CHAPTER 8: REPORTING

RULE 8-1: FINANCIAL STATEMENTS

RULE 8-2: QUARTERLY FINANCIAL REPORTING
RULE 8-1: FINANCIAL STATEMENTS

1. AUTHORITY:
   §24-30-201(1)(d), C.R.S. (State Controller Approval of Financial Statements)
   §24-30-204(1), C.R.S. (Financial Statement Due Date and Extension)

2. DEFINITIONS:
   2.1. Financial Reports – Financial information compiled periodically to assist in management decision-making or for reasons other than financial statement purposes.
   2.2. GAAP – See Fiscal Rule 1-1 (Accounting Principles and Standards).
   2.3. Prepared Financial Statements – Comprehensive reports prepared in accordance with GAAP, as adopted by the Governmental Accounting Standards Board.
   2.4. System Generated Financial Statements – A balance sheet and an income statement for each State Agency or Institution of Higher Education that is generated by the State Financial System.

3. RULE:
   3.1. State Agency or Institution of Higher Education Financial Statements
      3.1.1. Any State Agency or Institution of Higher Education that has individual audits of its prepared financial statements by the Office of the State Auditor, or a contractor of the Office of the State Auditor, shall provide draft financial statements to the Office of the State Auditor or its contractor to facilitate a timely and efficient audit. The draft financial statements shall be submitted to the Office of the State Controller at the same time.
      3.1.2. Prepared Financial Statements shall be reconciled to the State Financial System. A copy of this reconciliation shall be provided to the State Controller.
      3.1.3. Prepared Financial Statements and reconciliations to the State Financial System shall be subject to approval by the Office of the State Controller as required by statute.
      3.1.4. Financial statements prepared by a State Agency or Institution of Higher Education for formal third party reporting shall be prepared in accordance with GAAP.
      3.1.5. Exhibit information required in the fiscal year-end closing instructions issued by the State Controller and any post-closing adjustments are an integral part of the financial statements and are considered part of the State Agency’s or Institution of Higher Education’s reporting requirement.

   3.2. Financial Statements for the State of Colorado – The Comprehensive Annual Financial Report (CAFR) for the State of Colorado shall be prepared by the Office of the State Controller in accordance with GAAP. The CAFR shall reflect all of the financial activities of State government and its component units.

   3.3. Financial Reports – Financial Reports provided as required by statute or regulation, or upon written request, shall be based on financial data obtained from or reconciled to the State Financial System.

   3.4. Other Reporting – State Agencies and Institutions of Higher Education shall comply with all Federal reporting requirements under Federal regulations and guidance, such as the OMB Uniform Guidance and FFATA, except to the extent that the State Agency or Institution of
Higher Education is exempt from reporting under those Federal regulations and guidance. All State Agencies and Institutions of Higher Education shall comply with all reporting requirements contained in State Controller Fiscal Policies.

4. EXCEPTIONS TO RULE:

4.1. This Fiscal Rule does not apply to Medicaid cash-basis reporting or other instances identified in a subsequent statute which specifically authorize alternate treatment.
RULE 8-2: QUARTERLY FINANCIAL REPORTING

1. **AUTHORITY:**
   
   §24-30-201, C.R.S. (Powers and Duties of the State Controller)
   
   §24-30-204 (2), C.R.S. (Quarterly Report of Financial Information)

2. **DEFINITIONS:**
   

3. **RULE:**
   
   All State Agencies and Institutions of Higher Education shall submit quarterly financial reports as required by the State Controller.

   3.1. The State Financial System shall be used to record the State's financial information and prepare the standard Financial Reports, which shall be forwarded to the State Controller in compliance with the reporting requirements of this Fiscal Rule.

   3.2. The State Controller shall determine what information is reasonable and necessary to be included in the Financial Report, including which funds and the due date.

   3.3. Quarterly financial reports shall be available for use by the Governor, state legislators, executive management, and their respective staffs for planning purposes and decision-making.

   3.4. Each quarterly reporting period shall be regarded as an integral part of the fiscal year. Revenues and expenditures, such as salaries and operating expenditures and related accruals shall be allocated to interim periods in which they are incurred or, where appropriate, allocated among quarterly periods on the basis of revenue earned, benefit received, or time expended. Arbitrary assignment to a quarterly period shall not be allowed.