



SA

We Set the Standard for Good Government

FISCAL YEAR  
2016

ANNUAL REPORT



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# MESSAGE FROM THE STATE AUDITOR

This annual report provides information about the Office of the State Auditor's (OSA) activities and accomplishments during Fiscal Year 2016. First, the OSA issued 49 financial, performance, and IT audit reports and other work products. These audits and other work products provided agencies, the General Assembly, and the public with thorough, credible, and impartial assessments of the operation of state programs.



The OSA remains focused on addressing high risk areas for the State, as well as programs and issues that are important for policy makers. This past year, the OSA spent a significant amount of its financial and IT audit resources evaluating the first year of operations with the Colorado Operations Resource Engine (CORE), the State's new accounting system. This included an IT Performance Audit that assessed the information security of CORE. The OSA issued several performance audits in response to legislative requests, including performance audits focusing on the collection and usage of the FASTER Motor Vehicle Fees, local sales taxes, and the Independent Ethics Commission. As required by statute, the OSA also contracted for two studies of the Colorado Public Employees' Retirement Association's Hybrid Defined Benefit Plan.

The OSA continues to be recognized for its work and investment in its employees. In June 2016, the National Legislative Program Evaluation Society selected the OSA's *Local Sales Taxes*

*Performance Audit* (November 2015) for the Excellence in Research Methods Award and the OSA's *Senior and Disabled Veteran Property Tax Exemption Program Performance Audit* (August 2015) for a Certificate of Impact Award. In February 2016, the OSA was named by the *Denver Business Journal* as the Healthiest Employer in the small-sized company category.

Finally, in April 2016, I was reappointed by the General Assembly for another 5-year term as State Auditor. I appreciate the ongoing support of the General Assembly and look forward to the positive impact the OSA and its staff will have over the next 5 years to improve government for the people of Colorado.

A handwritten signature in black ink, appearing to read "Dianne E. Ray". The signature is fluid and cursive, with the first name "Dianne" being the most prominent part.

Dianne E. Ray, CPA  
State Auditor

# OSA MISSION

Through a comprehensive strategic planning process, the OSA has defined a mission statement, vision statements, and underlying goal for carrying out its statutory and professional responsibilities. The OSA regularly assesses these mission, vision, and goal statements to ensure their completeness, applicability, and responsiveness to the OSA's current and future needs and operating environment.

## OSA MISSION STATEMENT

- To improve government for the people of Colorado.

## OSA VISION STATEMENTS

- Our audits will identify efficiencies and cost savings, and improve effectiveness and transparency in government.
- We will provide objective information, quality services, and solution-based recommendations.

## OSA GOAL

- Produce quality and timely products that respond to changing demands by maximizing internal efficiencies and available resources, including products that identify cost savings and other financial benefits for the State. The OSA will promote the best and highest use of these products through targeted distribution and presentations.

# ROLE OF THE OSA

The OSA is the nonpartisan government watchdog for the people of Colorado. We provide the General Assembly, agencies, and the public with thorough, credible, and impartial assessments of the operation of state programs and use of state and federal funds. The OSA's audits provide solution-based recommendations that focus on reducing costs, increasing efficiency, promoting the achievement of legislative intent, improving the effectiveness of programs and the quality of services, ensuring transparency in government, and ensuring the accuracy and integrity of financial and other information that decision makers need to hold government agencies accountable for the use of public resources.

Section 2-3-103, C.R.S., grants the State Auditor broad authority to conduct performance, financial, and information technology (IT) audits of all state departments and agencies, public colleges and universities, most special purpose authorities, any state entity designated as an enterprise, and other political subdivisions as required by law.

Colorado's Local Government Audit Law [Section 29-1-601, et seq., C.R.S.] requires every local government in the state to undergo an annual financial audit conducted by an independent certified public accountant. The State Auditor is required to examine these audit reports to determine compliance with accounting standards and other requirements. Local governments with revenues or expenditures less than \$500,000 may apply to the State Auditor for an exemption from audit. Senate Bill 15-024 increased this threshold to \$750,000 for fiscal years beginning on or after January 1, 2015.

# FINANCIAL BENEFITS

The OSA’s audits frequently identify financial benefits, which collectively represent the dollar value the OSA provides to the people of Colorado by ensuring the responsible stewardship of public funds.

Financial benefits include the identification of potential cost savings, questionable payments, opportunities to improve the effective management of program funds, collection of fees or debts owed, cost recoveries, policies that could be changed to increase revenue, opportunities to leverage State resources with matching funds, or increases in the value of assets in the State’s accounting system.

The OSA’s goal is to achieve at least a 3:1 ratio of benefits to costs over a 5-year period. Including Fiscal Year 2016, the OSA achieved a 6.6:1 ratio of benefits to costs.

5-YEAR AVERAGE FISCAL YEARS 2012–2016	
Annual Financial Benefits Identified in Reports	\$45.6 million
Net Annual OSA Operating Costs*	\$6.9 million
Ratio of Benefits to Costs	6.6 : 1
*Net annual operating costs calculated from General Fund appropriations less General Fund reversions.	

The following table shows the total financial benefits identified in OSA audit reports for the past 5 fiscal years.

FINANCIAL BENEFITS IDENTIFIED IN AUDIT REPORTS (DOLLARS IN MILLIONS) FISCAL YEARS 2012–2016					
2012	2013	2014	2015	2016	ANNUAL AVERAGE
\$67.8	\$28.5	\$19.1	\$42.9	\$69.8	\$45.6

SOURCE: Office of the State Auditor’s analysis of financial benefits reported in audit reports released during Fiscal Years 2012 through 2016.

Our Fiscal Year 2016 audits identified a total of \$69.8 million in financial benefits. The majority of these financial benefits were identified in the following two audits:

- **COLLECTION AND USAGE OF THE FASTER MOTOR VEHICLE FEES, PERFORMANCE AUDIT, AUGUST 2015, DEPARTMENT OF TRANSPORTATION — \$49.0 MILLION**

We found a total of \$32.3 million in project funds that were budgeted, but unused, on closed and substantially completed bridge projects between Fiscal Years 2010 and 2014. Allowing budgeted but unused funds to remain tied to projects for extended periods of time means these funds are unavailable for use on other projects. We also identified \$10.7 million in FASTER safety revenue allocated to projects that may not have been for allowable or approved purposes. Finally, we found that the Department could not provide complete and accurate information to confirm how \$6 million in FASTER safety revenue that it received during Fiscal Years 2010 through 2014 was allocated and expended.

