State Taxpayer Accountability Report (STAR)
Fiscal Year 2007–08

It is our privilege to present the State Taxpayer Accountability Report. It summarizes the operations of the State of Colorado for the fiscal year that ended June 30, 2008. This report has been designed to present information about the current fiscal condition of Colorado state government in a clear, understandable, and accessible manner. In this third year of the report, we expect that it will advance our goals of greater transparency and accountability in state finances.

The sources of the information included in this report are the state's Comprehensive Annual Financial Report (CAFR), the State Treasurer's Office, the Governor's Office, and other state departments. For more detailed information you may access the sources online at:

CAFR: http://www.colorado.gov/dpa/dfp/sco/CAFR/cafr.htm

Treasurer's Office: http://www.colorado.gov/treasury/

Governor's Office: http://www.colorado.gov/governor/

We hope you find this report both informative and beneficial, and we welcome your questions and comments.

Bill Ritter, Jr.
Governor

Cary Kennedy
State Treasurer

David J. McDermott
State Controller

COLORADO AND THE CURRENT ECONOMIC CHALLENGES:
MAJOR DEVELOPMENTS SINCE THE CLOSE OF FISCAL YEAR 2008

September 2009

Dear Colorado Taxpayer:

It is my pleasure to provide the Colorado State Taxpayer Accountability Report for Fiscal Year 2008.

The State Taxpayer Accountability Report is based on the State's Comprehensive Annual Financial Report (CAFR), which is independently audited. It is a "snapshot" of the State's revenues, expenditures, and current balances for the past fiscal year.

The economies of Colorado and the nation have changed dramatically since the close of the last fiscal year (on June 30, 2008). We have experienced one of the worst economic declines in a half-century. Because of this, we are including this addendum to provide readers with more current information on the state's economic climate.

While we are pleased to report that Colorado's economy is improving, our state's investment portfolio continues to earn positive returns, and the state's budget is balanced it is also true that we have new challenges as we face this dramatic change in our economic landscape.

An infusion of more than $5.48 billion in federal funding from the American Recovery and Reinvestment Act is starting to flow to communities throughout Colorado, supporting families with unemployment benefits, lower taxes, enhanced safety net services, foreclosure prevention, renewable energy development and new employment opportunities. We are optimistic that these efforts will enhance local economies throughout our state.

It is an honor for me to serve as Colorado's State Treasurer and to provide the 2008 State Taxpayer Accountability Report to Colorado's taxpayers. Additional information on the state's finances is available online at www.colorado.gov/treasury.

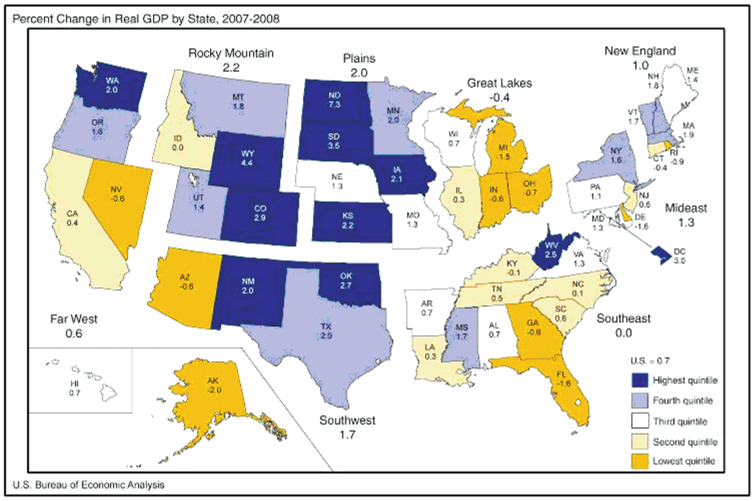
Warm Regards,

Cary Kennedy
Colorado State Treasurer

COLORADO'S ECONOMY

According to the National Bureau of Economic Research, the nation entered a recession in December 2007. The recession deepened sharply following the crisis in the financial sector beginning with the bankruptcy of Lehman Bros. Holding Inc. in mid-September 2008.

Gross Domestic Product: Colorado's economy, like the rest of the nation, has suffered during the current recession. However, according to a report released by the US Department of Commerce's Bureau of Economic Analysis on June 2, 2009, Colorado's economy, as measured by Gross Domestic Product (GDP), grew in calendar year 2008 (up 2.9%), unlike most other states.



Colorado ranked fourth in percentage growth for the year, behind only North Dakota, Wyoming and South Dakota.

The sectors that contributed most to Colorado's growth were mining, information, and utilities. On a per capita basis, Colorado ranked tenth in growth in 2008.

Jobs: According to the US Department of Commerce's Bureau of Labor Statistics, the unemployment rate in Colorado has climbed from 4.7% in April 2008 to 7.8% in July 2009, which included a 15% decrease in employment in the construction sector over the previous 12 month period. Overall, since last July (2008), there are 102,000 more Coloradans unemployed. However, April represents a small decline in the state's unemployment rate from the previous month, the first such decline since October 2007. Nationally, the unemployment rate for July 2009 was 9.4%.

Current information about Colorado's workforce can be obtained from the Colorado Department of Labor and Employment at www.coworkforce.com.

Real Estate: Colorado has been hit hard by the developments in the real estate sector that led to the current economic recession. According to RealtyTrac.Inc., when the subprime mortgage crisis was just beginning in 2006, Colorado spent a couple of months leading the nation in foreclosure rates.

That situation has been slowly improving, and at the end of calendar year 2008, foreclosure filings in the state were down 2% from the previous year, according to the Colorado Department of Local Affairs, Division of Housing, and RealtyTrac had moved the state down to fifth highest in the nation in foreclosures, still a very serious concern.

Statistics for July 2009 show Colorado has moved to ninth nationally in foreclosures. In contrast, national foreclosures continue to increase and were up 32% from July 2008 to July 2009.

COLORADO'S 2009 BUDGET

In the same manner as many families, the State of Colorado is experiencing a substantial revenue decline in Fiscal Year 2009. During the 2009 legislative session, the Governor and the Legislature enacted a series of spending cuts and revenue enhancements to address approximately $812 million in expected shortfall for the fiscal year.

The degree of revenue decline, estimated at just over 13%, was greater than expected as the events in the financial markets in the fall and winter of 2008 deepened the recession. However, according to June forecasts, revenues in the next fiscal year are expected to increase slightly over those in fiscal year 2009.

The State's Fiscal Year 2009 budget, at the end of the 2009 legislative session, included more than $370 million dollars of revenue enhancements to the General Fund. Of this amount, approximately $358 million came in the form of transfers from state cash funds.

In addition to the General Fund revenue changes, the 2009 budget also reflected General Fund operating cuts of nearly $136.2 million. These cuts were necessary even after incorporating Federal funds from the American Recovery and Reinvestment Act (ARRA), which spared Higher Education from a potential $150 million budget cut.

As a part of state spending reductions, in October 2008, as a response to the sharp national economic contraction that began in the fall, the Governor imposed a hiring freeze for non-essential state positions and froze capital construction projects

As of June 2009, state revenues for Fiscal Year 2010 are expected to grow over those in 2009. However, because balancing the Fiscal Year 2008–09 relied heavily on one-time monies, the Fiscal Year 2010 budget passed in the 2009 legislative session reflected much deeper cuts in the state's operating budget as well as additional cash fund transfers.

In 2010, state employees will not receive performance pay increases or cost of living adjustments and will be required to take unpaid furlough days to help balance the budget.

COLORADO'S INVESTMENTS

Coloradans watched their investments and retirement savings dwindle with the stock market's plunge since the start of the recession. From its high just before the recession to its current low in March of this year, the Dow Jones Industrial Average lost just less than 54% of its value and the S&P 500 lost 56%. The collapse of some of the nation's largest and longest-standing financial institutions caused a crisis of confidence—and liquidity—in the global financial system.

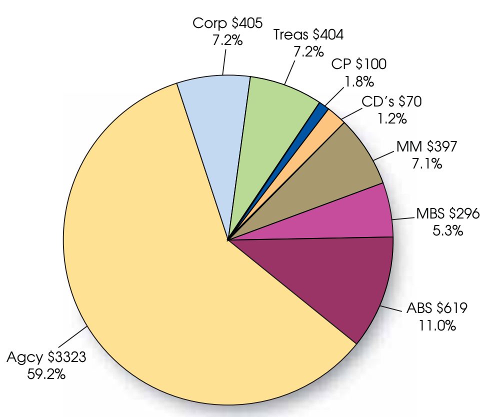
The Colorado Treasurer manages the state's investment pool with an investment policy that stresses, in order of importance, *safety*, *liquidity*, and *return*. The state's constitution prohibits the state from investing in equities, and so the Treasurer's investments are entirely in high quality fixed income securities. In addition, under long-standing policy, the Treasurer's investment pool does not hold collateralized debt obligations (CDOs) tied to sub-prime debt. The pool also does not hold investments in any of the five major investment banks, including those such as Bear Stearns, Lehman Brothers, or Merrill Lynch, that went out of business or were purchased last year.

Because of the conservative nature of the state's investment portfolio, the state's investment pool, which totaled $5.6 billion at the end of fiscal year 2009, had positive earnings of $177 million.

Colorado Department of Treasury's investment holdings, as well as fund performance information and the Treasurer's investment policies are available on the Treasurer's website at www.colorado.gov/treasury.

The information below is as of the close of the fiscal year on June 30, 2009.

PORTFOLIO MIX ($ MILLIONS)



	$ MILLIONS AVERAGE PORTFOLIO	INTEREST INCOME	BOOK YIELD	PERFORMANCE BENCHMARKS (1)
FY '09 YTD	5,828.6	177.4	3.0%	1.1%
Last 12 months	5,828.6	177.4	3.0%	1.1%
FY '08	5,835.7	249.9	4.3%	3.1%
FY '07	5,122.0	244.3	4.7%	5.0%
FY '06	4,550.8	182.4	4.0%	4.4%
FY '05	3,863.7	125.8	3.3%	2.7%
FY '04	2,843.5	91.6	3.2%	1.4%
Avg FY '04–'08	4,443.1	178.8	3.9%	3.3%

(1) 12 month moving average of the constant maturity yield on the 1 year Treasury note at end of period

THE AMERICAN RECOVERY AND REINVESTMENT ACT AND COLORADO (ARRA)

In February 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA) in Denver. The landmark law will pump $787 billion into the nation's economy to create jobs, support those in need, and invest in infrastructure and new industries. The state of Colorado expects to receive more than $5.48 billion in the next three years from ARRA. The funds include tax relief for working families and a variety of grants that are coming to the state.

ARRA funds are coming to Colorado through more than 140 different programs. In addition to those described above, Colorado will compete for a wide range of competitive grants available through the recovery act, mainly in education, broadband infrastructure, health information technology, and renewable energy.

ARRA is designed to energize the economy by creating jobs and investing in infrastructure projects and growth industries. At the same time, the act designates significant dollars to support services for schools, health care, job training and unemployment benefits, and housing. The goal is to support the vulnerable and to stabilize communities while pushing the economy forward. The funds are divided into many different categories, including direct allocations to local agencies and states and competitive grants and loans.

The Governor has created an oversight panel called the Colorado Economic Recovery and Accountability Board that is charged with ensuring that recovery act dollars are spent wisely and with full transparency. Gov. Ritter has directed his staff and state agencies to work diligently to maximize the impact of the funds to create jobs, improve infrastructure, support families in need, and boost the New Energy Economy.

Current information about the use and distribution of ARRA funding in Colorado can be found at www.colorado.gov/recovery.

