

STATE BOARD OF THE
GREAT OUTDOORS COLORADO TRUST FUND

Financial and Compliance Audit
For the Years
June 30, 2026 and 2025

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REPORT NUMBER 2622F

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October 12, 2026

Members of the State Board of the Great Outdoors Colorado Trust Fund and Legislative Audit Committee,

We have completed the financial statement audit of the State Board of the Great Outdoors Colorado Trust Fund as of and for the years ended June 30, 2026 and 2025. 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 Article XXVII, Section 6(3), of the Colorado Constitution, which requires the State Auditor to conduct an annual audit of the State Board of the Great Outdoors Colorado Trust Fund. The reports that we have issued as a result of this engagement are set forth in the table of contents, which follows.

Sincerely,

Eide Bailly LLP

Eide Bailly LLP

STATE BOARD OF THE GREAT OUTDOORS COLORADO TRUST FUND

Table of Contents

Page

Report Summary 1

Description of the State Board of the Great Outdoors Colorado Trust Fund 2

Independent Auditor's Report 5

Management's Discussion and Analysis 8

Basic Financial Statements

- Governmental Fund Balance Sheet and Statement of Net Position – June 30, 2026 17
- Governmental Fund Balance Sheet and Statement of Net Position – June 30, 2025 18
- Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities – For the Year Ended June 30, 2026 19
- Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities – For the Year Ended June 30, 2025 20
- Notes to Financial Statements 21

Required Supplementary Information

- Budgetary Comparison Schedule – For the Year Ended June 30, 2026 40
- Budgetary Comparison Schedule – For the Year Ended June 30, 2025 41
- Notes to the Required Supplementary Information 42

Independent Auditor's 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* 44

Required Communications to the Members of the State Board of Great Outdoors Colorado Trust Fund and the Legislative Audit Committee 46

STATE BOARD OF THE GREAT OUTDOORS COLORADO TRUST FUND

Report Summary
Financial and Compliance Audit
For the Years Ended June 30, 2026 and 2025

AUTHORITY, PURPOSE, AND SCOPE

The Office of the State Auditor, State of Colorado, engaged Eide Bailly LLP ("Contract Auditors") to conduct the financial and compliance audit of the State Board of the Great Outdoors Colorado Trust Fund ("GOCO") for the Fiscal Years ended June 30, 2026 and 2025.

Eide Bailly LLP conducted the audit 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 audit work was performed during the period from May 2026 through September 2026.

The purpose of this audit was (a) to perform a financial and compliance audit of GOCO, including a review of internal controls, as required by generally accepted auditing standards and *Government Auditing Standards;* (b) to test GOCO's compliance with certain rules and regulations governing the expenditures of State funds for the year ended June 30, 2026; (c) to prepare audit findings and recommendations for improvements in internal controls, as applicable; and (d) to evaluate progress in implementing prior audit findings, as applicable.

AUDITOR'S OPINIONS AND REPORTS

An independent auditor's report on the financial statements of GOCO, dated October 12, 2026 has been issued, which states that the financial statements present fairly, in all material respects, the financial position of GOCO as of June 30, 2026 and 2025, and the change in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A 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,* dated October 12, 2026, has also been issued, which states that the results of the Contract Auditors' tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards.*

SUMMARY OF AUDIT RECOMMENDATIONS

There were no findings or recommendations reported for the year ended June 30, 2026 and no finding or recommendations reported for the year ended June 30, 2025.

STATE BOARD OF THE GREAT OUTDOORS COLORADO TRUST FUND

Description of the State Board of the Great Outdoors Colorado Trust Fund
For the Years Ended June 30, 2026 and 2025

The Great Outdoors Colorado Trust Fund and the State Board ("GOCO"), which oversees GOCO, were created by Article XXVII of the Colorado Constitution. Article XXVII is the result of the passage of the Great Outdoors Colorado Initiative (Amendment 8) during the November 3, 1992 election. Fiscal Year 2026 was the thirty-third year of operations for GOCO.

Article XXVII establishes procedures for the distribution of net proceeds from state-supervised Lottery games. The intent of Article XXVII is to use a portion of net State Lottery ("Lottery") proceeds to provide funding for wildlife, park, river, trail, and open space heritage. To help ensure this, Article XXVII allocated an amount of net Lottery proceeds to GOCO. The amount is adjusted annually based on the change from the 1992 Denver-Boulder-Greeley Consumer Price Index ("CPI"). In turn, GOCO is responsible for funding appropriate programs through designated state and local agencies as well as other qualifying entities. All of GOCO's revenues, with the exception of investment earnings and miscellaneous income, are from Lottery proceeds. During 2018, Senate Bill 18-066 extended the termination date of Lottery to July 1, 2049, thus continuing funding for GOCO through June 30, 2049.

As of June 30, 2026, the State Board that oversees GOCO consists of a total of nineteen members: two members of the public from each of the eight congressional districts, appointed by the Governor; a representative for outdoor recreation issues designated by the Colorado Parks and Wildlife Commission (the "Commission"); a representative for wildlife issues, also designated by the Commission; and the Executive Director of the Department of Natural Resources. Monies allocated to GOCO are for the purposes established in Article XXVII and are not subject to appropriation for any other purpose. GOCO is a political subdivision of the State of Colorado ("State"). During Fiscal Year 2026, GOCO had a permanent staff of 23 and received $88.0 million in net Lottery proceeds, the maximum allowable for Fiscal Year 2026. During Fiscal Year 2025, GOCO had a permanent staff of 22 and received $84.9 million in net Lottery proceeds, which is $1.1 million below the maximum allowable for Fiscal Year 2025 but $3.1 million higher than Lottery proceeds received in Fiscal Year 2024.

CONSTITUTIONAL REQUIREMENTS FOR SPENDING

Article XXVII requires the State Board, which oversees GOCO, to assure that "amounts expended for each of the [funding] purposes over a period of years be substantially equal." The four funding purposes are wildlife, outdoor recreation, competitive grants for open space, and competitive matching grants to local governments for open lands and parks.

GOCO created a policy in Fiscal Year 2018 to define "substantially equal" and "a period of years," to measure performance and establish a process for addressing issues of non-compliance. This policy sets tolerance thresholds of the percentage variance from 25% (exactly equal among four categories), with different timeframes for authorizations and expenditures. The policy states:

- For grant authorizations, substantially equal means a range of tolerance of +/- 1.25% of 25% per funding category, to be measured cumulatively from the organization's inception to the forecasted end of a board-adopted multi-year spending plan.

- For grant expenditures, substantially equal means a range of tolerance of +/-2.5% of 25% per funding category, measured cumulatively from the organization's inception to the end of the most recently closed fiscal year, as established via the annual financial audit of the organization.

As shown in the tables below and on the following page, GOCO complied with the above policy on authorized and expended grants as of Fiscal Year 2026. Authorized grants are measured for compliance as forecasted at the end of the multi-year spending plan (Fiscal Year 2030). GOCO's policy for board action if the defined threshold for substantially equal is out of compliance is as follows:

a. determine what circumstances are affecting its ability to maintain its cash balance as a percentage of outstanding grants, grant authorizations, or grant expenditures within established ranges; and,
b. determine what actions it will take to bring cash balance, grant authorizations or grant expenditures within established ranges; and,
c. determine a timeframe by which it will seek to return its cash balance as a percentage of outstanding grants, grant authorizations or grant expenditures back within established ranges.

The following chart shows the cumulative grants expended and authorized since GOCO's inception in 1993. Grants Authorized represent the amount, by purpose, approved by the GOCO Board. This authorization process is used by the GOCO Board to achieve the goal of substantially equal expenditures across the four purposes. Grants Expended represents cumulative actual expenditures by purpose and is the measurement used for substantially equal.

GOCO Grants Cumulative through Fiscal Year 2026 (in thousands)

	Grants Authorized		Grants Expended		
Funding Purpose	Amount	%	Amount	%	Cumulative Difference
Purpose 1 – Wildlife	$ 448,111	24.6%	$ 400,780	24.6%	$ 47,331
Purpose 2 – Parks and outdoor recreation	448,425	24.6	405,496	24.9	42,929
Purpose 3 – Competitive grants for open space	455,628	25.0	408,942	25.0	46,686
Purpose 4 – Competitive matching grants to local governments for open lands and parks	469,040	25.8	415,448	25.5	53,592
Total	$ 1,821,204	100.0%	$1,630,666	100.0%	$ 190,538

Source: Data provided by GOCO

STATE BOARD OF THE GREAT OUTDOORS COLORADO TRUST FUND

Description of the State Board of the Great Outdoors Colorado Trust Fund
For the Years Ended June 30, 2026 and 2025

The next two charts show the trend over the last five years of cumulative grants authorized by GOCO and grants expended by purpose.

GOCO Grants Authorized Cumulative Trend for the Previous Five Years

Funding Purpose	Grants Authorized %					Five-Year Change
	2022	2023	2024	2025	2026	
Purpose 1 – Wildlife	24.6%	24.8%	25.0%	24.9%	24.6%	0.0%
Purpose 2 - Parks and outdoor recreation	24.8	24.9	24.7	24.8	24.6	(0.2%)
Purpose 3 - Competitive grants for open space	24.6	24.6	24.4	24.5	25.0	0.4%
Purpose 4 - Competitive matching grants to local governments for open lands and parks	26.0	25.7	25.9	25.8	25.8	(0.2%)
	100.0%	100.0%	100.0%	100.0%	100.0%	

Source: Data provided by GOCO

GOCO Grants Expended Cumulative Trend for the Previous Five Years

Funding Purpose	Grants Expended %					Five-Year Change
	2022	2023	2024	2025	2026	
Purpose 1 – Wildlife	24.9%	24.9%	24.9%	24.8%	24.6%	(0.3%)
Purpose 2 - Parks and outdoor recreation	24.2	24.4	24.7	25.1	24.9	0.7%
Purpose 3 - Competitive grants for open space	24.9	25.3	25.2	25.0	25.0	0.1%
Purpose 4 - Competitive matching grants to local governments for open lands and parks	26.0	25.4	25.2	25.1	25.5	(0.5)%
	100.0%	100.0%	100.0%	100.0%	100.0%	

Source: Data provided by GOCO

Independent Auditor's Report

Members of the State Board of the
Great Outdoors Colorado Trust Fund and Legislative Audit Committee
Denver, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Great Outdoors Colorado Trust fund (GOCO), as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise GOCO's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund of GOCO, as of June 30, 2026 and 2025, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GOCO and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 2 to the financial statements, GOCO has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements* and Statement No. 104, *Disclosure of Certain Capital Assets*, for the year ended June 30, 2026. As a result of implementing the standard, there was no effect on the General Fund and Governmental Activities beginning fund balance and net position as of July 1, 2025. Our opinions are not modified with respect to this matter.

