



Secretary of State Business Filings Q2 2022 Data Analysis Summary

- Colorado's job growth continued in Q2, enabled by growth in labor force participation.
- Colorado is projected to add 104,000 jobs in 2022, according to CU Boulder's Business Research Division.
- State ranks above average for GDP, employment, income, labor force, and home price growth.
- A broad set of economic headwinds pose risks to the economy, including inflation, interest rates, labor, and trade.
- Price growth remained at the highest levels since 1982 nationally and in the Denver-Aurora-Lakewood MSA. Gasoline prices eased to \$4.45 per gallon in early August after peaking at over \$5.00 earlier in the summer. Home price growth remained above 20% in Colorado.
- Annual delinquency and dissolution filings increased in the second quarter.

COLORADO INDICATORS

EMPLOYMENT FORECASTS

Employment



vs. prior quarter



vs. prior year

Unemployment



vs. prior quarter



vs. prior year

New Entity Filings



vs. prior quarter



vs. prior year

Existing Entity Renewals



vs. prior quarter



vs. prior year



Q3 2022 vs. Q2 2022

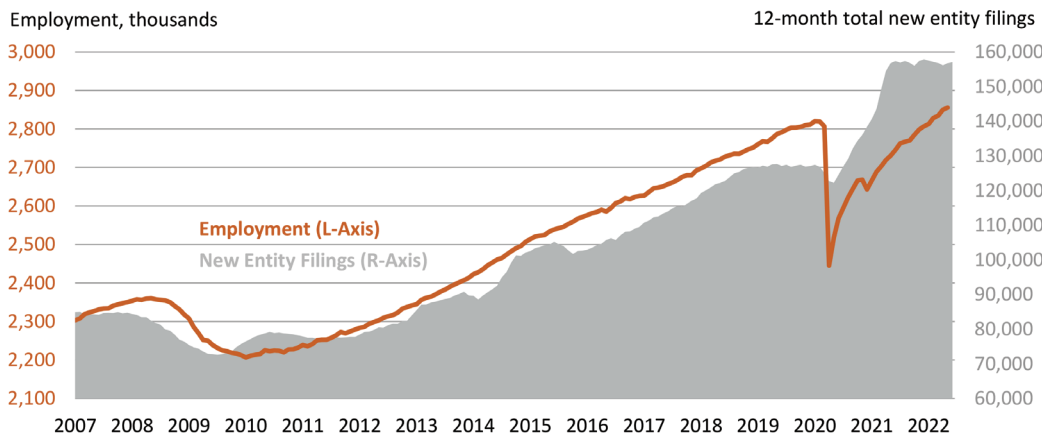


Q3 2022 vs. Q3 2021



Q4 2022 vs. Q3 2022

Employment and New Entity Filings



Note: Solid line displays actual seasonally adjusted employment numbers; dotted line reflects calculated forecasts.

Source: Seasonally adjusted. Colorado total nonfarm employees from the Bureau of Labor Statistics, Current Employment Statistics (CES), calculations by BRD research team.

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The Secretary of State's office makes government easy and accessible for people in order to further democracy, support economic opportunity for all Coloradans, and demonstrate a standard of integrity and excellence.



Leeds School of Business
UNIVERSITY OF COLORADO BOULDER

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Real GDP growth fell for second consecutive quarter. Quarterly real GDP growth decreased at an annualized rate of 1.6% in Q1 and fell 0.9% in Q2; though, both quarters posted year-over-year gains (3.5% and 1.6%, respectively). The Q2 report from the Bureau of Economic Analysis (BEA) was mixed—consumption continued an upward trajectory, increasing at an annualized rate of 1% while investment decreased 13.5%. Government spending (-1.9%) decreased for a third consecutive quarter, and the trade deficit eased slightly. Estimates from Consensus Forecasts for 2022 put real GDP growth at 2.1% for the year, and 1% for 2023.

Nation added back 21.5 million jobs. The nation lost nearly 22 million jobs in March and April 2020 but added back just over 22 million jobs from May 2020 through July 2022, surpassing the pre-recession peak. The year-over-year job gains stood at 6.1 million in July 2022, a year-over-year increase of 4.2% according to data from the Bureau of Labor Statistics. In July, national total employment stood 32,000 jobs (0.02%) above the February 2020 levels, while private-sector employment was 629,000 (0.49%) above pre-recession levels.

In Colorado, 375,200 job losses were recorded February-April 2020, but 412,300 jobs were added from May 2020 through June 2022, reaching new peaks. Colorado's June 2022 employment increased 111,700 (4.1%) year-over-year (12th-best). The largest annual percent increases came from Leisure and Hospitality, Professional and Business Services, and Other Services.

The U.S. unemployment rate was 3.5% in July 2022 after reaching 14.7% in April 2020; for comparison, the national unemployment rate was 3.5% in February 2020, just prior to the pandemic's impact on the economy. The labor underutilization rate (U-6) decreased to 6.7% in July 2022 after peaking at 22.9% in April 2020. Colorado's unemployment rate dropped to 3.4% in June 2022 after peaking at 11.8% in May 2020.

State indices mixed. Colorado was among 47 states that recorded a quarterly decrease in real GDP in Q1, falling at an annualized rate of 1.9%. However, Colorado's real GDP growth persisted year-over-year,

up 3.9%, ranking the state 15th. All but four sectors posted year-over-year gains.

Colorado's labor force participation rate ranked 2nd-highest in June, totaling 69.5%, increasing above the pre-recession level. The state's labor force grew 2.6% year-over-year, continuing further above pre-recession levels in the state. The state's per capita personal income ranked Colorado 8th with per capita income of \$70,764, and per capita personal income growth (0.3%) ranked 2nd. The average weekly wage growth rate of 6.3% ranked the state 10th.