- **SENIOR AND DISABLED VETERAN PROPERTY TAX EXEMPTION PROGRAM, PERFORMANCE AUDIT, AUGUST 2015, DEPARTMENT OF LOCAL AFFAIRS — \$15.5 MILLION**

We identified a total of about \$175,400 in payments from the State to counties for non-qualifying exemptions. Specifically, we identified 83 exemptions (\$31,200) for properties that were not owned by the applicant, 52 exemptions (\$26,300) for properties that the applicant did not use as his or her primary residence, 196 exemptions (\$110,000) filed by married couples seeking separate exemptions, and 19 exemptions (\$7,900) that were non-qualifying for other reasons, such as being submitted after statutory deadlines. We also identified a total of about \$15.3 million in payments from the State to counties for exemptions that may not have met the eligibility requirements. Specifically, we identified 430 exemptions (\$234,800) from applicants who may not have used the exempted property as their primary residences, 10,335 exemptions (\$5.1 million) from applicants for

whom a death record exists, and 43,138 exemptions (\$10 million) from applicants who did not file a Colorado tax return and who were not included in the list of applicants with death records.

The OSA's *Department of State Performance Audit* (November 2015), *Gaming Impact Grants Performance Audit* (August 2015), *Immunization Program-Use of Tobacco Settlement Funds Performance Audit* (January 2016), *Local Sales Taxes Performance Audit* (November 2015), and *Pet Animal Care Facilities Act Program Performance Audit* (June 2015) collectively identified an additional \$5.3 million in financial benefits.

# AUDIT RECOMMENDATIONS

During Fiscal Year 2016, the OSA issued 280 audit recommendations to state agencies and higher education institutions. Audit recommendations, as well as agencies' responses to the recommendations and planned implementation dates, if applicable, are included as part of the individual published reports.

Our audit recommendations promote positive change in government and are an important part of holding agencies and institutions accountable for addressing the problems and issues identified by our financial, performance, and IT audits and studies.

## IMPLEMENTATION OF AUDIT RECOMMENDATIONS

Each fall the OSA issues its *Annual Report on the Status of Outstanding Audit Recommendations*, which compiles and summarizes all performance, financial, and IT audit recommendations made during a rolling 5-year period. Through our reporting to the Legislative Audit Committee, Joint Budget Committee, and committees of reference, the OSA provides important information to policy makers and the public about agencies' progress toward implementing audit recommendations. The increased visibility created by this report and the related committee hearings has been a strong motivation for state agencies to implement their outstanding audit recommendations. This annual report is also an important part of fulfilling the OSA's statutory reporting responsibilities under the State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act.

The most recent report, issued in October 2015, covers the 2,813 financial, performance, and IT audit recommendations that the OSA made to state agencies during the period July 1, 2009, through June 30, 2014. State agencies agreed or partially agreed to implement 99

percent of the audit recommendations made during this 5-year period.

Overall, agencies have made significant progress making the changes they agreed or partially agreed to make. As of June 30, 2015, state agencies had implemented approximately 96 percent of the audit recommendations they agreed to implement. However, there are still some audit recommendations that have not been fully implemented.

- 75 of the 1,237 financial audit recommendations (6 percent) that agencies agreed or partially agreed to implement were still outstanding as of June 30, 2015. The number of unimplemented financial audit recommendations had increased since the prior year.
- 32 of the 1,541 performance and IT audit recommendations (2 percent) that agencies agreed or partially agreed to implement were still outstanding as of June 30, 2015. The number of unimplemented performance and IT audit recommendations had decreased since the prior year.

# ALLOCATION OF RESOURCES

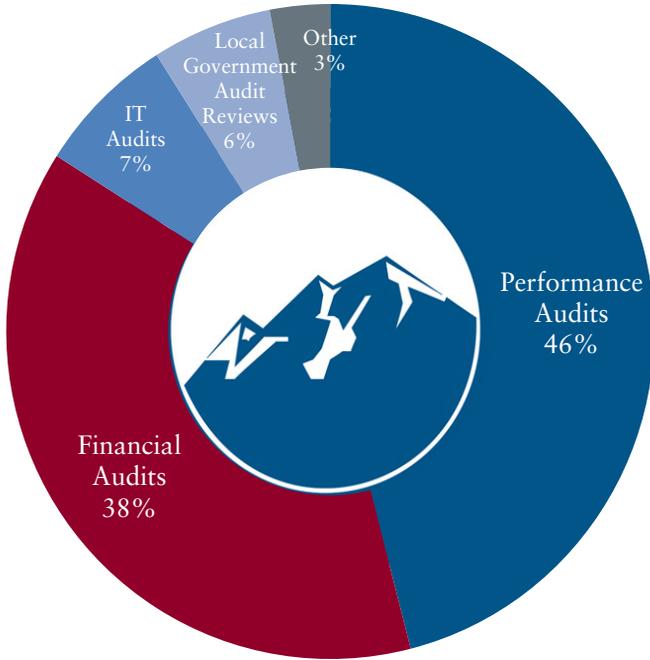
During Fiscal Year 2016, the OSA issued a total of 49 financial, performance, and IT audit reports and other work products. A complete list is located on pages 37 through 39 of this report. The OSA completed these audits and other work products based on the following authority:

- **STATUTORY OR OTHER LEGAL REQUIREMENTS**—41 audit reports and other work products (84 percent) were completed in response to statutory or other legal requirements, including the *Statewide Single Audit for the Fiscal Year Ended June 30, 2015*, which was conducted to comply with the requirements of the federal Single Audit Act.
- **LEGISLATIVE AUDIT REQUESTS APPROVED BY THE LEGISLATIVE AUDIT COMMITTEE**—4 audit reports and other work products (8 percent) were completed in response to requests from state legislators. Statute requires all legislative audit requests to be approved by the Legislative Audit Committee before the audit will be added to the OSA’s audit plan.
- **STATE AUDITOR’S DISCRETIONARY AUTHORITY**—4 audit reports and other work products (8 percent) were completed at the State Auditor’s discretion based on risk, audit coverage, and other considerations.

