Statewide Bridge and Tunnel Enterprise

Financial Statements and Independent Auditor's Reports
Financial Audit
Years Ended June 30, 2024 and 2023
Compliance Audit
Year Ended June 30, 2024

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REPORT NUMBER 2433F

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Members of the Legislative Audit Committee
Colorado Department of Transportation
Statewide Bridge and Tunnel Enterprise

We have completed the financial statement and compliance audits of the Statewide Bridge and Tunnel Enterprise (the Enterprise, BTE) as of and for the year ended June 30, 2024. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We were engaged to conduct our audit pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct or cause to be conducted audits of all departments, institutions and agencies of State government. The reports which we have issued as a result of this engagement are set forth in the table of contents which follows.

CliftonLarsonAllen LLP

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Denver, Colorado
December 2, 2024

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Statewide Bridge and Tunnel Enterprise

June 30, 2024 and 2023

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Statewide Bridge and Tunnel Enterprise
Report Summary
Year Ended June 30, 2024

Purposes and Scope of Audit

The Office of the State Auditor engaged CliftonLarsonAllen, LLP (CLA) to conduct a financial and compliance audit of the Statewide Bridge and Tunnel Enterprise (the Enterprise or BTE) for the fiscal year ended June 30, 2024. CLA performed the audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The audit of the Bridge and Tunnel Enterprise (the Enterprise) was performed under authority of Section 2-3-103, C.R.S.

The purposes and scope of this audit were to:

- Express an opinion on the financial statements of the Enterprise as of and for the years ended June 30, 2024 and 2023, including consideration of internal control over financial reporting as required by auditing standards generally accepted in the United States of America and *Government Auditing Standards* for the year ended June 30, 2024.
- Review the Enterprise's compliance with rules and regulations governing the expenditure of State funds for the year ended June 30, 2024.
- Issue a report on the Enterprise's internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters based on our audit of the financial statements performed in accordance with *Government Auditing Standards* for the year ended June 30, 2024.

Audit Opinions and Reports

The independent auditor's reports included herein expressed an unmodified opinion on the Enterprise's financial statements as of and for the years ended June 30, 2024 and 2023.

No material weakness in internal control over financial reporting were identified.

No instances of noncompliance considered material to the financial statements were disclosed by the audit.

Significant Audit Adjustments

There were no audit adjustments for the year ended June 30, 2024.

Summary of Audit Findings

There were no findings for the years ended June 30, 2024 and June 30, 2023.

Statewide Bridge and Tunnel Enterprise
Report Summary
Year Ended June 30, 2024

Auditor's Communication to Legislative Audit Committee

The auditor's communication to the Legislative Audit Committee describes the auditor's responsibility under auditing standards generally accepted in the United States of America and significant management judgments and estimates. This communication is located on page 83.

Statewide Bridge and Tunnel Enterprise
Background
Year Ended June 30, 2024

The Statewide Bridge and Tunnel Enterprise (the BTE, Enterprise, or program) was created pursuant to Funding Advancements for Surface Transportation and Economic Recovery (FASTER) (Senate Bill (SB)09-108), as a government owned business within CDOT, with all the powers duties and privileges permitted by FASTER, and constituting an "enterprise" for purposes of Section 20 of Article X of the State Constitution , commonly referred to as the Tax Payor Bill of Rights (TABOR). Accordingly, BTE is not subject to the revenue and spending limitations of TABOR if it receives less than ten percent of its total revenues in grants from state and local governments. Enterprise status also grants BTE the authority to issue revenue bonds, payable from its revenues and other available monies of BTE.

The State of Colorado Transportation Commission, which under Colorado law is responsible for formulating general policy with respect to State public highways and other transportation systems, and which promulgates and adopts all CDOT budgets and all State transportation programs, serves as the Board of Directors of BTE (the board). The BTE Director is generally responsible for overseeing the discharge of all responsibilities of BTE. The BTE Board has authorized CDOT Executive Director, Shoshana Lew, to serve as the BTE Director.

Pursuant to FASTER, BTE's original purpose was to finance, repair, reconstruct, replace, or operate and maintain , or any combination thereof, certain "poor rated" bridges located in the State and the roadways, sidewalks, or other infrastructure connected or adjacent to such bridges. FASTER also authorized BTE to impose and collect the Bridge Safety Surcharge (FASTER fee or FASTER funds). In June 2021, the State legislature passed and the Governor of the State signed SB21-260, which among other things (i) changed BTE's name to the Colorado Statewide Bridge and Tunnel Enterprise, (ii) expanded BTE's powers to also include completing tunnel projects, and (iii) authorized BTE to impose and collect the Bridge and Tunnel Impact Fee and the Bridge and Tunnel Retail Delivery Fee, in addition to the Bridge Safety Surcharge. In May 2023, the State legislature passed and the Governor of the state signed House Bill (HB)23-1276, which among other things, expanded BTE's powers to also include (i) completing preventative maintenance bridge projects, and (ii) financing, repairing, reconstructing, replacing or operating and maintaining, or any combination thereof, certain "fair rated" bridges in the State.

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INDEPENDENT AUDITORS' REPORT

Members of the Legislative Audit Committee
Colorado Department of Transportation
Statewide Bridge and Tunnel Enterprise

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Statewide Bridge and Tunnel Enterprise (the Enterprise or BTE), an enterprise fund of the State of Colorado, Department of Transportation, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Enterprise's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Enterprise as of June 30, 2024 and 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Enterprise, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 – Nature of Operations and Summary of Significant Accounting Policies, the financial statements of the Enterprise are intended to present the net position and changes in financial position and, cash flows for only that portion of the financial reporting entity, State of Colorado, Department of Transportation, that is attributable to the transactions of the Enterprise. They do not purport to, and do not present fairly the financial position of the State of Colorado, Department of Transportation as of June 30, 2024 and 2023 and the change in its financial position, or cash flows, for the years then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements 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 that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Enterprise's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, 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.
- 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 Enterprise'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Enterprise'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.

Members
Colorado Department of Transportation
Statewide Bridge and Tunnel Enterprise

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. 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, who 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 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 the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual financial and compliance report. The other information comprises the background of the Statewide Bridge and Tunnel Enterprise but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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 have also issued our report dated December 2, 2024, on our consideration of the Enterprise'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 solely 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 Enterprise'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 Enterprise's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
December 2, 2024

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Statewide Bridge and Tunnel Enterprise
Management's Discussion and Analysis
(Unaudited)
June 30, 2024 and 2023

Management's Discussion and Analysis (MD&A) was prepared by the Statewide Bridge and Tunnel Enterprise (the Enterprise or BTE) and is designed to provide an analysis of the Enterprise's financial condition and operating results for the fiscal years ended June 30, 2024 and 2023. The MD&A also informs the reader of the financial issues and activities related to the Enterprise. It should be read in conjunction with the Enterprise's financial statements.

BTE Funding Eligibility for Bridges and Tunnels

Senate Bill (SB) 09-108 appointed the Colorado Transportation Commission (commission) to serve as the Enterprise Board of Directors (Enterprise Board) to provide program oversight. Per statute, the Board has the authority to designate the Bridge and Tunnel Enterprise director, and the Board appointed the Colorado Department of Transportation (department or CDOT) executive director as the Bridge and Tunnel Enterprise director.

The business purpose of the Enterprise is to finance, repair, reconstruct, and replace any designated bridge in the State, complete preventative maintenance bridge projects, complete tunnel projects, and as agreed upon by the enterprise and commission, or the department to the extent authorized by the commission, to maintain the bridges it finances, repairs, reconstructs, and replaces. A "designated bridge" is defined in statute as every bridge, including any roadways, sidewalks, or other infrastructure connected or adjacent to, or required for the optimal function of the bridge that:

- Is part of the state highway system
- Has been identified by CDOT as structurally deficient or functionally obsolete, and
- Has been rated as "poor" by the Department

In Fiscal Year 2010-11, the Enterprise Board initially identified 128 bridges across the State highway system that qualified as "designated bridges." Subsequently, an additional 317 bridges have qualified, bringing the total number of bridges eligible to receive BTE funding to 445 as of June 30, 2024.

The list of designated bridges is supplemented and amended over time as bridges are repaired, replaced or otherwise removed from the list. Additional bridges are added to the list as they qualify under the aforementioned criteria. The passage of House Bill (HB) 23-1276 increased the scope of the Enterprise to include preventative maintenance projects for good rated and fair rated bridges and financing, repairing, reconstructing, replacing, or operating and maintaining, or any combination thereof, of certain fair rated bridges in the State. Although the Enterprise does not have a mandate to address every structure that is eligible for funding, BTE strives to address as many structures as available resources permit.

A "tunnel" was not defined in SB21-260, however the Enterprise Board approved revisions to Policy Directive BE 16.0 (Oversight of Funding for State Bridge and Tunnels) to provide consistency and transparency in BTE's approach to funding tunnel projects. This policy directive defines a "tunnel" as "an enclosed roadway for motor vehicle traffic with vehicle access limited to portals, regardless of the type of structure or method of construction, that requires, based on the owner's determination, special design considerations that may include lighting, ventilation, fire protection systems, and emergency egress capacity" in alignments with the Federal Highway Administration's definition of a tunnel.

A tunnel project is defined by statute as a project to repair, maintain, or enhance the operation of any tunnel that is part of the State Highway system.

There are a total of 20 tunnels and two snowsheds that are located on the state highway system which are classified as tunnels based on the eligibility criteria established in the Policy Directive BE 16.0. The list of BTE eligible statewide tunnels is not expected to be supplemented or amended over time unless the Department constructs a new tunnel facility. Tunnels will not be removed from the BTE eligible list once projects are completed as the funding needs for the repair and maintenance of the tunnels will be ongoing. Additionally, Policy Directive BE 16.1 was added due to the passing of SB21-260. This policy directive is to set forth the processes to implement Policy Directive BE 16.0 so that BTE fundings are effectively leveraged to strategically and quickly complete program eligible bridge and tunnel projects, and to ensure that the State obtains the greatest benefit in increased bridge and tunnel safety from funds spent.

Bridge and Tunnel Completion Status

As of the end of June 2023, there were a total of 420 designated bridges considered eligible to receive BTE funding. Subsequently, 19 additional designated bridges have qualified during Fiscal Year 2023-24, bringing the total number of designated bridges to receive BTE funding to 445 as of June 30, 2024.

Below is the status of the 445 BTE eligible bridges within the program:

Project Phase	FY 2023-24	FY 2022-23
Future projects	177	158
In design phase	32	33
Design complete	0	0
In construction phase	35	38
Projects complete	201	191
Total	445	420

It should also be noted that BTE funded its first project to rehabilitate a fair rated bridge in Fiscal Year 2023-24 as part of the U.S.50 Blue Mesa Bridges Emergency Response Project and programming of preventative maintenance bridge projects is anticipated to begin in Fiscal Year 2024-25.

No tunnel projects were completed during the Fiscal Year 2023-2024. Since collections of the new bridge and tunnel fees began in Fiscal Year 2022-23, it took several months to build a cash balance that could support the forecast expenditures for upcoming tunnel construction projects. Once sufficient resources were available in December 2022, the Enterprise Board approved funding for the Eisenhower Johnson Memorial Tunnel Plenum Liner Consolidation Grouting Project, which is the first tunnel project to be delivered through the Enterprise. The project started construction in July 2023 and is anticipated to be completed in Fiscal Year 2024-25.

Colorado Senate Bill 21-260 (SB21-260) Progress Update

In June 2021, the State Legislature passed and the Governor of the State signed SB21-260, which among other things (i) changed BTE's name to the Colorado Statewide Bridge and Tunnel Enterprise, (ii) expanded BTE's powers to also include completing tunnel projects, and (iii) authorized BTE to impose and collect the Bridge and Tunnel Impact Fee and the Bridge and Tunnel Retail Delivery Fee.

In June 2022, the Enterprise Board approved a resolution to impose the newly created bridge and tunnel fees at the maximum rates authorized by the Colorado General Assembly. The new fees are estimated to provide a total of $519 million in new enterprise revenues from Fiscal Year 2022-23 to Fiscal Year 2031-32.

The bridge and tunnel impact fee is phased in gradually over this ten year period, reaches its maximum in Fiscal Year 2031-32, and is indexed to inflation starting Fiscal Year 2032-33 and each subsequent fiscal year. The bridge and tunnel retail delivery fee is a flat fee that is placed on all retail deliveries in Fiscal Year 2022-23, and is indexed to inflation for Fiscal Year 2023-24 and each subsequent fiscal year.

Projects identified in the CDOT Ten Year Vison Plan (Ten Year Plan) have been prioritized when determining the allocation of the new bridge and tunnel fees in accordance with SB21-260. To date, BTE has to fully utilize its budget authority for the newly created fees in Fiscal Year 2022-23 and Fiscal Year 2023-24 to advance the Eisenhower Johnson Memorial Tunnel Consolidation Grouting Project and Vail Pass Safety and Operations Improvement Project, both of which are identified in the Ten Year Plan. Additionally, the BTE Board approved a resolution in June 2022 to commit $100 million in SB21-260 bridge and tunnel fees to address the repair and maintenance backlog at the Eisenhower-Johnson Memorial Tunnel facility (EJMT). This funding is currently committed for future fiscal year projects, including the LED Lighting Upgrade, South Tunnel Fan Motor Upgrades and Electrical Distribution and Generator Replacement within the Eisenhower-Johnson Memorial tunnel facility.

HB23-1276 Progress Update

In May 2023, the State Legislature passed and the Governor of the State signed HB23-1276, which among other things, expanded BTE's powers to also include (i) completing preventative maintenance bridge projects and (ii) financing, repairing, reconstructing, replacing or operating and maintaining, or any combination there of, certain fair rated bridges in the State. During this fiscal year, staff worked with the Enterprise Board, BTE Director, the Attorney General's Office, financial and legal advisors, and program stakeholders to implement the new legislation. To date the Enterprise has established updating funding priorities, amended the Enterprise Board Bylaws and Articles of Organization, and revised several key policies, procedures, and processes related to the management of BTE funding to reflect the passage of the bill. With this work recently completed, programming of funds for preventative maintenance bridge projects is expected to begin in Fiscal Year 2024-25. This effort also positioned BTE to fund its first project to rehabilitate a fair rated bridge in Fiscal Year 2023-24 as part of the U.S. 50 Blue Mesa Bridges Emergency Response Project.