Colorado's home price growth remained elevated in Q1 2022. The FHFA Purchase-Only Home Price Index increased 21.6% from Q1 2021 to Q1 2022, the 14th-fastest pace in the country.

According to the Baker Hughes Rig Count, the number of rigs in Colorado increased to 19 in July compared to 12 during the same period in 2021.

Colorado's retail gasoline prices eased in July and August after peaking at \$5.00 per gallon in late June. Prices decreased \$0.55 per gallon (-11%) over five weeks. Comparatively, nominal gasoline prices were down nationally to average \$4.30 per gallon, according to the Energy Information Administration.

The Consumer Price Index in the Denver-Aurora-Lakewood region increased 8.3%

(not seasonally adjusted) year-over-year in May 2022. Core inflation (all items less food and energy) increased 7.1% in the Denver region.

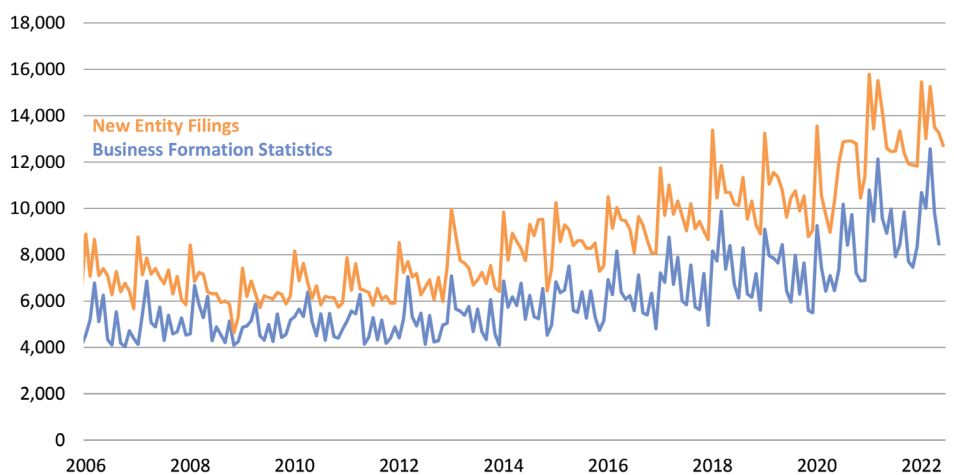
New entity filings mixed. Total new entity filings increased 0.5% year-over-year but decreased 9.7% quarter-over-quarter, reflecting the strong seasonal pattern from Q1 to Q2 each year. A total of 39,464 new entities were filed in Q2 2022, most of which were LLCs.

Existing entity renewals up year-over-year. Like new business filings, existing entity renewals increased in Q2 year-over-year, up 11%, but fell down quarter-over-quarter in seasonal fashion. In Q2 there were 172,106 existing entity renewals.

Colorado business leaders' soured on the outlook. The Leeds Business Confidence Index (LBCI) fell sharply into bear territory, decreasing from 53.9 ahead of Q2 2022 to 41.1 ahead of Q3 and 38 ahead of Q4 (50 is neutral).

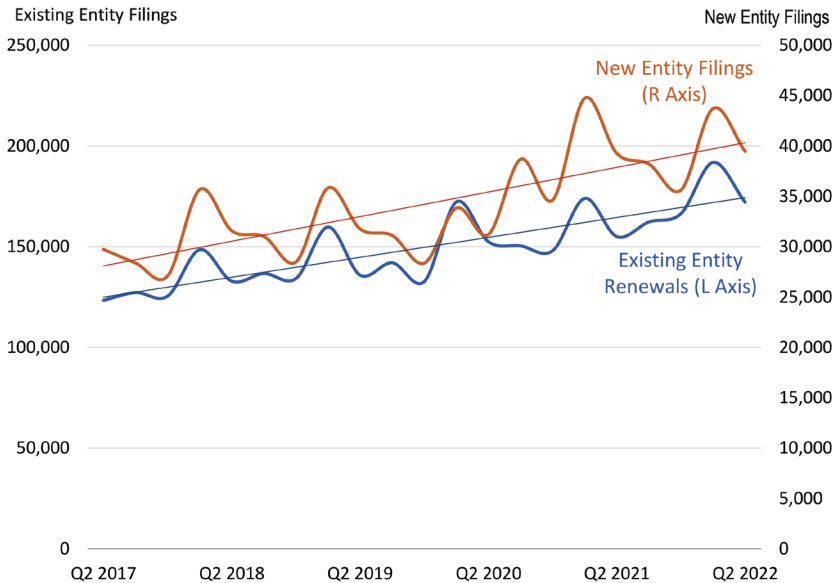
New entity filings are highly correlated with Business Formation Statistics. Colorado new entity filings from the Secretary of State's Office are highly correlated ($r=0.89$) with the Business Formation Statistics from the U.S. Census Bureau—an experimental series that tracks business applications and formations.

Colorado Business Formation Statistics and New Entity Filings



Sources: U.S. Census Bureau and the Colorado Secretary of State's Office.

Existing Entity Renewals and New Entity Filings



Note: Trendlines based on a year-over-year percent change.

Business Filings Overview

Business filings increased over the year but decreased seasonally from the prior quarter. The quarterly count of new entity filings increased from Q2 2021 to Q2 2022, but were below the levels measured in Q1 2022. Similarly, existing entity renewals increased over the same quarter last year but slipped from Q1.

Entities in good standing increased 4.5% compared to last June. Delinquencies increased 9.8%, and dissolutions jumped 27%. Trademark and trade name filings both fell.