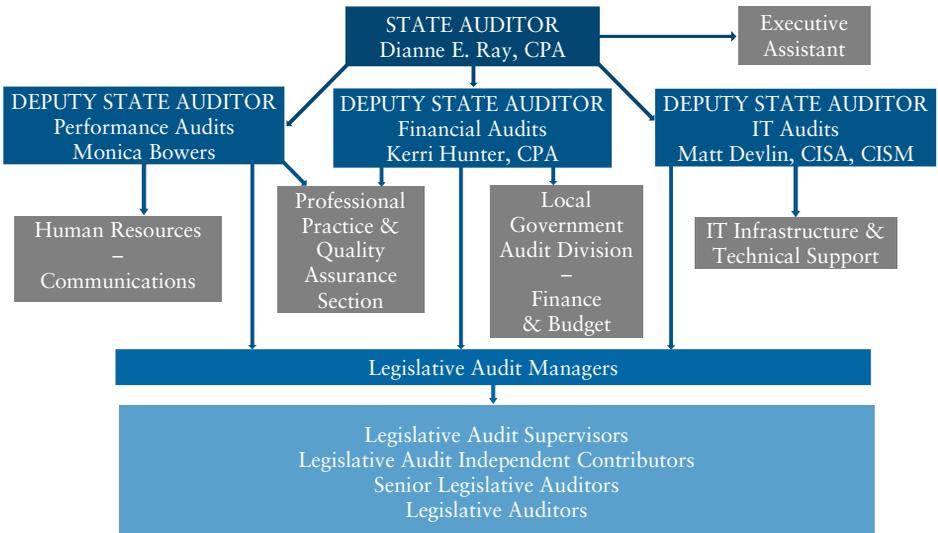
In addition, the OSA reviewed financial audit reports and Exemption from Audit applications submitted by Colorado’s 4,000 local governments.

The OSA has 72 professional and administrative support staff who are dedicated to furthering the OSA’s mission and goals. The following chart shows how the OSA’s project hours were allocated during Fiscal Year 2016.

## FISCAL YEAR 2016 ALLOCATION OF PROJECT HOURS



## OSA ORGANIZATIONAL STRUCTURE



# PERFORMANCE AUDITS

Performance audits address whether programs are operated in an effective and efficient manner to accomplish their intended goals and in compliance with laws and regulations. During Fiscal Year 2016, the OSA issued 13 performance audits and evaluations. These audits and evaluations identified concerns across a range of state agencies and institutions.

- **SENIOR AND DISABLED VETERAN PROPERTY TAX EXEMPTION PROGRAM, PERFORMANCE AUDIT, AUGUST 2015, DEPARTMENT OF LOCAL AFFAIRS**

**KEY FINDINGS:** The State reimbursed counties a total of \$169,000 for non-qualifying exemptions for Tax Year 2013; these exemptions did not meet one or more statutory qualifications. We also identified indicators that almost 54,000 approved exemptions totaling about \$25.3 million for Tax Year 2013 may not have met the eligibility requirements. The fundamental design of the Program does not sufficiently protect the State from reimbursing counties for non-qualifying exemptions and, based on the current Program design, the Department lacks authority and processes to ensure that only qualifying applicants are approved.

- **LOCAL SALES TAXES, PERFORMANCE AUDIT, NOVEMBER 2015, DEPARTMENT OF REVENUE**

**KEY FINDINGS:** The Department likely did not register 11,070 of the 103,836 retail business sites we reviewed (11 percent) to the proper local jurisdictions based on addresses these businesses provided to the Department on their sales tax license applications. Of these, about 3,750 sites were likely misregistered for jurisdictions where the Department collects sales taxes, which we estimate resulted in about \$3.3 million in over-collections and \$3.8 million in under-collections during Calendar Year 2014. Also, the Department's system for coding

and tracking tax jurisdictions was not complete for nine geographic areas in the state and uses place names that can be confusing.

- **PET ANIMAL CARE FACILITIES ACT PROGRAM, PERFORMANCE AUDIT, JUNE 2015, DEPARTMENT OF AGRICULTURE**

KEY FINDINGS: As of January 2015, the Program had failed to conduct routine inspections within required timeframes at 357 of the 1,839 facilities (19 percent) licensed in the State. Of these 357 facilities, 143 (40 percent) were more than 12 months overdue for an inspection. One facility had not received an inspection in 28 months. Also, in our sample of 45 routine inspections, inspectors identified at least one violation at 36 facilities; eight of the 36 facilities were found to have five or more violations, some of which directly affected the health and welfare of the animals. However, the Program did not issue civil fines, cease and desist orders, or license suspensions or revocations for any of these facilities.

- **GAMING IMPACT GRANTS, PERFORMANCE AUDIT, AUGUST 2015, DEPARTMENT OF LOCAL AFFAIRS AND DEPARTMENT OF HUMAN SERVICES**

KEY FINDINGS: The Department of Local Affairs awarded \$236,000 in grant funds in Calendar Year 2014 to two ineligible applicants that did not have documented gaming impacts. Another \$289,000 in grant funds was awarded to three applicants that used unsuitable methods to determine their gaming impacts. Also, from July 2010 to August 2013, the Department of Human Services' Gambling Addiction Program did not provide grants to entities that had or were seeking accredited gambling addiction counselors, as statute requires. From September 2013 to June 2015, the Program funded only \$650 in counseling services and granted over \$20,900 to ineligible counselors. Additionally, 18 of the 23 counselors who received grants did not get accredited.

- **COLLECTION AND USAGE OF THE FASTER MOTOR VEHICLE FEES, PERFORMANCE AUDIT, AUGUST 2015, DEPARTMENT OF TRANSPORTATION**

KEY FINDINGS: The Department and the Colorado Bridge Enterprise could not demonstrate that the manner in which they selected bridges for FASTER funding was thorough, integrated, and strategic. Also, the amount budgeted for the 23 closed bridge projects exceeded expenditures, on average, by 19 percent, and these projects remained open an average of 1.4 years after the projects were substantially complete. The Department spent \$10.7 million on projects that may not have met legislative requirements for FASTER safety revenue, and the Department could not confirm how an additional \$6 million was allocated or spent. The Department could not demonstrate that 113 of the 282 FASTER safety projects (40 percent) were approved by the Transportation Commission, and neither Department management nor the Commission received information on how the transportation regions used the FASTER revenue allocated to these projects.

- **INDEPENDENT ETHICS COMMISSION, PERFORMANCE AUDIT, FEBRUARY 2016, JUDICIAL BRANCH**

KEY FINDINGS: Individuals who file complaints with the Commission are not adequately informed of how to file complaints, leading to the filing of incomplete complaints. Specifically, 86 percent of the complaints that were filed between January 2012 and June 2015, and for which the Commission had retained documentation, did not comply with the Commission's rule requiring a signed statement that the alleged facts and allegations were true; 33 percent of such complaint filings lacked key information, such as the date of the alleged violation and the ethical standards violated; and 61 percent of such complaints requested remedies that the Commission cannot provide, such as removal from office or reversal of agency decisions. The Commission did not retain one or more key documents for 25 of the 53 complaints that were filed between January 2012 and June 2015 and did not maintain audio

recordings of the hearings for 43 of the 53 complaints. Also, the Commission did not have a written policy regarding conflicts of interest and the circumstances under which commissioners, the Commission Director, or the Commission's legal counsel at the Office of the Attorney General should recuse themselves from proceedings.