State Taxpayer Accountability Report (STAR)

Fiscal Year 2007–08

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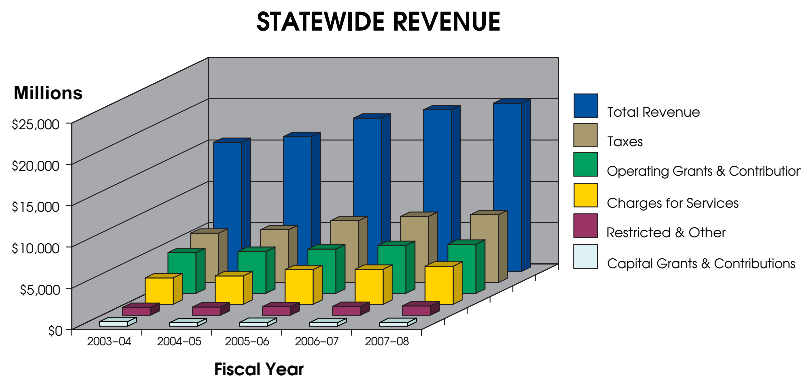
WELCOME TO
COLORFUL
COLORADO

Field of Spring Wildflowers in the mountains of Colorado

WHERE THE MONEY COMES FROM (REVENUE)



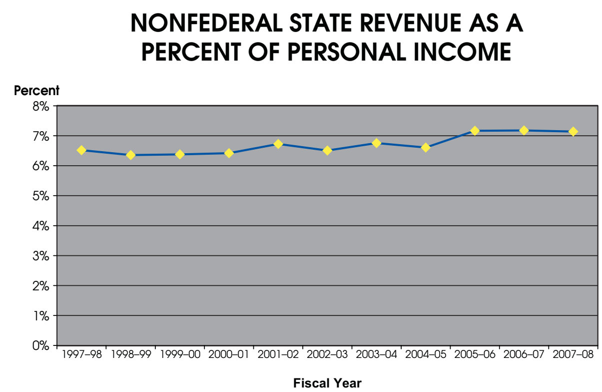
The state's major sources of revenue are Taxes, Operating Grants and Contributions, and Charges for Services. All three sources have increased steadily over five years. As a result, the state's total revenue has increased from $15.6 billion to $20.4 billion (30.3 percent). The amounts shown as Taxes generally are collected without any requirements as to how they will be spent. They are the primary source of money for the Legislature and Governor when they decide where state money will be spent. Operating Grants and Contributions are monies that usually must be spent on the purpose for which the money was received. Most of this money comes from the federal government. Restricted revenues include certain taxes dedicated to education and highways. Capital Grants and Contributions include money that is required to be spent on capital assets such as buildings or equipment. Most of this money comes from the federal government. The graph above shows total statewide revenue including certain internal transactions in actual dollars without adjustment for inflation.

The state's revenue generally follows the growth in income of the state's citizens, including wages, business income, and investment income. Personal income in the state is estimated to have increased by 26.7 percent from 2004 to 2008. Economic growth increases jobs, wages, and in most instances, the stock market. This results in increases in state revenue from taxes on wages and investments.

The graph above shows the general upward trend in state revenue. However, growth in state government should also be viewed in relation to its impact on taxpayers' personal incomes. The graph below shows that total budgeted nonfederal revenue as a percent of personal income remained relatively constant through Fiscal Year 2004–05.

In Fiscal Year 2005–06, retained state revenue relative to personal income increased by about 8.5 percent (See the TABOR and Referendum C sections starting on page 6). From Fiscal Year 2005–06 to Fiscal Year 2007–08, revenue as a percent of personal income remained virtually unchanged, while slightly declining between Fiscal Years 2006–07 and 2007–08.

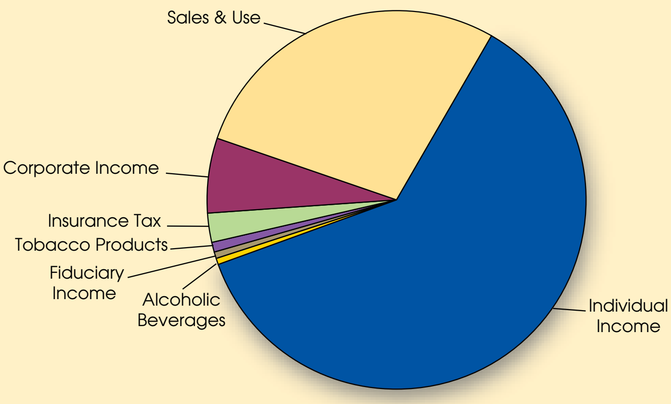
The following pie charts show the relative size of the sources of general-purpose taxes, dedicated taxes, and all other revenues of the state. Sales within the government, transfers, and grants moving within the state, as well as additions to trust funds, have been excluded.



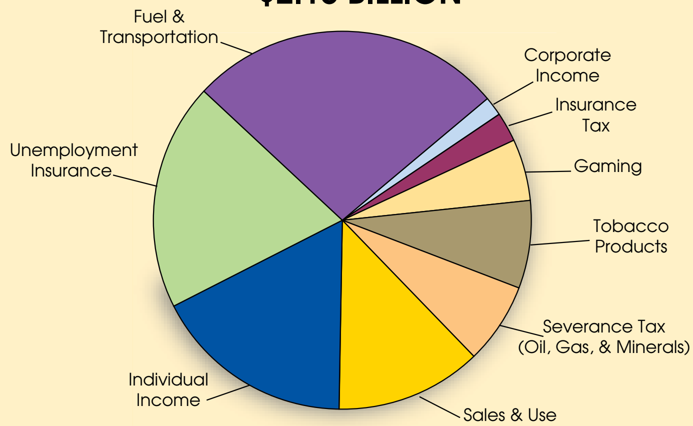
Fiscal Years 2005–06, 2006–07, and 2007–08 have been adjusted to remove Higher Education revenues that were excluded from prior years.

FISCAL YEAR 2007–08

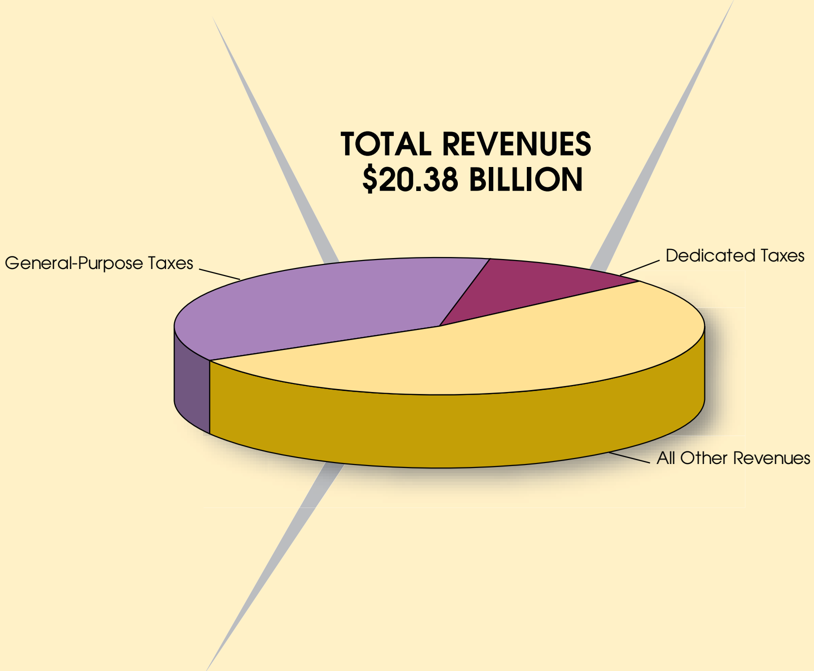
GENERAL–PURPOSE TAXES
$7.42 BILLION



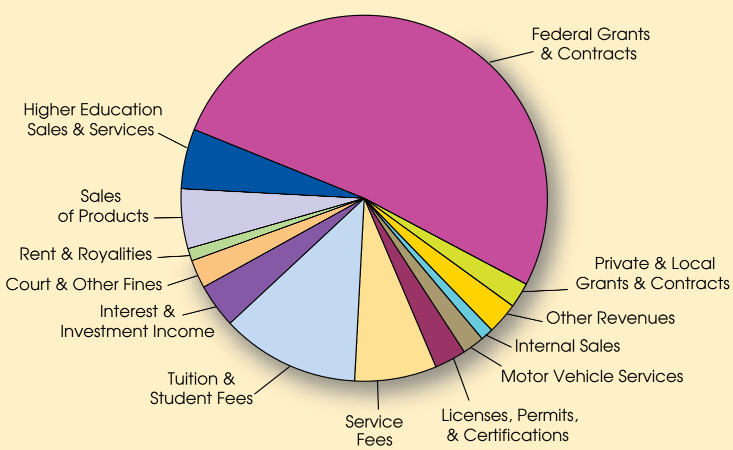
DEDICATED TAXES
$2.16 BILLION

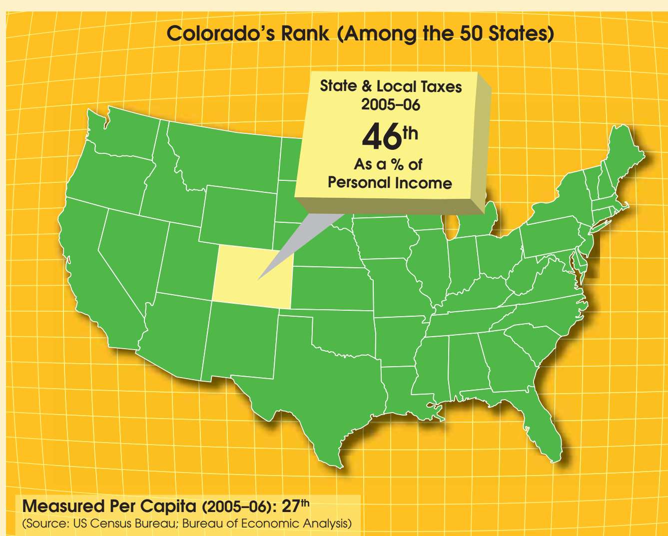


TOTAL REVENUES
$20.38 BILLION



ALL OTHER REVENUES
$ 10.80 BILLION





COLORADO'S ENERGY REVENUES

Like other states in the West, Colorado began seeing significant revenues from the production of oil and gas at the beginning of the decade. However, the inherent volatility of the revenue has been highlighted by the steep decline in the price of oil and natural gas in the fall of 2008.

Colorado ranks fifth in the nation for proven, natural gas reserves and 12th in proven oil reserves. For the 2007 calendar year, the Colorado Geological Survey estimated the total value of oil and gas production at $7.72, down 12 percent from the previous year.

Colorado receives revenue at the state level from the production of oil and gas from two main sources—the state's severance tax and revenue received from the federal government from oil and gas production on federal lands within the state.

In 1977, the Colorado state legislature created a state severance tax on oil and gas, coal, metallic minerals, molybdenum ore, and oil shale. By statute, Colorado's severance tax is intended to recapture a portion of the wealth irretrievably lost when these nonrenewable natural resources are removed from the earth.

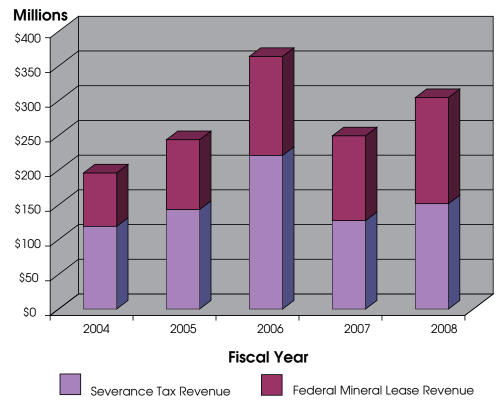
Although the volume of oil and gas produced in the state has increased each year during the five-year period, revenues received have been more volatile due in part to fluctuating commodity prices. In addition, with respect to state severance tax collections, a unique combination of credits and exemptions amplifies the inherent price volatility resulting in wide fluctuations, including a year-to-year decline in severance tax collections in four of the past ten years.

Severance tax collections in Fiscal Year 2007–08 were $151.7 million (about 92 percent of which came from oil and gas production in the state), approximately 27 percent more than the collections in Fiscal Year 2003–04.

Federal Mineral Lease revenues come from the leases of federal lands within the state for mineral production. Roughly 50 percent of the revenues collected on federal leases in Colorado are transferred by the U.S. Government to the Colorado State Treasurer. Federal Mineral Lease Revenues for Fiscal Year 2007–08 were $152.8, approximately twice the receipts in Fiscal Year 2003–04.

The legislature's legislative council staff compared the total tax burden on oil and gas production in Colorado in Fiscal Year 2004–05 to that in four other states (total taxes include local property tax, severance tax, corporate income tax and sales tax). The chart to the right summarizes their findings.