	Q2 2022	Q1 2022	Q2 2021	Percent Change over Prior Year		5-Year CAGR ^a	
New Entity Filings							
Domestic Limited Liability Company	31,045	34,661	31,014	0.1%	▲	6.6%	▲
Domestic Nonprofit Corporation	960	1,051	822	16.8%	▲	1.4%	▲
Domestic Corporation	3,526	3,568	3,499	0.8%	▲	3.2%	▲
Other Entity Types	3,933	4,442	3,915	0.5%	▲	3.9%	▲
Total New Entity Filings	39,464	43,722	39,250	0.5%	▲	5.8%	▲
Total New Entity Filings - 12 mo. trailing	157,021	156,807	157,297	-0.2%	▼	6.6%	▲
Existing Entity Renewals							
Domestic Limited Liability Company	114,132	124,484	98,956	15.3%	▲	9.4%	▲
Domestic Nonprofit Corporation	11,872	14,212	11,746	1.1%	▲	2.7%	▲
Domestic Corporation	25,072	31,846	25,743	-2.6%	▼	0.1%	▲
Other Entity Types	21,030	21,304	18,550	13.4%	▲	6.7%	▲
Total Existing Entity Renewals	172,106	191,846	154,995	11.0%	▲	6.9%	▲
Total Existing Entity Renewals - 12 mo. trailing	692,647	675,536	627,389	10.4%	▲	6.7%	▲
Other Business Filings							
Dissolution Filings	11,753	12,831	9,257	27.0%	▲	12.1%	▲
Dissolution Filings - 12 mo. trailing	45,089	42,593	38,418	17.4%	▲	10.3%	▲
Trademarks	746	844	859	-13.2%	▼	-4.5%	▼
Trademarks - 12 mo. trailing	3,048	3,161	3,651	-16.5%	▼	-3.2%	▼
Trade Names	9,960	11,093	11,025	-9.7%	▼	-2.3%	▼
Trade Names - 12 mo. trailing	40,452	41,517	45,887	-11.8%	▼	-1.7%	▼
Entities in Good Standing							
Corporation	125,635	125,745	128,158	-2.0%	▼	0.4%	▲
Foreign	93,415	91,977	87,186	7.1%	▲	6.5%	▲
Limited Liability Company	583,720	579,313	550,517	6.0%	▲	8.0%	▲
Nonprofit Corporation	53,662	53,403	52,682	1.9%	▲	2.2%	▲
Other Entity Types	11,633	11,690	11,760	-1.1%	▼	0.6%	▲
Total Entities in Good Standing	868,065	862,128	830,303	4.5%	▲	6.0%	▲
Delinquencies							
Corporation	145,954	143,510	135,992	7.3%	▲	5.4%	▲
Foreign	43,891	43,050	40,655	8.0%	▲	9.2%	▲
Limited Liability Company	538,712	524,081	485,725	10.9%	▲	10.2%	▲
Nonprofit Corporation	27,538	27,111	25,801	6.7%	▲	7.0%	▲
Other Entity Types	15,056	14,846	14,351	4.9%	▲	5.7%	▲
Total Delinquencies	771,151	752,598	702,524	9.8%	▲	8.9%	▲

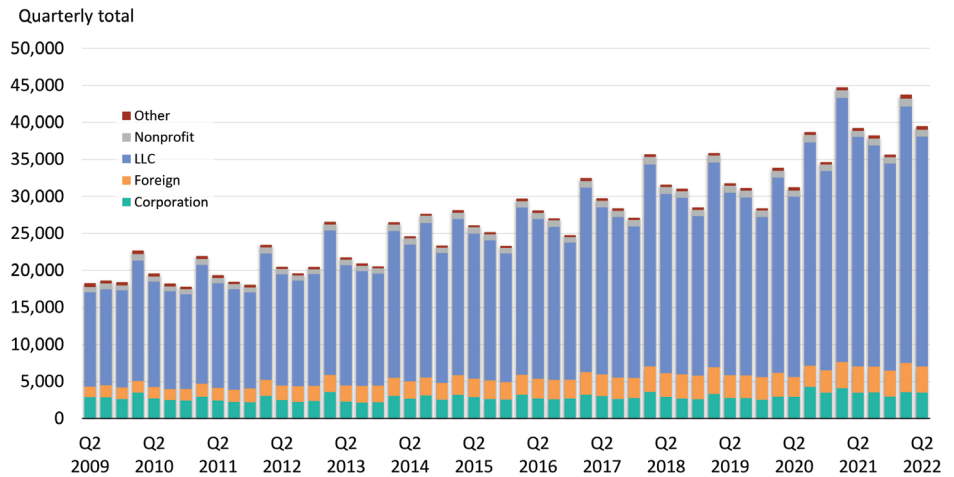
^a Compound Annual Growth Rate.

New Entity Filings & Existing Entity Renewals

Quarterly new business filings up from last year, down from last quarter. New entity filings increased 0.5% year-over-year but fell 9.7% from the prior quarter in seasonal fashion. For the past 17 years, Q2 filings have been below Q1 filings. Quarterly filings totaled 39,464.