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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 GOCO's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 audit.
- 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 GOCO'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 GOCO's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, and budgetary comparison 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 GAAS, 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 report. The other information comprises the Members of the State Board of the Great Outdoors Colorado Trust Fund and the Description of the State Board of the Great Outdoors Colorado Trust Fund but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2026 on our consideration of GOCO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 GOCO'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 GOCO's internal control over financial reporting and compliance.

Eide Bailly LLP

Denver, Colorado
October 12, 2026

STATE BOARD OF THE GREAT OUTDOORS COLORADO TRUST FUND

Management's Discussion and Analysis
June 30, 2026 and 2025

The State Board of the Great Outdoors Colorado Trust Fund's ("GOCO") management discussion and analysis is designed to provide a financial performance overview of GOCO's financial activities for the Fiscal Years Ended June 30, 2026 and 2025. The management's discussion and analysis is intended to be read in conjunction with GOCO's financial statements beginning on page 17.

GOCO receives funding from net Lottery proceeds and makes investments and grants for projects that preserve, protect, and enhance Colorado's wildlife, park, river, trail, and open space heritage. Investments and grants are provided for four funding purposes: 1) wildlife, 2) outdoor recreation, 3) competitive grants for open space, and 4) competitive matching grants to local governments for open lands and parks.

Overview of the Financial Statements

This annual report consists of three parts – management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of GOCO:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about GOCO's overall financial status.

- The governmental fund statements tell how operations were financed in the short term as well as what remains for future spending.

GOCO's primary source of income is the State Lottery. Net Lottery proceeds are distributed as follows:

- 40% to the Conservation Trust Fund,
- 10% to the Colorado Parks and Wildlife ("CPW"),
- 50% to GOCO up to the constitutional limit.

GOCO's funding is constitutionally capped at $35 million in 1992 dollars, adjusted annually for inflation. This cap was $86.0 million in Fiscal Year 2025 and $88.0 million in Fiscal Year 2026.

In Fiscal Year 2025, the Colorado Legislature enacted House Bill 25-1215 (Redistribution of Lottery Fund), which restructured how excess Lottery proceeds are allocated. Beginning with the 2024-25 state fiscal year and each year thereafter, any Lottery proceeds received above the constitutional cap were to be distributed in two steps:

Fixed allocations are made first: $4.0 million to the Outdoor Equity Fund, $3.0 million to the Public School Capital Construction Assistance Fund, and then $750,000 to the Outdoor Recreation Economic Development Cash Fund.

Remaining funds are then distributed based on the total available in one of two ways:

If $20 million or less remains: 50% to the Public School Capital Construction Assistance Fund, 20% to the Parks and Outdoor Recreation Cash Fund, 20% to the Wildlife Cash Fund, and 10% to the Outdoor Equity Fund.

If more than $20 million remains: 50% to the Public School Capital Construction Assistance Fund,15% to the Parks and Outdoor Recreation Cash Fund,15% to the Wildlife Cash Fund, 10% to the Outdoor Equity Fund, 5% to the Outdoor Recreation Economic Development Cash Fund, and 5% to the Strategic Outdoor Recreation Management and Infrastructure Cash Fund.

Lottery proceeds in Fiscal Year 2026 did exceed the constitutional cap in the amount of $2.7 million, all of which was distributed to the Outdoor Equity Fund by Lottery.

Financial Summary

Statement of Net Position

The following table reflects the condensed statement of net position as of June 30, 2026, 2025, and 2024.

	June 30,		
	2026	2025	2024
Current and other assets	$ 132,146,545	$ 125,589,970	$ 113,807,810
Capital assets, net	686,042	357,342	442,266
Total assets	132,832,587	125,947,312	114,250,076
Other liabilities	10,953,834	9,823,221	9,266,531
Compensated absences	314,386	277,653	174,008
Long-term leases and subscriptions	667,438	354,334	445,175
Total liabilities	11,935,658	10,455,208	9,885,714
Net investment in capital assets	18,604	3,008	(2,909)
Unrestricted	120,878,325	115,489,096	104,367,271
Total net position	$ 120,896,929	$ 115,492,104	$ 104,364,362

As of June 30, 2026 and 2025, the total net position (assets minus liabilities) was approximately $120.9 million and $115.5 million, an increase of $5.4 million or 4.7% and $11.1 million or 10.6% for each year, respectively. Ultimately the increases in net position are impacted by the increase in Lottery proceeds and the timing of grant distributions, however, certain changes in assets and liabilities can have an impact on the net position for each fiscal year.

Statement of Activities

The following table reflects the condensed statement of activities for the Fiscal Years ended June 30, 2026, 2025 and 2024.

	Fiscal Years Ended June 30,		
	2026	2025	2024
Program revenues			
Lottery revenue	$ 87,989,409	$ 84,904,766	$ 81,771,604
General revenues			
Investment earnings (loss)	1,840,170	5,135,926	2,274,545
Miscellaneous income	86,765	3,065	9,162
Project reimbursements	-	-	85,066
Total revenue	89,916,344	90,043,757	84,140,377
Program expenses			
Grants expended	78,476,189	72,605,510	53,403,709
Personnel services and benefits	2,940,847	2,865,010	2,655,935
Operating	3,094,483	3,445,495	3,009,794
Total expenses	84,511,519	78,916,015	59,069,438
Change in net position	5,404,825	11,127,742	25,070,939
Beginning net position	115,492,104	104,364,362	79,293,423
Ending net position	$ 120,896,929	$ 115,492,104	$ 104,364,362

This table shows that revenues exceeded expenses for both fiscal years, resulting in an increase in net position for both years. The total change in net position for Fiscal Years ended June 30, 2026 and 2025 was $5.4 million and $11.1 million, respectively.

The primary factors affecting GOCO's financial position and operating results are discussed in the detailed analyses below and include changes in cash and investments, receivables, grant activity, and investment earnings.

Detailed Analyses

Analysis of Government-wide Statement of Net Position

The changes in net position provide additional context for evaluating GOCO's financial activity during the year. Although some asset and liability changes do not directly affect current-year operating results, they help explain movements in net position and support a more complete understanding of GOCO's overall financial condition.

2026

During Fiscal Year 2026, cash and investments increased by approximately $15.6 million primarily due to the timing of Lottery proceeds, the repayment of outstanding notes receivable, and the timing of grant disbursements and other operating activity.

The Lottery proceeds receivable decreased by approximately $2.8 million from June 30, 2025. This is because the proceeds for April through June of Fiscal Year 2026 were approximately $2.8 million less than proceeds earned during the same time in the previous fiscal year. During Fiscal Year 2026, Lottery proceeds were earned more quickly than in Fiscal Year 2025. As a result, GOCO reached the constitutional cap earlier in June, which produced a lower receivable than in Fiscal Year 2025, when the receivable included three full months of distributions. Lottery proceeds for the final quarter of Fiscal Year 2026 are distributed quarterly and will be received after the end of the fiscal year.

Notes receivable decreased by $7.1 million due to two loans being fully repaid during Fiscal Year 2026, leaving one note receivable in the amount of $10 million which is due and payable in July 2027 (Note 6).

Advanced grant payments increased by $841,382. This is the amount that total advances paid out during the year exceeded the amounts recognized as grant expenses. Advance grant payments are recognized as grant expenses once the contractual obligations are met by the grantees and advances are primarily used for projects awarded under GOCO's Generation Wild, Pathways, Restoration and Stewardship of Outdoor Resources and Environment ("RESTORE"), and Community Impact programs.

As of June 30, 2026, other liabilities increased by approximately $1.1 million from June 30, 2025. The liabilities outstanding at the end of Fiscal Year 2026 consisted mainly of grants payable, which includes estimates of reimbursable costs incurred by Colorado Parks and Wildlife ("CPW"). The grants payable balance of approximately $10.8 million represents an increase of approximately $1.4 million from the prior year. This increase is due to the timing of grant completions at year end.

2025

During Fiscal Year 2025, cash decreased by approximately $18.7 million. The decrease was primarily due to the timing of Lottery proceeds receipts, the repayment of outstanding notes receivable, and the timing of grant disbursements and other operating activity.

Lottery proceeds receivable increased by approximately $17.1 million from June 30, 2024. This is because the constitutional cap was not met in Fiscal Year 2025, and proceeds for April through June, which are distributed quarterly, were received after the end of the fiscal year. For comparison, in Fiscal Year 2024, the constitutional cap was met in April, so only one month of proceeds were received after the end of Fiscal Year 2024.

Notes receivable increased by $15.0 million, as a result of two new loans totaling $16.5 million issued during Fiscal Year 2025, offset by a $1.5 million note repayment (Note 6).

Advanced grant payments decreased by $1.6 million because advances recognized as grant expenses during the year exceeded total advances paid. Advance grant payments are recognized as grant expenses when grantees meet the related contractual obligations. These advances are primarily used for projects awarded under GOCO's Generation Wild, Resilient Communities, Planning and Capacity, Restoration and Stewardship of Outdoor Resources and Environment ("RESTORE"), Community Impact, Stewardship Impact, and Centennial Grant programs.

As of June 30, 2025, other liabilities increased by approximately $556,690 from June 30, 2024. The liabilities outstanding at the end of Fiscal Year 2025 consisted mainly of monthly bills, grants payable, and estimates of reimbursable costs incurred by Colorado Parks and Wildlife ("CPW"). Grants payable as of June 30, 2025 consisted mostly of an accrual for CPW's estimated March through June 2025 investments of approximately $7.9 million, an increase of approximately $141,979 from the prior year. Accounts payable saw an increase of $213,363 from Fiscal Year 2024, which was primarily due to a year end accrual for services provided in support of the Generation Wild media campaign.

Effective as of July 1, 2024, GOCO adopted provisions of GASB Statement No. 101 Compensated Absences, which resulted in an increase in compensated absences payable in the amount of $103,645. As a result of this change in accounting principle, it was not appropriate for GOCO to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended June 30, 2024 was not restated to reflect an additional liability of approximately $67,830. See Note 2 to the financial statements for further information on the change in accounting principle.