STATE MINERAL REVENUE



TOTAL TAX BURDEN ON OIL & GAS PRODUCTION

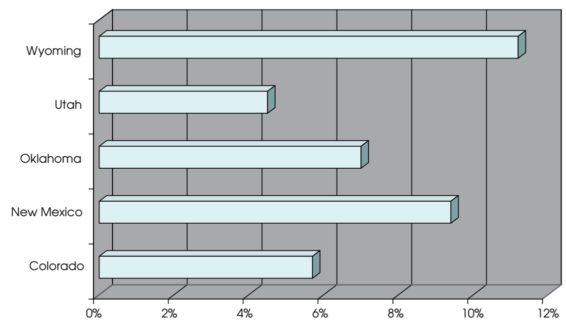


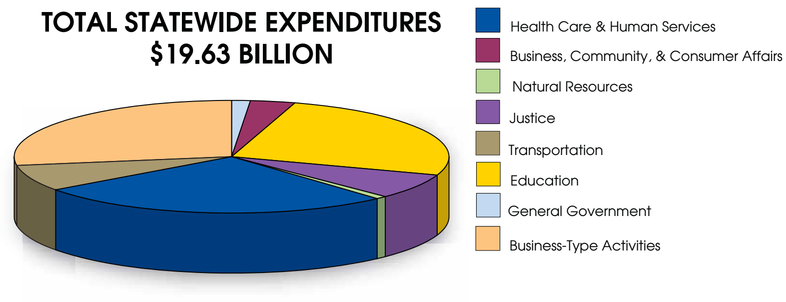
Photo courtesy: Shuttertock, Darin Echelberger

Arkansas River near Pueblo, Colorado

WHAT COLORADO CITIZENS BUY (EXPENDITURES[1])

The state uses the revenue it collects to provide various services to the state's citizens. Buying those services through vendors, paying state employees, or transferring money to local governments and schools results in expenditures. The state tracks these expenditures in the broad categories shown in the pie chart.[2] Additional information on these categories is presented later in this report.

The table below shows expenditures by department in the budget format with a column removing transfers. Some items (such as, depreciation and certain higher education activities) are not budgeted, and therefore, total expenditures shown in the pie chart are greater than the amount shown in the table.



EXPENDITURES BY DEPARTMENT ON THE BUDGETARY BASIS FOR THE YEAR ENDED JUNE 30, 2008 (DOLLARS IN THOUSANDS)

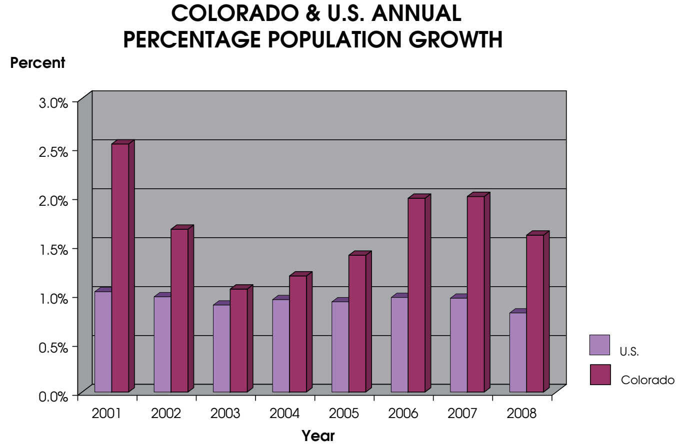
	GENERAL	CASH	FEDERAL	TRANSFERS	TOTAL
Budgeted Expenditures & Transfers					
Departmental					
Agriculture	$ 7,090	$ 24,089	$ 7,261	$ (942)	$ 37,498
Corrections	641,944	105,683	4,900	(9,351)	743,176
Education	3,024,134	3,298,408	519,106	(2,888,947)	3,952,701
Governor	17,879	45,596	30,636	(13,396)	80,715
Health Care Policy & Financing	1,468,569	436,635	1,720,625	(134,301)	3,491,528
Higher Education	846,485	2,523,412	346,725	(161,937)	3,554,685
Human Services	695,566	287,281	970,559	(21,699)	1,931,707
Judicial Branch	298,473	112,719	3,633	(37,663)	377,162
Labor & Employment	—	505,686	118,126	(87,600)	536,212
Law	8,524	33,337	982	(3,751)	39,092
Legislative Branch	31,218	2,641	—	(1,751)	32,108
Local Affairs	10,895	210,933	90,073	(10,560)	301,341
Military & Veterans Affairs	6,280	3,412	12,826	(878)	21,640
Natural Resources	30,069	339,461	34,036	(115,053)	288,513
Personnel & Administration	14,671	448,550	895	(7,849)	456,267
Public Health & Environment	25,435	145,808	228,388	(22,879)	376,752
Public Safety	74,050	120,592	28,060	(9,198)	213,504
Regulatory Agencies	1,402	69,454	1,655	(11,789)	60,722
Revenue	198,419	688,249	2,039	(258,937)	629,770
State	—	23,756	167	(564)	23,359
Transportation	25,050	1,172,196	458,794	(225,522)	1,430,518
Treasury	128,849	1,871,948	159,261	(1,662,628)	497,430
Transfers Not Appropriated by Department	352,626	11,786	—	(364,413)	—
TOTAL	**$ 7,907,628**	**$ 12,481,632**	**$ 4,738,747**	**$ (6,051,609)**	**$ 19,076,398**

[1] The term expenditures is used throughout this document to avoid confusion. Outflows of business-type activities (Enterprise and Internal Service Funds) and trust funds are technically referred to as expenses.

[2] Transfers, which are payments that move within and between funds, and most purchases between state agencies have been excluded from the chart.

COLORADO DEMOGRAPHIC INFORMATION

The state's economic condition and outlook are greatly affected by the number of people living in or moving into the state. The graph to the right shows that even at the low point of the period covered by the graph (2003), Colorado's population had grown faster than the United States' population. During the economic downturn in 2002 and 2003, fewer people moved into the state because of the lack of job opportunities



Even though population growth slowed in 2002 and 2003, the following table shows that the state's population has steadily increased over the last ten years. The table also shows large increases in the average amount of personal income (per capita income), and the number of people employed. The average individual personal income of Colorado citizens has been above the national average throughout the past ten years.

COLORADO DEMOGRAPHIC DATA 1999 TO 2008

Year	Population (In Thousands)	Percentage Share of U.S. Population	Total Personal Income (Billions)	Per Capita Personal Income (Dollars)	% of U.S. Per Capita Income	Employment (In Thousands)	Unemployment %
2008 est	4,935	1.62%	$209.0	$44,033	110.1%	2,633	4.2%
2007	4,843	1.61%	199.4	41,019	106.4%	2,589	3.7
2006	4,751	1.59%	188.2	39,489	107.5%	2,537	4.3
2005	4,663	1.58%	175.4	37,522	108.3%	2,437	5.1
2004	4,660	1.59%	163.7	35,523	107.2%	2,385	5.6
2003	4,548	1.57%	154.8	33,989	107.9%	2,324	6.1
2002	4,503	1.57%	153.1	33,956	110.2%	2,304	5.7
2001	4,432	1.55%	152.7	34,438	112.6%	2,304	3.8
2000	4,328	1.53%	144.4	33,361	111.8%	2,300	2.7
1999	4,216	1.51%	128.9	30,492	109.1%	2,198	2.9

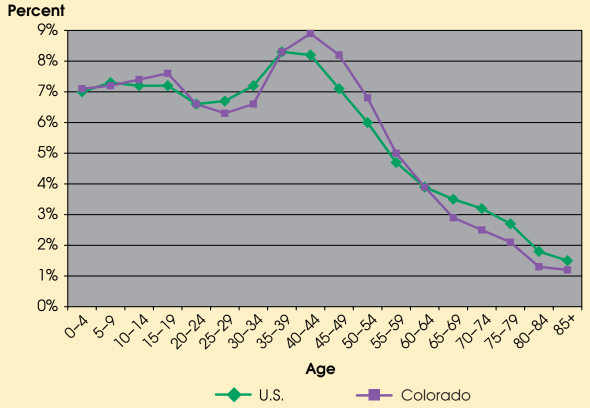
Source: U.S. Department of Commerce, Bureau of Economic Analysis, U.S. Census Bureau, & Colorado Dept. of Labor & Employment

Other demographic factors also affect economic performance. For example, younger persons are normally not employed or are employed in jobs paying lower wages. Older citizens are likely to be retired and therefore, generate less economic activity. The two graphs on the following page show the percentage of the total population that each age group represented in 1999 and 2007 for the state and the nation as a whole. The graphs show that the stage of life of the state's citizens has changed significantly over the seven years between the graphs.

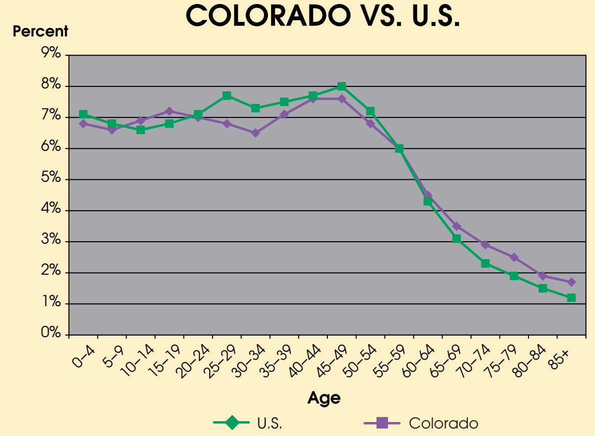
Sunflower Field at Sunset on the Eastern Plains of Colorado

In 1999, as compared to the nation as a whole, the state enjoyed a larger proportion of persons in their prime earning and spending years (37–57) than was the case in 2007 (the most recent data available). Today, Colorado has lost the advantage of the 37–57 age group and instead has a comparatively high percentage of 12–22 year olds and 62–85 year olds. These individuals are likely in school, their early career years, or retired; as a result, they are likely to require more government services and produce less economic activity than the group they replaced.

PERCENT OF 1999 POPULATION BY AGE COLORADO VS. U.S.



PERCENT OF 2007 POPULATION BY AGE COLORADO VS. U.S.

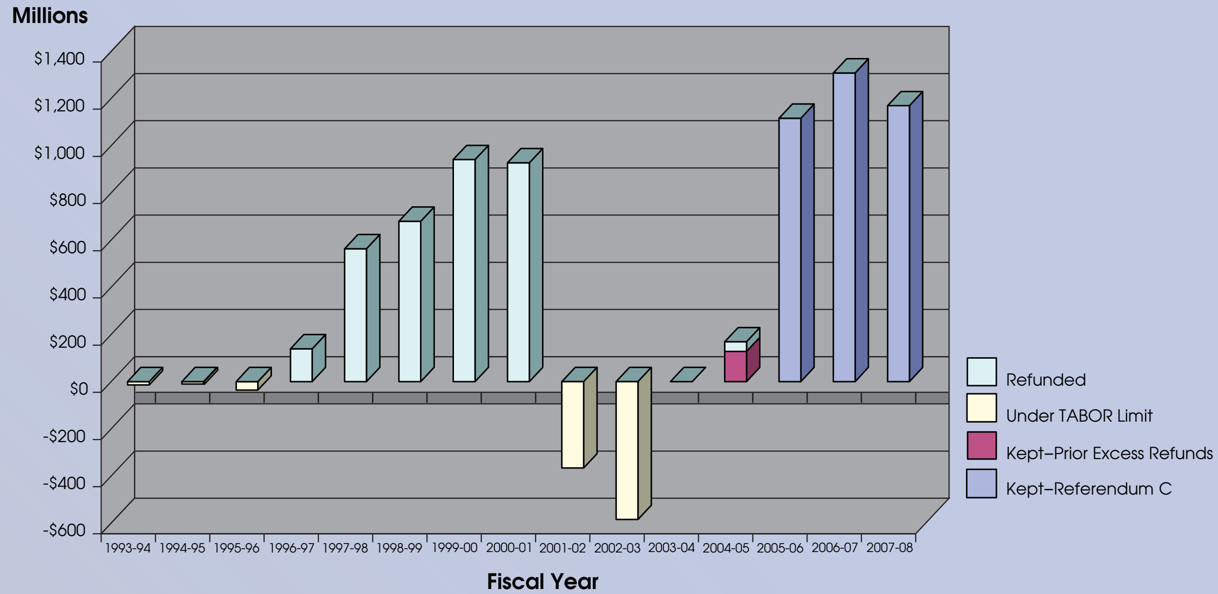


TABOR (TAXPAYERS' BILL OF RIGHTS)

Next to the relative strength of the economy, TABOR is probably the most important factor affecting the state's finances and the government's ability to provide services to the citizens. TABOR was added to the State Constitution by the voters in 1992 and became effective in Fiscal Year 1993–94. It limits the rate of spending increases and requires the state to pay back to the taxpayers any revenue that the state collects over a limit. The limit is reset each year to reflect increases in population and inflation. TABOR requires a vote of the people to allow the state to keep and use money it collects that is over the limit. In November 2005, the voters passed Referendum C, which allowed the state to retain and use revenues in excess of the TABOR limit from July 1, 2005, until June 30, 2010.