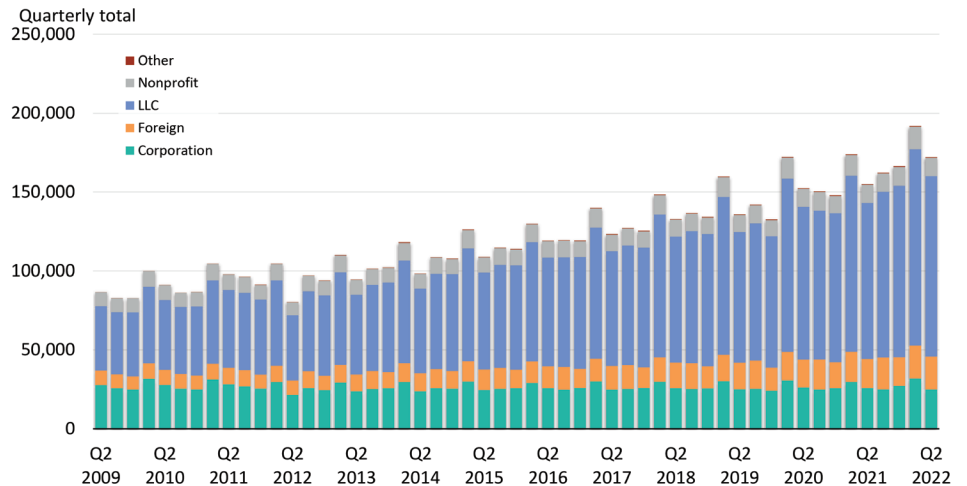
The four-quarter rolling sum of filings, which removes seasonality, recorded a 0.2% decrease in new entities year-over-year but increased 0.1% from the prior quarter.

New Entity Filings



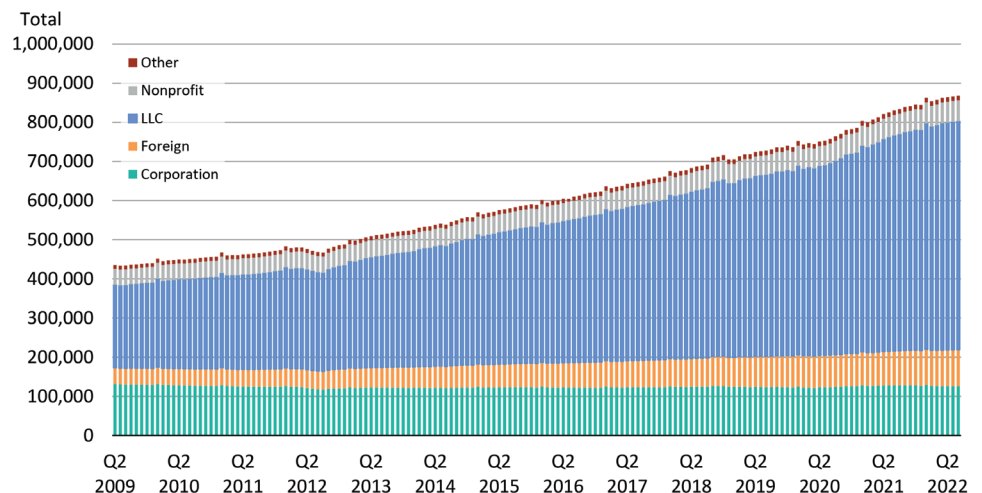
Business renewals continued the upward path in Q2 compared to a year ago. There were 172,106 renewals in Q2 2022, an increase of 11% year-over-year, but a seasonal decrease of 10.3% over the previous quarter (the first quarter is the strongest seasonal quarter of the year for renewals). Using a four-quarter rolling sum to remove seasonality, renewals demonstrated an annual increase of 10.4% and a quarterly increase of 2.5%.

Existing Entity Renewals



Businesses in good standing increased in Q2. Total entities in good standing increased 4.5% from Q2 2021 to Q2 2022, continuing a general upward trajectory, but notching the slowest increase in two years. Entities in good standing increased 0.7% over the prior quarter. Over the year, foreign entities recorded the greatest increase in good standing.

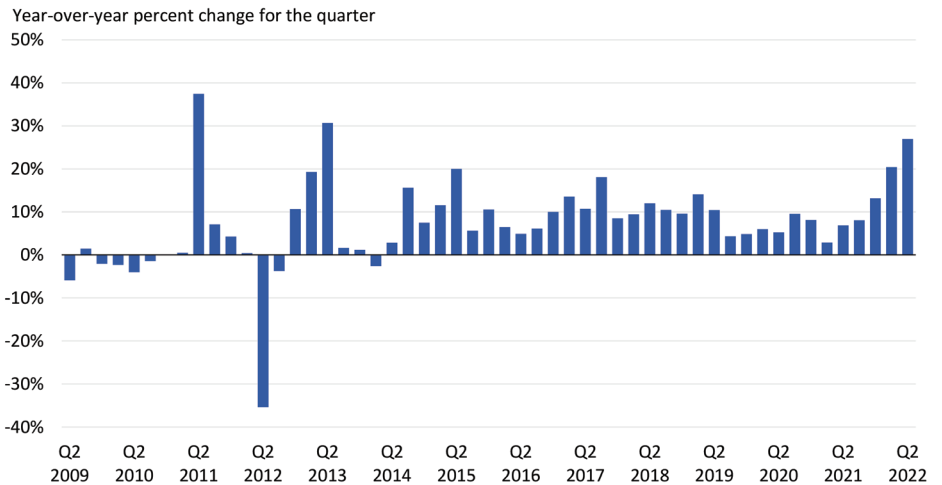
Entities in Good Standing



Dissolutions, Trade Names, & Trademarks

Dissolutions accelerated in Q2. The pace of dissolution filings increased 27% year-over-year but the number of filings decreased 8.4% from the record high recorded in Q1 2022. A total of 11,753 businesses dissolved in Q2 2022 compared to 9,257 in Q2 2021 and 12,831 in Q1 2022. The 12-month trailing total of dissolution filings (45,089) was up 17.4% year-over-year and 5.9% quarter-over-quarter. The spike in dissolutions during the last recession occurred in Q2 2011, after the official end of the recession.