- **CONVEYANCE PROGRAM, PERFORMANCE AUDIT, NOVEMBER 2015, DEPARTMENT OF LABOR AND EMPLOYMENT**

**KEY FINDINGS:** Our review of 20 conveyances (e.g., elevators, escalators) identified five conveyances that operated for periods ranging from 15 to 904 days, even though one or more safety requirements had not been met. One conveyance was inspected 904 days after its certificate of operation expired. We also identified 17 contractors, mechanics, and inspectors who did not qualify for licensure when the Department issued them a license between March 2009 and April 2015. Finally, the Department had delegated regulatory authority to 30 local jurisdictions without first determining that the local jurisdictions had standards equal to or greater than those prescribed by the Elevator and Escalator Certification Act.

- **IMMUNIZATION PROGRAM-USE OF TOBACCO SETTLEMENT FUNDS, PERFORMANCE AUDIT, JANUARY 2016, DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT**

**KEY FINDINGS:** Between 2010 and 2015, three Department staff served on the board of directors of a nonprofit organization (the vendor) that specializes in advancing children's health through immunizations, creating a conflict of interest. These three staff members either played a direct role in approving or monitoring contracts with the vendor, oversaw staff who approved or monitored the contracts, or were involved in approving the procurement. The Department's contract with the vendor was a sole source procurement (i.e., no competition), yet the Department's sole source notice contained inaccurate information and the Department did not (1) conduct research to establish that another vendor could not perform the services or

(2) perform analyses to demonstrate that the proposed cost of the sole source procurement was fair and reasonable. Amendments to the Fiscal Year 2010 contract with the vendor did not comply with procurement requirements and collectively extended the contract 4 years beyond the original 5-month term and increased the financial obligation of the State from \$235,000 to \$1.1 million. Finally, for the Fiscal Year 2015 contract, the Department paid the vendor the full contract amount and renewed the contract without verifying that the vendor had successfully completed the contract activities.

- **DEPARTMENT OF STATE, PERFORMANCE AUDIT, NOVEMBER 2015**

**KEY FINDINGS:** The Department did not identify and establish appropriate fee levels for business registration and filing fees charged in Fiscal Years 2012 through 2014 to ensure that fee revenue correlated to its incurred costs. Also, donations and related expenditure transactions for the Business Intelligence Center are accounted for outside of the State's accounting system, and the Center lacks formal oversight, structure, and documented policies, procedures, and processes. A review of information technology-related activities showed that the Department did not comply with statutory requirements to ensure that its Agency Cyber Security Plan was approved within the required deadlines.

- **BUS AND LIGHT RAIL TRAIN OPERATOR SAFETY, PERFORMANCE AUDIT, SEPTEMBER 2015, REGIONAL TRANSPORTATION DISTRICT**

**KEY FINDINGS:** The disciplinary actions taken by the District against 16 of 19 operators for violations related to the use of electronic devices while operating a bus or light rail train appear inconsistent or insufficient given the nature of the violations. The District took harsher action in some cases than on others that appear to involve the same fundamental violation. Further, the District's general classification system for disciplinary action does not appear to adequately reflect the public safety risks that

use of an electronic device creates. For example, in one case, the District imposed a 5-day suspension against a bus operator who was talking on a mobile phone while driving 75 miles per hour in a 45-mile-per-hour zone, then terminated the operator 3 months later for absenteeism. Also, regarding the District's private carriers, one-quarter of the private carriers' files we reviewed lacked documentation, such as a copy of a current driver's license or medical certificate, to substantiate the operator's fitness for service. During a 1-month review period, we identified a total of 547 operator days (3 percent) where the private carrier operator exceeded the federal limit of 70 hours on duty within an 8-day period.

# FINANCIAL AUDITS

The OSA conducts an annual audit of the State's basic financial statements and an audit of federal grants on a statewide level, as well as other required financial audits. During Fiscal Year 2016, the OSA issued 32 financial audit reports, including the *Statewide Single Audit for the Fiscal Year Ended June 30, 2015*.

The OSA's financial auditors completed two standalone audit reports related to the Taxpayer's Bill of Rights (TABOR): *Schedule of TABOR Revenue* (September 2015) and *Schedule of Computations Required Under Article X, Section 20, of the State Constitution* (June 2016).

Through their financial audit work, the OSA's financial auditors also identify areas needing additional audit coverage, such as the Department of State, which was subsequently assigned as a standalone performance audit and fully staffed with financial and IT auditors.

## STATEWIDE SINGLE AUDIT

The purpose of the *Statewide Single Audit for the Fiscal Year Ended June 30, 2015*, was to express an opinion on the State's financial statements and Schedule of Expenditures of Federal Awards; review internal accounting and administrative control procedures; evaluate compliance with applicable state and federal laws, rules, and regulations; and evaluate progress in implementing prior years' audit recommendations.

## FINANCIAL STATEMENT FINDINGS

- The State's financial statements covered \$35.7 billion in total assets and \$29.2 billion in total expenditures.
- We issued an unmodified opinion on the State's financial statements for the Fiscal Year Ended June 30, 2015. That means the State's financial statements presented fairly, in all material respects, the State's financial position, results of all financial

operations, and cash flows, in conformance with generally accepted accounting principles.

- We identified 33 internal control weaknesses related to compliance with internal control over financial reporting and other matters.

#### FEDERAL PROGRAM FINDINGS

- The State expended approximately \$11.5 billion in federal funds in Fiscal Year 2015. The four largest federal programs were:
  - ▶ Medicaid: \$4.4 billion
  - ▶ Student Financial Assistance: \$1.4 billion
  - ▶ Highway Planning and Construction: \$837 million
  - ▶ Supplemental Nutrition Assistance Program: \$832 million
- We identified 42 internal control issues related to the State's compliance with requirements applicable to major federal programs.
- We identified nearly \$1.3 million in questioned costs related to federal awards granted to the State.

#### STANDALONE FINANCIAL AUDITS

The OSA also contracted with CPA firms for standalone financial audits of Colorado higher education institutions and other entities, including the Fiscal Year 2015 audits of the Colorado Lottery, Pinnacle Assurance, and the State Board of the Great Outdoors Colorado Trust Fund. The Colorado Public Employees' Retirement Association's financial audit for the Fiscal Year Ended December 31, 2014, which was released in July 2015, covered about \$48.1 billion in retirement funds.

# IT AUDITS

The OSA's IT audit team evaluates IT controls over critical state information systems and assists staff in the application of computer-assisted audit techniques that automate or simplify the audit processes, thereby making audits more efficient and extending audit coverage (e.g., testing the entire population instead of a sample).

During Fiscal Year 2016, the IT audit team's work included testing IT controls for information systems that are significant to the State's financial activities, such as the Colorado Operations Resource Engine, the Colorado Personnel Payroll System, and GenTax. The IT audit team identified a total of 15 internal control weaknesses, which were reported in the *Statewide Single Audit for the Fiscal Year Ended June 30, 2015*.