Bridge Maintenance Program

In accordance with existing agreements between BTE and CDOT and to comply with applicable state statutes, the Enterprise acquires ownership of bridges that are funded with BTE revenues. The ownership of the assets is accomplished by resolutions that are presented to the Enterprise Board for approval. Upon approval of the resolution, the Enterprise becomes responsible for the inspection, maintenance, and repair of these assets.

In November 2010, CDOT and the Enterprise entered into an agreement that authorizes CDOT to inspect and provide maintenance to bridges owned by the Enterprise. The Enterprise is invoiced by CDOT on a quarterly basis for expenses related to the maintenance and inspection of all bridges owned by the Enterprise. The agreement is currently being revised as part of the implementation effort for HB23-1276.

Bridge Project Financing

To effectively and timely meet the goals of the program, the Enterprise Board has leveraged several financing mechanisms since Enterprise inception, which are summarized below. For a comprehensive discussion of the debt issuances, please refer to the Notes to the Financial Statements.

Colorado Bridge Enterprise Revenue Bonds, Series 2010A

In December 2010, the Enterprise issued $300 million in Colorado Bridge Enterprise Revenue Bonds Series 2010A for the purpose of financing project costs. The Board resolved to use the revenue bond proceeds and any earned interest to provide at least partial funding for the design and or construction of 89 bridges. These 89 bridges are tracked separately from the total population of designated bridges. Projects partially funded with bond funds use other available sources revenue sources such as FASTER funds, Federal Highway Administration (FHWA) funding and local agency contributions to complete the project.

The proceeds of debt issuance are recorded as long-term debt in the financial statements with interest payable as of June 30, 2024 recorded as current. The portion of the 2010A Bonds maturing on December 1, 2027 were refunded. Principal payments on the unrefunded bonds begin in December 2028 with final maturity in December 2040. Interest payments, as well as principal when due, are payable on June 1 and December 1 of each year with the first payment beginning June 1, 2011. The debt proceeds are held by the Trustee, Zions Bank, and invested by the State Treasury per written agreements. The Enterprise has agreed to place with the Trustee, December 1st and June 1st of each year, an amount equal to the debt service costs for the coming one-year period.

The Series 2010A Bonds were issued as taxable, Build America Bonds (BABs) as authorized by the federal American Recovery and Reinvestment Act (Recovery Act). Pursuant to the Recovery Act, the Enterprise expects to receive federal direct payments (subsidy) from the United States Treasury equal to 35 percent of the interest payable on the Series 2010A Bonds. The Internal Revenue Service (IRS) Code imposes requirements on the Series 2010A Bonds that the Enterprise must continue to meet after the Series 2010A Bonds are issued to receive the federal direct payments.

Pursuant to the requirements of the Balance Budget and Emergency Deficit Control Act of 1985, the BABs are subject to sequestration and for future fiscal years, the subsidy was reduced due to the refunding of a portion of the 2010A bonds. In Fiscal Year 2023-24, the BTE received $5.2 million and in fiscal year 2022-23, the BTE received $5.2 million of BABs subsidy funds. Future subsidy payments are contingent on the appropriation of these funds.

Colorado Bridge Enterprise Revenue Bonds, Series 2019A

A portion of the Series 2010A bonds were issued with an optional par-call redemption provision, enabling the Enterprise to refinance the 2027 term bond ($42.8 million) for interest rate savings prior to its maturity. The remainder of the Series 2010A bonds ($257.2 million) were issued with a make-whole call provision, which allows the Enterprise to refinance this portion of the bonds for structural considerations, but generally eliminates the ability to achieve debt service savings through refinancing. The 2027 Term bond was callable at par on December 1, 2020.

In December 2019, Enterprise issued $38.7 million in Colorado Bridge Enterprise Revenue Refunding Bonds Series 2019A to capitalize on favorable market conditions. While the refunding transaction resulted in the loss of the subsidy, the debt service is still eligible for reimbursement from FHWA. The interest rate savings on the 2027 term bond, is $5 million net present value over this term. Debt service from Fiscal Year 2027-28 through Fiscal Year 2040-41 remains unchanged, as the 2040 term bond was not refunded.

The proceeds of this debt issuance are recorded as long-term debt in financial statements with interest payable as of June 30, 2023 recorded as current. Principal payments on the bonds begin in December 2025 with final maturity in December 2027. Interest payments, as well as principal when due, are payable on June 1 and December 1 of each year.

Central 70 Capital Performance Payments

As part of the Central 70 project, capital performance payments (CPP) started in March 2022 and are paid to the Kiewit Meridiam Partners (KMP) monthly and continue for a period of 30 years. The performance payments have a base operation, maintenance, and repair (OMR) component and a base CPP component. The OMR component is the responsibility of CDOT, and High Performance Transportation Enterprise (HPTE) for operations and maintenance of the general purpose lanes and the express lanes through an Inter-Agency Agreement.

The CPP component, which is the responsibility of BTE, is designed to repay KMP for its total capital investment in the Central 70 project including debt in the form of Private Activity Bonds (PABs), and the Transportation Infrastructure Finance and Innovation Act (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.

Current BTE Plan of Finance and Colorado Bridge and Tunnel Enterprise Senior Infrastructure Revenue Bonds, Series 2024A

The passage of SB21-260 established BTE as a key strategic business partner and funding source for the Ten Year Plan. The timing and size of Ten Year plan projects with BTE eligible scope created a significant funding gap for the Enterprise over the next four years. The current total forecasted for BTE Ten Year Plan construction expenditures is $760 million during this time. When compared against current revenue forecasts and considering other existing Enterprise commitments over the same period, a funding gap of approximately $400 million to $450 million is expected. In consultation with its Board of Directors, BTE developed a Plan of Finance to address the funding gap that anticipates between $400 million and $500 million in financing through three separate issuances over the next three to four years to meet its Ten Year Plan funding commitments. The BTE Plan of Finance was developed with an emphasis on preserving the Enterprise's long term funding capacity to ensure it has the resources available to continue to accomplish its mission and goals in the future years.

In April 2024, BTE issued the $150 million Infrastructure Revenue bond Series 2024A transaction, which is the first of the three contemplated issuances. This transaction resulted in $163.8 million in net proceeds that were fully allocated to three BTE eligible projects in the Ten Year Plan, I-70 West: Floyd Hill, I-25 through New Pueblo Freeway, and I-70 West Vail Pass Safety Improvements-Phase I, and the U.S. 50 Blue Mesa Bridges Emergency Response Project. The proceeds of the debt issuance are recorded as long term debt in the financial statements. Interest payments, as well as principal when due, are payable on June 30 and December 30 of each year with the first interest payment scheduled for December 30, 2024. Principal payment on the bonds are scheduled to begin in December 2041 with final maturity in December 2055. The debt proceeds are held by the Trustee, Zions Bank, and invested by the State Treasury per written agreements.

Federal Funds

In November 2010, the Transportation Commission adopted a resolution expressing its intent to annually consider allocating up to $15 million of eligible (FHWA- Federal Highway Administration) funds to the Colorado Bridge Enterprise, which was subsequently renamed to the Statewide Bridge and Tunnel Enterprise. The FHWA funds are approved as part of the annual budget process and are allocated for debt service on the Series 2010A Bonds.

In Fiscal Year 2023-24 approximately $9.7 million and in Fiscal Year 2022-23 approximately $9.7 million was received to reflect the FHWA pro-rata share of the current debt service. When the debt service payments increase in Fiscal Year 2025-26 due to the inclusion of principal, up to $15 million of FHWA funds will be available for reimbursement of the debt service.

Highlights of Fiscal Year 2023-24

BTE Statewide Project Portfolio Progress Update

The BTE statewide project portfolio is comprised of every BTE eligible bridge that is currently in any phase of design or construction. During Fiscal Year 2023-24, the project portfolio consisted of 29 separate projects that will rehabilitate or replace 67 designated bridges and one tunnel project. As of the end of Fiscal Year 2023-24, 53 percent of designated bridges are in construction or complete and seven percent are in design. Enterprise inception to date, approximately 2.3 million square feet of poor rated bridge deck area has been addressed statewide and approximately 596,750 square feet of poor rated bridge deck area will be addressed upon the completion of BTE's current project portfolio.

BTE projects are identified and selected using a Enterprise Board approved bridge prioritization process to determine the current best use of available enterprise funding in accordance with Policy Directive BE 16.0 and Policy Directive 16.1. Ultimately, the projects selected are referenced in the BTE Four Year and Ten Year Plans which are fully coordinated and aligned with CDOT's overarching Ten Year Plan. The most recent version of the BTE Ten Year Plan (Fiscal Year 2024-25 through Fiscal Year 2033-34) was published in May 2024.

Additional information is provided about several projects below due to their importance to the Enterprise; which are due to factors such as strategic significance, size, cost, complexity, and risk profile.

Floyd Hill Project

This corridor improvement project includes the replacement of three designated bridges: I-70 over Clear Creek and the westbound I-70 ramp to U.S.6 over Clear Creek at the base of Floyd Hill and the I-70 frontage road spanning Clear Creek near the Hidden Valley interchange. Other major elements include adding a westbound express lane, adding an eastbound climbing lane for heavy commercial or slow moving vehicles from U.S.6, improving interchanges and intersections, improving the Clear Creek Greenway, curve flattening, and implanting environmental mitigation for wildlife connectivity, air and water quality, and stream conditions. The National Environmental Policy Act (NEPA) review process, was completed in Fiscal year 2022-23, resulting in the identification of a preferred alternative.

The CDOT Transportation Commission approved the use of construction manager/general contractor (CMGC) as the primary delivery method for the project in accordance with SB21-260 transparency measures. Due to the size and complexity of the project, the project is being delivered in multiple packages, including west, central and east project segments, and a site access package. To date, the Enterprise Board has approved a total of $18.4 million in design, right-of-way, and environmental phase budget for BTE eligible preconstruction activities and $44.1 million in construction phase budget for the Enterprise eligible portion of the site access construction package. The construction phase for the central project segment, which includes the majority of the BTE eligible scope, is expected to commence in Fiscal Year 2024-25.

In the first quarter of Fiscal Year 2022-23, it was announced that the project was awarded a $100 million grant through the Infrastructure for Rebuilding America (INFRA) program. Through the grant award, planned innovative financing from BTE and HPTE, and CDOT strategic funding, the project is now fully funded. The total project cost is currently estimated at $700 million, with $340 million of the project scope is expected to be BTE eligible. With the award of the INFRA grant, BTE plans to fully fund its commitment to the project with Resolution BTE#2022-05-03.

I-270 Critical Bridges Project

The I-270 Critical Bridges Project will accelerate the replacement of several safety critical bridges on the I-270 corridor in advance of the larger I-270 improvements and congestion relief from I-76 to I-70 project. The CMGC project delivery method has been selected for this project and approved by the Transportation Commission in accordance with SB21-260 transparency measures. The CMGC delivery method is expected to result in a shorter project duration, better risk allocation, improved project team cohesion, and improved/earlier cost certainty. The Environmental Impact Statement for the larger I-270 project, which among other things establishes the roadway template and required bridge cross sections, will also be used for environmental clearance document for I-270 Critical Bridges Project.

In total, there are eight structures and 70,000 square feet of poor rated bridge deck area within a one mile stretch of I-270 that will be replaced as part of the project. Six of these structures are poor rated, classified as designated bridges and will be funded by BTE. All eight of the structures are considered a high priority due to the increasing frequency and severity of planned and unplanned bridge deck repairs which have created maintenance and safety concerns. Over 300 emergency maintenance repairs have been performed on the structures since 2006.

To date, the Enterprise Board has committed $5.9 million to partially fund the design phase for the six designated bridges and the current total estimated to cost to replace these bridges is estimated at $120 million. Additional funding for the replacement of the two fair rated structures is anticipated to be provided through CDOT strategic funds. The table below itemized the designated bridges in the project.

Structure Count	Structure ID	Facility Carried Over Featured Intersection	County	Year Built
1	E-17-ID	I-270 ML WBND over South Platte River	Adams	1969
2	E-17-IE	I-270 ML EBND over South Platte River	Adams	1969
3	E-17-IF	I-270 ML WBND over Burlington Canal	Adams	1969
4	E-17-IG	I-270 WBND over Burlington Canal	Adams	1969
5	E-17-IH	I-270 ML WBND over SH 265 ML & RR	Adams	1969
6	E-17-IJ	I-270 ML over Service Road & RR	Adams	1970

Speer Boulevard and 23rd Avenue Over Interstate 25 (I-25)

In Fiscal Year 2018-19, the Enterprise funded the eligible portion of the preliminary design for the Speer Boulevard and 23rd Avenue over I-25 bridge replacement project. The scope of this project includes the replacement of three designated bridges, which will eliminate existing substandard vertical clearance conditions, mitigate damage caused by high frequency truck strikes, and open this segment of the I-25 corridor to unrestricted freight traffic. The planned replacement structure will accommodate potential future corridor modifications of I-25 through Central Denver. The I-25 Central Planning and Environmental Linkages (PEL) study, which evaluated various alternatives to improve local and regional mobility through the corridor segment, was completed and was released in June 2020.

Preliminary investigations and design work on the project began in quarter three of Fiscal Year 2020-21. The estimated total Enterprise eligible cost for this project was originally estimated at $64 million, however, various design alternatives are currently being analyzed and the project cost estimate is expected to be updated once a preferred alternative is identified. The preliminary design is scheduled to continue through Fiscal Year 2025-26.