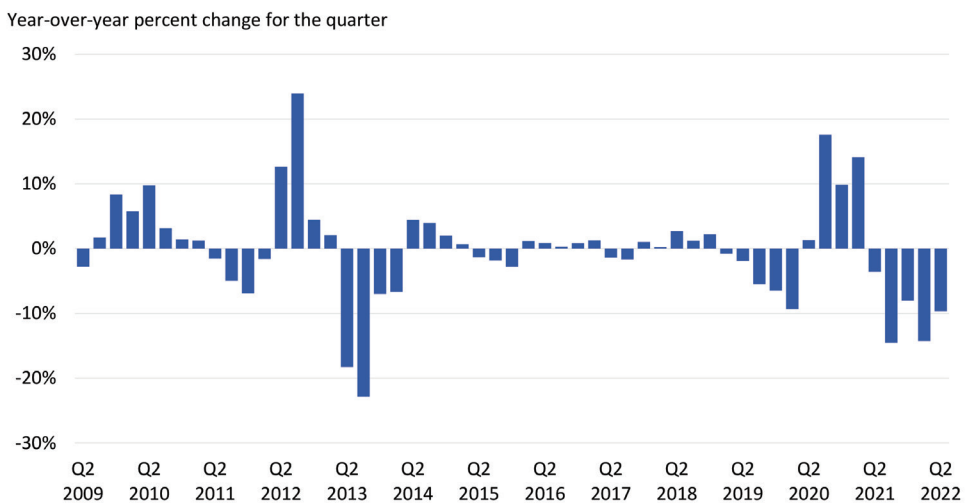
Dissolution Filings



Trade name filings decreased year-over-year in the second quarter.

Trade name filings decreased year-over-year and quarter-over-quarter in Q2 2022. The quarter ended with 9,960 trade name filings, a decrease of 9.7% over the prior year and 10.2% over the prior quarter. Entities must file a statement of trade name when operating under any name other than their true name.

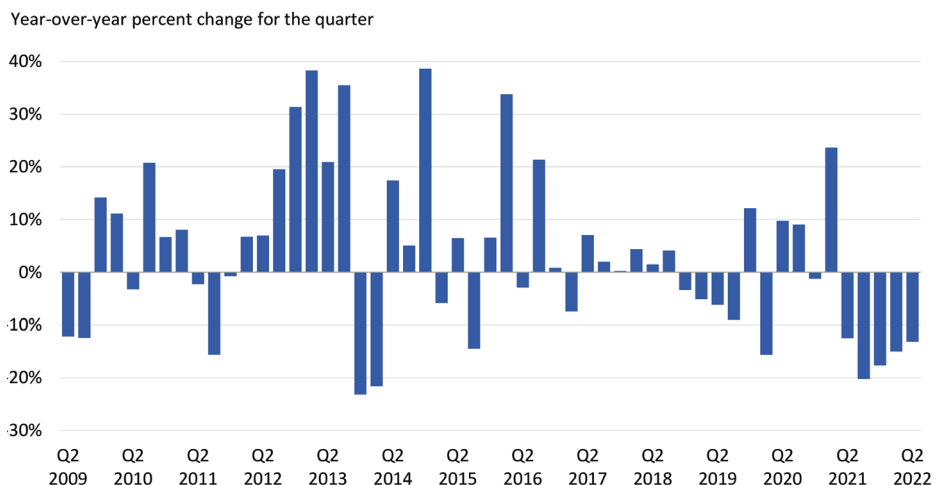
Trade Name Filings



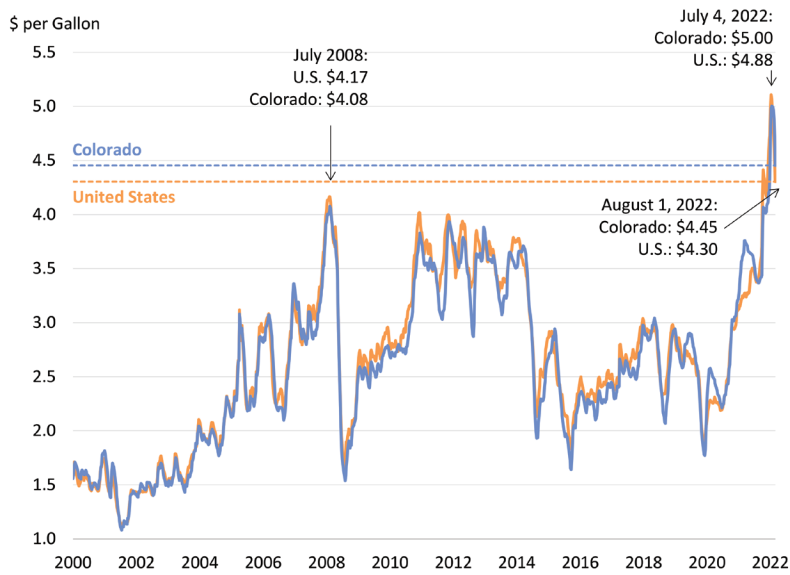
Trademark filings fell further in Q2.

Trademark filings totaled 746 in Q2 2022, a 13.2% decrease from the prior year and 11.6% decrease from Q1 2022. Using a 12-month trailing sum to adjust for seasonality, filings decreased 16.5% year-over-year and fell 3.6% over the quarter. Trademarks protect the symbols and words used in commerce.

Trademark Filings



Retail Gasoline Prices



Source: Energy Information Administration (All Grades/All Formulations). Data through August 1, 2022.

Colorado Economic Indicators

Gasoline prices beginning to improve. Gasoline prices peaked at a record \$5.00 per gallon in Colorado in June. While prices have decreased \$0.55 per gallon as of August 1, Colorado has recorded 15 consecutive weeks above the prior price peak in 2008. The week of August 1, Colorado gasoline prices averaged \$4.45 per gallon, according to data from the Energy Information Administration. National gas prices peaked higher (\$5.11), but have come down ahead of Colorado, averaging \$4.30 the week of August 1.