Analysis of Government-wide Statement of Activities

2026

Investment earnings decreased by $3.3 million in Fiscal Year 2026, declining from $5.1 million in Fiscal Year 2025 to $1.8 million in Fiscal Year 2026. This decrease was primarily driven by unfavorable changes in the fair value of investments held by the State Treasury. GOCO reported a $1.2 million increase in unrealized losses in Fiscal Year 2026, compared with a $2.3 million decrease in unrealized losses in Fiscal Year 2025. Together, these changes resulted in a $3.5 million unfavorable year-over-year variance in unrealized investment activity.

GOCO's personnel services and benefits expenditures increased by $75,837 from Fiscal Year 2025 due to anticipated increases in staffing and salaries as well as an increase in travel and meeting expenditures as GOCO continues to support the regional program model. In addition, GOCO's operating expenses decreased by $351,012 primarily due to exclusion of certain one-time expenses made in Fiscal Year 2025 and savings of approximately $37,732 in rent expense during Fiscal Year 2026 because of the restructuring of the Denver office lease in March 2026.

2025

Investment earnings increased by $2.8 million in Fiscal Year 2025, rising from $2.3 million in Fiscal Year 2024 to $5.1 million in Fiscal Year 2025. The increase was primarily due to favorable changes in the fair value of investments held by the State Treasury. Specifically, GOCO reported a $2.3 million decrease in unrealized losses in Fiscal Year 2025, compared with a $981,289 increase in net unrealized losses in Fiscal Year 2024. Together, these changes resulted in a $3.2 million favorable year-over-year variance in unrealized investment activity.

GOCO's personnel services and benefits expenditures increased slightly from Fiscal Year 2024 due to anticipated increases in staffing and salaries as well as an increase in travel and meeting expenditures as GOCO continues to support the regional program model. In addition, GOCO's operating expenses increased by approximately $435,701 due to some one time increases related to the new strategic plan, brand awareness survey, and Generation Wild media campaign expenses.

State Lottery Proceeds and Grant Expenditures

The statement of activities reports State Lottery proceeds as a program revenue as GOCO is a special-purpose government engaged in a single governmental program and the State Lottery proceeds directly support this program. Investment earnings and miscellaneous income are reported as general revenues.

The following table highlights significant variances between Fiscal Year 2026, Fiscal Year 2025, and Fiscal Year 2024.

	Fiscal Year Ended June 30,			2026/2025		2025/2024	
	2026	2025	2024	$ Variance	%	$ Variance	%
Lottery revenues	$87,989,409	$84,904,766	$81,771,604	$3,084,643	3.6%	$3,133,162	3.8%
Grant expenditures	$78,476,189	$72,605,510	$53,403,709	$5,870,679	8.1%	$19,201,801	36.0%

2026

GOCO received its maximum allowable Lottery proceeds for the year of approximately $88.0 million, per the constitutional cap. This represents a $3.1 million increase over Fiscal Year 2025 Lottery proceeds received and a $2.0 million increase from the Fiscal Year 2025 constitutional cap. The increase in the constitutional cap is due to an increase in the Denver-Aurora-Lakewood Consumer Price Index ("CPI"). Under Article XXVII, Section 3 of the Colorado Constitution, GOCO's Lottery proceeds are capped at $35 million in 1992 dollars, adjusted annually for inflation.

Grant expenditures in Fiscal Year 2026 increased by $5.9 million from Fiscal Year 2025. This increase is primarily due to the timing of project completions and grantee reporting during the year. As anticipated, GOCO grant expenditures in Fiscal Year 2026 continued to show an increase, as most of the large Centennial Program grants, GOCO's strategic initiative within its 2020 Strategic Plan, were awarded in March 2024 and are now being completed. Most grants are paid on a reimbursement basis, with estimated payouts between one and three years from date awarded.

2025

GOCO received $84.9 million in Lottery proceeds for Fiscal Year 2025, which is $1.1 million below the maximum allowable Lottery proceeds of $86.0 million as set by the constitutional cap. Despite coming in under cap, this amount is $3.1 million higher than the Lottery proceeds received in Fiscal Year 2024. The Fiscal Year 2025 cap of $86.0 million represents a $4.3 million increase over Fiscal Year 2024, due to an increase in the Denver-Aurora-Lakewood Consumer Price Index ("CPI"). Under Article XXVII, Section 3 of the Colorado Constitution, GOCO's Lottery proceeds are capped at $35 million in 1992 dollars, adjusted annually for inflation.

Grant expenditures in Fiscal Year 2025 increased by $19.2 million from Fiscal Year 2024. This increase is primarily due to the timing of project completions and grantee reporting during the year. As anticipated, GOCO grant expenditures in Fiscal Year 2025 started to show an increase, as most of the large Centennial Program grants, GOCO's strategic initiative within its 2020 Strategic Plan, were awarded in March 2024. Most grants are paid on a reimbursement basis, with estimated payouts between one and three years from date awarded.

Analysis of General Fund Activities

The General Fund reported increases in fund balance of approximately $5.4 million in Fiscal Year 2026 and $11.4 million in Fiscal Year 2025. These increases occurred because Lottery proceeds and investment earnings exceeded grant, personnel, and operating expenditures. The year-to-year fluctuation was primarily driven by the timing of grant expenditures, which can vary based on project completions and grantee reporting.

Differences between the change in fund balance and the change in governmental activities net position primarily relate to the treatment of capital assets, lease activity, and long-term liabilities in the government-wide financial statements.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets (See Note 7)

The following table reflects capital assets at year-end net of depreciation and amortization as of June 30, 2026, 2025 and 2024.

	2026	2025	2024
Furniture and equipment	$ 5,739	$ 15,024	$ 24,308
Intangible assets - trademarks	32,416	32,416	32,416
Leased assets	642,169	294,858	378,330
Subscription assets	5,718	15,044	7,212
Total, net capital assets	$ 686,042	$ 357,342	$ 442,266

2026

GOCO reported net capital assets of $686,042 for Fiscal Year 2026, an increase of $328,700 from Fiscal Year 2025. The increase was primarily attributable to the restructuring of GOCO's office lease during Fiscal Year 2026, which resulted in a $498,098 net increase in leased assets. The new leased assets are recognized under GASB 87, Leases. This standard requires governments to recognize right-to-use assets and corresponding liabilities for long-term lease agreements, with the related assets amortized over the life of the lease. As of Fiscal Year 2026, leased assets and subscription assets totaled $642,169 and $5,718, respectively, net of accumulated amortization.

2025

GOCO reported net capital assets of $357,342 for Fiscal Year 2025, a decrease of $84,924 from Fiscal Year 2024. The decrease was primarily due to amortization of leased assets and subscription assets recognized under GASB 87, Leases, and GASB 96, Subscription-Based Information Technology Arrangements ("SBITA"). These standards require governments to recognize right-to-use assets and corresponding liabilities for long-term lease and subscription agreements. As of Fiscal Year 2025, leased assets and subscription assets totaled $294,858 and $15,044, respectively, net of accumulated amortization.

Long-term Lease and Subscription Liabilities

2026
GOCO reported long-term leases and subscriptions of $667,438 for Fiscal Year 2026, an increase of $313,104 over Fiscal Year 2025 (see Note 9). This increase is primarily due to the restructuring of GOCO's office lease during Fiscal Year 2026, which resulted in a $471,074 net increase in lease liabilities under the provisions of GASB 87, Leases.

2025
GOCO reported long-term leases and subscriptions of $354,334 for Fiscal Year 2025, a decrease of $90,841 over Fiscal Year 2024 (see Note 9). This decrease is primarily due to the amortization of the lease and subscription liabilities previously recorded through the recognition of long-term lease and subscription agreements under GASB 87, Leases and GASB 96, SBITAs.

Currently Known Facts, Decisions, or Conditions

For Fiscal Year 2027, GOCO is projecting approximately $86.9 million in revenue from the Lottery, which is $3.1 million or 3.5% less than the constitutional cap of $90.0 million for Fiscal Year 2027. Although the constitutional cap has historically been met, Fiscal Year 2025 was the first year in over two decades that the constitutional cap was not reached, therefore GOCO will continue to budget conservatively, as Lottery revenues are unpredictable. Grant expenditures are expected to continue increasing as funds for the larger Centennial Program, a program focused on once-in-a-generation, high-impact land acquisition, capital, and stewardship projects across Colorado, were awarded in March 2024 and are projected to be expended over the next few years.

As GOCO enters the second year of its 2025 Strategic Plan and five-year spending plan (Fiscal Years 2026 – 2030), focus will be on the following programs established under the 2025 Strategic Plan: Community Impact, Land Acquisition, Pathways, Generation Wild, Conservation Service Corps, Transaction Cost Assistance, RESTORE Colorado, and Regional Partnerships Initiative.

The five-year spending plan is structured to prioritize compliance with GOCO's constitutional requirement that expenditures in each of the four purposes over a period of years be substantially equal (Article XXVII). In Fiscal Year 2027, in addition to funding base programs and the CPW investments, GOCO has committed to making an annual investment of approximately $10.0 million in the Regional Partnerships Initiative, with a specific emphasis on funding projects that advance the goals of Colorado's Outdoors Strategy, which is a statewide collaboration to advance coordination, tools, and funding to implement strategic actions for conservation, climate resilience and sustainable recreation.

GOCO's spending plan and strategic plans drive how grants are awarded in the current fiscal year through the end of the five-year period, ending with Fiscal Year 2030. The estimated grant expenditures are estimated based on when grants are awarded and how grants are historically paid out over time. For Fiscal Year 2027, GOCO has estimated total grant expenditures of $75.5 million.

In August 2026, GOCO executed an interest-free loan in the amount of $2,850,000 for a term of three years to Palmer Land Conservancy to purchase property. The loan allows Palmer Land Conservancy to leverage other funding and partnerships to complete a conservation acquisition.

GOCO is budgeting $7.0 million for Fiscal Year 2027 operating expenditures. The 2.7% increase from the prior year is primarily due to the continued deployment of the regional program model and includes necessary adjustments for staff salaries and a limited number of planned promotions. This increase is offset by the rent abatement in the amount of $166,749 resulting from the restructuring of the GOCO office lease in March 2026. The Fiscal Year 2027 budget also includes a strategic investment in the Generation Wild marketing campaign, consistent with the current five-year spending plan.