USDOT Competitive Highway Bridge Program (CHBP)

In Fiscal Year 2020-21, CDOT and the Enterprise were awarded a $12.5 million USDOT discretionary grant for the replacement of 14 designated bridges. This project will address the original 14 designated bridges that were included in the grant application as well as three additional nearby designated bridges using design build project delivery. The structures are located along key corridors and their replacement will improve rural mobility in southern Colorado and enhance statewide connections to interstate commerce through the elimination of load restricted routes.

To date, the Enterprise Board has approved funding equaling the total enterprise eligible project costs of $67.4 million. Of this amount, $54.9 million is being funded with BTE revenues and the remaining $12.5 million is funded through the USDOT grant. In Fiscal Year 2021-22, the project was awarded to the successful design build team and construction began in Fiscal Year 2022-23. The project's construction phase is trending toward completion in early Fiscal year 2024-25 with the exception of the project's landscape establishment and landscape warranty period. The table below itemizes the structures included in the project.

Structure Count	Structure ID	Facility Carried Over Featured Intersection	County	Year Built
1	G-12-C	SH 9 over Platte Gulch	Park	1938
2	H-13-N	US 24 over Draw	Park	1937
3	I-13-G	US 24 over Draw	Park	1937
4	I-13-H	US 24 over Draw	Park	1937
5	I-15-AO	US 24 over Draw	Teller	1937
6	I-15-T	US 24 over Draw	Teller	1937
7	J-14-C	SH 9 over Louis Gulch	Park	1934
8	J-15-G	SH 9 over Mack Gulch	Otero	1971
9	M-21-B	US 350 over Lone Tree Arroyo	Otero	1937
10	M-21-C	US 350 over Hoe Ranch Arroyo	Otero	1937
11	M-21-I	US 350 over Draw	Otero	1935
12	M-21-J	US 350 over Draw	Otero	1935
13	M-22-U	US 350 over Otero Ditch	Otero	1935
14	M-22-Y	US 350 over Draw	Otero	1935
15	N-21-C	US 350 over Draw	Otero	1936
16	N-21-F	US 350 over Sheet Canyon Arroyo	Otero	1937
17	O-19-D	US 350 over Lunning Arroyo	Las Animas	1937

Eastern Plains Rural Bridge Replacement Program

The "Eastern Plains" project will replace seven BTE designated bridges and four fair rated structures throughout CDOT Regions 1 and 4. The project is being delivered through the (CMGC) project delivery method. The project is subdivided into four construction packages to capitalize on the opportunities for cost savings and schedule acceleration through bridge bundling. The first three packages, which contain a total of six designated bridges, have completed construction and the final construction package is scheduled to complete construction in Fiscal Year 2024-25. To date the Enterprise Board has approved funding equaling the total estimated enterprise eligible project cost of $29.3 million. The table below itemizes the Enterprise eligible structures in the "Eastern Plains" project.

Structure Count	Structure ID	Facility Carried Over Featured Intersection	County	Year Built
1	F-19-E	US 36 ML over Draw	Arapahoe	1932
2	F-20-L	I-70 Service Road over Draw	Arapahoe	1952
3	F-20-J	US 40 ML over Draw	Arapahoe	1952
4	C-22-K	US 6 ML over UPRR, S. Platte River, Beaver Canal	Morgan	1949
5	D-24-O	US 34 ML Over Draw	Washington	1931
6	D-25-E	SH 61 ML over Surveyor Creek	Washington	1931
7	D-28-D	US 34 ML over Republican River	Yuma	1931

I-70 Vail Pass Safety and Operations Improvement Project

In Fiscal Year 2019-20, CDOT and the Enterprise were awarded $60.7 million though the USDOT Infrastructure for Rebuilding America (INFRA) Discretionary Grant Program to advance the I-70 Vail Pass Safety and Operations Improvement Project. This project is leveraging CMGC as the project delivery method. Major scope elements include: the reconstruction of the BTE eligible westbound and eastbound I-70 bridges over Polk Creek, construction of an eastbound auxiliary lane, shoulder widening, westbound curve modifications, reconstruction of a truck ramp, dynamic message signs, and a variable speed limit system.

The package containing the westbound bridge started construction in Fiscal Year 2022-23 and is scheduled to be completed in Fiscal Year 2024-25 and the package containing the eastbound bridge started construction in Fiscal Year 2023-24 and is scheduled to be completed in Fiscal year 2026-27. To date the Enterprise Board has approved funding for both bridges equaling the estimated Enterprise eligible project of $108.6 million.

U.S. 50 Blue Mesa Bridges Emergency Response Project

On April 11, 2024, CDOT conducted a special inspection of U.S. 50 over Blue Mesa Reservoir and U.S. 50 over Lake Fork as required by the Federal Highway Administration. This inspection was required because of known issues with similarly constructed bridges elsewhere in the country. A defect was observed during an early investigation of the bridge and CDOT immediately brought in a second inspection crew with resources to perform another method for testing whether the defect posed a safety hazard on the bridge. The second inspection took place on April 18th and a safety closure was put in place.

Accordingly, an emergency project was initiated by CDOT and the determination was made that CMGC was the optimal delivery method due to, among other reasons, the project's risk profile, complexity of the project, and time sensitive nature of the work.

Critical repair work began in June 2024, with permanent repair work to begin in early July 2024. The critical repair project (Phase I) is focused on and will prioritize fixing cracks and critical issues in five areas that pose an imminent risk to structural integrity through localized plating repairs. Phase I repairs will safely expediate emergency vehicles and lighter loads being allowed back onto the bridge first until permanent repairs can be completed. The permanent repair project (Phase II) will focus on both the U.S. 50 Middle bridge and the U.S. 50 Lake Fork bridge and involve additional and more significant repairs which allow full loads back onto U.S.50. Phase II requires more time to complete and can be performed safely in between in service traffic openings on the bridge.

To date, the Enterprise Board has approved funding for both bridges equaling the total estimated enterprise eligible project cost of $81 million, which includes the estimated construction phase costs for Phase I and Phase II repairs. Work completed as part of the initial emergency response, including local road improvements and maintenance, specialized bridge inspections and testing, public relations and public information, design of critical permanent repairs, traffic control among other things, was funded by CDOT. Staff plan to provide options to accommodate this unplanned funding request to the Enterprise Board in Fiscal Year 2024-25 as part of ongoing workshop related to BTE's current Plan of Finance.

U.S. 50/I-25 Interchange Reconstruction

The New Pueblo Freeway corridor project will bring I-25 through Pueblo up to FHWA current standards for interstate highways by addressing geometric deficiencies and provide improved mobility. In November 2021, FHWA and CDOT published the initial Environmental Impact Statement (EIS) for I-25 improvements through Pueblo. Since that time, progress has been made improving the interstate through various projects, including the Ilex project, which leveraged BTE funding for the replacement or rehabilitation of eight bridges in Pueblo. The next phase of the New Pueblo Freeway will be the I-25 and U.S. 50B interchange reconstruction project.

The BTE eligible component of the project includes the replacement of two designated bridges, U.S.50 over I-25 and U.S.50 over Fountain Creek. To date, the Enterprise Board has approved construction phase funding for both bridges equaling the total estimated Enterprise funding project costs of $44.1 million. The project is scheduled to begin construction in Fiscal Year 2024-25.

Federal Grant Opportunities and Recent Successes

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA) into law. The IIJA is the largest investment in infrastructure in the Nation's history and provides $550 billion in funding over Federal Fiscal Years 2022 through 2026. This amount includes the large dedicated bridge investment since the construction of the Interstate Highway System. BTE is actively seeking opportunities to partner with CDOT and other stakeholders to identify and submit BTE eligible project with a high probability of an award through the various competitive discretionary grant programs authorized by the IIJA.

Recently, BTE has been leveraged to improve the competitiveness of numerous grant applications by increasing the state funding match and showing the participation of multiple stakeholders and funding partners. This approach resulted in the successful pursuit of multiple grants. See the table below for a summary of recently awarded grants with BTE participation.

Federal Fiscal Year	Project	*Amount Awarded	*BTE Funding Match
2022	Floyd Hill to Veterans Memorial Tunnels Improvement	$ 100	$ 260
2023	U.S. 6 ML to Wadsworth Interchange	$ 20	$ 20
2024	I-76 Reconstruction Improvement	$ 29	$ 18
2024	U.S.160 East of Durango Safety and Mobility Improvements	$ 59	$ 10

* Amount is in millions

Economic Factors Impacting Program Delivery

The Enterprise continues to encounter higher than expected bids and construction costs on projects due to factors such as cost escalation and the reductions in the number of bidders. These factors may continue to impact BTE program delivery in future fiscal years by reducing the number of projects that can be delivered within the Enterprise's fiscally constrained budget. Enterprise staff will continue to closely monitor program forecasts and project performance to implement mitigation measures and reduce potential programmatic and project level impacts as necessary.

Enterprise Website Maintenance

Enterprise staff, in collaboration with the CDOT Communications Office, continues to provide up to date bridge data and material for the website found at **https://www.codot.gov/programs/BridgeEnterprise**. The site contains items such as frequently asked questions, a comprehensive list of eligible bridges, an expanded section on business opportunities with a link to the current bid list, a project/program progress status updated monthly, and an interactive State map of all eligible bridges with relevant statistical information. Recent program activities, financial information, major project updates, and other updates can be found under the quarterly reports section on the BTE website.

Using This Annual Report

This annual report consists of a series of financial statements.

The statements of net position include the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, and provides information about the Enterprise assets, liabilities, deferred outflows of resources and deferred inflows of resources and reflects the financial position of the Enterprise as of June 30, 2024 and 2023. Over time, increases or decreases in the net position continues to serve as a useful indicator of whether the financial position of the Enterprise is improving or deteriorating.

The statements of revenues, expenses, and changes in net position present the revenues earned and expenses incurred for the years ended June 30, 2024 and 2023. Revenues and expenses are reported on the accrual basis. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal years.

The statements of cash flows present information of cash inflows and outflows related to the Enterprise's activities for the years ended June 30, 2024 and 2023.

Net Position Analysis

Condensed Statements of Net Position

	June 30, 2024	June 30, 2023	June 30, 2022
Assets			
Current Assets	$ 102,402,620	$ 124,605,806	$ 185,358,180
Noncurrent Assets	183,170,856	15,429,529	15,662,224
Capital Assets	1,313,296,639	1,567,160,462	2,120,671,840
Total Assets	**1,598,870,115**	**1,707,195,797**	**2,321,692,244**
Deferred Outflows of Resources	**2,373,632**	**2,428,593**	**2,875,434**
Liabilities			
Current Liabilities	20,985,772	20,083,246	12,833,412
Noncurrent Long-term Liabilities	1,150,200,040	990,446,557	995,601,965
Total Liabilities	**1,171,185,812**	**1,010,529,803**	**1,008,435,377**
Deferred Inflows of Resources	**496,763**	**1,149,347**	**1,884,669**
Net Position			
Net Investment in Capital Assets	319,069,923	564,885,057	1,118,988,006
Restricted for Debt Service	18,331,085	15,429,529	15,662,224
Unrestricted	92,160,164	117,630,654	179,597,402
Total Net Position	**$ 429,561,172**	**$ 697,945,240**	**$ 1,314,247,632**

Fiscal Year 2023-24 Analysis

Assets

Total assets decreased in Fiscal Year 2023-24 by $108.3 million, due to explanations provided below.

Current Assets

Current assets decreased by $22.2 million in Fiscal Year 2023-24. The decrease in cash of $23.5 million was related to the Central 70 capital performance payments. There was an increase in Federal receivables totaling $252,951. Accounts receivable decreased by $1 million due to a timing difference and an increase in allowance for delinquent accounts.

Noncurrent Assets

Noncurrent assets, excluding capital assets, increased by $167.7 million due to an increase in restricted cash. The increase in restricted cash is due to the proceeds of the 2024A bonds, which are held by the Trustee.

Capital Assets

Completed bridge projects increased by $81.4 million, net of accumulated depreciation and assets under construction decreased by $337.3 million This increase and decrease is both caused by the Central 70 project. The increase in completed bridge projects is due to work being completed for the Central 70 project after substantial completion. This is common, as bridges can be placed into service with items that are still needing to be finished, but do not affect the safety of the traveling public. The decrease in assets under construction was caused by the Central 70 Managed Lanes being completed and transferred to HPTE. More details about the capital assets can be found in Note 5.

Liabilities

Total liabilities increased by $161 million in Fiscal Year 2023-24, due to explanations provided below.

Current Liabilities

Current liabilities increased by $902,526 in Fiscal Year 2023-24 caused by the increase in the current portion of the Central 70 capital performance payments of $831,581.

Noncurrent Liabilities

Noncurrent liabilities increased by $160 million in Fiscal Year 2023-24. The increase was due to the 2024A bond issuance.

Net Position

Total net position decreased by $268.4 million in Fiscal Year 2023-24. Of the ending balance, $18.3 million is restricted for payment of debt service in the following year. Also $319.1 million represents the net amount invested in capital assets. This amount includes capitalized assets and construction in progress. The remainder of the net position is unrestricted.

The total net position is affected by the PERA pension and other postemployment benefit (OPEB) liabilities as detailed in the table below:

	Fiscal Year 2023-24	Fiscal Year 2022-23	Fiscal Year 2021-22
Net Position (GAAP Basis)	$ 429,561,171	$ 697,945,240	$ 1,314,247,631
GASB 68-Pension Related Items			
Net Pension Liability	6,674,741	5,620,261	4,991,256
Deferred Outflows of Resources	(1,613,334)	(1,412,175)	(1,569,740)
Deferred Inflows of Resources	396,651	1,031,812	1,747,124
Total GASB 68 Pension	5,458,058	5,239,898	5,168,640
GASB 75 OPEB Related Items			
Postemployment Benefit Liability	158,589	134,635	190,961
Deferred Outflows of Resources	(103,027)	(79,012)	(88,153)
Deferred Inflows of Resources	100,113	117,535	137,545
Total GASB 75 OPEB	155,675	173,158	240,353
Net Position excluding Pension and OPEB	$ 435,174,904	$ 703,358,296	$ 1,319,656,624

The Enterprise's net position increase was also affected by the change in net pension expense. In Fiscal Year 2022-23 net pension expense totaled $218,159, while in Fiscal Year 2022-23 net pension expense totaled $71,258. In Fiscal Year 2021-22 net pension expense totaled $28,999.