In Fiscal Year 2007–08, revenues were $1,169.4 million over the TABOR limit. The following graph shows revenues that exceeded the TABOR limit from Fiscal Year 1993–94 through 2007–08 and whether the revenue over the limit was required to be refunded. Fiscal Year 1996–97 was the first year that the state collected revenues greater than the TABOR limit. The state's revenues were under the TABOR limit in 2001–02 and 2002–03, which permanently reduced the base upon which future limits would be set. In 2004–05, the state retained about $127.8 million that would otherwise have been refunded because the state had refunded more than was required in the late 1990s.

OVER/UNDER TABOR LIMIT



The following tables show the TABOR revenue base, the TABOR limit, and amounts refunded or retained and used by the state since the first year that TABOR was in effect.

TABOR LIMIT CALCULATION
(DOLLARS IN THOUSANDS)

	2007–08	2006–07	2005–06	2004–05	2003–04	2002–03	2001–02
TABOR Revenue Base	$8,333,827	$8,045,257	$8,314,374	$8,331,991	$7,712,512	$7,752,211	$7,948,550
Inflation	3.6%	2.1%	0.1%	1.1%	1.9%	4.7%	4.0%
Population Change	2.0%	1.4%	1.2%	1.1%	1.7%	2.2%	0.0%
Percentage Allowable Growth	5.5%	3.5%	1.3%	2.2%	3.6%	6.9%	4.0%
TABOR Adjusted Revenue Limit	$8,829,131	$8,333,827	$8,045,257	$8,314,374	$8,331,991	$8,296,787	$8,126,189
TABOR Non-Exempt Revenues	$9,998,559	$9,641,867	$9,161,391	$8,482,963	$8,331,991	$7,712,512	$7,752,211
Correction of Prior Years' Refunds				$284			$8,284
(Over) Under TABOR Limitation	($1,169,428)	($1,308,040)	($1,116,134)	($168,873)		$584,275	$365,694
Kept	$1,169,428	$1,308,040	$1,116,134	$127,810	$0		
Refunded	$0	$0	$0	($41,063)	$0	$0	$0

TABOR LIMIT CALCULATION
(DOLLARS IN THOUSANDS)

	2000–01	1999–00	1998–99	1997–98	1996–97	1995–96	1994–95	1993–94
TABOR Revenue Base	$7,563,710	$7,243,385	$6,872,039	$6,508,592	$6,124,314	$5,757,317	$5,385,087	$5,067,752
Inflation	2.9%	2.4%	3.3%	3.5%	4.3%	4.4%	4.2%	3.7%
Population Change	2.2%	2.0%	2.0%	2.0%	2.3%	2.6%	2.9%	2.8%
Percentage Allowable Growth	5.1%	4.4%	5.3%	5.5%	6.6%	7.0%	7.1%	6.5%
TABOR Adjusted Revenue Limit	$7,948,550	$7,563,710	$7,243,385	$6,872,039	$6,508,592	$6,160,329	$5,767,428	$5,399,258
TABOR Non-Exempt Revenues	$8,877,105	$8,502,952	$7,923,019	$7,435,202	$6,647,618	$6,124,314	$5,757,317	$5,385,087
Correction of Prior Years' Refunds	($1,354)	$1,887						
(Over) Under TABOR Limitation	($927,201)	($941,129)	($679,634)	($563,163)	($139,026)	$36,015	$10,111	$14,171
Kept								
Refunded	($927,201)	($941,129)	($679,634)	($563,163)	($139,026)	$0	$0	$0

Rafting on the Arkansas River through the Royal Gorge in Cañon City, Colorado

Referendum C Spending

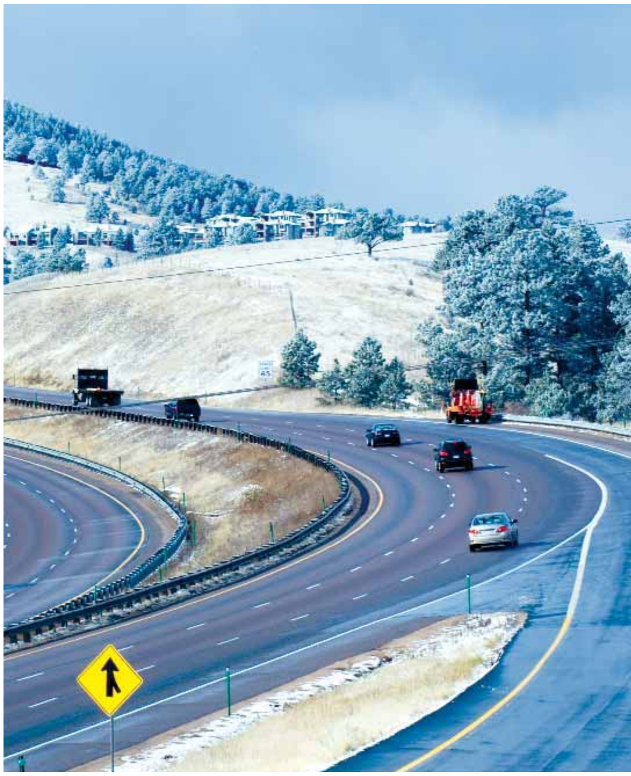


Photo courtesy: Shutterstock, Natalia Bratslavsky. Interstate I-70 near Denver, Colorado

The passage of Referendum C allowed the state to keep and spend revenues in excess of the TABOR limit beginning in Fiscal Year 2005–06.

During the preparation of the budget, legislative economists estimated that $1,008.0 million would be available as a result of Referendum C in Fiscal Year 2007–08. The Legislature authorized spending that amount as follows: preschool through 12th grade education ($327.5 million), health care ($327.6 million), higher education ($294.3 million), fire and police pensions ($38.6 million), and transportation projects ($20.0 million). Actual revenues retained exceeded the estimate by $161.4 million to total $1,169.4 million. It is expected that in the 2009 legislative session the Legislature will enact an adjustment to the Fiscal Year 2007–08 budget to appropriate the $161.4 million for purposes similar to those listed above.

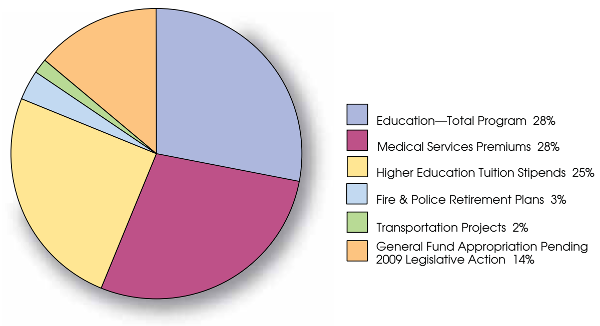
The use of Referendum C money had been restricted by the limit on allowable growth in General Fund appropriations, which is 6 percent annually in most years. The cap limits the total amount of General Fund dollars that can be spent including those spent for preschool through 12th grade education, health care, and higher education. Therefore, general funded appropriations were reduced to offset the increase in Referendum C appropriations; the 2009 session retroactive appropriation of the $161.4 is expected to be treated in the same manner.

Retaining the $1,169.4 million of TABOR revenue allowed the state to avoid cutting General Fund spending, depleting reserves, or taking other actions such as the sale of state assets. In addition, retaining the excess TABOR revenue provided adequate resources to trigger the following statutory requirements:

- Transfer the General Fund Surplus (the amount above the required four percent reserve) to:
  - The Highway Fund (two-thirds = $29.0 million),
  - The Capital Construction Fund (one-third = $14.5 million), and
- Divert slightly over ten percent of sales tax revenue to the Highway Fund ($238.1 million).

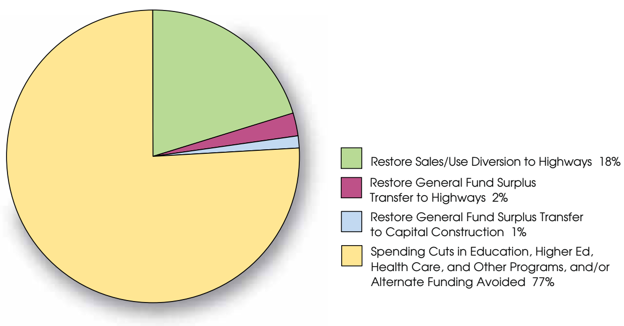
REFERENDUM C APPROPRIATIONS

$1,169.4 Million



BENEFITS OF REFERENDUM C

$1,169.4 Million



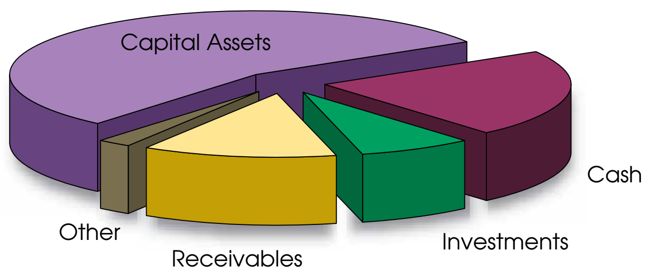
Spending Cuts or Alternate Funding Sources percentage assumes current spending levels, which likely would not have occurred without Referendum C.

WHAT COLORADO CITIZENS OWN (ASSETS)

The state has five major types of assets:

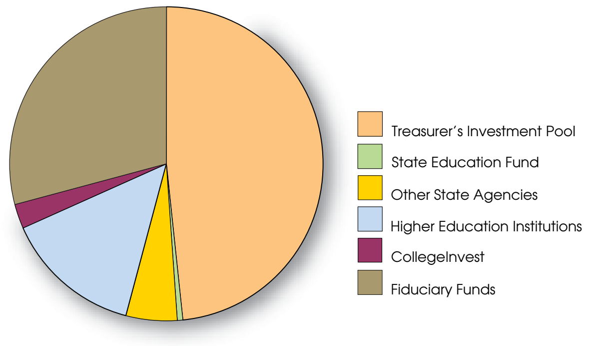
- Cash,
- Receivables (cash that the state is owed but has not yet collected);
- Investments, which mostly consists of cash lent to the federal government (U.S. Treasury notes and bonds), to corporations (bonds and commercial paper), and to individuals through mutual funds for mortgages;
- Capital Assets, which includes land, buildings, equipment, and infrastructure (roads, bridges, dams, etc.); and
- Other Assets, which includes loans to students and local governments, taxes that will not be collected for at least one year, amounts paid for goods or services not yet received, and various supplies (inventory).

FISCAL YEAR 2007–08 TOTAL ASSETS

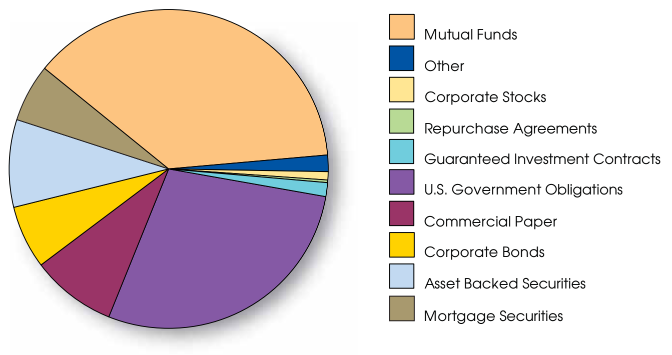


The state had $7.43 billion of cash at June 30, 2008, all but $1.23 billion of which was invested by the State Treasurer. The state also had $5.91 billion of other investments based on market value at June 30, 2008, including those held for others in Fiduciary Funds. The following charts show where the state's investments are held and the types of securities that have been purchased.