GOCO adopted its Fiscal Year 2027 operating budget and a Fiscal Year 2027 spending plan in June 2026, which conservatively estimates an increase in net position in the amount of $6.9 million.

2027 budgeted operating expenditures are classified as follows:

Personnel services and benefits	$ 3,335,770
Operating expenditures	1,128,816
Generation Wild media campaign	2,450,000
Capital outlay	127,500
Total 2027 Budgeted Operating Expenditures	$ 7,042,086

STATE BOARD OF THE GREAT OUTDOORS COLORADO TRUST FUND

Governmental Fund Balance Sheet and Statement of Net Position
June 30, 2026

	General Fund	Adjustments (Note 3)	Statement of Net Position
Assets			
Cash and investments	$ 99,782,798	$ -	$ 99,782,798
Lottery proceeds receivable	17,485,935	-	17,485,935
Note receivable	10,000,000	-	10,000,000
Prepaid items	147,344	-	147,344
Other assets	25,613	-	25,613
Advanced grant payments	4,704,855	-	4,704,855
Capital assets, net of accumulated depreciation and amortization	-	686,042	686,042
Total assets	$ 132,146,545	$ 686,042	$ 132,832,587
Liabilities			
Grants payable	10,839,591	-	10,839,591
Accounts payable	114,243	-	114,243
Compensated absences payable, current	-	125,754	125,754
Long-term liabilities			
Compensated absences payable	-	188,632	188,632
Due within one year	-	20,884	20,884
Due in more than one year	-	646,554	646,554
Total liabilities	10,953,834	981,824	11,935,658
Fund balances/Net position			
Fund balances			
Nonspendable	147,344	(147,344)	-
Assigned	121,045,367	(121,045,367)	-
Total fund balances	121,192,711	(121,192,711)	-
Total liabilities and fund balances	$ 132,146,545		
Net position			
Net investment in capital assets		18,604	18,604
Unrestricted		120,878,325	120,878,325
Total net position		$ 120,896,929	$ 120,896,929

See Notes to the Financial Statements

STATE BOARD OF THE GREAT OUTDOORS COLORADO TRUST FUND

Governmental Fund Balance Sheet and Statement of Net Position
June 30, 2025

	General Fund	Adjustments (Note 3)	Statement of Net Position
Assets			
Cash and investments	$ 84,193,294	$ -	$ 84,193,294
Lottery proceeds receivable	20,264,059	-	20,264,059
Note receivable	17,115,740	-	17,115,740
Prepaid items	133,963	-	133,963
Other assets	19,441	-	19,441
Advanced grant payments	3,863,473	-	3,863,473
Capital assets, net of accumulated depreciation and amortization	-	357,342	357,342
Total assets	$ 125,589,970	$ 357,342	$ 125,947,312
Liabilities			
Grants payable	9,452,837	-	9,452,837
Accounts payable	370,384	-	370,384
Compensated absences payable, current	-	111,061	111,061
Long-term liabilities			
Compensated absences payable	-	166,592	166,592
Due within one year	-	195,282	195,282
Due in more than one year	-	159,052	159,052
Total liabilities	9,823,221	631,987	10,455,208
Fund balances/Net position			
Fund balances			
Nonspendable	133,963	(133,963)	-
Assigned	115,632,786	(115,632,786)	-
Total fund balances	115,766,749	(115,766,749)	-
Total liabilities and fund balances	$ 125,589,970		
Net position			
Net investment in capital assets		3,008	3,008
Unrestricted		115,489,096	115,489,096
Total net position		$ 115,492,104	$ 115,492,104

See Notes to the Financial Statements

STATE BOARD OF THE GREAT OUTDOORS COLORADO TRUST FUND

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities
For the Year Ended June 30, 2026

	General Fund	Adjustments (Note 3)	Statement of Activities
Expenditures/expenses			
Grants expended	$ 78,476,189	$ -	$ 78,476,189
Personnel services and benefits	2,904,114	36,733	2,940,847
Operating	3,110,079	(15,596)	3,094,483
Capital outlay	627,078	(627,078)	-
Total expenditures/expenses	85,117,460	(605,941)	84,511,519
Program revenues - State Lottery proceeds	87,989,409	-	87,989,409
Net program revenues (expenses)	2,871,949	605,941	3,477,890
General revenues			
Other income	86,765	-	86,765
Investment earnings	1,840,170	-	1,840,170
Total general revenues	1,926,935	-	1,926,935
Excess (deficiency) of revenues over expenditures	4,798,884	605,941	5,404,825
Other financing sources - leases and subscriptions	627,078	(627,078)	-
Change in fund balance	5,425,962	(5,425,962)	-
Change in net position		5,404,825	5,404,825
Fund balance/net position - beginning of the year	115,766,749	(274,645)	115,492,104
Fund balance/net position - end of the year	$ 121,192,711	$ (295,782)	$ 120,896,929

See Notes to the Financial Statements

STATE BOARD OF THE GREAT OUTDOORS COLORADO TRUST FUND

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities
For the Year Ended June 30, 2025

	General Fund	Adjustments (Note 3)	Statement of Activities
Expenditures/expenses			
Grants expended	$ 72,605,510	$ -	$ 72,605,510
Personnel services and benefits	2,587,357	277,653	2,865,010
Operating	3,451,412	(5,917)	3,445,495
Capital outlay	105,044	(105,044)	-
Total expenditures/expenses	78,749,323	166,692	78,916,015
Program revenues - State Lottery proceeds	84,904,766	-	84,904,766
Net program revenues (expenses)	6,155,443	(166,692)	5,988,751
General revenues			
Other income	3,065	-	3,065
Investment earnings	5,135,926	-	5,135,926
Total general revenues	5,138,991	-	5,138,991
Excess (deficiency) of revenues over expenditures	11,294,434	(166,692)	11,127,742
Other financing sources - leases and subscriptions	105,044	(105,044)	-
Change in fund balance	11,399,478	(11,399,478)	-
Change in net position		11,127,742	11,127,742
Fund balance/net position - beginning of the year	104,367,271	(2,909)	104,364,362
Fund balance/net position - end of the year	$ 115,766,749	$ (274,645)	$ 115,492,104

See Notes to the Financial Statements

Notes to the Financial Statements
June 30, 2026 and 2025

Note 1 - Definition of Reporting Entity

The State Board of the Great Outdoors Colorado Trust Fund ("GOCO"), a political subdivision of the State of Colorado (the "State"), was established as a result of the 1992 General Election through the electorate's adoption of Amendment 8, which resulted in Article XXVII of the Colorado Constitution. Article XXVII established the Great Outdoors Colorado Trust Fund and the State Board as the trustee of the trust fund and allocates certain net proceeds of the Colorado Lottery to GOCO in trust. Article XXVII authorizes GOCO to use these funds to preserve and enhance Colorado parks, wildlife, trails, rivers, open space, and natural areas by making strategic investments, fostering partnerships among diverse interests, and supporting education about the outdoor environment of the State.

GOCO follows the Governmental Accounting Standards Board ("GASB") accounting pronouncements that provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, potential for the organization to provide specific financial benefits or burdens, and fiscal dependency. GOCO does not have any component units.

GOCO is a separate political subdivision of the State as stated in Article XXVII. GOCO is not considered to be a component unit of the State for the purpose of the State's annual financial reporting.

Note 2 - Summary of Significant Accounting Policies

The significant accounting policies of GOCO are described as follows:

Government-Wide and Fund Financial Statements

Because GOCO is a special-purpose government engaged in a single governmental program, it has presented its government-wide financial statements and fund financial statements together with an adjustment column to show the reconciliation between the two required basic statements.

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of GOCO.

Both of the government-wide financial statements are designed to report functions of GOCO that are principally supported by intergovernmental revenues and operating grants (governmental activities). The primary governmental activities of GOCO include the distribution of funds to preserve and enhance Colorado parks, wildlife, trails, rivers, open space, and natural areas.

Note 2 - Summary of Significant Accounting Policies (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Program revenues include grants, contributions, and other revenues that are restricted to use in the operational or capital requirements of a specific function or program. Other revenues not directly related to a particular function or program are reported separately as general revenues.

Since GOCO does not operate any enterprise fund or internal service fund activities, there are no proprietary funds to include in this report. The general fund, because it is considered to be a major governmental fund, and is GOCO's only fund, is reported as a separate column in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as expenditures when all of the eligibility and reimbursement requirements of the grantor have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current fiscal year or soon enough thereafter to pay liabilities of the current fiscal year. For this purpose, GOCO considers revenues to be available if they are collectible within approximately 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Under the modified accrual basis of accounting, as used in the governmental fund financial statements, acquisition costs of capital assets are recorded as expenditures at the time of purchase, and depreciation is not recognized on these capital assets.

GOCO reports the following major governmental fund:

> The general fund is the only fund. It accounts for all general operating financial resources of GOCO. There are no resources required to be accounted for in any other fund.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Note 2 - Summary of Significant Accounting Policies (continued)

Capital Assets

The capital assets of GOCO consist primarily of furniture and fixtures, computer hardware and software, equipment, and leasehold improvements used in the routine operation of GOCO. Durable items with a useful life greater than one year and a cost greater than $5,000 are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets of GOCO are depreciated using the straight-line method over the following estimated useful lives:

Asset Type	Years
Furniture and fixtures	10
Computer hardware and software	3
Equipment	5 – 7

Leasehold improvements are amortized over the life of the lease or expected useful life, whichever is less. Other intangible assets, which were added in Fiscal Year 2017 related to trademarks purchased for the Generation Wild marketing campaign, have indefinite lives and are not depreciated. An impairment analysis will be performed annually to determine the correct carrying amount of the assets.

GOCO has recorded lease and subscription assets also known as subscription-based information technology arrangements ("SBITAs"). The lease and subscription assets are initially measured at an amount equal to the initial measurement of the related lease and subscription liability plus any lease and subscription payments made prior to the lease term, less incentives, and plus any ancillary charges necessary to place the underlying asset into service. These assets are amortized on a straight-line basis over the life of the related lease or SBITA.

Compensated Absences

GOCO has a policy that allows permanent employees to accumulate unused vacation benefits up to a maximum of 280 hours and sick leave is accumulated monthly up to a maximum of 360 hours. In addition, GOCO offers paid time off for sabbatical, military, bereavement, jury duty, and family and medical leave, subject to supervisor approval. The compensated absences liability has been reported in the Government-wide statements for any leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means in the future. This liability is measured using an employee's pay rate as of the date of the financial statements and includes certain salary related payments that are incrementally associated with payments for leave including employer paid Medicare tax and pension contributions.