Fiscal Year 2022-23 Analysis

Assets

Total assets decreased in Fiscal Year 2022-23 by $614.5 million, due to explanations provided below.

Current Assets

Current assets decreased by $61 million in Fiscal Year 2022-23. The decrease in cash of $49.7 million was related to the Central 70 project, due to Milestone B and 6 totaling $29.7 million, settlement one and two payments totaling $13.25 million, and $13 million were paid at substantial completion. BTE also had Central 70 capital performance payments totaling approximately $32 million as well. There was a decrease in Federal receivables totaling $4.9 million, related to construction projects. Accounts receivable decreased by $6.4 million due to a timing difference and an increase in allowance for delinquent accounts.

Noncurrent Assets

Noncurrent assets, excluding capital assets, increased by $54,424 due to an increase in long-term investments. The increase is due to the interest earnings of the investments, which are held by the Trustee. This increase is due to an increase in interest earnings on the required debt service balance that is held by the Trustee.

Capital Assets

Completed bridge projects increased by $106 million, net of accumulated depreciation. This increase is due to the capitalization of completed structures related to the Central 70 project. Assets under construction decreased by $659.6 million. This decrease was also caused by the Central 70 project. When the Central 70 project reached substantial completion, causing assets under construction to become assets, assets such as a playground, bridges, general purpose lanes, and the covered structure, were transferred to Denver Public Schools (DPS), City and County of Denver (CCD), CDOT, and HPTE. DPS received a playground, City and County of Denver received 46th Avenue and Stapleton North bridges, CDOT received the general purpose lanes, the covered structure, and the node building. HPTE received the toll lanes. More details about the capital assets can be found in Note 5.

Liabilities

Total liabilities increased by $2.1 million in Fiscal Year 2022-23, due to explanations provided below.

Current Liabilities

Current liabilities increased by $7.2 million in Fiscal Year 2022-23 caused by the increase in accrued liabilities totaling $6.5 million. This increase was caused by SB21-260 fees that have been collected and have been protested or are anticipated to be refunded.

Noncurrent Liabilities

Noncurrent liabilities decreased by $5.1 million in Fiscal Year 2022-23. The decrease was due to the Central 70 capital performance payments.

Net Position

Total net position decreased by $616.3 million in Fiscal Year 2022-23. Of the ending balance, $15.7 million is restricted for payment of debt service in the following year. Also $564.9 million represents the net amount invested in capital assets. This amount includes capitalized assets and construction in progress. The remainder of the net position is unrestricted.

Revenue and Expense Analysis

Condensed Statements of Net Revenues, Expenses, and Changes in Net Position

	June 30, 2024	June 30, 2023	June 30, 2022
Operating Revenues			
FASTER Revenues	$ 113,858,762	$ 102,044,352	$ 109,483,874
SB21-260 Revenue	30,243,465	21,058,678	-
Federal Revenues	14,692,310	13,317,262	11,882,182
Other Revenues	128,849	126,176	159,569
Total Operating Revenues	**158,923,386**	**136,546,468**	**121,525,625**
Operating Expenses			
Program Management (credit)	7,994,552	1,473,921	1,178,940
Bridge Operations and Maintenance Expense	931,920	709,116	606,297
Depreciation Expense	14,709,613	13,159,599	11,908,530
Total Operating Expenses	**23,636,085**	**15,342,636**	**13,693,768**
Net Operating Income	**135,287,301**	**121,203,832**	**107,831,857**
Net Nonoperating Revenues (Expenses)	**(403,671,369)**	**(737,506,223)**	**(26,737,726)**
Change in Net Position	**(268,384,068)**	**(616,302,391)**	**81,094,131**
Beginning Net Position	**697,945,240**	**1,314,247,631**	**1,233,153,500**
Net Position, End of year	**$ 429,561,172**	**$ 697,945,240**	**$ 1,314,247,631**

Fiscal Year 2023-24 Analysis

Revenues

Total operating revenues increased by $22.4 million in Fiscal Year 2023-24, due to the explanations provided below.

The primary source of operating revenues for the Enterprise is from the bridge surcharge authorized in the FASTER legislation and in Senate Bill (SB) 21-260. The bridge surcharge revenues increased by $11.8 million and the bridge and tunnel impact fee revenues also increased by $10.1 million. The increase in the fees is due to the gradual increase of the fees over a 10 year period, per legislation.

Expenses

Total operating expenses increased by $8.3 million. The majority of the increased operating expenses was due to an increase in program management expenses totaling $6.5 million. Fiscal Year 2023-24 was the first full year of salary and benefit expenses for BTE's three new employees. In addition, BTE had an increase in program management as well, due to the assistance of consultants for the 2024A debt issuance.

Nonoperating Revenues (Expenses)

Net nonoperating expenses decreased in 2023 by $333.8 million. The decrease was due to the Central 70 bridge assets, City and County of Denver assets, Denver Public School's assets being transferred in Fiscal Year 2022-23. In Fiscal Year 2023-24, BTE transferred the managed lanes to HPTE totaling $370 million. Additionally, BTE had cost of issuance expenses related to the 2024A bonds totaling $1.6 million.

Change in Net Position

The effect of these changes was a decrease in net position in the amount of $268.4 million in Fiscal Year 2023-24.

Fiscal Year 2022-23 Analysis

Revenues

Total operating revenues increased by $15 million in Fiscal Year 2022-23, due to the explanations provided below.

The primary source of operating revenues for the Enterprise is from the bridge surcharge authorized in the FASTER legislation and in Senate Bill (SB) 21-260. Fiscal Year 2022-23 was the first year collections of SB21-260 revenue was collected. This caused an increase in operating revenues totaling $21.1 million, offset by a decrease in FASTER revenue totaling $7.4 million.

Expenses

Total operating expenses increased by $1.6 million. The majority of the increased operating expenses was due to an increase in depreciation expense totaling $1.3 million due to an increase in the number of completed bridges. The increase was also caused by an increase of $294,981 in program management, which primarily consists of salary and benefits, due to BTE adding three employees in Fiscal Year 2022-23.

Nonoperating Revenues (Expenses)

Net nonoperating expenses increased from 2022 by $6.5 million. The overall change in net nonoperating expenses increased by $6.5 million. The increase in nonoperating expenses was offset by an increase in investment revenue of $13.2 million. This was offset by the increase in the Central 70 capital performance payments of $20 million in Fiscal Year 2022-2023 compared to Fiscal Year 2021-2022. Fiscal Year 2022-23 is the first full fiscal year of capital performance payments. The capital performance payments are classified as nonoperating as they are repaying the debt and equity contributions of KMP.

Change in Net Position

The effect of these changes was a decrease in net position in the amount of $616.3 million in Fiscal Year 2022-23.

Capital Assets

Capital Assets and Debt Administration

	June 30, 2024	June 30, 2023	June 30, 2022
Bridges - net of accumulated depreciation	$ 1,028,379,680	$ 946,929,897	$ 840,880,993
Land	101,931,657	99,911,432	99,874,129
Assets Under Construction	182,985,302	520,319,133	1,179,916,718
Capital Assets, Net of Accumulated Depreciation	**$ 1,313,296,639**	**$ 1,567,160,462**	**$ 2,120,671,840**

The Enterprise's investment in capital assets includes land, capital assets under construction and completed bridge projects. Total capital assets as of June 30, 2024 are $1.3 billion, net of accumulated depreciation of $101 million. Significant capital assets events during the current fiscal year include:

- The Central 70 project reached substantial completion in February 2023. BTE transferred a total of $60.2 million of assets to City and County of Denver and Denver Public Schools. $644 million was transferred to CDOT, which included the covered portion of the highway, general purpose lanes, and other bridges associated with the Central 70 project. BTE capitalized $63 million of BTE bridges that were related to the Central 70 project. The HPTE managed lanes were transferred in Fiscal Year 2023-24 totaling $370 million.

Financial Contact

If you have questions about this report please contact:

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2829 West Howard Place
Denver, Colorado 80204
Attn: Kay Hruska, Enterprise Controller

Statewide Bridge and Tunnel Enterprise

Statements of Net Position

June 30, 2024 and 2023

	June 30, 2024	June 30, 2023
Assets		
Current assets:		
Cash and pooled cash investments	$ 98,404,364	$ 121,891,630
Receivables, net of allowance	3,741,805	2,710,534
Federal receivables	252,951	-
Prepaid items	3,500	3,642
Total current assets	102,402,620	124,605,806
Noncurrent assets:		
Restricted cash	164,839,771	-
Long-term investments	18,331,085	15,429,529
Land	101,931,657	99,911,432
Assets under construction	182,985,302	520,319,133
Bridges, net of accumulated depreciation	1,028,379,680	946,929,897
Total noncurrent assets	1,496,467,495	1,582,589,991
Total assets	**1,598,870,115**	**1,707,195,797**
Deferred Outflows of Resources		
Related to bond refunding	657,271	937,406
Related to pensions	1,613,334	1,412,175
Related to other postemployment benefits	103,027	79,012
Total deferred outflows of resources	**2,373,632**	**2,428,593**
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	15,324,350	15,253,405
Central 70 capital performance payments	5,661,422	4,829,841
Total current liabilities	20,985,772	20,083,246
Noncurrent liabilities:		
2010A bonds	257,180,000	257,180,000
2019A bonds	38,740,000	38,740,000
2024A bonds	150,000,000	-
2019A and 2024A bond premium	17,587,532	3,251,061
Central 70 capital performance payments	679,859,178	685,520,600
Net pension liability	6,674,741	5,620,261
Net other postemployment benefits liability	158,589	134,635
Total noncurrent liabilities	1,150,200,040	990,446,557
Total liabilities	**1,171,185,812**	**1,010,529,803**
Deferred Inflows of Resources		
Related to pensions	396,651	1,031,812
Related to other postemployment benefits	100,113	117,535
Total deferred inflow of resources	**496,764**	**1,149,347**
Net Position		
Net investment in capital assets	319,069,923	564,885,057
Restricted for debt service	18,331,085	15,429,529
Unrestricted	92,160,163	117,630,654
Total net position	**$ 429,561,171**	**$ 697,945,240**

The accompanying notes are an integral part of these financial statements

Statewide Bridge and Tunnel Enterprise
Statements of Changes in Net Position
June 30, 2024 and 2023

	June 30, 2024	June 30, 2023
Operating Revenues		
FASTER revenues	$ 113,858,762	$ 102,044,352
Bridge and tunnel impact revenues	21,692,678	11,600,604
Retail delivery revenues	8,550,787	9,458,074
Federal revenues	14,692,310	13,317,262
Other operating revenues	128,849	126,176
Total operating revenues	**158,923,386**	**136,546,468**
Operating Expenses		
Program management	7,994,552	1,473,921
Bridge operations and maintenance expense	931,920	709,116
Depreciation expense	14,709,613	13,159,599
Total operating expenses	**23,636,085**	**15,342,636**
Operating income	**135,287,301**	**121,203,832**
Nonoperating Revenues (Expenses)		
Build America Bonds subsidy (BABs)	5,180,657	5,159,144
Investment income (loss), net	7,460,907	4,993,927
Amortization of 2019A bond premium and refunding loss	762,669	618,113
2024A Cost of issuance	(1,606,685)	-
Interest expense	(19,247,374)	(17,181,000)
Central 70 capital performance payments	(26,642,513)	(26,812,533)
Loss on disposal of capital assets	(369,579,030)	(644,109,608)
Intergovernmental distributions	-	(60,174,266)
Net nonoperating revenues (expenses)	**(403,671,369)**	**(737,506,223)**
Change in Net Position	**(268,384,068)**	**(616,302,391)**
Beginning Net Position	**697,945,240**	**1,314,247,631**
Net Position, End of year	**$ 429,561,172**	**$ 697,945,240**

The accompanying notes are an integral part of these financial statements

Statewide Bridge and Tunnel Enterprise
Statements of Cash Flows
June 30, 2024 and 2023

	June 30, 2024	June 30, 2023
Cash Flows from Operating Activities		
Cash received from users and grants	$ 157,736,696	$ 147,931,495
Cash payments to employees and suppliers of goods and services	(6,658,224)	(2,185,929)
Net cash provided by operating activities	**151,078,472**	**145,745,566**
Cash Flows from Capital Financing Related Activities		
Interest subsidy received	5,180,657	5,159,144
Acquisition and construction of capital assets	(139,317,524)	(161,504,871)
Interest paid on capital debt	(43,823,514)	(43,993,533)
Proceeds of 2024A bonds	165,379,275	-
Net cash used in capital financing activities	**(12,581,106)**	**(200,339,260)**
Cash Flows from Investing Activities		
Purchase of investments and related fees	(20,082,555)	(16,948,306)
Proceeds from sales and maturities of investments	17,181,000	17,181,000
Payment of debt fees	(1,606,685)	-
Investment income	7,363,379	4,936,601
Net cash provided by investing activities	**2,855,139**	**5,169,295**
Net increase (decrease) in cash and cash equivalents	141,352,505	(49,424,399)
Cash and cash equivalents, beginning of period	121,891,630	171,316,029
Cash and cash equivalents, end of period	**$ 263,244,135**	**$ 121,891,630**
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	**$ 135,287,301**	**$ 121,203,832**
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	14,709,613	13,159,599
Changes in assets and liabilities:		
Receivables, net	(1,186,694)	11,385,027
Compensated absences	-	45,188
Deferred inflows of resources - related to pension and other postemployment benefits	(652,583)	(735,323)
Deferred outflows of resources - related to pension and other postemployment benefits	(225,174)	166,707
Deferred outflows of resources - related to bond refunding	-	
Prepaid expense	142	274
Accounts payable and accrued liabilities	2,067,433	(52,417)
Adjustment to net pension liability	1,054,480	629,005
Adjustment to postemployment benefits	23,954	(56,326)
Net cash provided by operating activities	**$ 151,078,472**	**$ 145,745,566**
Noncash Investing, Capital and Financing Activities		
Acquisition of capital assets, on account	$ 7,220,043	$ 13,691,308
Unrealized gain (loss)	$ 1,741,098	$ (19,069)
Amortization of 2019A and 2024A bond premium	$ 1,042,804	$ 898,247

The accompanying notes are an integral part of these financial statements

Statewide Bridge and Tunnel Enterprise

Notes to Financial Statements

June 30, 2024 and 2023

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Statewide Bridge and Tunnel Enterprise (the Enterprise) is a self-supporting enterprise fund of the State of Colorado. It was established as an entity of the Colorado Department of Transportation (CDOT) pursuant to Colorado Revised Statutes (C.R.S) Section 43-4-805. The statute authorized a bridge safety surcharge fee dedicated specifically to address Colorado's most deficient bridges. These bridges meet specific measures identified by statutes based upon federal criteria. The statute also created the Colorado Bridge Enterprise board to provide oversight for the Enterprise. The CDOT Executive Director serves as the Enterprise Director.