Additionally, the IT audit team completed the following standalone IT performance audit:

- INFORMATION SECURITY OF THE COLORADO OPERATIONS RESOURCE ENGINE (CORE) SYSTEM, IT PERFORMANCE AUDIT, APRIL 2016  
KEY PUBLIC FINDING: The Governor's Office of Information Technology (OIT) needs to hold the CORE contractor accountable for compliance with Colorado Information Security Policies. The audit also had 10 confidential findings with recommendations for action by OIT and the Office of the State Controller.

Finally, the IT audit team performed IT-related audit work on the Statewide Colorado Voter Registration System as part of an integrated performance audit of the Department of State.

# LOCAL GOVERNMENT AUDIT DIVISION

The OSA's Local Government Audit Division tracks about 4,000 Colorado local governments for compliance with the Local Government Audit Law, which requires local governments, such as cities, counties, special districts, school districts, authorities, and political subdivisions, to submit an annual independent financial audit or an Exemption from Audit application to the OSA.

The Local Government Audit Division examines annual financial audits to determine compliance with governmental accounting standards and other requirements. Under certain circumstances, the State Auditor has the authority to cause an audit to be conducted of a local government. When requested, the Local Government Audit Division also provides technical assistance to local governments and their independent auditors.

During Fiscal Year 2016, the Local Government Audit Division also produced the following standalone reports:

- *School Capital Construction Report* (January 2016)
- *Cash Funds Uncommitted Reserves for the Fiscal Year Ended June 30, 2015* (February 2016)

The award-winning *Fiscal Health Analysis of Colorado School Districts* report is prepared annually and provides a set of financial indicators for each school district that may be used by the Colorado Department of Education, school districts, local government officials, and citizens to evaluate the financial health of Colorado's school districts. These financial indicators can warn of financial stress that may require further examination and remedial action by the appropriate parties. The next *Fiscal Health Analysis of Colorado School Districts* report will be issued in August 2016.

In October 2013, the OSA issued a similar fiscal health analysis tool for Colorado counties and municipalities. The OSA's Local Government Audit Division continues to use this fiscal analysis tool, which is available on the OSA's website, when reviewing the independent financial audit reports that Colorado counties and municipalities are required to submit to the OSA.

# OTHER WORK PRODUCTS

In addition to its audits, the OSA produces other work products that provide important information and analysis for the General Assembly, state and local government agencies, and the public. This year, the OSA issued two studies related to the Colorado Public Employees' Retirement Association's (PERA) Hybrid Defined Benefit Plan. Both studies were required by statute.

The *Hybrid Defined Benefit Plan Study* (July 2015) compared PERA's benefits, cost, and portability of benefits (the Plan) with alternative plan designs. The study concluded that the Plan is within norms for benefits when compared to its non-Social Security state peer group members and that Plan benefits are also comparable to the private sector. The study also provided estimates on transition costs to move newly hired state employees to an alternative plan.

The *Hybrid Defined Benefit Plan Actuarial Assumptions Sensitivity Analysis* (October 2015), which determined the point at which model assumptions will meet targets and achieve sustainability, concluded that the Plan is on track to be fully funded by 2052-2053 based on current actuarial assumptions. The analysis provided a signal-light format to enhance reporting of the Plan's funded status and the likelihood of achieving full funding objectives.

# ABOUT THE STATE AUDITOR

The State Auditor is a constitutionally established position with broad authority to audit state agencies and departments, institutions of higher education, and the Legislative and Judicial Branches. The General Assembly appoints the State Auditor without regard to political affiliation. The State Auditor serves a 5-year term and must be a CPA licensed to practice in Colorado.

The current State Auditor, Dianne E. Ray, was first appointed to the position in May 2011 and reappointed in April 2016. She has specialized in governmental and nonprofit accounting and auditing for more than 25 years. Dianne possesses in-depth knowledge of Colorado's state and local governments and has established effective relationships with elected officials, executive directors, and business and community leaders.

Dianne has extensive experience in senior-level management positions and has been recognized for her innovative leadership style. In 2012, the Colorado Society of Certified Public Accountants and the American Institute of Certified Public Accountants named Dianne as one of three "Women to Watch" in the Experienced Leader category. In May 2015, the University of Colorado-Denver's School of Public Affairs awarded Dianne the 2015 Leo Reithmeyer Award for the Top Public Administrator in Colorado.

In 2016, Dianne was appointed by the U.S. Comptroller General to serve a 4-year term (2016-2020) on the Advisory Council on *Government Auditing Standards*, which includes experts from federal, state, and local government; the private sector; and academia to review and recommend necessary changes to standards that guide the government auditing profession.

Dianne participates in various professional organizations, including the American Institute of Certified Public Accountants, the Colorado Society of Certified Public Accountants, the Government Finance Officers Association, and the National State Auditors Association. Dianne served as the President of the National State Auditors Association for the 2015-2016 term. Dianne is also a member of the Board for the Colorado Housing and Finance Authority and former Board Chair.

Prior to becoming the State Auditor, Dianne served as the OSA's Deputy State Auditor primarily responsible for the annual financial audit of the State of Colorado. Dianne began her career at the OSA in 2002 as the Director of the Local Government Audit Division. Before joining the OSA, Dianne worked in local governments for 15 years, including as the Director of Finance and Administration for the City of Louisville, Colorado.

Dianne holds a Bachelor of Science degree in Accounting from Arizona State University and a Master of Public Administration degree from the University of Colorado. She is a licensed Certified Public Accountant in Colorado and Arizona.

# OSA AUDIT STAFF

Collectively, the OSA's auditors possess nearly 360 years of auditing experience. The OSA's auditors are highly educated; many auditors hold advanced degrees, such as master's degrees, law degrees, and Ph.Ds. Additionally, 39 percent of the OSA's auditors hold professional licenses and certifications, including:

- Certified Public Accountant
- Certified Fraud Examiner
- Certified Global Management Accountant
- Certified Government Auditing Professional
- Certified Government Finance Officer
- Certified Government Financial Manager
- Certified Information Systems Auditor
- Certified Information Security Manager
- Certified Information Technology Professional
- Certified Internal Auditor
- Certification in Risk and Information Systems Control
- Certification in Risk Management Assurance

# AUDIT INDUSTRY LEADERSHIP

The OSA has established itself as a leader among its peers in other states and is an active contributor to the government auditing profession and accountability community.