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Balances and Net Position

The fund balance is classified according to a hierarchy based on spending constraints as follows:

Nonspendable Funds – amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact (ex. Prepaid items).

Restricted Funds – amounts constrained externally by creditors, grantors, contributors, or laws or regulations of governments; or imposed by law through constitutional provisions or enabling legislation.

Committed Funds – amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolution by GOCO's Board of Trustees. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Assigned Funds – amounts set aside for planned or intended purposes but are not restricted or committed.

Unassigned Funds – the residual classification for amounts that have not been classified in any of the above categories.

Outside of the nonspendable fund balance recorded in the General Fund column of the Governmental Fund Balance Sheets and Statements of Net Position, all of GOCO's fund balance is classified as assigned in Fiscal Year 2026 and 2025 as it is intended for grants awarded. These grants were awarded by the GOCO Board of Trustees and authorized by Board Resolution in compliance with GOCO's policies as set forth in the Colorado Constitution.

Net position can include three main categories in the Statement of Net Position column of the Governmental Fund Balance Sheets and Statements of Net Position. Net investment in capital assets consists of capital, lease, and subscription assets, net of accumulated depreciation and amortization. Net position is restricted when constraints placed on net resources are externally imposed. Remaining net position is reported as unrestricted. When both restricted and unrestricted resources are available for use, it is GOCO's practice to use restricted resources first, then unrestricted resources as they are needed.

State Lottery Proceeds

Lottery proceeds are a distribution from the Colorado State Lottery based on the calculation of net proceeds and allocations established in Article XXVII. The calculation of net proceeds incorporates Lottery revenue, operation expenses, prize payments, and certain reserves. Net proceeds are distributed not less than quarterly to the Conservation Trust Fund, Colorado Parks and Wildlife, and GOCO in amounts allocable by statute.

Note 2 - Summary of Significant Accounting Policies (continued)

GOCO's share of Lottery proceeds is limited by Article XXVII to $35 million annually, adjusted for changes in the CPI compounded annually based on the 1992 base-year CPI. GOCO's share of Lottery proceeds for Fiscal Year 2026 was approximately $88.0 million, which was the maximum allowable under the State Constitution. For Fiscal Year 2025, GOCO's share of Lottery proceeds was approximately $84.9 million, which was $1.1 million below the maximum allowable under the State Constitution.

Implementation of GASB Statements

As of June 30, 2026, GOCO implemented GASB Statement No. 104, Disclosure of Certain Capital Assets. The Statement requires separate disclosure of lease assets by major class of underlying asset, subscription assets, and other intangible assets, and adds disclosure requirements for capital assets held for sale. The Statement was applied retroactively to all periods presented. Implementation resulted in reclassification within the capital asset note and did not affect reported total capital assets or net position.

As of June 30, 2026, GOCO implemented GASB Statement No. 103, Financial Reporting Model Improvements. The Statement revised the required structure and content of management's discussion and analysis and the presentation of budgetary comparison information. Implementation resulted in presentation changes and did not affect beginning fund balance or net position.

As of June 30, 2025, GOCO adopted GASB 101, Compensated Absences. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. This liability is reported in the Government-wide financial statements for Fiscal Years 2026 and 2025.

Note 3 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet and statement of net position includes an adjustment between fund balance total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. The adjustments pertain to capital assets and long-term debt as outlined below.

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. The $686,042 and $357,342 adjustments to capital assets as of June 30, 2026 and 2025, respectively, represent the capital assets of GOCO, net of accumulated depreciation and amortization of leased and subscription assets.

Certain liabilities, including compensated absences, lease and subscription liabilities, are not due and payable in the current period and therefore are not reported in the balance sheet. The $667,438 and $354,334 adjustments to long-term lease and subscription liabilities as of June 30, 2026 and 2025, respectively, represent the long-term lease liability of GOCO, net of accumulated amortization.

Note 3 - Reconciliation of Government-Wide and Fund Financial Statements (continued)

The $314,386 and $277,653 adjustments to compensated absences payable as of June 30, 2026 and 2025, respectively, represents the liability for accrued vacation and sick leave resulting from the implementation of GASB 101, Compensated Absences.

Explanation of Certain Differences Between the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance and the Government-Wide Statement of Activities

The statement of governmental fund revenues, expenditures, and changes in fund balance and statement of activities includes an adjustment between net changes in fund balance - total governmental fund and change in net position of governmental activities as reported in the government-wide statement of activities. This adjustment pertains to compensated absences, capital assets, lease and subscription liabilities.

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. The adjustment to compensated absences does not require the use of current financial resources and therefore are not reported as expenditures in the fund financial statements. In addition, certain capital additions were financed through leases and Subscription-Based Information Technology Arrangements ("SBITA"). In governmental funds, a lease or SBITA is considered a source of financing, but in the statement of net position, the lease or SBITA is reported as a long-term liability. This adjustment represents the amount by which depreciation and amortization expense and loss on disposals of assets exceeded capital outlays and lease proceeds in the periods presented. The details of this adjustment are as follows:

	For the Fiscal Years Ended June 30,	
	2026	2025
Depreciation expense	(9,285)	(9,284)
Amortization of leased and subscription assets	(170,993)	(180,684)
Gain/Loss on restructuring of leased asset/liability	27,024	-
Amortization of long-term leases and subscriptions	168,850	195,885
Increase in operating expenses	15,596	5,917
Compensated absences payable	(36,733)	(277,653)
Increase personnel services and benefits	(36,733)	(277,653)
Leased and subscription asset capital outlays	627,078	105,044
Decrease in capital outlay expense	627,078	105,044
New lease or subscription liability recorded	(627,078)	(105,044)
Net adjustment to increase (decrease) net change in fund balance to arrive at change in net position	(21,137)	(271,736)
Change in fund balance	5,425,962	11,399,478
Change in net position	5,404,825	11,127,742

Note 4 - Cash Deposits and Investments

Cash Deposits

The Colorado Public Deposit Protection Act ("PDPA") requires that all political subdivisions of the State deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The Divisions of Banking and Financial Services within the Colorado Department of Regulatory Agencies are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of June 30, 2026, GOCO's cash deposits had bank and carrying balances as follows:

June 30, 2026	Bank Balance	Carrying Balance
Cash on hand	$ -	$ 325
Insured deposits	293,555	292,094
	$ 293,555	$ 292,419

As of June 30, 2025, GOCO's cash deposits had bank and carrying balances as follows:

June 30, 2025	Bank Balance	Carrying Balance
Cash on hand	$ -	$ 234
Insured deposits	664,926	635,452
	$ 664,926	$ 635,686

Because GOCO's deposits are either Federal Deposit Insurance Corporation ("FDIC") insured or collateralized under the PDPA in single institution pools, none are deemed to be exposed to custodial credit risk under GASB 40, Deposit and Investment Risk Disclosures.

Note 4 - Cash Deposits and Investments (continued)

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which a political subdivision may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

State Treasurer's Cash Pool

GOCO deposits its cash with the Colorado State Treasurer. The State Treasurer pools these deposits and invests them in securities authorized by Section 24-75-601.1, C.R.S. Moneys deposited in the Treasury are invested until the cash is needed. As of June 30, 2026, GOCO had cash invested with the State Treasurer of $106,114,999 which represented approximately 0.70 percent of the total $14,212.8 million fair value of deposits in the State Treasurer's Pool (Pool). As of June 30, 2026, the Pool's resources included $37.0 million of cash on hand and $14,175.8 million of investments.

As of June 30, 2025, GOCO had cash invested with the State Treasurer of $88,956,189 which represented approximately 0.56 percent of the total $15,918.0 million fair value of deposits in the State Treasurer's Pool (Pool). As of June 30, 2025, the Pool's resources included $39.1 million of cash on hand and $15,879.2 million of investments.

On the basis of GOCO's participation in the Pool, GOCO reports its share of the Treasurer's unrealized gains and losses on the Pool's underlying investments as an increase or decrease in cash. The State Treasurer does not invest any of the Pool's resources in any external investment pools, 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, 2026.

Summary

Total cash deposits and investments are as follows:

	June 30, 2026	June 30, 2025
Cash deposits	$ 292,419	$ 635,686
Investments	99,490,379	83,557,608
	$ 99,782,798	$ 84,193,294

Note 4 - Cash Deposits and Investments (continued)

Investment Earnings

Investment earnings are composed of the following:

	June 30, 2026	June 30, 2025
Investment income	$ 3,066,209	$ 2,837,237
Adjustment for unrealized gain (loss) on investments held by the State	(1,226,039)	2,298,689
	$ 1,840,170	$ 5,135,926

Note 5 - Lottery Proceeds Receivable

As of June 30, 2026 and 2025, GOCO had distributions owed from the Lottery amounting to $17,485,935 and $20,264,059, respectively. As of June 30, 2026, this represents GOCO's allocation of net proceeds from the Lottery for April through June 2026 when Lottery proceeds did reach GOCO's constitutional cap (Note 2) for the year. As of June 30, 2025, this represents GOCO's allocation of net proceeds from the Lottery for April through June 2025 as Lottery proceeds did not reach GOCO's constitutional cap (Note 2) for the year. Lottery proceeds are paid quarterly therefore earnings for April through June are typically received after the end of the fiscal year. These revenues are both measurable and available to finance expenditures of the fiscal period. No allowance for doubtful accounts is considered necessary, as management believes the receivables are fully collectible.

Note 6 - Note Receivable and Advanced Grant Payments

On October 31, 2023, GOCO entered into a zero-interest promissory note with The Nature Conservancy, ("TNC") in the amount of $2,090,740 for the acquisition of a land parcel to place a conservation easement on the property and eventually convey the property to a conservation buyer in support of sustainable agriculture. Per the loan agreement, the loan is due on October 31, 2025 and is interest-free through October 31, 2025, after which time the interest rate will equal the Prime Rate published in the Money Rates section of the Wall Street Journal. During Fiscal Year 2025, TNC has made payments on this note in the amount of $1,475,000, leaving an outstanding balance of $615,740. This loan was paid in full on July 1, 2025.

