COLORADO RECEIVES ‘D’ GRADE FOR ITS FISCAL HEALTH

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THE FINANCIAL STATE OF COLORADO

A new analysis of the latest available audited financial reports found Colorado has a Taxpayer Burden™ of $7,200, earning it a “D” grade from Truth in Accounting. Colorado’s overall financial condition improved by 25 percent from the previous fiscal year.

Colorado’s elected officials have made repeated financial decisions that have left the state with a debt burden of $14.5 billion. That burden equates to $7,200 for every state taxpayer. Colorado’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the $35.7 billion in retirement benefits promised, the state has not funded $19.4 billion in pension and $1.3 billion in retiree health care benefits.

Colorado and other states have become more transparent over the last few years, thanks to the Generally Accepted Accounting Principles (GAAP) set by the Governmental Accounting Standards Board (GASB), which now require governments to disclose pension (GASB 68) and other post-employment (GASB 75) benefits on their balance sheets.

THE TRUTH:

- Rank: 27
- Taxpayer Burden: -$14.5 billion
- Financial grade: D

THE STATE’S BILLS EXCEED ITS ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>$44,556,258,000</td>
</tr>
<tr>
<td>Minus: Capital assets</td>
<td>-$22,263,744,000</td>
</tr>
<tr>
<td>Minus: Restricted assets</td>
<td>-$8,718,890,000</td>
</tr>
<tr>
<td>Assets available to pay bills</td>
<td>$13,573,624,000</td>
</tr>
<tr>
<td>Minus: Total bills</td>
<td>-$28,060,790,000</td>
</tr>
<tr>
<td>Money available (needed) to pay future bills</td>
<td>-$14,487,166,000</td>
</tr>
<tr>
<td>Each taxpayer’s share of this debt</td>
<td>-$7,200</td>
</tr>
</tbody>
</table>

BILLS THE STATE HAS ACCUMULATED

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>$5,143,924,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>$8,357,897,000</td>
</tr>
<tr>
<td>Minus: Debt related to capital assets</td>
<td>-$6,082,650,000</td>
</tr>
<tr>
<td>Unfunded pension benefits</td>
<td>$19,390,504,000</td>
</tr>
<tr>
<td>Unfunded retiree health care benefits</td>
<td>$1,251,115,000</td>
</tr>
<tr>
<td>Total bills</td>
<td>$28,060,790,000</td>
</tr>
</tbody>
</table>

GRADE: D

Bottom line: Colorado would need $7,200 from each of its taxpayers to pay all of its bills, so it has received a “D” for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between $5,000 and $20,000 receives a “D.”