Senate Bill (SB)21-260, was passed by the State Legislature and signed into law by the Governor. It will implement several new transportation fees and General Fund transfers, create or modify four state enterprises and add new planning and environmental study requirements. The bill also changed the name and scope of the Colorado Bridge Enterprise to the Statewide Bridge and Tunnel Enterprise, authorizing an impact fee on diesel fuel and a retail delivery fee. Fees are phased in gradually over this ten year period, reaching their maximum in Fiscal Year 2031-32, and are indexed to inflation.

By statute, the Enterprise is now granted the authority to repair, maintain, and operate tunnels throughout the state.

The Enterprise constitutes an enterprise for purposes of Section 20 of Article X of the State Constitution. The legislation appointed the Transportation Commission to serve as the Statewide Bridge and Tunnel Enterprise Board of Directors (Enterprise Board). The business purpose of the Enterprise is to "finance, repair, reconstruct, and replace any designated bridge in the state." Because it was constituted as a government-owned business, the Enterprise may issue revenue bonds to accelerate construction to replace or repair Colorado's poor bridges.

Basis of Accounting and Presentation

For financial reporting purposes, the Enterprise is considered a special-purpose government entity engaged only in business-type activities. Accordingly, the Enterprise uses the accrual basis of accounting to summarize its activities. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when an obligation is incurred.

The financial statements of the Enterprise have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements of the Enterprise present the financial position, results of operations, and cash flows for only the Enterprise. They do not purport to, and do not present, the financial position of CDOT or the State of Colorado as of June 30, 2024 and 2023 or the results of operations, or cash flows, for the years then ended.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash and Pooled Cash Investments

Cash and pooled cash investments consist of cash on deposit with the State Treasurer. For purposes of the statements of cash flows, cash and pooled cash investments are defined as instruments with maturities of three months or less at date of acquisition, and pooled cash held by the Colorado State Treasurer.

Receivables

Receivables are recorded for charges for services as well as funds due from other governments. Enterprise receivables are detailed in Note 4.

Capital Assets

The Statewide Bridge and Tunnel Enterprise records its property and equipment at historical cost. Contributed capital assets are recorded at acquisition value on the date they are accepted into the Enterprise. Maintenance and repairs are charged to current period operating expense; additions and improvements are capitalized. Prior to July 1, 2021, interest cost related to construction was capitalized. Subsequent to the adoption of GASB Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, interest is expensed as occurred beginning with the year ending June 30, 2022. Certain applicable labor costs are also capitalized. The Enterprise's capitalization level is $500,000 for infrastructure and $5,000 for other capital assets. Upon retirement or other disposition of property and equipment, the costs and related accumulated depreciation will be removed from the respective accounts and any gains or losses will be included in nonoperating expenses.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflows of resources (expense or reduction of liability) until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflows of resources (revenue) until that time.

The Enterprise's deferred outflows of resources and deferred inflows of resources consist of pension, other postemployment benefits (OPEB) items, and a refunding loss. The deferred outflows of resources that are related to pension and OPEB amounts will be amortized to pension and OPEB expense in a later period, or in the case of the deferred outflows of resources relating to contributions made subsequent to the measurement date, will be recognized as a reduction of the net pension liability and net OPEB liability in the subsequent year. The deferred outflow of resources related to the refunding loss will be amortized to refunding loss expense in a later period and is amortized over the life of the bond.

Liabilities

Amounts due within one year are reported as current liabilities. Amounts owed after one year are reported as noncurrent liabilities. Enterprise liabilities are detailed in Note 6 and Note 8.

Unearned Revenue

Unearned revenue consists of contributions made by local entities under various Intergovernmental Agreements related to several Enterprise projects. As many of these projects are not yet completed, the payments made by the local entities are not considered earned revenue, and therefore, are not recognized as such. The revenue will be recognized when the construction has been completed for the projects. There is no unearned revenue recorded for the years ended June 30, 2024 and 2023.

Net Position

The net position of the Enterprise is classified as follows:

Net investment in capital assets

Net investment in capital assets represents capital assets, less accumulated depreciation reduced by the outstanding balances of debt and liabilities attributable to the acquisition, construction or improvement of these assets.

Restricted net position

Restricted net position represent resources in which the Enterprise is contractually obligated to spend or reserve in accordance with restrictions imposed by external parties.

Unrestricted net position

Unrestricted net position represents resources that are not restricted for any project or other purpose. These resources are used to pay the operating costs of the Enterprise and are also available for future construction.

Classification of Revenues and Expenses

The Enterprise has classified its revenues and expenses as either operating or nonoperating. Operating revenues and expenses generally result from providing services or incurring expenses in connection with the Enterprise's principal activities. Nonoperating revenues and expenses include transactions such as interest earned on deposits and interest expense.

Budgets and Budgetary Accounting

By statute, the Enterprise is continuously funded through user surcharge fees. Therefore, the budget is not legislatively adopted and budgetary comparison information is not a required part of these financial statements.

Application of Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available to pay an expense, the Enterprise's policy is to first use unrestricted resources per State policy.

Implementation of New Accounting Principles

Effective for Fiscal Year 2022-23 the Enterprise adopted GASB Statement 91, *Conduit Debt Obligations*, GASB Statement 94, *Public-Private,and Public-Public Partnerships and Availability Arrangements*, and GASB Statement 96, *Subscription-Based Information Technology Arrangements*. The requirements for GASB Statement *91* were applied and requires additional disclosures regarding conduit debt obligations. The additional disclosures regarding conduit debt are in Note 9. GASB Statement *96* was evaluated and had no impact on the financial statements for the year ended June 30, 2024 or 2023. The requirements for GASB Statement 94 were applied and requires additional disclosures that are located in Note 16.

Effective for Fiscal Year 2023-24 the Enterprise adopted GASB Statement 100, *Accounting Changes and Error Corrections.* GASB Statement 100 had no impact on the Enterprise's financial statements for the year ended June 30, 2024.

NOTE 2 – CASH AND POOLED INVESTMENTS

The Enterprise deposits its cash with the Colorado State Treasurer as required by Colorado Revised Statutes (C.R.S.). The State Treasurer pools these deposits and invests them in securities authorized by Section 24-75-601.1, C.R.S. The State Treasury acts as a bank for all state agencies and institutions of higher education, with the exception of the University of Colorado. Monies deposited in the Treasury are invested until the cash is needed. As of June 30, 2024 and 2023, the Enterprise had cash on deposit with the State Treasurer of $98,404,364 and $121,891,630, respectively, which represented approximately less than one percent of the total $18,095 million fair value of investments in the State Treasurer's Pool (Pool) and as of June 30, 2024 and less than one percent of the total $18,180.9 million as of June 30, 2023. As of June 30, 2024, the Pool's resources included $38.1 million of cash on hand and $18,056.6 million of investments.

On the basis of the Enterprise's participation in the Pool, the Enterprise reports as an increase or decrease in cash for its share of the Treasurer's unrealized gains and losses on the Pool's underlying investments. The State Treasurer does not invest any of the Pool's resources in any external investment pool, and there is no assignment of income related to participation in the Pool. The unrealized gains/losses included in income reflect only the change in fair value for the fiscal year.

Additional information on investments of the State Treasurer's Pool may be obtained in the State's Annual Comprehensive Financial Report for the year ended June 30, 2024.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the BTE deposits may not be returned to it. To manage custodial risk, deposits with financial institutions are made in accordance with the Colorado Public Deposit Protection Act (PDPA) of 1975. PDPA requires all eligible depositories holding public deposits to pledge designated eligible collateral having a market value equal to at least 102 percent of the deposits exceeding those amounts insured by federal depository insurance. Deposits collateralized under PDPA are considered to be collateralized with securities held by the pledging institutions in the System's name. Deposits held in money market funds are not PDPA eligible deposits. The deposits held in money market funds are AAA-rated and regulated by the Office of the Comptroller of the Currency (OCC). The OCC requires, the Bank to pledge securities as collateral in an amount that exceeds all uninvested cash balances and deposits.

NOTE 3 – LONG-TERM INVESTMENTS

The Enterprise has also recorded long-term investments as of June 30, 2024 and 2023 in the amount of $18,331,085 and $15,429,529, respectively. These amounts represent debt service reserve and 2024A bond proceeds held by the Enterprise's trustee, Zions Bank. Zions Bank has entered into an investment agreement with the State Treasury to hold the proceeds in a separate account to be invested in the Pool as disclosed in Note 2. The State Treasurer pools these deposits and invests them in securities approved by C.R.S. Section 24-75-601.1.

Investments in the State Treasurer's Pool are recorded at fair value. 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

Other than quoted prices included within Level 1 that are observable for an asset (or liability), either directly or indirectly.

Level 3 Investments

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

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using market prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.
The Enterprise's only investments with recurring measurements are its investments with State Treasury in the amount of $18,331,085 and $15,429,529 for the years ended June 30, 2024 and 2023, respectively. The Enterprise's equity in the Pool is valued using the equivalent of the net asset value, and thus is not included in the fair value hierarchy. As of June 30, 2024, BTE had $164,839,771 of restricted cash. The restricted cash is related to proceeds from debt issuance of the Infrastructure Revenue Bond Series 2024A.

NOTE 4 – ACCOUNTS RECEIVABLE

The Enterprise records a receivable for Funding Advancements for Surface Transportation and Economic Recover (FASTER) revenues, bridge and tunnel impact revenues, and retail delivery revenues earned at year-end and paid in the subsequent month. The amount is calculated by the State Department of Revenue based on historical collections.

Debt proceeds are retained by Zions Bank acting as trustee and invested for the trustee by the Colorado State Treasury per an investment agreement. Interest due on the year-end balances is recorded by the Enterprise.

The Enterprise also expects to receive matching funds from local governments and from the federal government for approved projects. The amounts are recorded in the Enterprise financial statements directly from CDOT's federal aid billing system based on the project status. The amounts recorded as receivables as of June 30 are as follows:

	2024	2023
FASTER revenues receivable	$ 622,328	$ 790,806
Bridge and tunnel revenues receivable	667,656	703,112
Retail delivery revenues receivable	2,211,127	1,056,428
Trustee interest receivable	190,694	93,166
Federal receivable	252,951	-
Other receivable	50,000	67,022
Total accounts receivable	**$ 3,994,756**	**$ 2,710,534**

NOTE 5 – CAPITAL ASSETS

By the end of Fiscal Year 2023-24, as a result of construction projects, a total of 194 bridges have been capitalized upon completion. They are depreciated using straight-line methodology over a useful life of 75 years. Costs capitalized include all expenses directly associated with the construction of the asset.

A summary of changes in capital assets is as follows for the years ended June 30, 2024 and 2023:

	Balance at July 1, 2023	Additions	Disposals	Transfers	Balance at June 30, 2024
Capital assets, not being depreciated					
Land	$ 99,911,432	$ -	$ -	$ 2,020,225	$ 101,931,657
Assets under construction	520,319,133	130,424,820	(51,161,669)	(416,596,982)	182,985,302
Total capital assets, not being depreciated	620,230,565	130,424,820	(51,161,669)	(414,576,757)	284,916,959
Capital assets, being depreciated					
Bridges	1,033,193,868	-	(318,417,361)	414,576,757	1,129,353,264
Accumulated depreciation	(86,263,971)	(14,709,613)	-	-	(100,973,584)
Total capital assets, being depreciated, net	946,929,897	(14,709,613)	-	414,576,757	1,028,379,680
Capital assets, net	$ 1,567,160,462	$ 115,715,207	$ (51,161,669)	$ -	$ 1,313,296,639

	Balance at July 1, 2022	Additions	Disposals	Transfers	Balance at June 30, 2023
Capital assets, not being depreciated					
Land	$ 99,874,129	$ -	$ -	$ 37,303	$ 99,911,432
Assets under construction	1,179,916,718	163,932,095	(704,283,874)	(119,245,806)	520,319,133
Total capital assets, not being depreciated	1,279,790,847	163,932,095	(704,283,874)	(119,208,503)	620,230,565
Capital assets, being depreciated					
Bridges	913,985,365	-	-	119,208,503	1,033,193,868
Accumulated depreciation	(73,104,372)	(13,159,599)	-	-	(86,263,971)
Total capital assets, being depreciated, net	840,880,993	(13,159,599)	-	119,208,503	946,929,897
Capital assets, net	$ 2,120,671,840	$ 150,772,496	$ (704,283,874)	$ -	$ 1,567,160,462

The Central 70 project reached substantial completion in February 2023. BTE transferred a total of $60.2 million of assets to City and County of Denver and Denver Public Schools, and $644 million was transferred to CDOT, which included the covered portion of the highway, general purpose lanes, and other bridges associated with the Central 70 project in Fiscal Year 2022-23. This is reflected on the financial statements as intergovernmental distributions. The Central 70 project transfers to City and County of Denver, Denver Public Schools and CDOT were distributed at the carrying value of BTE. BTE capitalized $63 million of BTE bridges that were related to the Central 70 project. The HPTE managed lanes were transferred in Fiscal Year 2023-24 from the Enterprise totaling $370 million.