On July 15, 2024, GOCO entered into a zero-interest promissory note with The Conservation Fund ("TCF") in the amount of $6,500,000 for the purchase of property which will protect and connect land, water, and wildlife within the Dominguez-Escalante National Conservation Area in Delta, Mesa, and Montrose Counties in Colorado. The property will ultimately be conveyed to the Federal Bureau of Land Management to consolidate the property within the surrounding public land. Per the loan agreement, the loan is due on July 15, 2026 and is interest-free through July 15, 2026, after which time the interest rate will equal the Prime Rate published in the Money Rates section of the Wall Street Journal. This loan was paid in full on March 10, 2026.

Note 6 - Note Receivable and Advanced Grant Payments (continued)

On September 25, 2024, GOCO entered into a zero-interest promissory note with Pitkin County in the amount of $10,000,000 for a term of up to three years for Pitkin County to purchase property which will protect and connect land, water, and wildlife adjacent to the Maroon Bells-Snowmass Wilderness Area. Per the loan and annual extension agreements, this loan will be due and payable on July 24, 2027. The property will ultimately be conveyed to the United States Forest Service in order to consolidate the property within the surrounding public land. No payments have been received as of June 30, 2026.

During Fiscal Years 2026 and 2025, GOCO made certain payments to grantees in advance of completion of project objectives outlined in the grant agreements. Under this arrangement, GOCO requires the grantee to provide an annual expense report that describes how the advance payment was spent throughout the year. The expenses must comply with contractual obligations outlined in the grant agreement. This is considered an eligibility requirement under GASB 33 - Accounting and Financial Reporting for Nonexchange Transactions, as GOCO may request reimbursement of the advanced funds if the grantee does not provide the requested information or if the funds were improperly used. These funds are expensed by GOCO based on the annual expense report documentation provided by the grantees. The Advanced Grant Payment balance on the Statement of Net Position is $4,704,855 at June 30, 2026 and $3,863,473 at June 30, 2025.

Note 7 - Capital Assets

An analysis of the changes in capital assets for the year ended June 30, 2026 follows:

	Balance July 1, 2025	Additions	Retirements	Balance June 30, 2026
Equipment	$ 62,533	$ -	$ -	$ 62,533
Software	26,014	-	-	26,014
Furniture	41,811	-	-	41,811
Other intangible assets - trademarks	32,416	-	-	32,416
Leasehold improvements	22,164	-	-	22,164
Right-of-use building lease	602,037	616,198	(602,037)	616,198
Right-of-use leased equipment	166,407	10,880	(18,975)	158,312
Right-of-use subscription assets	27,976	-	-	27,976
Total capital assets	981,358	627,078	(621,012)	987,424
Less accumulated depreciation and amortization for:				
Equipment	(54,264)	(5,243)	-	(59,507)
Software	(26,014)	-	-	(26,014)
Furniture	(35,056)	(4,042)	-	(39,098)
Leasehold improvements	(22,164)	-	-	(22,164)
Right-of-use building lease	(385,521)	(114,216)	483,937	(15,800)
Right-of-use leased equipment	(88,065)	(47,451)	18,975	(116,541)
Right-of-use subscription assets	(12,932)	(9,326)	-	(22,258)
Total accumulated depreciation and amortization	(624,016)	(180,278)	502,912	(301,382)
Total capital assets, net	$ 357,342	$ 446,800	$ (118,100)	$ 686,042

Note 7 - Capital Assets (continued)

An analysis of the changes in capital assets for the year ended June 30, 2025 follows:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025
Equipment	$ 62,533	$ -	$ -	$ 62,533
Software	26,014	-	-	26,014
Furniture	41,811	-	-	41,811
Other intangible assets - trademarks	32,416	-	-	32,416
Leasehold improvements	22,164	-	-	22,164
Right-of-use building lease	602,037	-	-	602,037
Right-of-use leased equipment	147,224	87,886	(68,703)	166,407
Right-of-use subscription assets	23,824	17,158	(13,006)	27,976
Total capital assets	958,023	105,044	(81,709)	981,358
Less accumulated depreciation and amortization for:				
Equipment	(49,022)	(5,242)	-	(54,264)
Software	(26,014)	-	-	(26,014)
Furniture	(31,014)	(4,042)	-	(35,056)
Leasehold improvements	(22,164)	-	-	(22,164)
Right-of-use building lease	(267,421)	(118,100)	-	(385,521)
Right-of-use leased equipment	(103,510)	(53,258)	68,703	(88,065)
Right-of-use subscription assets	(16,612)	(9,326)	13,006	(12,932)
Total accumulated depreciation and amortization	(515,757)	(189,968)	81,709	(624,016)
Total capital assets, net	$ 442,266	$ (84,924)	$ -	$ 357,342

Note 8 - Authorized Grants and Expended Grants (Unaudited)

The following table is a summary of grants authorized and grants expended from inception in 1993 through June 30, 2026 and 2025.

Grants Authorized

Funding Purpose	Cumulative Authorized Grants at June 30, 2025	Transfers/ Additions	Transfers/ Deletions	Cumulative Authorized Grants at June 30, 2026
Purpose 1 - Wildlife	$ 428,353,354	$ 20,565,114	$ (807,630)	$ 448,110,838
Purpose 2 - Outdoor recreation	427,197,114	22,177,936	(950,441)	448,424,609
Purpose 3 - Competitive grants for open space	423,185,127	32,755,745	(313,190)	455,627,682
Purpose 4 - Competitive matching grants to local governments for open lands and parks	444,646,413	24,592,127	(197,956)	469,040,584
	$ 1,723,382,008	$ 100,090,922	$ (2,269,217)	$ 1,821,203,713

Note 8 - Authorized Grants and Expended Grants (Unaudited)

Funding Purpose	Cumulative Authorized Grants at June 30, 2024	Transfers/ Additions	Transfers/ Deletions	Cumulative Authorized Grants at June 30, 2025
Purpose 1 - Wildlife	$ 416,055,737	$ 12,602,583	$ (304,966)	$ 428,353,354
Purpose 2 - Outdoor recreation	410,999,497	16,283,849	(86,232)	427,197,114
Purpose 3 - Competitive grants for open space	405,250,532	19,080,752	(1,146,157)	423,185,127
Purpose 4 - Competitive matching grants to local governments for open lands and parks	431,418,124	13,494,172	(265,883)	444,646,413
	$ 1,663,723,890	$ 61,461,356	$(1,803,238)	$ 1,723,382,008

Grants Expended

Funding Purpose	Cumulative Expended Grants at June 30, 2025	Transfers/ Additions	Cumulative Expended Grants at June 30, 2026
Purpose 1 - Wildlife	$ 385,534,715	$ 15,245,659	$ 400,780,374
Purpose 2 - Outdoor recreation	388,739,581	16,756,357	405,495,938
Purpose 3 - Competitive grants for open space	388,154,566	20,787,542	408,942,108
Purpose 4 - Competitive matching grants to local governments for open lands and parks	389,761,831	25,686,631	415,448,462
	$ 1,552,190,693	$ 78,476,189	$ 1,630,666,882

Funding Purpose	Cumulative Expended Grants at June 30, 2024	Transfers/ Additions	Cumulative Expended Grants at June 30, 2025
Purpose 1 - Wildlife	$ 368,350,760	$ 17,183,955	$ 385,534,715
Purpose 2 - Outdoor recreation	365,394,245	23,345,336	388,739,581
Purpose 3 - Competitive grants for open space	373,305,518	14,849,048	388,154,566
Purpose 4 - Competitive matching grants to local governments for open lands and parks	372,534,660	17,227,171	389,761,831
	$ 1,479,585,183	$ 72,605,510	$ 1,552,190,693

Note 9 – Long-term Liabilities

A summary of the changes in Long-term liabilities for the year ended June 30, 2026 follows:

	Balance June 30, 2025	Additions	Retirements	Balance June 30, 2026	Amounts due within one year
Long-term Lease Liabilities	$ 338,872	$ 481,954	$ 159,558	$ 661,268	$ 14,714
Long-term Subscription Liabilities	15,462	-	9,292	6,170	6,170
Compensated Absences*	277,653	36,733	-	314,386	125,754
	$ 631,987	$ 518,687	$ 168,850	$ 981,824	$ 146,638

*The schedule only reports the net change in the compensated absences liability

A summary of the changes in Long-term liabilities for the year ended June 30, 2025 follows:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Amounts due within one year
Long-term Lease Liabilities	$ 437,923	$ 87,886	$ 186,937	$ 338,872	$ 185,990
Long-term Subscription Liabilities	7,252	17,158	8,948	15,462	9,292
Compensated Absences*	174,008	103,645	-	277,653	111,061
	$ 619,183	$ 208,689	$ 195,885	$ 631,987	$ 306,343

*The schedule only reports the net change in the compensated absences liability

Leases

GOCO has entered into agreements to lease its facilities, copy machines, vehicles, and a postage meter. These lease agreements qualify as long-term leases under GASB 87, Leases.

On October 23, 2024, GOCO entered into a lease agreement for a vehicle for use by the regional program officer in the Southeast Region. The lease calls for total annual payments of $7,528 for three years beginning on November 1, 2024. The lease liability was measured using a discount rate of 2.80%, which is the 3-year Incremental Borrowing Rate as of October 31, 2024. As a result of the lease, GOCO recorded a lease liability with a value of $21,972. As of June 30, 2026 and 2025, the unamortized balance of this lease liability was $7,320 and $14,444, respectively.

Note 9 – Long-term Liabilities (continued)

On October 23, 2024, GOCO entered into a lease agreement for a vehicle for use by the regional program officer in the North Central Region. The lease calls for total annual payments of $7,528 for three years beginning on November 1, 2024. The lease liability was measured using a discount rate of 2.80%, which is the 3-year Incremental Borrowing Rate as of October 31, 2024. As a result of the lease, GOCO recorded a lease liability with a value of $21,972. As of June 30, 2026 and 2025, the unamortized balance of this lease liability was $7,320 and $14,444, respectively.

On October 23, 2024, GOCO entered into a lease agreement for a vehicle for use by the regional program officer in the West Region. The lease calls for total annual payments of $7,528 for three years beginning on November 1, 2024. The lease liability was measured using a discount rate of 2.80%, which is the 3-year Incremental Borrowing Rate as of October 31, 2024. As a result of the lease, GOCO recorded a lease liability with a value of $21,972. As of June 30, 2026 and 2025, the unamortized balance of this lease liability was $7,320 and $14,444, respectively.