## PEER ORGANIZATIONS

The OSA's management and staff remain active in the two national organizations whose memberships comprise state audit organizations:

- NATIONAL STATE AUDITORS ASSOCIATION (NSAA). Members of the OSA's senior management team and audit managers serve on several NSAA standing committees: Annual Meeting Program, Audit Standards and Reporting, Auditor Training, Awards, E-Government, Executive Committee, Peer Review, Performance Audit, and Single Audit. State Auditor Dianne Ray served as NSAA President for the 2015-2016 term. Through its involvement in NSAA, the OSA sends some of its audit managers and team leaders to participate on or lead peer review teams assigned to conduct quality control evaluations of audit organizations in other states. In June 2016, the OSA hosted the NSAA Annual Conference in Beaver Creek with more than 140 attendees representing 40 states and Guam.
- NATIONAL LEGISLATIVE PROGRAM EVALUATION SOCIETY (NLPES). NLPES is a staff section of the National Conference of State Legislatures and its purpose is to advance the profession of legislative performance auditing and program evaluation. One of the OSA's performance audit managers has served as a member of the NLPES Executive Committee since 2009 and was elected as Secretary in 2015. The OSA's active participation in NLPES's fall professional development seminars affords management and staff the opportunity to better understand and address the

changing environment and unique demands facing legislative audit and evaluation organizations. In October 2015, the OSA hosted the NLPES Fall Professional Development Seminar in Denver with more than 140 attendees representing 30 states.

#### EXTERNAL PRESENTATIONS

The OSA regularly presents information about its work to various audiences, including government officials, members of audit industry organizations, and students attending Colorado higher education institutions.

During Fiscal Year 2016, OSA management and staff gave formal presentations or were guest lecturers/speakers associated with the following organizations and events:

- Colorado Government Finance Officers Association, Webinar (Denver, CO), June 2016
- National State Auditors Association, Annual Meeting (Beaver Creek, CO), June 2016
- Higher Education Controller's Meeting (Breckenridge, CO), May 2016
- Colorado Society of Certified Public Accountants, Training Seminar (Denver, CO), May 2016
- Association of Government Accountants, Denver Chapter, Professional Development Training (Glendale, CO), May 2016
- Colorado Association of School Business Officials, Spring Conference (Broomfield, CO), April 2016
- Metropolitan State University of Denver, Political Science Class (Denver, CO), April 2016
- U.S. State Department, International Visitor Leadership Program: Accountability in Government (Denver, CO), March 2016
- Higher Education Controller's Meeting (Denver, CO), March 2016
- University of Colorado-Denver, School of Public Affairs, Masters in Public Administration Class (Denver, CO), March 2016
- Colorado Fiscal Managers Association, Monthly Meeting (Denver, CO), January 2016

- Colorado Municipal League, Effective Governance Workshop (Denver, CO), January 2016
- Colorado Fiscal Managers Association, Fall Seminar (Colorado Springs, CO), November 2015
- Colorado State University, School of Social Work, Policy Analysis Class (Fort Collins, CO), October 2015
- Colorado Society of Certified Public Accountants, Governmental Conference (Englewood, CO), October 2015
- National Legislative Program Evaluation Society, Fall Professional Development Seminar (Denver, CO), October 2015
- Western States Association of Tax Administrators, Annual Conference (Denver, CO), September 2015
- Regis University, Accounting Class (Denver, CO), September 2015
- Mountain & Plains Intergovernmental Audit Forum, Annual Conference (Colorado Springs, CO), September 2015
- U.S. Department of Health and Human Services, Office of Inspector General, Single Audit Training Workshop (Kansas City, KS), August 2015
- Colorado Government Finance Officers Association, Training Course (Frisco, CO; Grand Junction, CO; Seibert, CO; Westminster, CO), August 2015
- Metropolitan State University of Denver, Master's in Accounting Class (Denver, CO), July 2015

### PROFESSIONAL ASSOCIATIONS

The OSA's auditors remain active members in several professional associations that provide opportunities for professional development and training, and to share best practices and exchange useful industry information:

- American Institute of Certified Public Accountants
- Association of Certified Fraud Examiners
- Colorado Fiscal Managers Association
- Colorado Government Finance Officers Association
- Colorado Society of Certified Public Accountants
- Information Systems Audit and Control Association
- Institute of Internal Auditors

## COMMUNITY SERVICE

In addition to leadership in the audit industry, the OSA's staff give back to the community. In Fiscal Year 2016, OSA staff participated in the OSA's Community Service Program or raised funds through the OSA's Jeans-4-Charity events to benefit the following organizations:

- American Red Cross
- Colorado Coalition Against Sexual Assault
- Colorado Coalition for the Homeless
- Congress-Bundestag Youth Exchange
- Denver CASA
- Denver Dumb Friends League
- Epworth Foundation
- Food Bank of the Rockies
- Kids Mobility Network
- Medicine Horse Program
- Project Angel Heart
- SAME Cafe
- The Odyssey School

Additionally, OSA staff donated more than \$4,750 through the annual Colorado Combined Campaign, which is a charitable donation program coordinated across all departments of state government.

# LEGISLATIVE AUDIT COMMITTEE

The Legislative Audit Committee (LAC) includes four senators and four representatives with equal representation from the two major political parties. The LAC holds public hearings to review and release audit reports prepared by the State Auditor, proposes special audits, sponsors legislation recommended in audit reports, and holds state agencies accountable for addressing issues raised in audit reports. In addition, every 5 years the LAC recommends a candidate to the General Assembly for appointment as State Auditor.

## LAC MEMBERS AS OF JUNE 30, 2016\*



REPRESENTATIVE  
Dan Nordberg  
CHAIR



REPRESENTATIVE  
Dianne Primavera  
VICE-CHAIR



SENATOR  
Morgan Carroll



SENATOR  
Chris Holbert



SENATOR  
Cheri Jahn



REPRESENTATIVE  
Tracy Kraft-Tharp



SENATOR  
Tim Neville



REPRESENTATIVE  
Lori Saine

\*Rep. Su Ryden was a member of the Legislative Audit Committee and served as its Vice-Chair until May 2016.

# STATUTORY CHANGE

The OSA serves the people of Colorado by issuing high-quality, objective audits and reviews that address relevant public issues and promote accountability in government. In some cases, issues raised in the OSA's audits may prompt members of the General Assembly to seek statutory change to improve the efficiency and effectiveness of state government operations. Audit-related legislation originates through the Legislative Audit Committee or from agencies working directly with individual legislators. For legislation that is sponsored by the Legislative Audit Committee, OSA staff work with the Legislative Audit Committee, agency representatives, and bill drafters to provide written and testimonial information.

## LEGISLATIVE AUDIT COMMITTEE BILLS

During the 2016 Legislative Session, five bills sponsored by the Legislative Audit Committee were enacted into law related to issues raised in the OSA's audits and other work products, as well as the OSA's audit authority and statutory responsibilities.