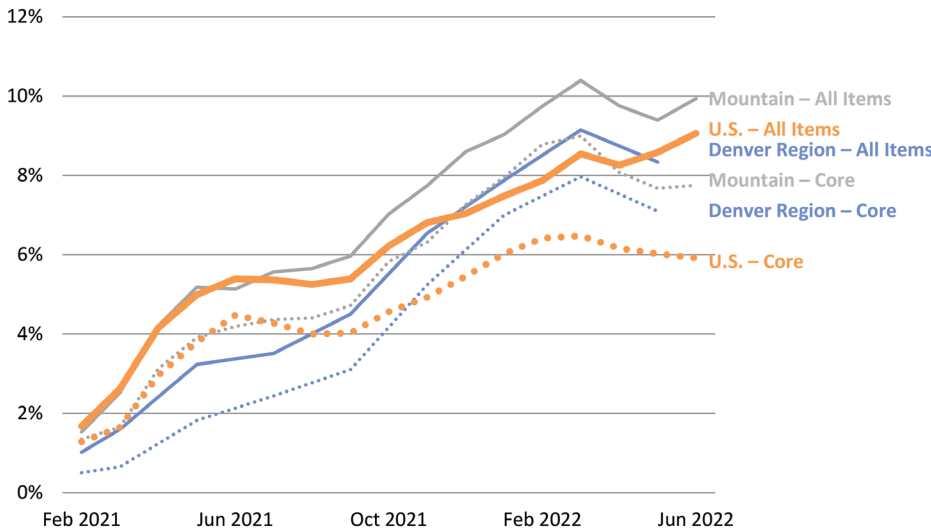
Employment recovery remains among top 10 in the nation. As of June 2022, Colorado touted the 10th-best employment recovery from the recession, growing 1.3% above the prior peak and increasing 4.1% year-over-year. Seven of the 11 major industries have recovered recession losses. The lagging industries include Mining, Leisure and Hospitality, Education and Health Services, and Government.

	Current Period	3 Months Prior	Percent Change over Prior Period		Annual Percent Change		5-Year CAGR ^a	
Wealth & Income								
Personal Income (billions of dollars)	412.9	407.5	1.3%	▲	0.8%	▲	6.5%	▲
Colorado Sales Tax Receipts, 12 mo. trailing (billions of dollars)	4.0	3.9	3.5%	▲	16.1%	▲	7.9%	▲
Retail and Food Services Sales, 12 mo. trailing (millions of dollars)	284,827.3	275,570.9	3.4%	▲	18.1%	▲	8.6%	▲
Food Services and Drinking Places Sales, 12 mo. trailing (millions of dollars)	16,225.0	15,519.9	4.5%	▲	31.5%	▲	5.3%	▲
Sales Expectations (LBCI)	46.4	59.1	-21.5%	▼	-33.3%	▼	-5.7%	▼
Profit Expectations (LBCI)	42.2	55.0	-23.2%	▼	-35.2%	▼	-7.1%	▼
Business Outlays								
Annual Wages Per Employee (\$)	64,681	63,804	1.4%	▲	5.8%	▲	5.2%	▲
Hiring Expectations (LBCI)	48.3	60.4	-20.1%	▼	-28.7%	▼	-4.2%	▼
Capital Expenditures Expectations (LBCI)	42.1	56.7	-25.7%	▼	-32.7%	▼	-7.1%	▼
Retail Gasoline Price (dollars per gallon; monthly average)	4.45	4.19	6.2%	▲	19.5%	▲	13.1%	▲
Labor Markets								
Employment (in thousands)	2,857.4	2,834.0	0.8%	▲	4.1%	▲	1.5%	▲
Unemployment Rate ^b	3.4%	3.7%	-0.3%	▼	-2.5%	▼	0.9%	▲
Initial Jobless Claims (monthly average)	2,395	2,387	0.4%	▲	-43.4%	▼	6.0%	▲
Continuing Jobless Claims (monthly average)	17,014	18,102	-6.0%	▼	-45.9%	▼	-5.0%	▼
Hires	141	148	-4.7%	▼	16.5%	▲	6.1%	▲
Job openings	220	203	8.4%	▲	8.9%	▲	13.3%	▲
Total separations	90	96	-6.3%	▼	11.1%	▲	6.4%	▲
Quits	132	137	-3.6%	▼	22.2%	▲	3.5%	▲
Labor Force	3,249	3,212	1.1%	▲	2.6%	▲	1.9%	▲
Labor Force Participation Rate ^b	70	69	0.6%	▲	1.0%	▲	1.7%	▲
Economic Overview								
Real Quarterly GDP (billions of chained 2012 dollars)	371.3	373.1	-1.9%	▼	3.9%	▲	2.7%	▲
Building Permits, Number of Units, 12 mo. trailing	61,048	61,796	-1.2%	▼	10.5%	▲	7.7%	▲
Valuation (millions of dollars), 12 mo. trailing	7,634	14,824	-48.5%	▼	-44.5%	▼	-3.6%	▼
FHFA Purchase-Only Home Price Index	679	634	7.0%	▲	21.6%	▲	11.3%	▲
Private Firms	228,193	225,455	1.2%	▲	4.9%	▲	3.7%	▲
Rotary Rig Count (monthly average)	19	15	28.4%	▲	58.3%	▲	-12.4%	▼
Total Business Bankruptcy Filings	57	59	-3.4%	▼	11.8%	▲	-12.3%	▼
Chapter 7	40	41	-2.4%	▼	14.3%	▲	-12.0%	▼
Chapter 11	15	18	-16.7%	▼	50.0%	▲	-7.4%	▼
Chapter 13	1	0	NA	▲	0.0%	▷	0.0%	▷
State Economy Expectations (LBCI)	39.8	51.9	-23.3%	▼	-43.8%	▼	-8.1%	▼