On October 23, 2024, GOCO entered into a lease agreement for a vehicle for use by Denver office staff. The lease calls for total annual payments of $7,528 for three years beginning on November 1, 2024. The lease liability was measured using a discount rate of 2.80%, which is the 3-year Incremental Borrowing Rate as of October 31, 2024. As a result of the lease, GOCO recorded a lease liability with a value of $21,972. As of June 30, 2026 and 2025, the unamortized balance of this lease liability was $7,320 and $14,444, respectively.

On August 1, 2022, GOCO entered into a lease agreement for a vehicle for use by the regional program officers in the Northern Front Range Region. The lease calls for total annual payments of $6,477 for three years beginning on August 1, 2022. The lease liability was measured using a discount rate of 2.41%, which is the 3-year Incremental Borrowing Rate as of August 31, 2022. As a result of the lease, GOCO recorded a lease liability with a value of $18,975. This lease was paid in full as of June 30, 2025 and the related leased asset was returned to the lessor in July 2025.

On September 1, 2023, GOCO entered into a lease agreement for a vehicle for use by Denver office staff. The lease calls for total annual payments of $6,436 for three years beginning on September 1, 2023. The lease liability was measured at a discount rate of 3.68%, which is the 3-year Incremental Borrowing Rate as of September 30, 2023. As a result of this lease, GOCO recorded a lease liability with a value of $18,629. As of June 30, 2026 and 2025, the unamortized balance of this lease liability was $0 and $6,204, respectively.

On October 18, 2023, GOCO entered into a lease agreement for a vehicle for use by the regional program officer in the Southwest Region. The lease calls for total annual payments of $7,464 for three years beginning on November 1, 2023. The lease liability was measured at a discount rate of 3.70%, which is the 3-year Incremental Borrowing Rate as of October 31, 2023. As a result of this lease, GOCO recorded a lease liability with a value of $21,599. As of June 30, 2026 and 2025, the unamortized balance of this lease liability was $0 and $7,195, respectively.

Note 9 – Long-term Liabilities (continued)

GOCO has a lease for a postage meter for use in the Denver office. The postage meter lease calls for quarterly lease payments of $486 through July 2021 and $522 beginning October 2021 through October 2026. The lease liability for the postage meter was measured using the discount rate of 3%. For the year ended June 30, 2022, GOCO recorded a lease liability with a value of $10,107. As of June 30, 2026 and 2025, the unamortized balance of this lease liability was $1,032 and $3,051, respectively.

In September 2022, GOCO entered into a lease for its copier machine which calls for monthly lease payments of $205 from January 2023 through January 2027. The lease liability for the new lease was measured using a discount rate of 3.27% which is the 4-year Incremental Borrowing Rate as of September 30, 2023. For the year ended June 30, 2023, GOCO recorded a lease liability with a value of $9,211. As of June 30, 2026 and 2025, the unamortized balance of the copier lease liability was $1,274 and $3,657, respectively.

In March 2026, GOCO entered into a lease for a new copier machine which calls for monthly lease payments of $187 from April 2026 through June 2031. The lease liability for the new lease was measured using a discount rate of 2.78%, which is the 5-year Incremental Borrowing Rate as of March 31, 2026. For the year ended June 30, 2026, GOCO recorded a lease liability with a value of $10,880. As of June 30, 2026, the unamortized balance of the copier lease liability was $10,400.

In September 2016, GOCO entered into a lease agreement for the Denver office space which included monthly lease payments from July 2020 to January 2024. In March 2022, GOCO signed an amendment to the September 2016 lease agreement which extended the existing lease to April 2027. In March 2026, GOCO signed an amendment to the March 2022 lease agreement which extended the existing lease to October 2032 and included rent abatement through February 2028. The monthly lease payments from March 2028 to October 2032 range from $11,703 to $12,874. The lease liability for the new lease was measured using a discount rate of 3.00%, which is the 7-year Incremental Borrowing Rate as of March 31, 2026. As a result of this lease amendment, GOCO retired the original lease liability with a value of $145,124 and recorded a new lease liability with a value of $616,198. As of June 30, 2026, the unamortized balance of this lease liability was $619,282, an increase due to the rent abatement. As of June 30, 2025, the unamortized balance of this lease liability was $260,989.

Subscriptions

In March 2025, GOCO entered into a SBITA for accounting software. The subscription calls for variable annual payments ranging from $5,444 to $6,170 for three years beginning on March 26, 2025. The subscription liability was measured using a discount rate of 2.87%, which is equal to the 3-year Incremental Borrowing Rate as of March 31, 2025. As a result of the lease, GOCO recorded a subscription liability with a value of $17,158. As of June 30, 2026 and 2025, the unamortized balance of this subscription liability was $6,170 and $11,714, respectively.

Note 9 – Long-term Liabilities (continued)

In November 2023, GOCO entered into a SBITA for reporting software. The subscription calls for variable annual payments ranging from $3,566 to $3,857 for three years beginning on December 1, 2023. The subscription liability was measured using a discount rate of 2.81%, which is equal to the 3-year Incremental Borrowing Rate as of November 30, 2023. As a result of the lease, GOCO recorded a subscription liability with a value of $10,818. As of June 30, 2026 and 2025, the unamortized balance of this subscription liability was $0 and $3,748, respectively.

The future minimum lease obligations and the net present value of the minimum lease and subscription payments as of June 30, 2026, are as follows:

Year ending June 30	Principal	Interest	Total
2027	$ 20,884	$ 20,137	$ 41,021
2028	37,878	19,370	57,248
2029	128,514	16,509	145,023
2030	135,981	12,553	148,534
2031	143,676	8,369	152,045
2032	149,330	3,983	153,313
2033	51,175	320	51,495
	$ 667,438	$ 81,241	$ 748,679

The future minimum lease obligations and the net present value of the minimum lease and subscription payments as of June 30, 2025, are as follows:

Year ending June 30	Principal	Interest	Total
2026	$ 195,282	$ 6,937	$ 202,219
2027	159,052	2,220	161,272
	$ 354,334	$ 9,157	$ 363,491

Note 10 – Commitments and Contingencies

Contractual Obligation

During Fiscal Year 2016, GOCO signed a multi-year contract with Sukle Advertising for services for the Generation Wild marketing campaign, a statewide, multi-media, integrated movement connecting Colorado kids and families with the outdoors. The research and strategy phase of the campaign started in Fiscal Year 2016, and the program has now been extended into Fiscal Year 2027. In Fiscal Year 2026 and 2025, GOCO's expenses on the marketing campaign were approximately $2.1 million and $2.3 million, respectively. The GOCO Board has approved a Fiscal Year 2027 budget of $2.4 million. This contract may be terminated upon advance notice with payment required on any active projects.

Note 11 - Pension Plans

As a political subdivision of the State, GOCO has elected not to use the Public Employees' Retirement Association of Colorado ("PERA"). GOCO has established a retirement plan, administered by Unified Trust Company, which consists of an employer-funded Defined Contribution Pension Plan and an employee-funded Deferred Compensation Plan.

Benefit terms, including contribution requirements, for GOCO's retirement plan are established and may be amended by GOCO. There are no age or service requirements determining eligibility, and participation is mandatory. Employer contributions are calculated based on 10.2% of each eligible employee's gross salary (base salary plus performance awards). Assets of the Pension Plan are held in trust for the exclusive benefit of participating employees. Therefore, the Pension Plan's assets are not reflected as an asset of GOCO.

Employees are vested on a two-year schedule contingent on 1,000 hours of service during each of the two years. Non-vested GOCO contributions are forfeited upon termination of employment. Such forfeitures are used to first pay any pension plan administrative expenses, and then to reduce any employer contribution. For the Fiscal Years Ended June 30, 2026 and 2025, respectively, GOCO recognized pension expense of $16,911 and $8,732, net of forfeitures, which reduced pension expense by $0 and $5,876, respectively. GOCO contributed $232,901 and $218,083 to the Pension Plan for the Fiscal Years ended June 30, 2026 and 2025, respectively, which approximates the required contribution. As of June 30, 2026 and 2025, GOCO had no liability to the Pension Plan.

Deferred Compensation Plan

The State Board of the Great Outdoors Colorado Trust Fund Deferred Compensation Plan (the "Deferred Plan") was created in accordance with Internal Revenue Code Section 457. This plan is administered by Unified Trust Company at the direction of each employee for his/her own account. The Deferred Plan allows the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergencies.

Contributions to the Deferred Plan are made by GOCO's employees through a payroll deduction. Contributions to the Deferred Plan are mandatory for all permanent employees, with a minimum required contribution of 6.2% of each employee's gross salary. Contributions above 6.2% are allowed on a voluntary basis not to exceed a maximum permissible amount. Assets of the Deferred Plan are held in trust for the exclusive benefit of participating employees. Therefore, the Deferred Plan's assets are not reflected as an asset of GOCO.

Note 12 - Related Parties - State Agencies

Board Composition and Approval of Grants

The GOCO Board is composed of 19 members, 16 of whom are public members (2 from each congressional district) appointed by the Governor, subject to the consent of the State Senate. The 3 ex-officio members include the Executive Director of the Colorado Department of Natural Resources, a representative for Parks and Outdoor Recreation issues designated by the Colorado Parks and Wildlife Commission (the "Commission"), and a representative for wildlife issues, also designated by the Commission. The Commission is the governing body of CPW. This state agency is under the administrative direction of the Colorado Department of Natural Resources.

Under the Colorado Constitution, the GOCO Board is responsible for ensuring that expenditures are made for purposes stipulated, including investing in wildlife resources, and investing in parks and outdoor recreation resources through CPW. In addition, CPW is eligible to apply for competitive grants for open space and natural areas of statewide significance, along with local governmental entities and non-profit land conservation organizations. Expenditures made to CPW are included in the amounts listed in Note 8.

Note 13 - Risk Management

GOCO is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; and/or acts of God. GOCO carries commercial insurance coverage for all risks of loss, including workers' compensation and employee health and accident insurance. GOCO has settled two claims since inception, which did not exceed commercial coverage.

Note 14 - Tax, Spending, and Debt Limitations

In November 1992, Colorado voters passed Section 20, Article X of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax, and debt limitations that apply to the State and all local governments. In the same general election, Amendment 8 was passed creating GOCO. The simultaneous passage of these two constitutional amendments raised questions as to whether there are irreconcilable conflicts between the two amendments. The General Assembly determined, in Section 24-77-102(17)(b)(ix) C.R.S. that the net proceeds from the Lottery that are deposited in GOCO are excluded from the scope of "state fiscal year spending" for purposes of TABOR. The Colorado Supreme Court, in response to an interrogatory from the General Assembly, approved that determination.