WHERE THE INVESTMENTS ARE HELD $9.76 BILLION



INVESTMENT TYPES $12.11 BILLION

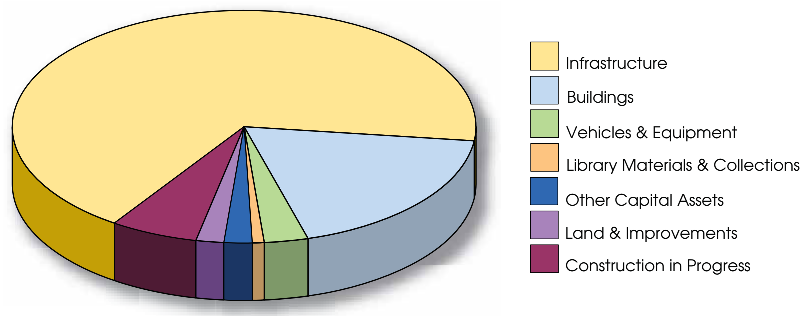


Hot Air Balloons Launching Over a Lake in Colorado Springs, Colorado

The State Treasurer is responsible for investing most of the state's cash and managing the related investments. For efficiency, and in order to increase investment yields, monies from the General Fund, state agencies, and political subdivisions of the state on deposit with the Treasury are pooled for investment purposes. The Treasury Department invests the monies in accordance with statutorily prescribed objectives and standards. The Treasurer's Investment Pool totaled $6.2 billion at the end of Fiscal Year 2007–08. The average yield on the Pool's investments was 4.3 percent and the total interest income for the fiscal year was $249.9 million. A complete listing of the State Treasurer's investment holdings along with quarterly performance results is available on the Treasurer's website at http://www.colorado.gov/treasury/ (under Divisions & Programs, Investments Division, State's Portfolio).

The citizens own $16.6 billion of capital assets of various types as shown in the chart to the right. The amounts shown for these assets are based on the amount that the state originally paid for the asset less any depreciation that has been recorded. Capital assets usually increase from year to year; however, they declined about $160 million in the current year mostly because of a $703.8 million reduction related to the state's inability to maintain its highway bridges.

CAPITAL ASSETS



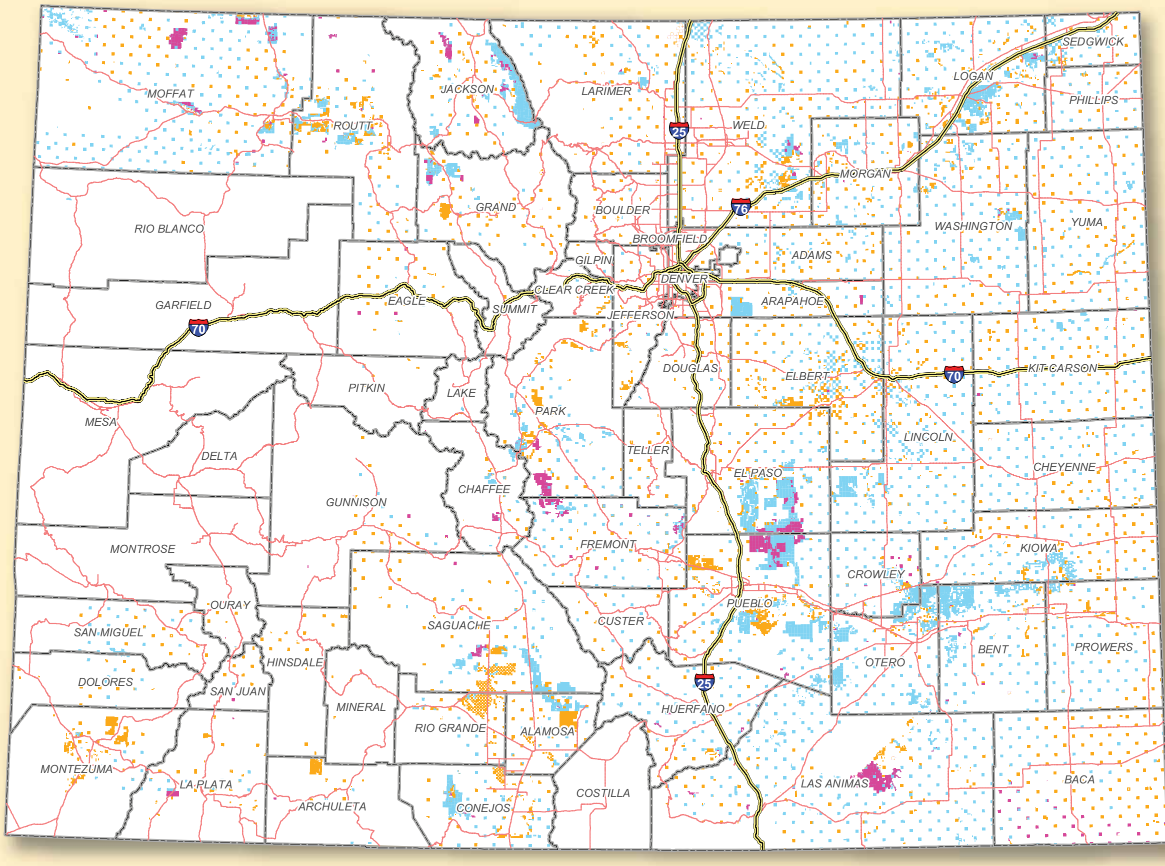
The following table shows the amounts the state reported for working capital and net assets over the last five years. The table also shows that the state has a strong current ratio, which is current assets divided by current liabilities. The table is in actual dollars and has not been adjusted for inflation.

GOVERNMENT-WIDE WORKING CAPITAL & NET ASSETS AT JUNE 30
LAST FIVE FISCAL YEARS (DOLLARS IN THOUSANDS – PERCAPITA AMOUNTS RESTATED)

	2007–08	2006–07	2005–06	2004–05	2003–04
Current Assets	$ 6,516,040	$ 6,142,704	$ 5,647,092	$ 5,190,016	$ $3,885,959
Less Current Liabilities	(3,315,995)	(2,799,495)	(2,791,901)	(2,923,815)	(2,555,692)
Working Capital	$ 3,200,045	$ 3,343,209	$ 2,855,191	$ 2,266,201	$ 1,330,267
Working Capital Per Capita	$ 674	$ 688	$ 599	$ 485	$ 289
Current Ratio	1.97	2.19	2.02	1.78	1.52
Working Capital	$ 3,200,045	$ 3,343,209	$ 2,855,191	$ 2,266,201	$ 1,330,267
Investments	1,105,125	1,053,617	935,475	249,491	581,674
Capital Assets	16,615,629	16,775,157	16,252,397	16,084,881	15,786,758
Other Long-Term Assets	5,853,965	5,173,342	4,466,989	4,081,516	3,795,114
Less Long-Term Liabilities	(5,817,484)	(5,437,517)	(4,969,387)	(4,578,623)	(4,069,907)
Net Assets	$ 20,957,280	$ 20,907,808	$ 19,540,665	$ 18,103,466	$ 17,423,906
Net Assets Per Capita	$ 4,415	$ 4,300	$ 4,100	$ 3,873	$ 3,780

Photo courtesy:Shutterstock, Steve Krull. Denver skyline from the southern bluffs.

Colorado State Land Board Surface Ownership & Mineral Estate



The state owns about three million acres of state trust lands, which were given to Colorado by the federal government in 1876 for specific purposes, such as the support of "common schools." Some of the lands are leased for ranching, farming, mineral and oil and gas production, and other uses. Proceeds are used to support eight trusts, the largest of which benefits preschool through12th grade education in the state.

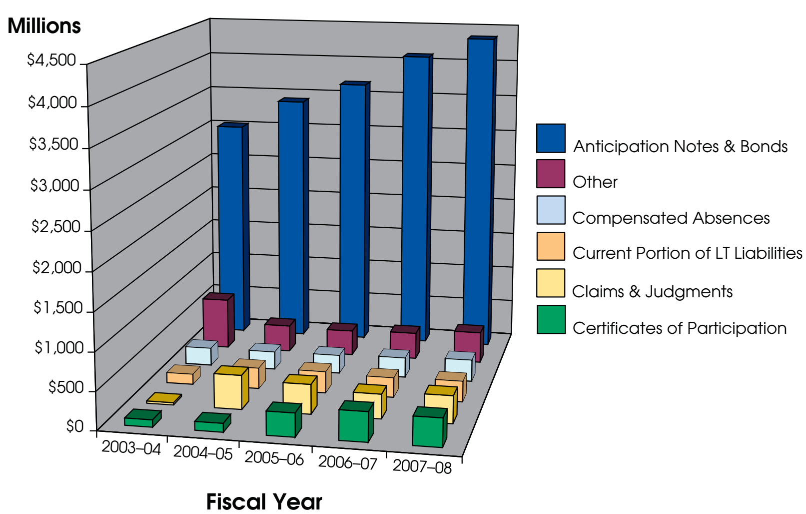
Surface & Sub-Surface Ownership | Surface Ownership Only | Sub-Surface Ownership Only

(Source: Colorado State Land Board)

WHAT COLORADO CITIZENS OWE (LIABILITIES)

The state is prohibited by its Constitution from borrowing money based on its ability to collect taxes (except in extremely limited circumstances); such borrowing is commonly referred to as general obligation debt. Although the state is normally prohibited from issuing general obligation debt, it borrows money under several other financing mechanisms, such as, revenue bonds, anticipation notes, and certificates of participation. These borrowings are recorded as long-term liabilities along with other types of state obligations. Long-term liabilities totaled $6.1 billion at the end of Fiscal Year 2007–08.

COMPONENTS OF TOTAL LONG-TERM LIABILITIES



The state reports several categories of long-term liabilities, the largest of which is anticipation notes and revenue bonds. Anticipation notes and revenue bonds are most often sold to investors to provide the state with cash to buy or build capital assets or make loans to students. The state is required to pay the borrowed money back to the investors and pay them interest on the use of the money. The state is required to dedicate a source of revenue to make these payments because of the prohibition against general obligation debt. Some of the revenue bonds shown were issued after a vote of the citizens approved borrowing to improve the state's highways. The total amount of outstanding borrowing and the percentage increase is shown in the following table.

OUTSTANDING BORROWING FOR REVENUE BONDS, COPS, CAPITAL LEASES, NOTES, & MORTGAGES AT JUNE 30, 2008 (DOLLARS IN THOUSANDS)

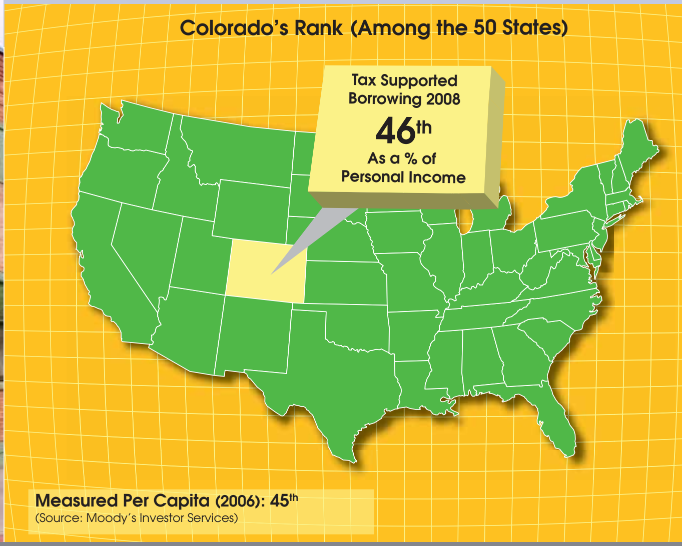
	2007–08	2006–07	2005–06	2004–05	2003–04
Outstanding Borrowing	$ 5,544,326	$ 5,110,760	$ 4,680,136	$ 4,357,276	$ 3,721,291
Percent Change Over Previous Year	8.5%	9.2%	7.4%	17.1%	22.7%

At June 30, 2008, the following amounts in the form of anticipation notes, revenue bonds, and certificates of participation were outstanding.