Sources in order as metrics appear and dates in parentheses indicate most recent data at time of publication: Bureau of Economic Analysis, Quarterly Personal Income (SA) (Q1 22); Colorado Department of Revenue, Office of Research and Analysis (NSA) (M6/22); Leeds School of Business, Leeds Business Confidence Index (LBCI) (Q3 22); Colorado Department of Labor and Employment, QCEW (NSA) (Q4 21); U.S. Energy Information Administration, Weekly Retail Gasoline and Diesel Prices (08/01/22); Bureau of Economic Analysis, (SAAR) (Q1 22); Bureau of Labor Statistics, CES (SA) (06/22); Bureau of Labor Statistics, LAUS (SA) (06/22); U.S. Department of Labor, Employment and Training Administration (NSA) (07/01/22); Census Bureau, New Privately Owned Housing Units Authorized (NSA) (5/22); Bureau of Labor Statistics (SA) (); Bureau of Labor Statistics (SA) (6/22/22); Colorado Division of Housing, Foreclosure Report (Q1 21); FHFA Purchase-Only Home Price Index (SA) (Q1 22); Bureau of Labor Statistics, QCEW (Q3 2021); Baker-Hughes (07/01/22); Administrative Office of the U.S. Courts (Q2 22); Leeds School of Business, Leeds Business Confidence Index (LBCI) (Q3 22).

^aCompound Annual Growth Rate. ^bPercentage point change.

Inflation



Source: Bureau of Labor Statistics (not seasonally adjusted).

National Economic Indicators

Prices easing? The national consumer price index increased 9.1% year-over-year in June 2022—the highest increase since 1982. Prices in the Mountain Region increased 9.9% during June, and the Denver-Aurora-Lakewood region rose 8.3% during the month of May (most current data). The Bureau of Labor Statistics assigns the greatest Consumer Price Index weights to housing (42.4%), transportation (18.2%), and food and beverages (14.3%).

National employment increased 4.3% year-over-year in July 2022, surpassing the pre-recession peak. The unemployment rate stood at 3.5% and average weekly wages increased 4.6% year-over-year in July 2022.

	Current Period	3 Months Prior	Percent Change over Prior Period		Annual Percent Change		5-Year CAGR ^a	
Wealth & Income								
Personal Income (billions of dollars)	21,743	21,385	1.7%	▲	5.7%	▲	5.3%	▲
Retail and Food Services Sales, 12 mo. trailing (billions of dollars)	7,807.0	7,644.5	2.1%	▲	13.2%	▲	6.8%	▲
Food Services and Drinking Places Sales, 12 mo. trailing (billions of dollars)	964.2	925.1	4.2%	▲	28.9%	▲	7.4%	▲
S&P 500	4,155.2	4,131.9	0.6%	▲	-5.3%	▼	10.9%	▲
Annual Wages Per Employee	67,610	66,521	1.6%	▲	5.6%	▲	6.0%	▲
Business Outlays								
Consumer Price Index	295.3	287.7	2.6%	▲	9.0%	▲	3.9%	▲
Core Inflation (All Items Less Food & Energy)	294.4	288.8	1.9%	▲	5.9%	▲	3.2%	▲
Shelter	352.6	346.5	1.7%	▲	5.6%	▲	3.5%	▲
Retail Gasoline Price (dollars per gallon; monthly average)	4.30	4.55	-5.3%	▼	32.2%	▲	11.5%	▲
Labor Markets								
Employment (in thousands)	152,536	151,224	0.9%	▲	4.2%	▲	0.8%	▲
Unemployment Rate ^b	3.5%	3.6%	-0.1%	▼	-1.9%	▼	-0.8%	▼
Initial Jobless Claims (monthly average)	249,250	184,400	35.2%	▲	-39.0%	▼	-3.7%	▼
Continuing Jobless Claims (monthly average)	1,358,667	1,402,600	-3.1%	▼	-54.7%	▼	-14.6%	▼
Hires	6,374	6,645	-4.1%	▼	-0.6%	▼	2.5%	▲
Job openings	10,698	11,855	-9.8%	▼	8.6%	▲	11.2%	▲
Total separations	5,931	6,248	-5.1%	▼	2.4%	▲	1.7%	▲
Quits	4,237	4,449	-4.8%	▼	5.0%	▲	6.1%	▲
Labor Force	163,960	164,046	-0.1%	▼	1.6%	▲	0.4%	▲
Labor Force Participation Rate ^b	62	62	-0.1%	▼	0.4%	▲	-0.8%	▼
Economic Overview								
Real Quarterly GDP (billions of chained 2012 dollars)	19,682	19,728	-0.9%	▼	1.6%	▲	1.8%	▲
Building Permits, Number of Units, 12 mo. trailing	1,755,991	1,755,102	0.1%	▲	4.7%	▲	6.9%	▲
Valuation (millions of dollars), 12 mo. trailing	383,950	377,624	1.7%	▲	9.2%	▲	9.3%	▲
FHFA Home Price Index	375.1	358.6	4.6%	▲	18.7%	▲	9.8%	▲
Rotary Rig Count (monthly average)	757	690	9.7%	▲	56.5%	▲	9.4%	▲
Total Business Bankruptcy Filings	3,325	3,065	8.5%	▲	-11.4%	▼	-12.2%	▼
Chapter 7	1,839	1,856	-0.9%	▼	-21.6%	▼	-13.3%	▼
Chapter 11	1,173	935	25.5%	▲	10.1%	▲	-9.0%	▼
Chapter 13	73	65	12.3%	▲	-69.6%	▼	-14.4%	▼
National Economy Expectations (LBCI)	27.7	40.4	-31.5%	▼	-59.0%	▼	-12.7%	▼