TABOR is complex and subject to further legislative and judicial interpretation. GOCO believes it is in compliance with both of these constitutional amendments.

Note 15 – Subsequent Events

On June 12, 2026, the Board approved a resolution authorizing an interest-free loan in the amount of $2,850,000 for a term of three years to Palmer Land Conservancy to purchase property which will expand meaningful public access, protect wildlife, and support watershed resilience on undeveloped land near Woodland Park. The loan was finalized on August 3, 2026 and will be due and payable on June 30, 2029. The property will ultimately be conveyed to either the City of Woodland Park, Colorado Parks and Wildlife, or another eligible entity approved by GOCO.

REQUIRED SUPPLEMENTARY INFORMATION

STATE BOARD OF THE GREAT OUTDOORS COLORADO TRUST FUND

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2026

	Original Budget	Final Budget	Variance with Original Budget– Over (Under) Final Budget	Actual	Variance with Final Budget– Over (Under) Actual
Revenues					
State lottery proceeds	$ 83,589,939	$ 83,589,939	$ -	$ 87,989,409	$ 4,399,470
Investment earnings and miscellaneous income	2,080,000	2,080,000	-	1,926,935	(153,065)
Total revenues	85,669,939	85,669,939	-	89,916,344	4,246,405
Expenditures					
Grants expended	65,513,000	65,513,000	-	78,476,189	(12,963,189)
Personnel services and benefits	3,221,761	3,221,761	-	2,904,114	317,647
Operating expenditures	1,288,276	1,288,276	-	1,032,696	255,580
Generation Wild media campaign	2,316,244	2,316,244	-	2,077,383	238,861
Capital outlay	30,000	30,000	-	627,078	(597,078)
Total expenditures	72,369,281	72,369,281	-	85,117,460	(12,748,179)
Excess (deficiency) of revenues over expenditures	13,300,658	13,300,658	-	4,798,884	(8,501,774)
Other financing sources - leases and subscriptions	25,000	25,000	-	627,078	602,078
Net change in fund balance	13,325,658	13,325,658	-	5,425,962	(7,899,696)
Fund balance – beginning of year	115,766,749	115,766,749	-	115,766,749	-
Fund balance – end of year	$ 129,092,407	$ 129,092,407	$ -	$ 121,192,711	$ (7,899,696)

STATE BOARD OF THE GREAT OUTDOORS COLORADO TRUST FUND

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Variance with Original Budget– Over (Under) Final Budget	Actual	Variance with Final Budget– Over (Under) Actual
Revenues					
State lottery proceeds	$ 84,315,350	$ 84,315,350	$ -	$ 84,904,766	$ 589,416
Investment earnings and miscellaneous income	2,450,000	2,450,000	-	5,138,991	2,688,991
Total revenues	86,765,350	86,765,350	-	90,043,757	3,278,407
Expenditures					
Grants expended	65,506,550	65,506,550	-	72,605,510	(7,098,960)
Personnel services and benefits	3,091,788	3,091,788	-	2,587,357	504,431
Operating expenditures	1,304,764	1,304,764	-	1,167,689	137,075
Generation Wild media campaign	2,000,000	2,283,756	283,756	2,283,723	33
Capital outlay	97,000	97,000	-	105,044	(8,044)
Total expenditures	72,000,102	72,283,858	283,756	78,749,323	(6,465,465)
Excess (deficiency) of revenues over expenditures	14,765,248	14,481,492	(283,756)	11,294,434	(3,187,058)
Other financing sources - leases and subscriptions	92,000	92,000	-	105,044	13,044
Net change in fund balance	14,857,248	14,573,492	(283,756)	11,399,478	(3,174,014)
Fund balance – beginning of year	104,367,271	104,367,271	-	104,367,271	-
Fund balance – end of year	$ 119,224,519	$ 118,940,763	$ (283,756)	$ 115,766,749	$ (3,174,014)

STATE BOARD OF THE GREAT OUTDOORS COLORADO TRUST FUND

Notes to the Required Supplementary Information

Note RSI-1 Budgetary Information

GOCO budgets are prepared by GOCO staff and approved annually by the Board. The operating budget uses the modified accrual standard of accounting where capital outlays are treated as expenditures and depreciation is not budgeted. The operating budget is based on prior year results and expectations for the next year. Encumbrance accounting is employed by GOCO to account for grants awarded but not yet invoiced. Encumbrances outstanding at year end do not constitute expenditures or liabilities.

Budgetary Revenues and Other Financing Sources

Actual Lottery proceeds for the years ended June 30, 2025 and 2026 were above the final budgeted amounts because GOCO budgets Lottery proceeds conservatively, as proceeds are not guaranteed to reach the constitutional cap each year. For the years ended June 30, 2025 and 2026, GOCO budgeted Lottery proceeds at 2% and 5% below the constitutional cap, resulting in final budget-to-actual variances of $589,416 and $4.4 million, respectively.

For Fiscal Year 2025, actual investment earnings and miscellaneous income were $2.7 million above the final budget, primarily due to a $2.3 million adjustment that decreased the unrealized loss on investments held by the State. For Fiscal Year 2026, GOCO recorded a $1.2 million adjustment that increased the unrealized loss on investments held by the State, causing this line item to fall below final budgeted amounts by $153,065 (Note 4).

During Fiscal Year 2026, actual amounts reported for other financing sources exceeded budgeted amounts by $602,078 due to the opportunity to restructure GOCO's office lease during the year. The restructuring resulted in an increase in revenue of $616,198, which offset the increase in capital outlay expenditures.

Budgetary Expenditures

GOCO's actual grant expenditures exceeded final budgeted amounts by $7.1 million and $13.0 million for the years ended June 30, 2025 and 2026, respectively. The variances were primarily due to an increase in land acquisition closings and higher expenditures for the larger Centennial and Generation Wild programs during both fiscal years. Most grants are paid on a reimbursement basis, with estimated payouts between one and three years from date awarded. Although GOCO carefully projects grant expenditures each year, it has limited control over the precise timing of grant payments beyond the terms established in grant agreements.

For Fiscal Year 2025, actual expenditures for personnel services and benefits were $504,431 below final budgeted amounts. The variance was due to two staff vacancies during the year and a one-time adjustment to the accrued compensated absences liability related to the implementation of GASB Statement No. 101, Compensated Absences. In addition, actual operating expenditures were $137,075 below the final budget due to the timing of outreach travel and board meeting expenditures during the year.

Notes to the Required Supplementary Information

Note RSI-1 Budgetary Information (continued)

For Fiscal Year 2026, actual expenditures for personnel services and benefits, operating expenditures, and the Generation Wild media campaign were below final budgeted amounts. Personnel services and benefits expenditures were $317,647 below budget due to staff vacancies during the first half of Fiscal Year 2026. Actual operating expenditures were $255,580 below the final budget, primarily due to the timing of travel and meeting expenditures and the restructuring of GOCO's office lease in March 2026. Finally, Generation Wild media campaign expenditures were $238,861 below budget due to the timing of year-end marketing activities and lower-than-anticipated shipping and marketing collateral costs related to the summer campaign.

For Fiscal Year 2026, actual capital outlay expenditures exceeded budgeted amounts by $597,078 due to an opportunity to restructure GOCO's office lease which resulted in significant savings in lease payments through Fiscal Year 2028. As a result, GOCO recognized a capital outlay expense for a right-of-use building lease asset in the amount of $616,198 (Note 7).

During Fiscal Year 2025, GOCO amended its operating budget to increase expenditures related to the Generation Wild media campaign (Note 10). The amendment increased total budgeted expenditures by $283,756 and reflected a timing shift, as the funds were reallocated from the Fiscal Year 2026 operating budget. As a result, total expenditures over the two fiscal years did not increase.

Independent Auditor's 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 State Board of the
Great Outdoors Colorado Trust Fund and Legislative Audit Committee
Denver, Colorado

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 (*Government Auditing Standards*), the financial statements of the governmental activities and the major fund information of the Great Outdoors Colorado Trust Fund ("GOCO"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise GOCO's basic financial statements and have issued our report thereon dated October 12, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered GOCO'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GOCO's internal control. Accordingly, we do not express an opinion on the effectiveness of GOCO'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 GOCO'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 or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether GOCO'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 result of that testing, and not to provide an opinion on the effectiveness of GOCO's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GOCO's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Denver, Colorado
October 12, 2026

October 12, 2026

Members of the State Board of the Great Outdoors Colorado Trust Fund and Legislative Audit Committee
Great Outdoors Colorado Trust Fund
Denver, Colorado

We have audited the financial statements of the State Board of the Great Outdoors Colorado Trust Fund ("GOCO") as of and for the year ended June 30, 2026, and have issued our report thereon dated October 12, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our letter dated August 3, 2026, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of GOCO solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

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Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. The significant accounting policies used by GOCO are described in Note 2 to the financial statements. As discussed in Note 2 to the financial statements, GOCO changed accounting policies related to the presentation of certain items in the basic financial statements and required supplementary information and the disclosure of certain capital assets to adopt the provisions of Governmental Accounting Standards Board (GASB) Statements No. 103, *Financial Reporting Model Improvements*, and No. 104, *Disclosure of Certain Capital Assets*. Accordingly, these accounting changes have been retrospectively applied to the financial statements beginning July 1, 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions or (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No such sensitive accounting estimates were identified.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting GOCO's financial statements relate to: the disclosure of Note Receivables and Advanced Grant Payments in Note 6, Authorized Grants and Expended Grants (Unaudited) in Note 8, and Related Parties – State Agencies in Note 12.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to GOCO's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. As described in Note 2 to the financial statements, GOCO adopted the provisions of Governmental Accounting Standards Board (GASB) Statements No. 103, *Financial Reporting Model Improvements*, and No. 104, *Disclosure of Certain Capital Assets*, during the year ended June 30, 2026. The adoption of these standards did not require modification of our opinion.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated October 12, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with GOCO, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as GOCO's auditors.

This report is intended solely for the information and use of the GOCO Board, Management of GOCO, the Legislative Audit Committee, and Office of the State Auditor, 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.

Eide Bailly LLP

Denver, Colorado