- **SENATE BILL 16-050—RETAILER HOLD HARMLESS FOR ASSIGNED LOCATION CODE**

Holds a retailer harmless for any tax, charge, penalty, interest, or fee payable as a result of failing to collect and remit sales taxes for a local jurisdiction if all of the following conditions are met: (1) the retailer obtained a sales tax license from the Department of Revenue (Department) and provided an address that correctly indicates the location of the business, (2) the Department assigned an incorrect location code representing the geographic region for which the retailer is required to collect local sales taxes, (3) the retailer collects and remits local sales taxes for the jurisdictions represented by the assigned location code, and (4) the retailer fails to collect and remit local sales taxes for the jurisdictions where the retailer is actually located

due to having been assigned an incorrect location code by the Department. The hold-harmless provisions only apply to those jurisdictions for which the Department administers local sales taxes; they do not affect the ability of home-rule municipalities that administer their own sales taxes to assess liabilities for unpaid taxes from businesses that were misregistered in the Department's system.

RELATED AUDIT: *Local Sales Taxes, Performance Audit, November 2015, Department of Revenue*

■ SENATE BILL 16-099—CORRECTIONAL EDUCATION PROGRAM  
SALES OF GOODS

Authorizes the Department of Corrections (Department) to sell inmate-produced goods and services through its Correctional Education Program (Program). Limits the sale of goods and services through the Program to employees or invited guests of the Department, offenders, government agencies, and nonprofit organizations. Requires that the price of goods and services sold through the Program be as close as is practical to the prevailing market price or the price for similar goods and services sold through the Colorado Community College System. Establishes a process for businesses to file complaints with the Department regarding unfair competition by the Program with private industry and for the Department to report annually on the outcome of any complaints it receives.

RELATED AUDIT: *Colorado Correctional Industries, Performance Audit, January 2015, Department of Corrections*

■ HOUSE BILL 16-1086—PERFORMANCE AUDIT OF THE  
DEPARTMENT OF PERSONNEL & ADMINISTRATION AND THE  
STATE PERSONNEL BOARD

Changes the due date for the next required performance audit of the Department of Personnel & Administration and the State Personnel Board to be no later than December 1, 2019. Also removes the 4-year audit requirement, leaving future audits

(after the 2019 audit) to be completed at the discretion of the State Auditor.

RELATED AUDIT: *None. This bill relates to the OSA's statutory audit requirements.*

- HOUSE BILL 16-1172—COLORADO DEPARTMENT OF TRANSPORTATION EFFICIENCY AND ACCOUNTABILITY COMMITTEE  
Requires the Transportation Commission (Commission) to reestablish the standing efficiency and accountability committee (committee). Makes changes to the committee's membership and expands the committee's purpose to include ensuring that the Commission and the Department of Transportation (Department) execute their duties efficiently and in compliance with applicable legal requirements. Requires the committee to periodically report to the Commission and the Department's Executive Director with recommendations for improvements. Requires the committee to examine actions taken by the Commission and the Department in response to the OSA's August 2015 FASTER Motor Vehicle Fees performance audit. Requires the Department to report to the General Assembly on the committee's activities and recommendations. Requires committee members to disclose personal or private interests that could be affected by the implementation of a proposed recommendation and abstain from any committee vote to adopt or reject the recommendation. Terminates the committee effective July 1, 2019, unless its existence is extended through the sunset process.

RELATED AUDIT: *Collection and Usage of the FASTER Motor Vehicle Fees, Performance Audit, August 2015, Department of Transportation*

- HOUSE BILL 16-1175—PROPERTY TAX EXEMPTION ADMINISTRATION  
Expands the scope of the Property Tax Administrator's (Administrator) review of applications for the Senior and Disabled Veteran Property Tax Exemption Program (Program) to include working with (1) the Department of Revenue to verify

eligibility requirements related to occupancy and use as a primary residence and denying ineligible applications, and (2) the State Registrar of Vital Information to annually identify individuals who died during the preceding year and terminating exemptions for which no living individuals qualify. Provides the Administrator the authority to review the reimbursement requests submitted by county treasurers and direct the State Treasurer to amend reimbursement amounts to prevent or recoup reimbursement for non-qualifying exemptions. Requires the State Registrar of Vital Information and the Department of Revenue to share information needed to verify Program eligibility with the Administrator.

RELATED AUDIT: *Senior and Disabled Veteran Property Tax Exemption Program, Performance Audit, August 2015, Department of Local Affairs*

#### OTHER RELATED BILLS

In addition to those bills sponsored by the Legislative Audit Committee, 10 bills were enacted during the 2016 Legislative Session related to (1) issues raised in OSA audits and other work products; (2) the OSA's statutory authority, including requirements to conduct audits or studies; or (3) the Legislative Audit Committee.

- SENATE BILL 16-013—CLEAN-UP OF THE OFFICE OF THE CHILD PROTECTION OMBUDSMAN  
RELATED AUDIT: *Child Protection Ombudsman Program, Performance Audit, June 2014, Department of Human Services*
- SENATE BILL 16-038—TRANSPARENCY OF COMMUNITY CENTERED BOARDS  
RELATED AUDIT: *None. This bill relates to the OSA's statutory audit requirements.*
- SENATE BILL 16-073—STATE AUDITOR AUTHORITY TO AUDIT STATE HISTORICAL FUND DISTRIBUTION  
RELATED AUDIT: *None. This bill relates to the OSA's statutory audit requirements.*

- SENATE BILL 16-089—DEPARTMENT OF STATE CASH FUND  
ALTERNATIVE MAXIMUM RESERVE  
RELATED AUDIT: *Department of State, Performance Audit, November 2015*
- SENATE BILL 16-122—MORE OVERSIGHT OF THE DEPARTMENT  
OF TRANSPORTATION  
RELATED AUDIT: *None. This bill relates to the OSA’s statutory  
audit requirements.*
- SENATE BILL 16-156—MODIFICATIONS REGARDING GENERAL  
ASSEMBLY OVERSIGHT COMMITTEES  
RELATED AUDIT: *None. This bill relates to the Legislative Audit  
Committee’s membership.*
- SENATE BILL 16-203—EVALUATION OF THE STATE’S TAX  
EXPENDITURES  
RELATED AUDIT: *None. This bill relates to the OSA’s statutory  
audit requirements.*
- HOUSE BILL 16-1014—SECRETARY OF STATE BUSINESS  
INTELLIGENCE CENTER  
RELATED AUDIT: *Department of State, Performance Audit,  
November 2015*
- HOUSE BILL 16-1411—FORT LYON RESIDENTIAL COMMUNITY  
STUDY  
RELATED AUDIT: *None. This bill relates to the OSA’s statutory  
audit requirements.*
- HOUSE BILL 16-1453—COLORADO CYBERSECURITY INITIATIVE  
RELATED AUDIT: *None. This bill relates to the State Auditor’s  
participation on the Colorado Cybersecurity Council.*

# AUDIT REPORTS & OTHER WORK PRODUCTS

Reports and other work products can be requested by phone at 303.869.2800 or accessed via the OSA's website at: [www.state.co.us/auditor](http://www.state.co.us/auditor).

