



INDEPENDENT AUDITOR'S REPORT

Members of the Legislative Audit Committee:

REPORT ON THE SCHEDULE

We have audited the financial statements of the State of Colorado as of and for the year ended June 30, 2016, and have issued our report thereon dated February 27, 2017, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The *Schedule of Computations Required under Article X, Section 20, of the State Constitution (TABOR)* (Schedule) is presented for the purposes of additional analysis and is not a required part of the financial statements.

MANAGEMENT'S RESPONSIBILITY

The accompanying Schedule was prepared by the Office of the State Controller pursuant to Section 24-77-106.5, C.R.S., which requires a financial report ascertaining compliance with state fiscal policies relating to Article X, Section 20, of the State Constitution. The Schedule was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Schedule in relation to the financial statements as a whole. The Schedule has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.



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OPINION

In our opinion, the *Schedule of Computations Required under Article X, Section 20, of the State Constitution (TABOR)* is fairly stated in all material respects in relation to the financial statements as a whole.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Article 77 requires a financial report to be prepared in conformity with generally accepted accounting principles unless an irreconcilable conflict exists between generally accepted accounting principles and TABOR, in which case the provisions of said constitutional provision shall control. Our auditing procedures included testing for irreconcilable conflicts between the State's financial statements and the provisions of TABOR and evaluating the State of Colorado's compliance with constitutional and statutory provisions of TABOR. Our audit does not provide a legal determination of the State's compliance with specified requirements.

RESTRICTION ON USE

This information is intended solely for the use of the Legislative Audit Committee and management of the State 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.

A handwritten signature in black ink, appearing to read "D. F. Kelly".

Denver, Colorado
February 27, 2017