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Liabilities due and payable as of June 30 have been calculated and recorded as follows:

	2024	2023
Accrued interest payable on debt issuance	$ 3,498,123	$ 1,431,750
Retainage payable	2,408,404	1,896,883
Accrued project costs payable	7,220,043	11,794,425
Other payables, including compensation and compensated absences	2,192,447	130,347
Total accrued liabilities	**$ 15,324,350**	**$ 15,253,405**

NOTE 7 – COMMITMENTS

The Enterprise had outstanding commitments for construction in the amount of $56,214,966 at June 30, 2024.

NOTE 8 – LONG-TERM LIABILITIES

The Enterprise has recorded debt for the years ended June 30, 2024 and 2023 as follows:

	Balance at June 30, 2023	Issuances/ Additions	Retirements/ Reductions	Balance at June 30, 2024	Amount Due Within One Year
Bridge Enterprise 2010A bonds	$ 257,180,000	$ -	$ -	$ 257,180,000	$ -
Bridge Enterprise 2019A bonds	38,740,000	-	-	38,740,000	-
Bridge Enterprise 2019A Premium	3,251,061	-	(911,977)	2,339,084	-
Bridge Enterprise 2024A bonds	-	150,000,000	-	150,000,000	-
Bridge Enterprise 2024A Premium	-	15,379,276	(130,828)	15,248,448	-
Central 70 Capital Performance Payment	690,350,441	-	(4,829,841)	685,520,600	5,661,422
Net pension liability	5,620,261	1,063,213	(8,733)	6,674,741	-
Net other postemployment benefits/liability	134,635	-	23,954	158,589	-
	$ 995,276,398	$ 166,442,489	($5,857,425)	$ 1,155,861,462	$ 5,661,422

	Balance at June 30, 2022	Issuances/ Additions	Retirements/ Reductions	Balance at June 30, 2023	Amount Due Within One Year
Bridge Enterprise 2010A bonds	$ 257,180,000	$ -	$ -	$ 257,180,000	$ -
Bridge Enterprise 2019A bonds	38,740,000	-	-	38,740,000	-
Bridge Enterprise 2019A Premium	4,149,309	-	(898,248)	3,251,061	-
Central 70 Capital Performance Payment	694,393,157	-	(4,042,716)	690,350,441	4,829,841
Net pension liability	4,991,256	633,710	(4,705)	5,620,261	-
Net other postemployment benefits/liability	190,961	-	(56,326)	134,635	-
	$ 999,644,683	$ 633,710	$ (5,001,995)	$ 995,276,398	$ 4,829,841

Series 2010A Bonds

On December 10, 2010, the Enterprise issued $300 million in Colorado Bridge Enterprise Revenue Bonds Series 2010A for the purpose of financing the project costs. The Series 2010A Bonds were issued as taxable, Build America Bonds (BABs), as authorized by the federal American Recovery and Reinvestment Act (the Act). Pursuant to the Act, the Enterprise expects to receive federal direct payments from the United States Treasury equal to 35 percent of the interest payable on the Series 2010A Bonds. The Bonds were issued with a coupon rate of 6.078 percent but with the federal subsidy, the net interest cost of the Bonds for the Enterprise is approximately 3.97 percent.

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, the BABs are subject to sequestration. In Fiscal Year 2018-19, an executive order was signed reducing the federal direct payments by 6.2 percent and in Fiscal Year 2017-18 the federal direct payment was reduced by 6.6 percent. In Fiscal Year 2019-20, the federal direct payment was reduced due to the refunding of the 2010A bonds that was completed in December 2019 with proceeds from the Series 2019A bond as discussed below.

The IRS Code imposes requirements on the Series 2010A Bonds that the Enterprise must continue to meet after the Series 2010A Bonds are issued in order to receive the federal direct payments. These requirements generally involve the way that Series 2010A Bond proceeds must be invested, ultimately used, and the periodic submission of requests for payment. If the Enterprise does not meet these requirements, it is possible that the program may not continue to receive the federal payments.

The proceeds of this issuance are recorded as long-term debt in the financial statements with interest payable as of June 30, 2024 recorded as current. Interest payments are due on June 1 and December 1 of each year. A portion of the Bonds mature in December 2025 with the balance due by December 2040. The debt proceeds are held by the Trustee, Zions Bank, and invested by the State Treasury per written agreement.

The primary source of revenues to repay the debt obligations comes from bridge surcharges as defined in statute and from the BABs subsidy. The Transportation Commission has also committed, subject to annual approval, up to $15 million in Federal Highway Authority funds annually to pay a portion of the debt service costs of the bonds. Please see further discussion of availability of these funds in Note 9.

This agreement is detailed in a Memorandum of Agreement between the Federal Highway Administration and the Enterprise.

Series 2019A Bonds

A portion of the Series 2010A bonds were issued with an optional par-call redemption provision enabling the Enterprise to refund the 2027 term bond totaling $42.8 million for interest rate savings prior to its maturity. The 2027 Term bond was callable at par on December 1, 2020. The Enterprise started to evaluate the interest saving and pursued the partial refunding of the 2010A bonds in the Summer of 2019.

In December 2019, the Enterprise issued $38.7 million in Colorado Bridge Enterprise Revenue Refunding Bonds Series 2019A with an interest rate of 4 percent and included a premium of $6.3 million. Interest payments are due June 30 and December 30 each year, starting in June 2020. A portion of the Bonds mature in December 2025 with the balance due June 2028.

In December 2019, the Enterprise partially refunded the 2010A bonds to reduce its total debt service payments by $10.3 million and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $4.2 million. The reacquisition price of $44.7 million exceeded the carrying value of the 2010A bond totaling $42.8 million, which resulted in a refunding loss of $1.9 million. The refunding loss was recognized as a deferred outflow and will be amortized over the remaining life of the bond. The balance of the refunding loss as of June 30, 2024 was $657,671.

The proceeds from the 2019A bonds that were used to advance refund a portion of the outstanding 2010A bonds have been placed in escrow to provide for all future debt service payments on the refunded bonds. Accordingly, the escrow account assets and the liability for the defeased bonds are not included in the Enterprise's financial statements. As of June 30, 2024, $257,180,000 of the defeased 2010A bonds remains outstanding.

Series 2024A Bonds

In April 2024, BTE issued the $150 million Infrastructure Revenue Bond Series 2024A bonds with an interest rate of 5 percent and included a premium of $15.4 million. The proceeds of the debt issuance are recorded as long term debt in the financial statements. Interest payments, as well as principal payments are payable on June 30th and December 30th of each year, with the first interest payment scheduled for December 30, 2024. Principal payments begin in December 2041 with final maturity in December 2055. The debt proceeds are held by the Trustee, Zions Bank, and invested by the State Treasury. The bond proceeds are to be used to construct the Floyd Hill project.

Central 70 Capital Performance Payments

In 2017, to partially finance the Central 70 Project 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 2010A bonds, 2019A bonds, 2024A bonds, and the Central 70 Capital Performance Payments bonds as follows:

2010A Bonds:

Fiscal Year	Interest Due	Principal Due	Less BAB Subsidy	Net Debt Service Payment
2025	$ 15,631,400	$ -	$ 5,470,990	$ 10,160,410
2026	15,631,400	-	5,470,990	10,160,410
2027	15,631,400	-	5,470,990	10,160,410
2028	15,631,400	-	5,470,990	10,160,410
2029	15,162,179	15,440,000	5,306,763	25,295,416
2030 to 2034	60,656,617	87,040,000	21,229,816	126,466,801
2035 to 2039	31,407,305	106,055,000	10,992,557	126,469,748
2040 to 2041	2,985,969	48,645,000	1,045,089	50,585,880
Total payments	**$ 172,737,670**	**$ 257,180,000**	**$ 60,458,185**	**$ 369,459,485**

The BABs subsidy is received prior to the due date of the semi-annual debt service payments.

2019A Bonds:

Fiscal Year	Interest Due	Principal Due	Net Debt Service Payment
2025	$ 1,549,600	$ -	$ 1,549,600
2026	1,301,200	12,420,000	13,721,200
2027	794,700	12,905,000	13,699,700
2028	268,300	13,415,000	13,683,300
Total payments	**$ 3,913,800**	**$ 38,740,000**	**$ 42,653,800**

2024A Bonds:

Fiscal Year	Interest Due	Principal Due	Net Debt Service Payment
2025	$ 8,956,097	$ -	$ 8,956,097
2026	7,960,975	-	7,960,975
2027	7,960,975	-	7,960,975
2028	7,960,975	-	7,960,975
2029	7,960,975	-	7,960,975
2030 to 2034	39,804,875	-	39,804,875
2035 to 2039	39,804,875	-	39,804,875
2040 to 2044	38,072,250	23,625,000	61,697,250
2045 to 2049	27,912,350	48,375,000	76,287,350
2050 to 2054	13,133,088	63,150,000	76,283,088
2055 to 2059	408,375	14,850,000	15,258,375
Total payments	**$ 199,935,810**	**$ 150,000,000**	**$ 349,935,810**

Central 70 Capital Performance Payments:

Fiscal Year	Interest Due	Principal Due	Net Debt Service Payment
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	25,285,258	9,462,764	34,748,022
2030 to 2034	119,753,747	64,692,958	184,446,705
2035 to 2039	104,043,671	99,600,396	203,644,067
2040 to 2044	80,691,677	144,147,828	224,839,505
2045 to 2049	47,619,526	200,621,455	248,240,981
2050 to 2054	7,761,433	138,896,902	146,658,335
Total payments	**$ 489,368,057**	**$ 685,520,600**	**$ 1,174,888,657**

NOTE 9 – CONDUIT DEBT

In 2017 the Central 70 project was awarded to Kiewit Meridiam 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 2021A 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 issue of 2016 PAB, 2021A and 2021B, which are payable by KMP and are non-recourse to BTE and not BTE obligations. 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 bonds were paid off using the TIFIA loan proceeds. As of June 30, 2024 the outstanding balances were as follows:

- $108,560,000 Series 2016 Bonds
- $39,430,000 Series 2021A Bonds
- $462,959,225 TIFIA Loan

NOTE 10 – AVAILABILITY OF FEDERAL FUNDS

Although the Transportation Commission adopted resolution TC-1925 in November 2010 expressing its intent to annually consider allocating and transferring from CDOT to the Enterprise $15 million of eligible Federal Highway Administration (FHWA) funds, the Transportation Commission (TC) is not obligated to make such transfers. The decision on whether to allocate and transfer such federal funds will be made on an annual basis and will be at the sole discretion of the Transportation Commission. Such a decision may be affected by the amounts of such FHWA funds that are available to CDOT in the future, which may be adversely impacted by federal budgeting and appropriation constraints or changes in federal law. Approval of the federal funds for the debt service reimbursement from FHWA occurs through the annual CDOT budget process. In Fiscal Year 2023-24, a transfer in an amount equal to the FHWA participation in the debt service, $9.7 million was budgeted and received for debt service on the Series 2010A and Series 2019A bonds. In Fiscal Year 2022-23, a transfer in an amount equal to the FHWA participation in the debt service, $9.7 million was budgeted and received for debt service on the Series 2010A and Series 2019A bonds.

In Fiscal Year 2019-20 CDOT was awarded a $12.5 million discretionary grant for the Region 2 Concrete Box Culvert Program. This FHWA funding was coupled with Enterprise revenues to address Enterprise structures on State Highway 9, U.S. Highway 24, and U.S. Highway 350 throughout rural areas throughout southern Colorado with the goal of providing rural mobility and connections to interstate commerce. The current Enterprise eligible project costs for these structures are estimated at $55.2 million. Through Fiscal Year 2023-24, the Enterprise has spent $44.1 million on eligible costs for these structures.

NOTE 11 – DEFINED BENEFIT PENSION PLAN

The Enterprise participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employee's Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position (FNP) of the SDTF 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.

General Information about the Pension Plan

A. Plan Description

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

B. Benefits Provided as of December 31, 2023

PERA provides retirement, disability, and survivor benefits. Retirement benefits are 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 C.R.S. § 24-51-602, 604, 1713, and 1714.

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 Denver Public Schools (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 the highest average salary and also 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 five 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 one percent 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 one percent 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 ten percent 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 percent 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 Safety Officers whose disability is caused by an on-the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. The disability benefit mount 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.

C. Contributions Provisions as of June 30, 2024

Eligible employees of the Enterprise and the State are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements for the SDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Employee contribution rates for the period of July 1, 2023 through June 30, 2024 are summarized in the table below:

	July 1, 2023-December 31, 2023	January 1, 2024-June 30, 2024
Employee contribution (all employees other than Safety Officers)	11.00%	11.00%

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

The employer contribution requirements for all employees other than Safety Officers are summarized in the table below:

	Fiscal Year 2022-23	**Fiscal Year 2023-24**	**Fiscal Year 2023-24**
	CY23	**CY23**	**CY24**
	January 1, 2023-June 30, 2023	July 1, 2023-December 31, 2023	January 1, 2024-June 30, 2024
Employer Contribution Rate**	11.40%	11.40%	11.40%
Amount of Employer Contribution Apportioned to the Heath Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f)	(1.02)%	(1.02)%	(1.02)%
Amount Apportioned to the SDTF	10.38%	10.38%	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Section 24-51-411	5.00%	5.00%	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in 413 C.R.S., Section 24-51-411	5.00%	5.00%	5.00%
Defined Contribution Supplement as specified in C.R.S., 24-51-415	0.17%	0.17%	0.21%
Total Employer Contribution Rate to the SDTF	20.55%	20.55%	20.59%

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

Employer contributions are recognized by the SDTF in the period in which the compensation becomes payable to the member and the Enterprise is statutorily committed to pay the contributions to the SDTF. Employer contributions recognized by the SDTF from the Enterprise were $472,591 and $581,046 for the years ended June 30, 2024 and 2023, respectively.