REPORT NAME	TYPE	NO.
<b>COLLEGES AND UNIVERSITIES</b>		
Adams State University, Fiscal Years Ended June 30, 2015 and 2014	Financial	1502F
Auraria Higher Education Center, Fiscal Year Ended June 30, 2015	Financial	1507F
Colorado Community College System, Fiscal Year Ended June 30, 2015	Financial	1511F
Colorado Mesa University, Fiscal Year Ended June 30, 2015	Financial	1512F
Colorado School of Mines, Fiscal Years Ended June 30, 2015 and 2014	Financial	1503F
Colorado State University System, Fiscal Years Ended June 30, 2015 and 2014	Financial	1516F
Colorado State University–Global Campus, Fiscal Years Ended June 30, 2015 and 2014	Financial	1516F-A
Colorado State University, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2015	Financial	1516F-B
Fort Lewis College, Fiscal Year Ended June 30, 2015	Financial	1504F
Metropolitan State University of Denver, Fiscal Year Ended June 30, 2015	Financial	1523F
University of Colorado, Fiscal Years Ended June 30, 2015 and 2014	Financial	1505F
University of Colorado at Boulder, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2015	Financial	1505F-A
University of Northern Colorado, Fiscal Year Ended June 30, 2015	Financial	1537F
University of Northern Colorado, NCAA Agreed-Upon Procedures, Fiscal Year Ended June 30, 2015	Financial	1537F-A
Western State Colorado University, Fiscal Years Ended June 30, 2015 and 2014	Financial	1538F
<b>DEPARTMENT OF AGRICULTURE</b>		
Colorado State Fair Authority, Fiscal Years Ended June 30, 2015 and 2014	Financial	1515F
Pet Animal Care Facilities Act Program, June 2015	Performance	1418P

REPORT NAME	TYPE	No.
<b>DEPARTMENT OF EDUCATION</b>		
School Capital Construction Report, January 2016	Other	1547S
<b>DEPARTMENT OF HIGHER EDUCATION</b>		
CollegeInvest, College Savings Program Funds, Fiscal Years Ended June 30, 2015 and 2014	Financial	1509F
Colorado Student Loan Program, dba College Assist, Fiscal Years Ended June 30, 2015 and 2014	Financial	1508F
Higher Education Enterprise Status, Fiscal Year Ended June 30, 2014	Financial	1546F
<b>DEPARTMENT OF HUMAN SERVICES</b>		
Bruce McCandless Colorado State Veterans Community Living Center-Florence, Fiscal Year Ended June 30, 2015	Financial	1506F
<b>DEPARTMENT OF LABOR AND EMPLOYMENT</b>		
Conveyance Program, November 2015	Performance	1502P
<b>DEPARTMENT OF LOCAL AFFAIRS</b>		
Gaming Impact Grants, August 2015	Performance	1419P
Senior and Disabled Property Tax Exemption Program, August 2015	Performance	1412P
<b>DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT</b>		
Immunization Program-Use of Tobacco Settlement Funds, January 2016	Performance	1417P
<b>DEPARTMENT OF REVENUE</b>		
Colorado Lottery, Fiscal Years Ended June 30, 2015 and 2014	Financial	1520F
Division of Gaming, Fiscal Years Ended June 30, 2015 and 2014	Financial	1519F
Local Sales Taxes, November 2015	Performance	1422P
<b>DEPARTMENT OF STATE</b>		
Department of State, November 2015	Performance	1503P
<b>DEPARTMENT OF TRANSPORTATION</b>		
Collection and Usage of the FASTER Motor Vehicle Fees, August 2015	Performance	1410P
Colorado Bridge Enterprise, Fiscal Years Ended June 30, 2015 and 2014	Financial	1533F
Colorado High Performance Transportation Enterprise, Fiscal Years Ended June 30, 2015 and 2014	Financial	1532F
<b>DEPARTMENT OF TREASURY</b>		
Statement of Federal Land Payments, Fiscal Year Ended September 30, 2015	Financial	1501F-B
<b>GOVERNOR'S OFFICE</b>		
Information Security of the Colorado Operations Resource Engine (CORE) System, April 2016	Performance	1549P

REPORT NAME	TYPE	No.
<b>JUDICIAL BRANCH</b>		
Independent Ethics Commission, February 2016	Performance	1553P
<b>LEGISLATIVE BRANCH</b>		
Legislative Department, Fiscal Years Ended June 30, 2015 and 2014	Financial	1535F
<b>OTHER ENTITIES</b>		
Census Data Attestation for Colorado Public Employees' Retirement Association (PERA) 2015 Annual Financial Audit	Financial	1614F-AT
Colorado Public Employees' Retirement Association (PERA) Hybrid Defined Benefit Plan Actuarial Assumptions Sensitivity Analysis	Other	1416S
Colorado Public Employees' Retirement Association (PERA) Hybrid Defined Benefit Plan Study	Other	1409S
Colorado Public Employees' Retirement Association, Fiscal Year Ended December 31, 2014 <sup>1</sup>	Financial	1413F
Pinnacol Assurance, Fiscal Years Ended December 31, 2015 and 2014	Financial	1510F
State Board of the Great Outdoors Colorado Trust Fund, Fiscal Years Ended June 30, 2015 and 2014	Financial	1522F
Regional Transportation District, Bus and Light Rail Train Operator Safety, September 2015	Performance	1421P
<b>STATE OF COLORADO (ALL AGENCIES)</b>		
Annual Report on the Status of Outstanding Audit Recommendations, October 2015	Other	1542S
Cash Funds Uncommitted Reserves Report, Fiscal Year Ended June 30, 2015	Performance	1552P
Schedule of Computations Required Under Article X, Section 20, of the State Constitution (TABOR), June 2016	Financial	1501F-A
Schedule of TABOR Revenue, September 2015	Performance	1548P
Statewide Single Audit, Fiscal Year Ended June 30, 2015 <sup>2</sup>	Financial	1501F

**NOTES:**

<sup>1</sup>The Colorado Public Employees' Retirement Association's (PERA) Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended December 31, 2014, was prepared by PERA and audited by an independent CPA firm under contract with the OSA. PERA's CAFR is available on the OSA's website.

<sup>2</sup>The State of Colorado's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2015, was prepared by the Office of the State Controller and audited by the OSA as part of its Statewide Audit. The State's CAFR is available on the OSA's website.



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