Sources in order as metrics appear and dates in parentheses indicate most recent data at time of publication: Bureau of Economic Analysis, Quarterly Personal Income (SA) (6/22); U.S. Census Bureau (NSA) (6/22); Yahoo Finance (8/3/22); Bureau of Labor Statistics, QCEW (NSA) (Q4 2021); Bureau of Labor Statistics, All Urban Consumers, U.S. City Average (SA) (6/22); U.S. Energy Information Administration, Weekly Retail Gasoline and Diesel Prices (8/1/22); Bureau of Economic Analysis (SAAR) (Q2 22); Bureau of Labor Statistics, CES (SA) (7/22); Bureau of Labor Statistics (SA) (7/22); U.S. Department of Labor, Employment and Training Administration (SA) (7/1/22); Bureau of Labor Statistics (SA) (6/22); Bureau of Labor Statistics (SA) (7/22); Census Bureau, New Privately Owned Housing Units Authorized (NSA) (6/22); FHFA Purchase-Only Home Price Index (SA) (Q1 22); Baker-Hughes (7/1/22); Administrative Office of the U.S. Courts (Q2 22); Leeds School of Business, Leeds Business Confidence Index (LBCI) (Q3 22).

^aCompound Annual Growth Rate. ^bPercentage point change.

Secretary of State Business Filings Q2 2022

Businesses are established under several different entity types. The most commonly formed is a **domestic limited liability company** (DLLC), blending structures from both corporations and partnerships/sole proprietorships. DLLCs provide owners with protection from personal liability and also offer benefits from the effects of pass-through income taxation. As an example, Indigo Partners is the parent company of Frontier Airlines, a low-cost carrier headquartered in Denver.

Domestic corporations (DCs) are the second-most popular business filing received by the Secretary of State. DCs provide owners with limited liability, similar to DLLCs, and business must be conducted in the state in which it was formed. Coors Brewing Company is a well-known DC in Colorado.

A third entity type is a **domestic nonprofit corporation** (DNC). DNCs differ from DLLCs and DCs in that they

are formed not for profit and pursue an agenda of social responsibility. Building a Better Colorado operates as a DNC with the goal of facilitating conversation between Colorado voters to improve the state government.

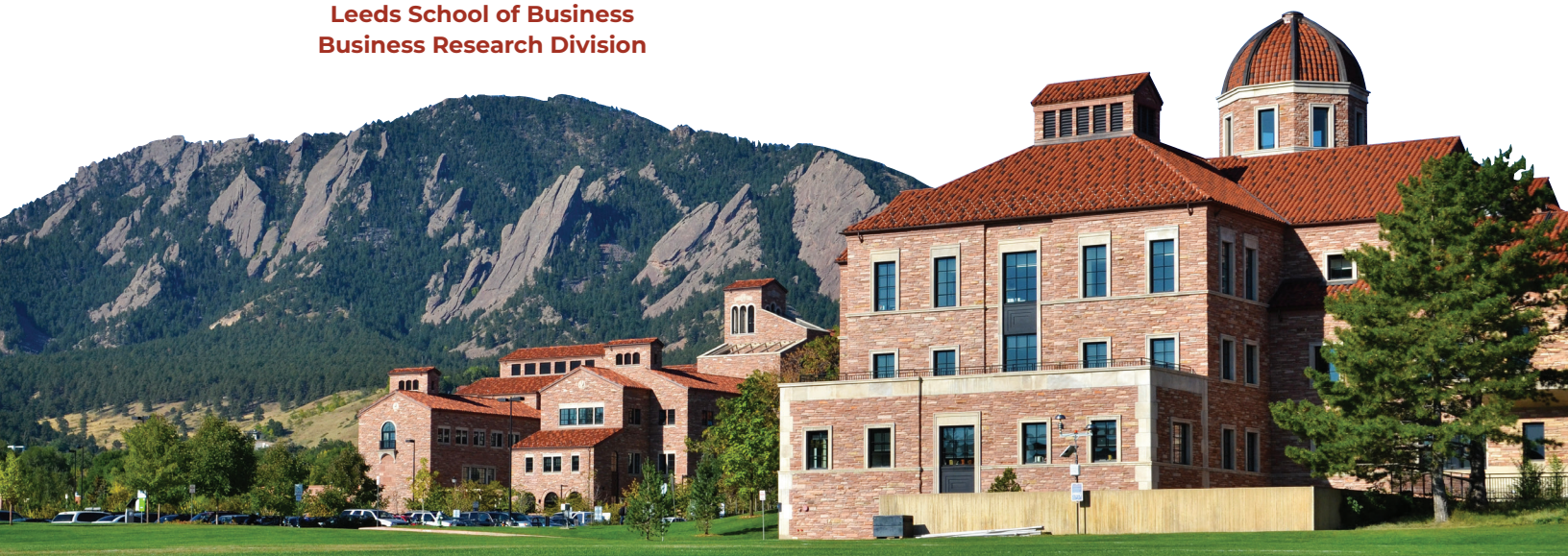
Public benefit corporations (PBC) create a framework for companies that seek to solve social and environmental problems while benefiting their shareholders. Group14 Engineering, which provides sustainable energy and environmental solutions for buildings, is an example of this type of corporation in Colorado.

Statement of Foreign Entity Authority (SOFEA), or business entities registered in a different state, are authorized to transact business or conduct activities in the state of Colorado. According to the Colorado Secretary of State, all foreign entity types are functionally equivalent to their domestic counterparts. Simple Energy Inc. is an example of a foreign entity in Colorado.

A partnership between the
Colorado Secretary of State's Office
and the
University of Colorado Boulder
Leeds School of Business
Business Research Division



Leeds School of Business
UNIVERSITY OF COLORADO BOULDER



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