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 $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 by PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, required the State to make an additional direct distribution on approximately $14.5 million (actual dollars), for a total of approximately $49.5 million (actual dollars) to be contributed on July 1, 2023.

D. Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of December 31, 2023 and 2022, respectively, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 and 2022. Standard update procedures were used to roll forward the TPL liability to December 31, 2023 and 2022. The Enterprise proportion of the net pension liability was based on the Enterprise's contributions to the SDTF for calendar year 2023, relative to the total contributions of participating employers of the SDTF that are outside of the State's financial reporting entity.

At June 30, 2024, the Enterprise reported a liability of $6,674,741 and $5,620,261 as of June 30, 2023 for its proportionate share of the net pension liability.

At December 31, 2023, the Enterprise proportion was .07 percent, which was an increase of .0183 percent from its proportion measured as of December 31, 2022.

At December 31, 2022, the Enterprise proportion was .0517 percent, which was a decrease of .0159 percent from its proportion measured as of December 31, 2021.

For the years ended June 30, 2024 and 2023, the Enterprise recognized a pension expense of $690,750 and of $71,258. At June 30, 2024 and 2023, the Enterprise reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 109,106	$ 35,443	$ -	$ 75,353
Changes of assumptions or other inputs	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	484,786	-	714,524	956,459
Changes in proportion and differences between BTE contributions and proportionate share of contributions	817,137	361,208	439,248	-
BTE contributions subsequent to the measurement date	202,305	-	258,403	-
Total	$ 1,613,334	$ 396,651	$ 1,412,175	$ 1,031,812

$202,305 reported as deferred outflows of resources 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, 2025. 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 ended June 30	
2025	$ (13,060)
2026	180
2027	4,289
2028	(6,642)
2029	4,594
2030	4,062
Thereafter	-
	$ (6,577)

E. Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuations were determined using the following actuarial cost methods, actuarial assumptions and other inputs:

	2022	2021
Actuarial cost method	Entry age	Entry age
Price inflation	2.30%	2.30%
Real wage growth	0.70%	0.70%
Wage inflation	3.00%	3.00%
Salary increases, including wage inflation		
Members other than Safety Officers	3.30%-10.90%	3.30%-10.90%
Safety Officers	3.20%-12.40%	3.20%-12.40%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25%	7.25%
Discount rate	7.25%	7.25%
Post-retirement benefit increases:		
PERA Benefit Structure hired prior to January 1, 2007 and DPS Benefit Structure (compounded annually)	1.00%	1.00%
PERA Benefit Structure hired after December 31, 2006[1]	Financed by the AIR	Financed by the AIR

[1] Postretirement 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 benefits 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 Safety Officers were based upon the PubG-2010 Employee Table with generational projects using scale MP-2019.

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

Post-retirement non-disabled mortality assumptions were based on 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 Safety Officers 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-210 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 Safety Officers 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 Safety Officers 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, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020 for the period January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA board on November 20, 2020.

The long term expected return on plan assets is reviewed as part of regularly scheduled experience studies performed at least every five years and asset/liability studies performed every three to 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-estimated ranges of future real estate rates of return (expected return, net investment expenses 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 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 below 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%	

Note: 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.

F. Discount Rate

The discount rate used to measure the TPL 7.25 percent. The projection of cash flows used to determine the discount rate applied to 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 percent.

- 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 and 2020 AAP assessment. 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 reached 103 percent, at which the AED and SAED will drop 0.50 percent 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 the total service cost 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.

- 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.

- Beginning with the December 31, 2023, measurement date and thereafter, the FN as of the current measurement date is used as a starting point for the GASB 67 projection test.

Based on the above assumptions and methods, the SDTF's FNP was 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.

G. Sensitivity of the Enterprise Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following 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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 8,723,880	$ 6,674,741	$ 4,951,694

H. Pension Plan Fiduciary Net Position

Detailed information about the SDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investment/pera-financial-reports.

NOTE 12 – OTHER RETIREMENT PLANS/DEFINED CONTRIBUTION PENSION PLANS

Voluntary Investment Program PERAPlus 401(k) Plan

A. Plan Description

Employees of the Enterprise that are also members of the SDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401 (k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

B. Funding Policy

The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Article 51, Section 1402 of the C.R.S, as amended. Employees are immediately vested in their own contributions, employer contribution and investment earnings.

Defined Contribution Retirement Plan (DC Plan)

C. Plan Description

Employees of the Enterprise that were hired on or after January 1, 2006 and employees of certain community colleges that were hired on or after January 1, 2008, and certain classified employees of State Colleges and Universities hired on or after July 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 DC Plan is also included in PERA's ACFR as referred to above.

D. Funding Policy

All participating employees in the PERA DC Plan and the Enterprise are required to contribute a percentage of the participating employee's PERA-includable salary to the PERA DC Plan. The employee contributions rates for the period July 1, 2023 through June 30, 2024 are summarized in the table below:

	July 1, 2023 through December 31, 2023	January 1, 2024 through June 30, 2024
Employee Contribution Rates:		
Employee contribution (All employees except Safety Officers)	11.00%	11.00%
State Troopers Only	13.00%	13.00%
Employer Contributions Rates:		
On behalf of all employees except Safety Officers	10.15%	10.15%

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

Additionally, the employers are required to contribute to AED and SAED to the SDTF as follows:

	July 1, 2023 through December 31, 2023	January 1, 2024 through June 30, 2024
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%
Defined Contribution statutory contribution as specified in C.R.S. § 24-51-1505	0.25%	0.25%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.17%	0.21%
Total Employer Contribution Rate to the SDTF	11.42%	11.46.%

** 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 percent vested in the amount of employer contributions made on their behalf. For each full year of participation, vesting of employer contributions increases by 10 percent. Forfeitures are used to pay expenses of the PERA DC Plan in accordance with PERA Rule 16.08 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. The Enterprise did not recognize any pension expense for the PERA DC plan and no employees contributed to the plan for the years ended June 30, 2024 and 2023.

Deferred Compensation Plan (PERAPlus 457 Plan)

E. Plan Description

Employees of the Enterprise may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which included additional information on the PERAPlus 457 Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The PERAPlus 457 Plan is funded by voluntary member contributions up to the maximum limits sent by the Internal Revenue Service, as established under Title 24, Article 51, Section 1603 of the C.R.S., as amended. Members are immediately vested in their own contributions, employer contributions, and investment earning.

NOTE 13 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

A. OPEB

The Enterprise 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 (FNP) and additions to/deductions from the FNP and 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.

B. Plan Description

Eligible employees of the Enterprise 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, and 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 purpose of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

C. 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 plan 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.

D. 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.

E. 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 Enterprise is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the Enterprise were $21,694 for the year ended June 30, 2024, and $22,026 for the year ended June 30, 2023.

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

At June 30, 2024 and 2023, the Enterprise reported a liability of $158,589 and $134,635 for its proportionate share of the net OPEB liability, respectively. The net OPEB liability for the HCTF was measured as of December 31, 2022 and 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actual valuation as of December 31, 2022. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2023. The Enterprise's proportion of the net OPEB liability was based on Enterprise's contributions to the HCTF for the calendar year 2023 relative to the total contributions of participating employers to the HCTF.

At December, 2023, the Enterprise proportion was .022 percent, which was an increase of .006 from its proportion measured as of December 31, 2022.

At December, 2022, the Enterprise proportion was .016 percent, which was a decrease of .006 from its proportion measured as of December 31, 2021.

For the years ended June 30, 2024 and 2023, the Enterprise recognized an increase of OPEB expense (credit) of $4,211 and ($45,169), respectively. At June 30, 2024, the Enterprise reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 32,504	$ 17	$ 32,559
Changes of assumptions	1,865	16,816	2,164	14,860
Net difference between projected and actual earnings on OPEB plan investments	4,905	-	8,223	-
Changes in proportion and differences between Enterprise contributions and proportionate share of contributions	86,765	50,793	56,462	70,116
Enterprise contributions subsequent to the measurement date	9,492	-	12,146	-
Total	$ 103,027	$ 100,113	$ 79,012	$ 117,535

$9,492 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, 2025. 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	
2025	$ (13,060)
2026	180
2027	4,289
2028	(6,642)
2029	4,594
2030	4,062
Thereafter	-

G. Actuarial Assumptions

The TOL in the December 31, 2022 and 2021 actuarial valuations were determined using the following actuarial cost method and actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	2022	2021
Actuarial cost method	Entry age	Entry age
Price inflation	2.30%	2.30%
Real wage growth	0.70%	0.70%
Wage inflation	3.00%	3.00%
Salary increases, including wage inflation		
Members other than Safety Officers	3.30%-10.90%	3.30%-10.90%
Safety Officers	3.20% -12.40%	3.20% -12.40%
Long-term investment Rate of Return, net of OPEB plan investment expenses, including price inflation	7.25%	7.25%
Discount rate	7.25%	7.25%
Health care cost trend rates		
PERA Benefit Structure:		
Service-based premium subsidy	0.00%	0.00%
PERACare Medicare plans[1]	7.00% in 2023, gradually decreasing to 4.50% in 2033	6.50% in 2022, gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.50% in 2023, gradually increasing to 4.50% in 2035	3.75% in 2022, gradually increasing to 4.50% in 2029

[1] United Heatlh Care MAPD PPO Plans are 0% for 2023.

Each year the per capita health are costs are developed by plan option; currently based on 2023 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MADPD 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 applied 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)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 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	$ 1,692	$ 1,406	$ 579	$ 481	$ 1,913	$ 1,589
70	$ 1,901	$ 1,573	$ 650	$ 538	$ 2,149	$ 1,778
75	$ 2,100	$ 1,653	$ 718	$ 566	$ 2,374	$ 1,869

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	$ 6,469	$ 5,373	$ 4,198	$ 3,487	$ 6,719	$ 5,581
70	$ 7,266	$ 6,011	$ 4,715	$ 3,900	$ 7,546	$ 6,243
75	$ 8,026	$ 6,319	$ 5,208	$ 4,101	$ 8,336	$ 6,563

The 2023 Medicare Part A premium is $506 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, 2022, 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
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the TOL for the HCTF, but developed on a head-count 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 Safety Officers were based upon the PubG-2010 Employee Table with generational projection using scaled MP-2019.

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

The pre-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 Safety Officers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94 percent 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 percent 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 Safety Officers 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 Safety Officers 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 Safety Officers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

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

- Per capita health care costs in effect as of the December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2023 plan year.

- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.

- The health care cost trend rates applicable to heath care premiums were revised to reflect the then current expectation of future increases in those premiums.

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.

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of the 2020 experience analysis dated October 28, 2020, and November 4, 2020, for the period January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

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%	

Note: 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 nominal rate of return assumption of 7.25 percent.

H. Sensitivity of the Enterprise Proportionate Share of the Net OPEB Liability to Changes in Health Care Cost Trend Rates

The following 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:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate[1]	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$154,038	$158,589	$163,541

[1]For the January 1, 2024, plan year.

I. Discount Rate

The discount rate used to measure the TOL 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, 2023 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.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.

- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023 year end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division Trust Fund were $1.033 million and $24.967 million, respectively.

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.

J. Sensitivity of the Enterprise Proportionate Share of the Net OPEB Liability 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 one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$187,314	$158,589	$134,015

K. 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.

NOTE 13 – RISK MANAGEMENT

The State of Colorado currently self-insures its agencies, officials, and employees for the risks of losses to which they are exposed. That includes general liability, motor vehicle liability, worker's compensation, and medical claims. Property claims are not self-insured; rather the State has purchased insurance. The Enterprise participates in the Risk Management Fund of the State of Colorado through the Department of Transportation. Agency premiums are based on an assessment of risk exposure and historical experience. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount of claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors 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 re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. There were no significant reductions or changes in insurance coverage from the prior year in any of the above mentioned risk management arrangements and had no settlements that exceeded insurance coverage for the past three years.

NOTE 15 – TAX, SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of State and local governments. The amendment excludes from its provision Enterprise operations. Enterprises are defined as government-owned businesses authorized to issue revenue bonds, which receive less than 10 percent of their annual revenue in grants from all State and local governments combined. The Enterprise qualifies as an Enterprise pursuant to C.R.S. Section 43-4-805 (2)(c).

NOTE 16 – CENTRAL 70 PROJECT

On August 24, 2017, Kiewit Meridiam Partners (KMP) was selected to be the Central 70 project developer to undertake the $1.2 billion dollar project. On November 22, 2017, the Enterprise and the High Performance Transportation Enterprise (HPTE) Boards approved the Project Agreement and completed the commercial close of the Central 70 project. On December 21, 2017, KMP and the Enterprise completed the financial close of the project that included the Enterprise issuing $120,765,426 of Private Activity Bonds (PABs) and closing on a TIFIA loan totaling $416,000,000. Since the Enterprise acted as a conduit issuer for the TIFIA loan and the PABs, the Enterprise has no liabilities to record, and the debt will be repaid by KMP. Construction officially started in the summer of 2018 and was completed in February 2023.

In April 2021, HPTE and the BTE Board authorized the restructuring of KMP's debt for the Central 70 project. Doing so allowed the Central 70 project to generate additional financing proceeds, without increasing project funding from BTE, and to mitigate increases in project costs, delay costs and future risk to the project.

The refinancing involved the following: (1) a new, upsized TIFIA loan with the USDOT (the 2021 TIFIA Loan) at a lower interest rate than the existing TIFIA loan; (2) new senior revenue bonds issued via BTE as a conduit issuer' and (3) additional equity investment by KMP, while maintaining the same key financial ratios and BTE funding commitments that were in place at the start of the project.

