,537	1,264,162	1,277,114	1,278,223	1,253,288	1,253,288	1,117,563	1,260,223	1,462,694
Education	322,302	322,302	322,302	322,484	322,484	322,484	322,484	322,484	322,484	327,394
Health and Rehabilitation	1,482,781	1,473,888	1,472,328	1,453,385	1,463,209	1,463,209	1,463,129	1,443,140	1,439,483	1,371,986
Justice	8,841,849	8,923,821	8,871,568	8,815,718	8,880,526	8,852,530	8,763,302	8,743,419	8,633,069	8,797,346
Natural Resources	Not yet available	Not yet available	812,177	865,529	915,362	788,919	775,567	754,116	677,422	454,150
Social Assistance	1,787,619	1,805,610	1,802,173	1,799,516	1,833,377	1,834,497	1,834,815	1,828,335	1,821,873	1,794,333
Transportation	Not yet available	3,707,653	3,699,793	3,681,410	4,445,286	4,057,721	3,450,675	3,652,382	3,589,835	3,373,967
BUSINESS-TYPE ACTIVITIES:										
Higher Education	59,356,806	59,055,745	57,627,649	56,459,587	56,142,470	55,616,419	55,858,696	54,075,080	52,070,593	50,215,173
Parks and Wildlife	2,150,186	2,132,308	1,932,631	1,998,305	1,926,202	2,887,423	2,811,609	2,811,609	2,811,609	2,811,609
TOTAL	79,088,682	82,957,322	81,988,974	80,894,561	80,939,604	81,052,131	80,643,916	78,839,705	76,257,540	74,507,095

Source: Colorado Office of the State Architect

¹ - Building information for Unemployment Insurance (a business-type activity) cannot be segregated from the Colorado Department of Labor and Employment which is included in Business, Community, and Consumer Affairs.

**BUILDING SQUARE FOOTAGE
LEASED BY THE PRIMARY GOVERNMENT
BY FUNCTIONS/PROGRAMS**

Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GOVERNMENTAL ACTIVITIES:										
General Government	Not yet available	124,555	125,391	164,104	162,801	175,427	153,470	153,470	161,533	169,970
Business, Community, and Consumer Affairs ¹	Not yet available	605,517	612,312	612,459	632,311	635,899	640,803	623,742	597,583	604,185
Education	Not yet available	54,037	54,037	54,037	56,831	54,765	58,819	53,827	51,749	47,926
Health and Rehabilitation	Not yet available	491,758	500,208	508,207	478,241	470,748	477,717	473,440	498,721	475,010
Justice	Not yet available	672,566	670,604	617,670	567,155	473,032	525,493	453,320	343,665	412,286
Natural Resources	Not yet available	83,276	83,037	80,107	77,831	79,055	78,909	74,016	75,134	91,162
Social Assistance	Not yet available	103,706	103,706	103,706	103,706	96,465	99,256	99,256	110,867	74,451
BUSINESS-TYPE ACTIVITIES:										
Higher Education	Not yet available	1,587,596	1,560,761	1,506,511	1,506,925	1,436,583	1,404,972	1,309,490	1,303,315	1,613,516
CollegeInvest	9,126	9,126	9,126	9,126	9,126	9,126	9,164	9,597	9,642	11,397
Lottery	Not yet available	55,598	67,560	67,327	67,327	67,327	67,327	67,327	71,104	71,104
Parks and Wildlife	23,042	19,154	19,415	22,969	23,635	70,058	83,036	76,448	76,448	76,448
College Assist	9,126	9,126	9,126	9,126	9,126	9,126	9,396	10,164	10,246	8,825
TOTAL	41,294	3,816,015	3,815,283	3,755,349	3,695,015	3,577,611	3,608,362	3,404,097	3,310,007	3,656,280

Source: Colorado Office of the State Architect

¹ - Building information for Unemployment Insurance (a business-type activity) cannot be segregated from the Colorado Department of Labor and Employment which is included in Business, Community, and Consumer Affairs.

OTHER COLORADO FACTS

Important Dates

- 1803 The United States purchases land, including what is now most of eastern Colorado, from France in the Louisiana Purchase.
- 1806 Lt. Zebulon M. Pike and a small party of U.S. soldiers sent to explore the southwestern boundary of the Louisiana Purchase discover the peak that bears his name but fail in their effort to climb it. However, they do reach the headwaters of the Arkansas River near Leadville.
- 1848 By the Treaty of Guadalupe Hidalgo, Mexico cedes to the United States most of that part of Colorado not acquired by the Louisiana Purchase.
- 1858 Gold is discovered along Cherry Creek near present day Denver.
- 1861 Congress establishes the Colorado Territory with the boundaries of the present State and chooses its name from the Spanish word for “colored red.” President Lincoln appoints William Gilpin as the first territorial governor. The State Supreme Court is organized. The first assembly meets and creates 17 counties, authorizes the University of Colorado, and selects Colorado City as the territorial capital.
- 1867 Denver is established as the permanent seat of the territorial government by the legislature meeting in Golden.
- 1870 The Denver Pacific Railroad is completed to Denver.
- 1876 Colorado is admitted to the Union as the 38th state. John L. Routt is elected the first governor.
- 1877 The University of Colorado opens classes at Boulder with two teachers and forty-four students.
- 1894 The State Capitol Building, designed by Elijah E. Meyers, is completed at a cost of \$2.5 million. Colorado becomes the second state, after Wyoming, to extend suffrage to women.
- 1906 The U.S. Mint at Denver issues its first coins.
- 1958 The U.S. Air Force Academy’s permanent campus opens near Colorado Springs.
- 1992 TABOR amendment is added to the State Constitution.

Geography

Area: 103,718 square miles.

Highest Elevation: Mt Elbert – 14,433 feet above sea level.

Lowest Elevation: Along the Arikaree River in Yuma County – 3,315 feet above sea level.

Colorado has the highest average elevation of all fifty states – 6,800 feet above sea level.

State Symbols and Emblems

State Motto – Nil Sine Numine –
Nothing Without the Deity

State Songs – “Where the Columbines Grow” and
“Rocky Mountain High”

State Nickname – Centennial State

State Gemstone – Aquamarine

State Animal – Rocky Mountain Bighorn Sheep

State Grass – Blue Grama Grass

State Bird – Lark Bunting

State Insect – Colorado Hairstreak Butterfly

State Fish – Greenback Cutthroat Trout

State Mineral – Rhodochrosite

State Flower – White and Lavender Columbine

State Reptile – Western Painted Turtle

State Folk Dance – Square Dance

State Amphibian – Western Tiger Salamander

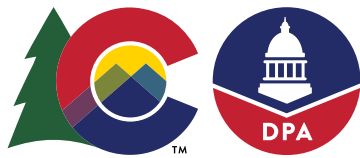
State Fossil – Stegosaurus

State Rock – Yule Marble

State Pet – Shelter and Rescue Dog and Cat

State Tree – Colorado Blue Spruce

State Cactus – Claret Cup



COLORADO

Office of the State Controller

Department of Personnel & Administration