



FOR IMMEDIATE RELEASE
October 19, 2015

Contact: Stelios Pavlou (303) 869-2833
stelios.pavlou@state.co.us

**LACK OF RELIABLE DATA PREVENTS ASSURANCE THAT TABOR REVENUE
REPORTING IS ACCURATE**

DENVER— The Colorado Office of the State Auditor (OSA) has released its Annual *Schedule of TABOR Revenue* audit, which determines whether the State Controller complied with state laws in certifying excess state revenues and accurately preparing its annual Taxpayer's Bill of Rights (TABOR) Financial Report. However, this year, the OSA has been prevented from meeting those objectives due to a fundamental lack of reliable data.

TABOR was added to the Colorado Constitution in the November 1992 general election. TABOR limits the annual growth in State revenues based on the annual inflation rate plus the percentage change in Colorado's population growth rate; any money the State raises above the limit must be returned to the taxpayers. The State Controller is required to certify TABOR revenue to the Governor, General Assembly, and the Executive Director of the Department of Revenue no later than September 1, 2015, while the Office of the State Auditor is required to audit the TABOR Financial Report and certification by September 15, 2015.

For Fiscal Year 2015, however, significant issues were found. The TABOR Financial Report and certification were based on financial information prior to closing the accounting records for Fiscal Year 2015. State statutes require the records to be closed within 35 days following the end of the fiscal year, or by August 4. Approximately 700 transactions, totaling \$13 million increasing TABOR revenue, were entered into the State's accounting system after the State Controller-prescribed cutoff date of August 4, the deadline for state agencies to adjust TABOR revenue, through August 28, 2015, the date the State

-continued-



We Set the Standard for Good Government

Controller compiled information for the TABOR Financial Report and certification. Approximately 700 additional adjustments, totaling \$1.8 million decreasing TABOR revenue, were entered into the State's accounting system subsequent to August 28 through September 15, 2015, the conclusion of the audit work. All adjustments to TABOR revenue impact the calculation of TABOR refunds.

Separately, the State Controller made adjustments totaling \$9.1 million to the Fiscal Year 2014 TABOR spending limit to reflect the impact of a change in budgetary reporting made in Fiscal Year 2015. This change was due to the State's implementation of a new accounting system. Neither the constitutional provisions of TABOR nor state law address how changes in budgetary reporting should impact prior and current year state fiscal year spending (or spending limits).

The audit makes two recommendations.

The full report is available electronically on the OSA's website, <http://www.state.co.us/auditor>, via the link called "OSA Audit Reports."

Under the direction of the state auditor, the OSA is the state's nonpartisan, independent external auditor with broad authority to audit state agencies, departments, institutions of higher education, and the Judicial and Legislative Branches. The OSA's professional staff serve the people of Colorado by addressing relevant public issues through high-quality, objective audits and reviews that promote accountability and positive change in government. Performance audits address whether programs operate in compliance with laws and regulations and in a manner that accomplishes intended program goals. Financial audits include annual audits of the state's basic financial statements and federal grantson a statewide level. IT audits review procedures and technology to ensure the confidentiality, integrity and availability of the state's critical computer systems and taxpayer data. The OSA also tracks about 4,000 Colorado local governments for compliance with the Local Government Audit Law.