NOTES, BONDS, & CERTIFICATES OF PARTICIPATION AT JUNE 30, 2008 (DOLLARS IN THOUSANDS)

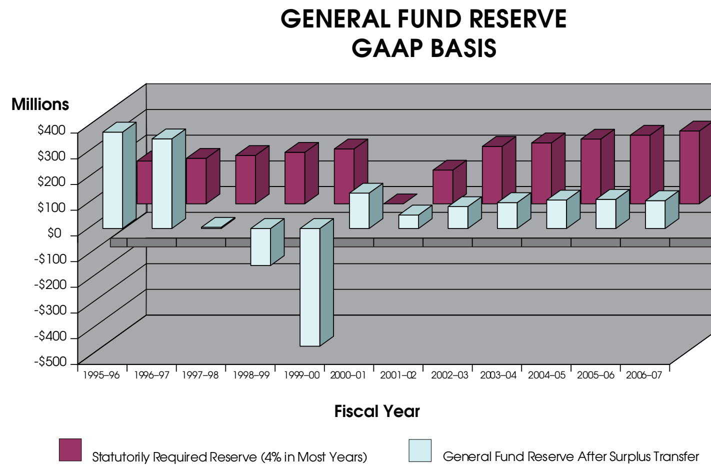
Borrowed Cash Used for	Anticipation Notes & Revenue Bonds	Certificates of Participation
Fleet Vehicles		$ 23,449
Capitol Parking Structure		7,796
State Fair Buildings & Facilities	$ 971	
Prisons		129,558
Fitzsimons Medical Buildings		187,025
Higher Education Auxiliary Facilities	1,599,389	15,330
Highway Projects (Anticipation Notes)	1,216,006	
Highway Department Buildings		19,858
Student Loans	1,725,330	
TOTAL	$ 4,541,696	$ 383,016

Photo courtesy: Shutterstock, Tim Pleasant. Old Colorado Highway Department Building in Buena Vista, Colorado



SAVING FOR A DOWNTURN

In most years, state law requires a four percent reserve in the General Fund. Beginning in Fiscal Year 2003–04, legislation required the state to transfer any surplus over the reserve in a two-thirds to one-third ratio to the Highway Users Tax Fund and the state Capital Construction Fund. On a budgetary basis, the state usually meets its General Fund four percent reserve requirement (exceptions are made during downturns). However, as shown in the graph, after recognizing all current liabilities of each fiscal year as required by generally accepted accounting principles and including the required surplus transfers, the state falls well below the statutory four percent reserve. This leaves the state vulnerable in an economic downturn as any significant drop in revenues will more likely require cuts in services.



PENSION FUNDING

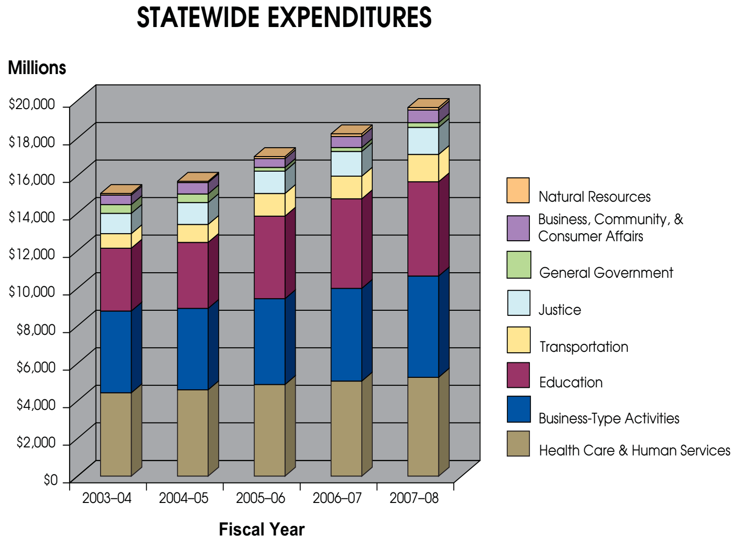
The Public Employee's Retirement Association (PERA) provides retirement and other benefits to the employees of more than 400 government agencies and public entities in the State of Colorado. PERA is a substitute for Social Security for most of these public employees. Benefits are prefunded, which means while a member is working, he or she is required to contribute a fixed percentage of their salary to the pension fund. The employer also contributes a percentage of pay to the pension fund. The fund is then invested by PERA under the direction of a board of trustees.

Because of retiree benefits increases and reduced contributions in the early 2000's and recent investment losses, the pension assets have become smaller in relation to the pension liabilities. At December 31, 2007, PERA reported the pension assets of the State Division were 73.3 percent of pension liabilities, and at the then current contribution rates, the pension assets would never be large enough to pay all of the benefits promised. To address this problem, in the 2006 session the Legislature increased the amount that the state pays into the pension fund—part of which will be taken from wage increases that employees would otherwise have received. The statute requires these payments to increase each year until 2013. A recent unaudited PERA publication reports a negative 24.8 percent return through the first eleven months of 2008. While this was less of a decline than the broader market, it represents a significant reduction in the funded status of the plan.

Rocky Mountain National Park Elk Herd, Estes Park, Colorado

MORE ABOUT WHAT COLORADO CITIZENS BUY

The graph shows the total statewide expenditures using inflation adjusted 2004 dollars broken out by major program. Total real dollar expenditures increased over the five-year period from $15.0 billion to $19.6 billion. The state's major expenditures occur in health care and human services, business-type activities, education, transportation, and justice. Business-type activities include Higher Education, Lottery, Unemployment Insurance, student lending, and several smaller programs. The largest increases occurred in business-type activities primarily due to increases in salary expense at Higher Education Institutions and greater operating costs at College Assist.



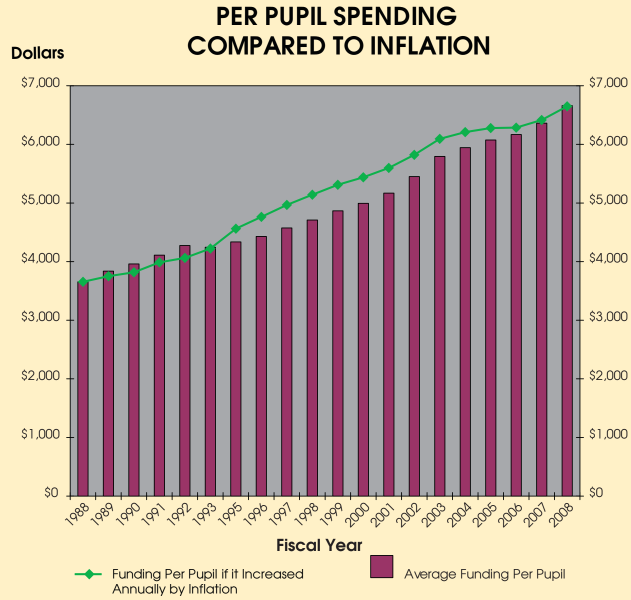
As shown above, most of the state's expenditures are on the functions that include education (preschool through 12th grade and higher education), health and medical care (primarily Medicaid), transportation, and justice (primarily prisons). Some of these expenditures are made up mainly of payments to vendors (Medicaid) or local governments (preschool through 12th grade education), and others are driven by the cost of employing state workers.

Photo courtesy: DOC—Denver Women's Correctional Facility

Education

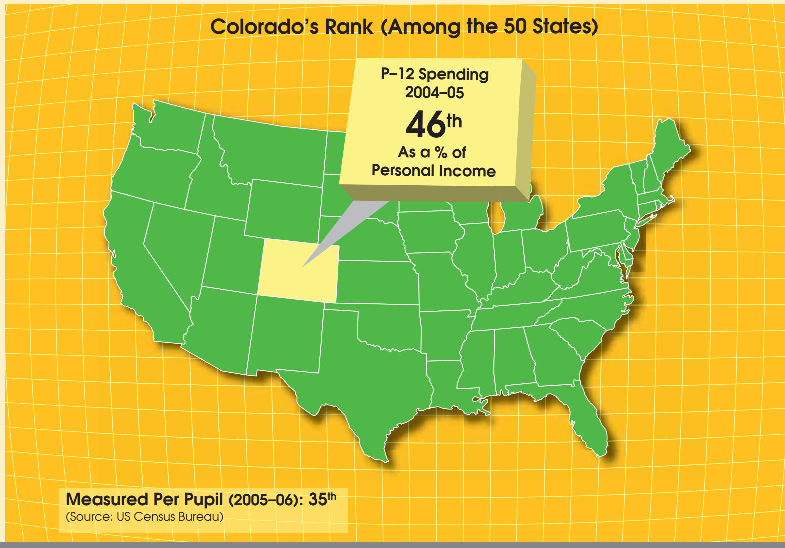
In the State of Colorado, primary and secondary education (preschool through 12th grade—P–12) is controlled mostly by local school districts. The Colorado Department of Education sets standards and monitors the quality of education provided by the local school districts. The money to support these schools comes from the local school district (mostly property taxes) and the state. Two constitutional amendments passed by the voters (Gallagher and TABOR) limit the amount of revenue that local governments can collect from property taxes. Furthermore, the 1994 School Finance Act had had the effect of creating deeper reductions in school district property taxes. As a result, local funding has declined as a percentage of the support for local schools. To address this problem, the state has had to make increasingly large payments to the local school districts. In 2007, the Legislature and the Governor enacted legislation to stabilize local funding for P–12 education.

Voters approved Amendment 23 in the 2000 general election. The amendment directed a portion of the state income tax into a new State Education Fund, and required the state to increase the amount spent on each pupil by at least the rate of inflation plus one percent through 2011. It also excluded this stream of money from the requirements of TABOR. The intent of the amendment was to restore P–12 spending to inflation adjusted levels and to make sure that spending could be maintained using the money and related investment earnings in the State Education Fund.



However, shortly after the passage of Amendment 23, the state economy suffered a recession, and some of the principal of the State Education Fund was used to meet the required increase in school payments.

In October 2008, the student enrollment count was 818,443, and in Fiscal Year 2007–08 the state distributed $3.82 billion to local school districts. The enrollment amount represents a 6.8 percent increase in students attending local primary and secondary schools over five years. During about the same period, state payments to local school districts increased by 21.9 percent. The increase in state payments was partially due to the Amendment 23 requirement to make up for previous shortfalls in P–12 funding. However, it also included increases in state funding required because the local districts were unable to maintain their support for the school districts through property taxes. In 2008 the Colorado legislature enacted and the state Supreme Court upheld legislation to stabilize property tax rates for school districts where local voters had authorized it.



Denver and Rio Grande Western Railroad (Narrow Gauge), Durango and Silverton Colorado

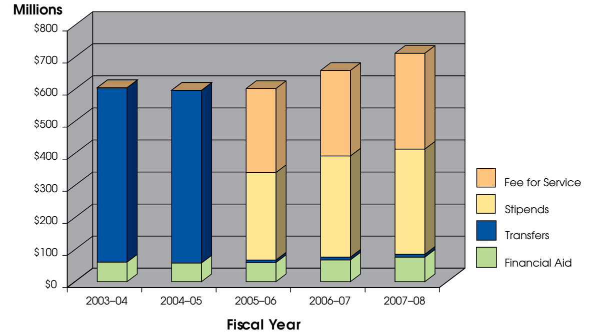
Higher Education

In actual dollars, general fund spending on Higher Education increased by 17.8 percent from Fiscal Year 2003–04 to 2007–08, but it did not reach the dollar amount expended in Fiscal year 2001–02. In Fiscal Year 2003–04, the state spent 10.5 percent of its total general-funded expenditures on Higher Education. By Fiscal Year 2007–08 that percentage had fallen to 9.7 percent—a decline of 12.9 percent. During this period, in-state enrollment decreased .9 percent from 141,945 to 140,644. The percentage of total state spending represented by spending on Higher Education dropped for several reasons including TABOR refund paid from the General Fund and unavoidable growth in other areas of the General Fund budget, which is limited to six percent growth.