The new BTE Series 2021A Senior Revenue Bonds were sized to maximize the total refinancing proceeds, payable from the current Performance Payment amounts, without increase once the final interest rate on the TIFIA is set as of the date of financial close. As with the original Colorado Bridge Enterprise Senior Revenue Bonds (Central 70 Project), Series 2017, issued for this project, BTE issued the bonds as conduit issuer. The Series 2021 are not obligations of BTE and are solely payable by KMP from the Trust Estate (as defined in the Trust Indenture, as amended).

The Series 2021B Project Infrastructure Bonds were put into place as a financing bridge due to the legal restrictions that prevent repayment of the 2017 TIFIA Loan directly from proceeds of the 2021 TIFIA Loan. The fixed maturity bonds being issued by BTE as a conduit had interest fully capitalized, meaning KMP has prefunded all interest payments during the time the bonds are outstanding, and will be paid off in full through a draw on the 2021 TIFIA loan proceeds prior to maturity.

BTE and KMP finalized the 2021 TIFIA loan and the issuances of the Series 2021A and 2021B Bonds. The closing of this debt occurred on September 14-15, 2021.

The Capital Performance Payments (CPP) related to the Central 70 project started in March 2022 and are paid to KMP monthly and continue for a period of 30 years. The CPP had 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 and CPP payments begin upon 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 the developer for its capital investment in the Central 70 project including debt in the form of PABs, and a TIFIA loan, and the developer's equity contributions. BTE determined the present value of the CPP by applied interest rate of 3.91 percent, which was derived from the total developer capital, which resulted in a finance purchase liability of $699.3 million in Fiscal Year 2021-22.

In February of 2023 BTE contributed constructed assets of Central 70 to CDOT $644.1 million and to other local governments $60.2 million. In Fiscal Year 2023-24 BTE transferred $370 million of assets to HPTE for the Central 70 managed lanes.

Required Supplementary Information

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Statewide Bridge and Tunnel Enterprise

Required Supplementary Information

Schedule of the Enterprise's Proportionate Share of the Net Pension Liability

June 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Enterprise's proportion of the net pension liability	0.07%	0.05%	0.07%	0.05%	0.05%	0.05%	0.04%	0.11%	0.12%	0.11%
Enterprise's proportionate share of the net pension liability	$ 6,674,741	$ 5,620,261	$ 4,991,256	$ 4,864,259	$ 4,653,323	$ 5,957,055	$ 8,444,751	$ 19,828,708	$ 12,315,953	$ 10,165,317
Enterprise's covered payroll	$ 2,387,063	$ 1,834,885	$ 2,082,536	$ 1,683,441	$ 1,499,770	$ 1,598,345	$ 1,238,452	$ 3,076,792	$ 3,193,343	$ 3,087,257
Enterprise's proportionate share of the net pension liability as a percentage of its covered payroll	279.62%	272.02%	239.67%	288.95%	310.27%	372.70%	681.88%	644.46%	385.68%	329.27%
Plan fiduciary net position as a percentage of the total pension liability	64.37%	60.63%	73.05%	65.34%	62.24%	55.11%	43.20%	42.60%	56.10%	59.80%

Note: Information presented in this schedule has been determined as of the measurement date (December 31) of the collective net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68.

Statewide Bridge and Tunnel Enterprise
Required Supplementary Information
Schedule of the Enterprise's Pension Contributions
June 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 472,591	$ 581,046	$ 450,275	$ 355,828	$ 361,180	$ 336,026	$ 251,976	$ 365,722	$ 630,061	$ 454,689
Contributions in relation to the statutorily required contribution	472,591	581,046	450,275	355,828	361,180	336,026	251,976	365,722	630,061	454,689
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Enterprise's covered payroll	$ 2,126,830	$ 2,159,372	$ 1,852,203	$ 1,809,283	$ 1,657,763	$ 1,553,032	$ 1,317,384	$ 1,957,828	$ 3,544,901	$ 2,853,298
Contributions as a percentage of covered payroll	22.22%	26.91%	24.31%	19.67%	21.79%	21.64%	19.13%	18.68%	17.77%	15.94%

Note: Information presented in this schedule has been determined as of BTE's fiscal year-end (June 30) in accordance with Governmental Accounting Standards Board Statement No. 68.

Statewide Bridge and Tunnel Enterprise

Required Supplementary Information

Schedule of the Enterprise's Proportionate Share of the Net OPEB Liability

June 30

	2024	2023	2022	2021	2020	2019	2018
Enterprise's proportion of the net OPEB liability	0.022%	0.016%	0.022%	0.018%	0.016%	0.018%	0.015%
Enterprise's proportionate share of the net OPEB liability	$ 158,589	$ 134,635	$ 190,961	$ 167,659	$ 182,489	$ 250,452	$ 193,163
Enterprise's covered payroll	$ 2,387,063	$ 1,860,602	$ 2,082,536	$ 1,683,441	$ 1,499,770	$ 1,598,345	$ 1,238,452
Enterprise's proportionate share of the net OPEB liability as a percentage of its covered payroll	6.64%	7.24%	10.31%	9.96%	12.17%	15.67%	15.60%
Plan fiduciary net position as a percentage of the total OPEB liability	46.16%	38.57%	39.40%	32.78%	24.49%	17.03%	17.53%

Note: Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of the measurement date (December 31) of the collective net OPEB liability in accordance with Governmental Accounting Standards Board Statement No. 75.

Statewide Bridge and Tunnel Enterprise
Required Supplementary Information
Schedule of the Enterprise's OPEB Contributions
June 30

	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution	$ 21,694	$ 22,026	$ 18,892	$ 18,455	$ 16,909	$ 15,841	$ 13,437
Contributions in relation to the statutorily required contribution	21,694	22,026	18,892	18,455	16,909	15,841	13,437
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Enterprise's covered payroll	$ 2,126,830	$ 2,347,572	$ 1,852,203	$ 1,809,283	$ 1,657,763	$ 1,553,031	$ 1,317,384
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

Note: Information is not available prior to 2018. In future reports, additional years will be added until 10 years of historical data are presented. Information presented in this schedule has been determined as of BTE's fiscal year-end (June 30) in accordance with Governmental Accounting Standards Board Statement No. 75.

Statewide Bridge and Tunnel Enterprise
Notes to Required Supplementary Information
June 30, 2023 and 2022

NOTE 1 – SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUAL INFORMATION – DEFINED BENEFIT PENSION PLAN

2023 Changes in Plan Provisions Since 2022

- Senate Bill (SB) 23-056, enacted and effective June 2, 2023, intended to recompense PERA for the remaining portion of the $225 million direct distribution originally scheduled for receipt July 1, 2020, suspended due to the enactment of House Bill (HB) 20-1379, but not fully repaid through the provisions within BH 22-1029. Pursuant to SB 23-056, the State Treasurer issued a warrant consisting of the balance of the PERA Payment Cash fund, created in §24-51-416, plus $10 million from the General Fund, totaling $14.6 million.

- SB 12-163, enacted and effective June 6, 2023, states beginning July 1, 2023, a wildlife officer and parks and recreation officer employed by the Division of Parks and Wildlife in the Department of Natural Resources, is classified as a "State Trooper" for the purpose of determining their service retirement eligibility.

- As of the December 31, 2023, measurement date, the total pension (TPL) recognizes the change in the default method applied for granting service accruals for certain members, from a "12 pay" method to a "non 12 pay" method. The default service accrual method for positions with an employment pattern of at least eight months but fewer than 12 months (including, but not limited to positions in the School and DPS Divisions) receive a higher ratio of service credit for each moth worked, up to a maximum of 12 months of service credit per year.

- As of the December 31, 2023, measurement date, the fiduciary net position (FNP) and related disclosure components for the Health Care Trust Fund (HCTF) reflects payments related to the disaffiliation of Tri-County Health Department (Tri-County Health) as a PERA-affiliated employer, effective December 31, 2022, As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24 million payment received on December 4, 2023, and a $2 million receivable. The employer disaffiliation payment and receivable allocations to the HCTF and Local Government Division.

There were no changes made to actuarial methods or assumptions for the December 31, 2022 measurement period for pension compared to the prior year.

- The assumption used to value the automatic increase cap benefit provision was changed from 1.25 percent to 1.00 percent

Changes in assumptions or other inputs effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and 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 Safety Officers) was changed to the PubG-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 Safety Officers) 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 Safety Officers was changed to the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than Safety Officers) was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.
- The disability mortality assumption for Safety Officers 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.

Changes in assumptions or other input effective for the December 31, 2019 measurement period are as follows:

- The assumption used to value the annual increase (AI) cap benefit provision was changed from 1.50% to 1.25%.

Changes in assumptions or other inputs effective for the December 31, 2018 measurement period are as follows:

- The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.72%

Changes in assumptions or other inputs effective for the December 31, 2017 measurement period are as follows:

- The discount rate was lowered from 5.26% to 4.72%.

Changes in assumptions or other inputs effective for the December 31, 2016 measurement period are as follows:

- The investment return assumption was lowered from 7.50% to 7.25%.
- The price inflation assumption was lowered from 2.80% to 2.40%.
- The real rate of investment return assumption increased from 4.70% per year, net of investment expenses, to 4.85% per year, net of investment expenses.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for active employees, RP2014 Healthy Annuitant Mortality tables projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

There were no changes made to actuarial methods or assumptions for the December 31, 2015 measurement period for pension compared to the prior year.

There were no changes made to actuarial methods or assumptions for the December 31, 2014 measurement period for pension compared to the prior year.

Changes in assumptions or other inputs effective for the December 31, 2013 measurement period are as follows:

- The investment return assumption was lowered from 8.00% to 7.50%
- The price inflation assumption was lowered from 3.50% to 2.80%
- The wage inflation assumption was lowered from 4.25% to 3.90%

NOTE 2 SIGNIFICANT CHANGES IN PLAN PROVISIONS AFFECTING TRENDS IN ACTUAL INFORMATION – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT PLAN

2023 Changes in Assumption or Other Inputs Since 2022

- There were no change made to the actuarial methods or assumptions.

Changes in assumptions or other input effective for the December 31, 2022 measurement period are as follows:

- The timing of the retirement decrement was adjusted to middle-of-year.

There were no changes in assumptions or other inputs effective for the December 31, 2021 measurement period for OPEB.

Changes in assumptions or other inputs effective for the December 31, 2020 measurement period are as follows:

- The price inflation assumption was lowered from 2.40 percent to 2.30 percent, and 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 Safety Officers) was changed to the PubG-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 Safety Officers) 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 Safety Officers 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 Safety Officers was changed to the PubNS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

- The disability mortality assumption for Safety Officers 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.

There were no changes in assumptions or other inputs effective for the December 31, 2019 measurement period for OPEB.

There were no changes in assumptions or other inputs effective for the December 31, 2018 measurement period for OPEB compared to the prior year.

There were no changes in assumptions or other inputs effective for the December 31, 2017 measurement period for OPEB.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Legislative Audit Committee
Colorado Department of Transportation
Statewide Bridge and Tunnel Enterprise

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Statewide Bridge and Tunnel Enterprise (the Enterprise or BTE), an enterprise fund of the State of Colorado, Department of Transportation, as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated December 2, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Enterprise's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Enterprise's internal control. Accordingly, we do not express an opinion on the effectiveness of the Enterprise's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Members
Colorado Department of Transportation
Statewide Bridge and Tunnel Enterprise

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Enterprise's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
December 2, 2024

CliftonLarsonAllen LLP
CLAconnect.com

Members of the Legislative Audit Committee
Colorado Department of Transportation
Statewide Bridge and Tunnel Enterprise

As part of our audit of the financial statements and compliance of Statewide Bridge and Tunnel Enterprise (the Enterprise) as of and for the year ended June 30, 2024, we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America and the Standards Applicable to Financial Audits Contained in *Government Auditing Standards* Issued by the Comptroller General of the United States

An audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and U.S. Office of Management and Budget, (OMB) *Uniform Guidance* is designed to obtain reasonable, rather than absolute, assurance about the financial statements and about whether noncompliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on a major federal program occurred. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement and compliance audits that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

Audits of the financial statements and compliance do not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The Enterprise's significant accounting policies are described in Note 1 of the audited financial statements.

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within accounting principles generally accepted in the United States of America for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Depreciation and useful lives of capital assets
- Net pension liability and related items
- Net OPEB liability and related items

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Revenue recognition
- Defined benefit pension plan
- OPEB plan
- Central 70 capital contribution

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Proposed Audit Adjustments Recorded

- No adjustments.

Proposed Audit Adjustments Not Recorded

- No passed audit adjustments.

Auditor's Judgments About the Quality of the Enterprise's Accounting Principles

During the course of the audit, we made the following observations regarding the Enterprise's application of accounting principles:

- No matters are reportable

Disagreements with Management

The following matters involved disagreements which if not satisfactorily resolved would have caused a modified auditor's opinion on the financial statements:

- No matters are reportable

Consultation with Other Accountants

During our audit, we became aware that management had consulted with other accountants about the following auditing or accounting matters:

- Matters related to Central 70. The other accountants provided assistance with the recording of the Central 70 transactions.

Significant Issues Discussed with Management

Prior to Retention

During our discussion with management prior to our engagement, the following issues regarding application of accounting principles or auditing standards were discussed:

- No matters are reportable

Difficulties Encountered in Performing the Audit

Our audit requires cooperative effort between management and the audit team. During our audit, we found significant difficulties in working effectively on the following matters:

- No matters are reportable

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter

This communication is intended solely for the information and use of management, Legislative Audit Committee, the Office of the State Auditor, Board of Directors, and management of the Enterprise and is not intended to be and should not be used by anyone other than these specified parties. However, upon release by the Legislative Audit Committee, this report is a public document.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
December 2, 2024p