

CHAPTER 190

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**GOVERNMENT - STATE**

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**HOUSE BILL 94-1309**

By REPRESENTATIVES Williams, Berry, Foster, and Kerns;  
also SENATORS Norton, Wells, and Cassidy.

**AN ACT**

**CONCERNING THE PREPARATION OF FINANCIAL STATEMENTS OF STATE GOVERNMENT.**

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** 24-77-101, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

**24-77-101. Legislative declaration.** (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

(a) THE ADOPTION OF SECTION 20 OF ARTICLE X IMPOSES A LIMIT ON STATE FISCAL YEAR SPENDING AND THE PROVISIONS OF THIS ARTICLE WERE ENACTED TO FACILITATE COMPLIANCE WITH THE STATE FISCAL YEAR SPENDING LIMIT;

(b) THIS ARTICLE REFLECTS THE JUDGMENT OF THE GENERAL ASSEMBLY REGARDING THE MEANING AND IMPLEMENTATION OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AS IT RELATES TO STATE GOVERNMENT;

(c) THE PROVISIONS OF THIS ARTICLE SHOULD NOT BE CONSTRUED TO SUBSTITUTE FOR GENERALLY ACCEPTED ACCOUNTING PRINCIPLES WHICH ARE APPLICABLE TO FINANCIAL DOCUMENTS AND REPORTS OF STATE GOVERNMENT;

(d) THE PURPOSE OF PREPARING FIGURES IN ACCORDANCE WITH THIS ARTICLE, TO ENSURE COMPLIANCE WITH THE STATE FISCAL YEAR SPENDING LIMIT, MAY DIFFER FROM THE PURPOSE OF PREPARING FINANCIAL STATEMENTS OF THE STATE, TO DETERMINE THE FINANCIAL CONDITION OF THE STATE;

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

(e) THE FINANCIAL STATEMENTS OF THE STATE PREPARED BY THE STATE CONTROLLER SHALL BE PREPARED, INsofar AS POSSIBLE, IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AND

(f) THE FINANCIAL REPORT REQUIRED BY THIS ARTICLE SHALL BE PREPARED IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES UNLESS AN IRRECONCILABLE CONFLICT EXISTS BETWEEN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND THE PROVISIONS OF SECTION 20 OF ARTICLE X IN WHICH CASE THE PROVISIONS OF SAID CONSTITUTIONAL PROVISION SHALL CONTROL.

**SECTION 2.** Article 77 of title 24, Colorado Revised Statutes, 1988 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SECTION to read:

**24-77-106.5. Annual financial report.** FOR EACH FISCAL YEAR, THE CONTROLLER SHALL PREPARE A FINANCIAL REPORT FOR THE STATE FOR PURPOSES OF ASCERTAINING COMPLIANCE WITH THE PROVISIONS OF THIS ARTICLE. ANY FINANCIAL REPORT PREPARED PURSUANT TO THIS SECTION SHALL INCLUDE, BUT SHALL NOT BE LIMITED TO, STATE FISCAL YEAR SPENDING, RESERVES, REVENUES, AND DEBT. SUCH FINANCIAL REPORT SHALL BE AUDITED BY THE STATE AUDITOR.

**SECTION 3. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 4, 1994