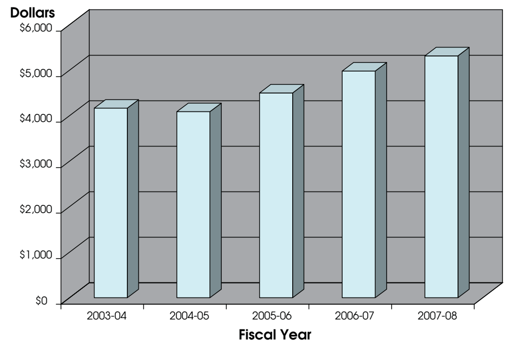
Higher Education has other sources of revenue beside appropriations from the state. It receives revenue from federal grants, tuition, and fees, among other sources. The federal grants are mostly related to research programs at the four major universities, and therefore, grants are not as important a source of revenue for the state's colleges or community college system. As a result, much of the burden of covering increasing costs of higher education fell on increasing tuition and fees.

In Fiscal Year 2005–06, the state began making stipend payments to Higher Education students through the College Opportunity Fund, and entering contracts to purchase higher education services from the higher education institutions instead of providing direct General Fund support. In the graph on the top right, the Fiscal Year 2005–06 through 2007–08 columns show this change from General Fund transfers paid directly to the institutions to revenues that the institutions must earn by providing education services to students (stipends) or the state (fee-for-service contracts).

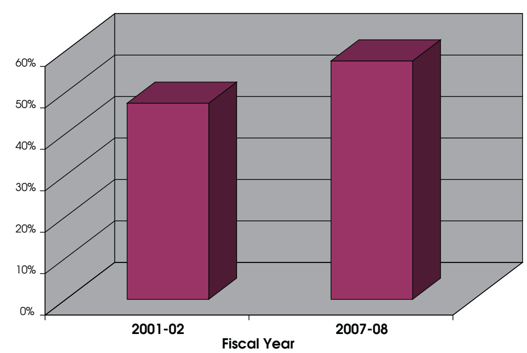
GENERAL FUND SPENDING FOR HIGHER EDUCATION

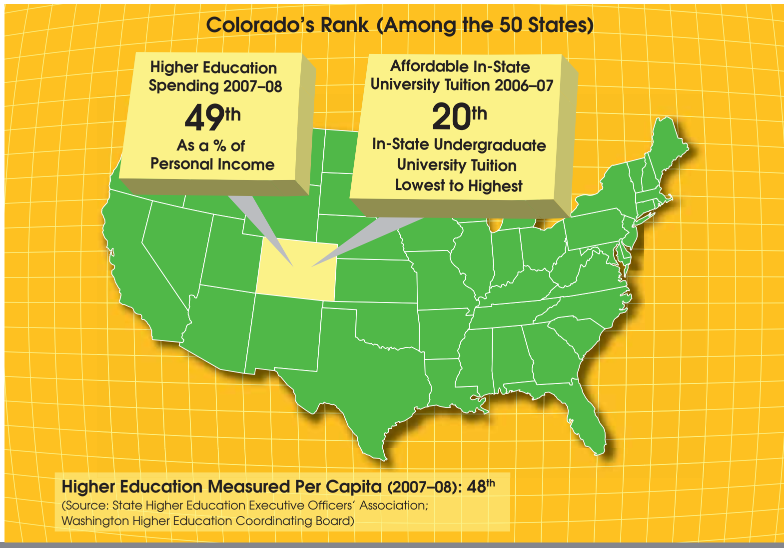


STATE SPENDING PER IN-STATE STUDENT



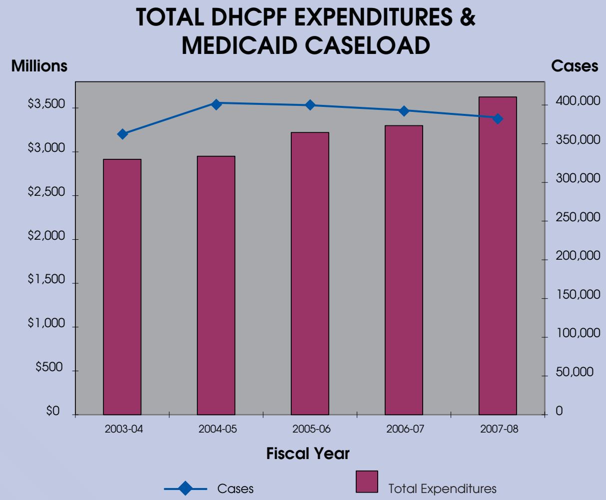
STUDENT SHARE OF TOTAL HIGHER EDUCATION COSTS

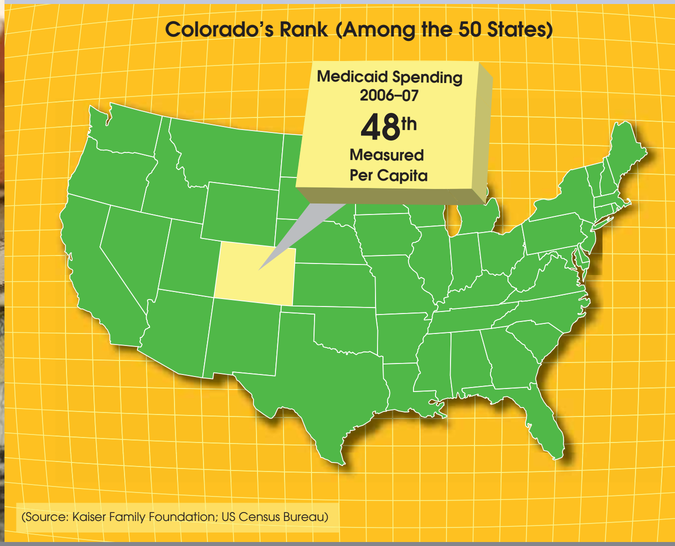




Health Care

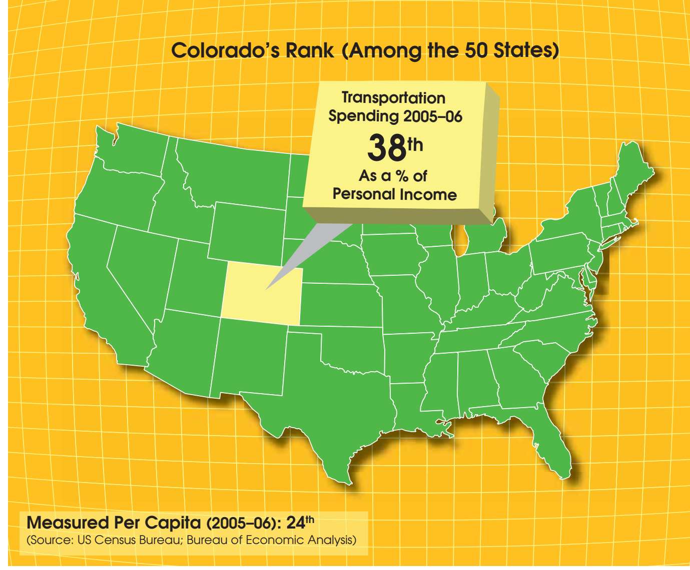
Colorado's largest government supported health care program is the federal Medicaid program. Medicaid pays health care and long-term care costs for those who qualify under the Medicaid eligibility rules; eligibility is mostly based on an individual's level of income. About one-half of all Medicaid expenditures are paid using federal dollars. The state also provides health care access to low-income children through the Child Health Plan Plus (CHP+). CHP+ was created as a federal and state partnership to increase the number of children with access to health care. In fiscal year 2007–08 CHP+ provided low cost health insurance to 57,795 children in Colorado who otherwise would have been uninsured. The state receives a two-dollar federal match for every dollar of state funds spent on the program. In Fiscal Year 2007–08, Colorado, through the Department of Health Care Policy and Financing (DHCPF), spent $3.63 billion from all sources (general, cash, and federal revenues) on its health care mission, which was a 24.4 percent increase since Fiscal Year 2003–04. During the same five years the Department's share of the General Fund budget decreased from 20.3 percent to 19.2 percent. The declining caseload as compared to increasing expenditures is a result of medical care inflation. Caseloads have been restated from the prior year.



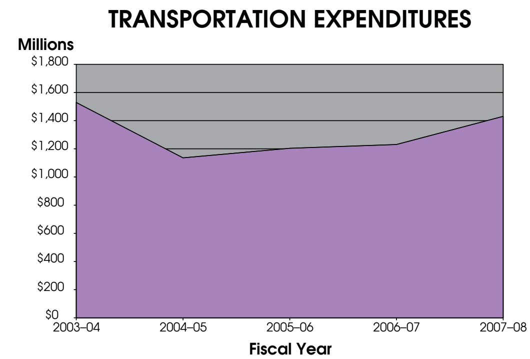


Transportation

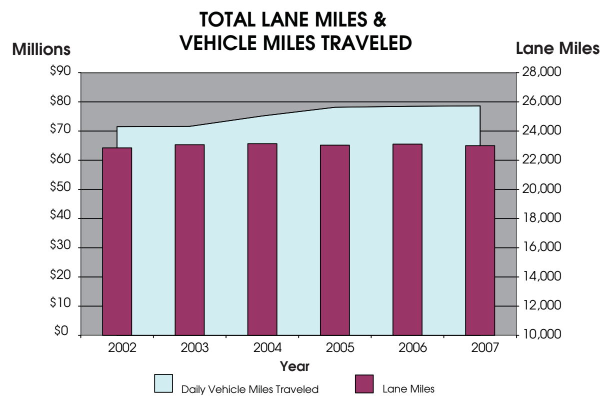
Transportation expenditures by the state are a combination of spending on new or replacement construction, maintenance of existing roadways, and debt service. As shown by the graph just below the map, the state spent $1.46 billion on transportation in Fiscal Year 2007–08, which was down from the peak-spending amount of $1.66 billion in Fiscal Year 2002–03. The spending decline was mostly due to unusually high new construction spending in Fiscal Years 2000–01 through 2003–04. The new construction spending in that period was made possible by Transportation Revenue Anticipation Notes (TRANs) issued by the state after voters approved Referendum A in the 1999 general election.



Colorado pays for transportation costs from cash and federal revenues. The use of federal revenue is limited by Federal Highway Administration requirements and generally excludes maintenance activities. The cash sources include highway users taxes (such as, fuel tax and vehicle registrations), transfers from the General Fund, and sales and use taxes diverted from the General Fund.



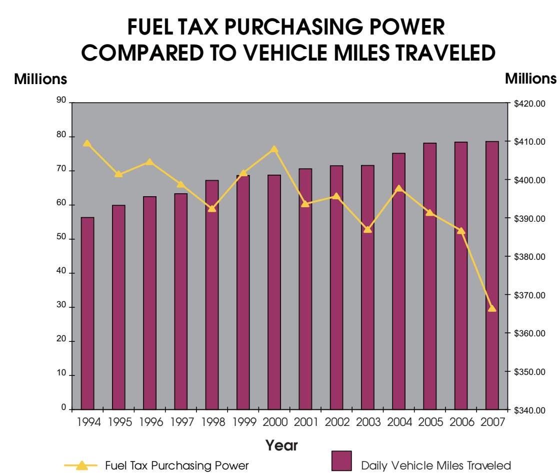
The Department of Transportation reports that much of the need for highway construction maintenance is not being met. The graph to the right compares the existing highways (measured in lane miles) to the demand for highways (measured in daily vehicle miles traveled). In high-density metropolitan areas, the increase in miles traveled without similar increases in lane miles or alternative transportation capacity results in increasing congestion.



In addition, state fuel tax revenues have been losing value over time. Since 1991, the last time the Colorado legislature adjusted the state fuel tax, fuel tax revenues have lost 40 percent of their purchasing power adjusted for the Denver-Boulder consumer price index (real dollars) and have lost 60 percent of their purchasing power relative to the construction cost index. This, coupled with a rise in vehicle miles traveled, has caused a multi-billion gap in transportation funding.

The following table shows the percentage of roadways rated good and fair as compared to those rated poor.

	2007	2006	2005	2004	2003
Percent Rated Good	59	63	65	61	58
Percent Rated Poor	41	37	35	39	42



The following table shows the percentage of state bridge deck area that is assessed as being in poor condition as defined by the Department of Transportation. The Department of Transportation closes all bridges that are considered a threat to public safety. In Fiscal Year 2007–08 the Department was forced by lack of adequate funding to beginning reporting depreciation on its bridges because they could no longer be maintained at target levels.

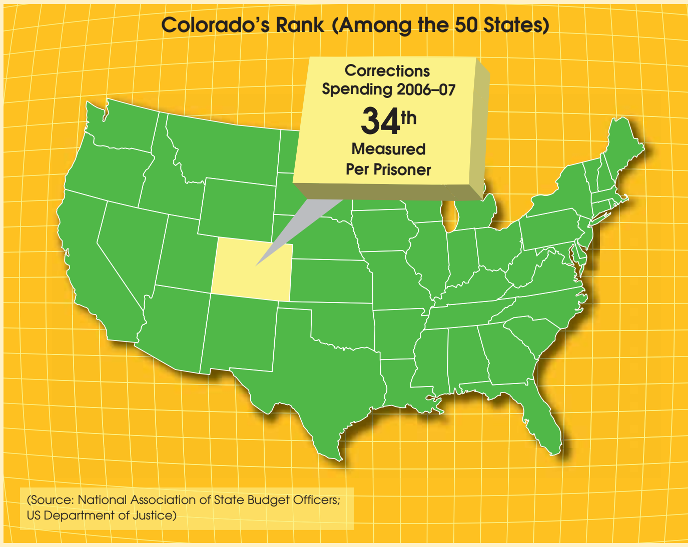
	2008	2007	2006	2005	2004
Percent Rated Poor	5.71	5.25	5.19	3.20	3.25

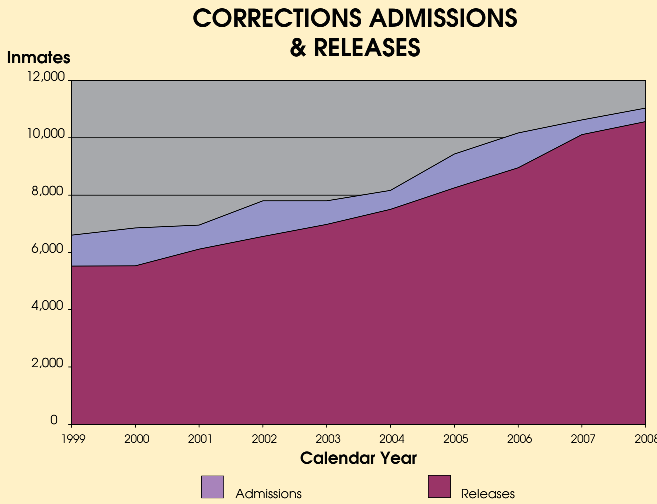
Justice

The justice function includes the Judicial Branch of government, and the Departments of Law, Public Safety, and Corrections. The Department of Corrections' expenditures increased from $467.2 million in Fiscal Year 2003–04 to $626.2 million in Fiscal Year 2007–08—a 34.0 percent increase. This represents a decrease from 8.3 percent of the General Fund budget to 8.1 percent.

The general-funded expenditure amounts stated above do not include payments made to construct and repair the department's correctional facilities. In Fiscal Year 2005-06, the department issued $130.6 million of Certificates of Participation (COPs) to pay for construction of a new correctional facility. In addition to paying for a new state prison, the state is increasingly contracting with private prisons to meet the growing capacity needs.

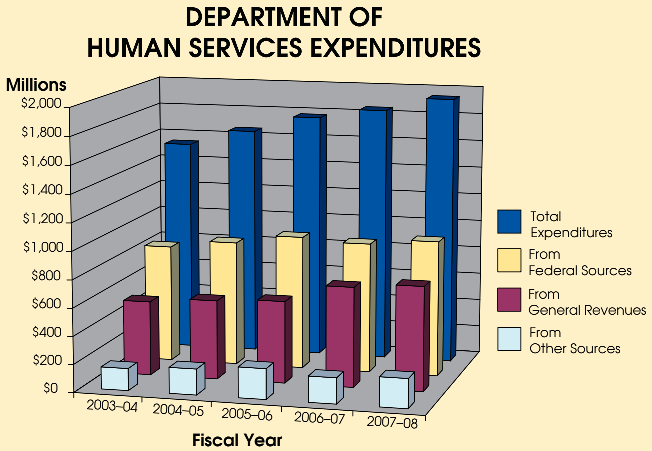
The Department of Corrections measures the demand for prison space and related general-funded operating costs based on the number of persons admitted to and released from the correctional facilities. The graph to the right shows that admissions have consistently exceeded releases by a significant amount over the past ten years. Although the gap between admissions and releases narrowed during Fiscal Year 2007–08, there was a net increase in inmate admissions and this trend will continue to put pressure on the state General Fund budget.





Social Assistance (Department of Human Services)

The Department of Human Services operates a wide variety of programs to assist the state's citizens including mental health institutes, residential mental health services, veterans' nursing homes, youth corrections, child and elderly services, and federal poverty programs. The chart shows that historically the federal government has provided most of the increase in social assistance expenditures. In Fiscal Year 2006–07 the increase was primarily from the General Fund; however, federal assistance once again provided the greater amount of the increase for Fiscal Year 2007–08. The demand for social services is affected by general increases in state population and increases in the portion of the population that is considered needy under program rules.

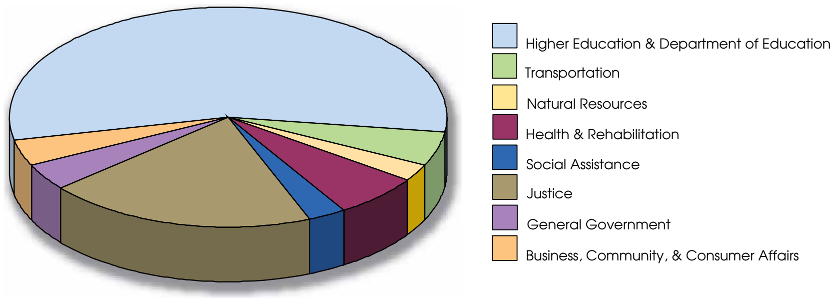


Great Sand Dunes National Park, Alamosa, Colorado

State Employee Workforce

In Fiscal Year 2007–08, the State of Colorado employed 61,915 full-time- equivalent employees (FTE[3]); and total personal service expenditures (wages, salaries, and benefits) were $4.59 billion. Personal service expenditures have increased by 14.5 percent over the past five years with the effects of inflation removed (26.6 percent in real dollars). Over the same five-year period, the number of state FTE has grown 7.4 percent while the state's population grew 7.2 percent.

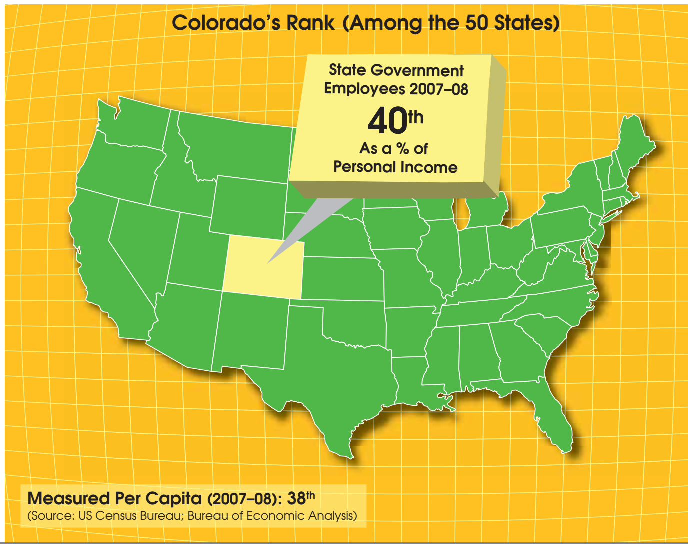
NUMBER OF FULL-TIME EMPLOYEES BY FUNCTION



The chart shows the function where state workers are employed. The largest employer is the education function, up 5.8 percent (primarily Higher Education because P–12 workers are employed by local school districts), followed by justice, up 15.8 percent (primarily prison guards), health and rehabilitation workers, up 4.0 percent, and transportation workers, down .06 percent.

NUMBER OF FULL-TIME-EQUIVALENT STATE EMPLOYEES BY FUNCTION
LAST FIVE FISCAL YEARS

FUNCTION	2007–08	2006–07	2005–06	2004–05	2003–04
General Government	2,392	2,322	2,255	2,219	2,180
Business, Community, & Consumer Affairs	2,372	2,335	2,342	2,367	2,343
Higher Education & Department of Education	34,469	33,464	32,680	32,664	32,595
Health & Rehabilitation	3,865	3,774	3,729	3,681	3,717
Justice	12,467	11,791	11,372	11,083	10,767
Natural Resources	1,583	1,522	1,485	1,472	1,446
Social Assistance	1,656	1,593	1,520	1,462	1,482
Transportation	3,111	3,072	3,085	3,098	3,113
TOTAL FTE	61,915	59,873	58,468	58,046	57,643

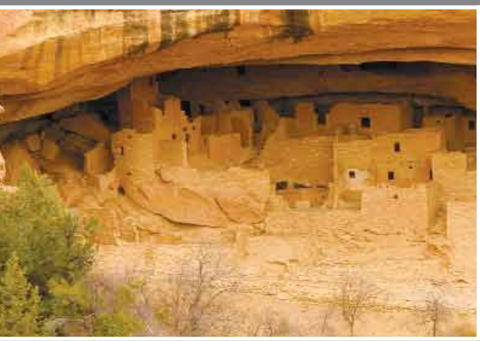


[3] The term full-time-equivalent in this instance is used to estimate the number of full-time employees that would be needed to provide the same services that are currently provided by a mix of full-time employees and in some instances a large number of part-time or seasonal employees. The estimate is based on each agency's average salaries of full-time employees divided into the total part-time payroll.

Colorado State Facts

Some Important Dates:

A.D. 1–1299	Anasazi culture flourishes in the area of Mesa Verde in southwestern Colorado.
c. 1500	Ute Indians inhabit mountain areas of southern Rocky Mountains, making these Native Americans the oldest continuous residents of Colorado.
1541	Coronado leads an expedition north from Mexico in search of the Seven Cities of Cibola. It is likely Coronado and his party passed through the present-day area of southeastern Colorado.
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.
1851	The founding of the town of San Luis, in the San Luis Valley, the first permanent European settlement in the state.
1858	Gold is discovered along Cherry Creek near the 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, creates 17 counties, and selects Colorado City as the territorial capital.
1867	Denver established as 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.
1910	Colorado voters adopt a constitutional amendment allowing citizen initiatives.
1973	The Eisenhower Tunnel is built beneath the Continental Divide, sixty miles west of Denver.



Geography:

Area: 104,247 square miles.
Highest Elevation: Mt Elbert—14,431 feet above sea level.
Lowest Elevation: Along the Arkansas River in Prowers County, 3,350 feet above sea level.
Colorado has the highest average elevation of all fifty states at 6,800 feet above sea level.

State Facts and Symbols:

State Animal—Rocky Mountain Bighorn Sheep
State Bird—Lark Bunting
State Fish—Greenback Cutthroat Trout
State Flower—White and Lavender Columbine
State Folk Dance—Square Dance
State Fossil—Stegosaurus
State Gemstone—Aquamarine
State Grass—Blue Grama
State Insect—Hairstreak Butterfly
State Mineral—Rhodochrosite
State Motto—Nil Sine Numine—Nothing Without Providence (or Deity)
State Nickname—Centennial State
State Reptile—Western Painted Turtle
State Rock—Yule Marble
State Songs—Where the Columbines Grow and Rocky Mountain High
State Tree—Colorado Blue Spruce
State Winter Recreational Sports—Skiing and Snowboarding

Photo courtesy: Various photos from Shutterstock, CDOW, and other image sources www.colorado.gov