



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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## 24-15 City of Colorado Springs Ballot Measure 2C Maintenance of Effort Spending - 2023

July 2024

### **Purpose**

The purpose of this audit was to calculate the 2023 General Fund spending on road repairs and maintenance to determine if the 2023 spending met the Ballot Measure 2C Maintenance of Effort (MOE) requirement.

### **Highlights**

The 2023 annual spending for road and street repair and maintenance from the General Fund was \$3,718,626. The 2023 spending exceeded the Ballot 2C MOE requirement by \$1,020,112. Ballot measure 2C was originally effective from 2016—2020 and was extended by voters for 2021—2025. Our reviews show that the City has exceeded the MOE every year of the program.

Maintenance of Effort (MOE): Ballot 2C MOE specified the City of Colorado Springs maintain spending on repair and maintenance of roads and streets from the General Fund during the term of the temporary sales and use tax increase at an amount equivalent to the average spending from 2012 through 2014. The MOE was calculated by the City Auditor in the amount of \$2.699M.

2C is in its 9th year of operations. This voter approved sales tax revenue applies only to roads and adjacent concrete. Additionally, as highlighted on the City 2C website, <https://coloradosprings.gov/2c>, the results demonstrate a significant positive impact on City roads.

We would like to thank the Public Works department for their support of this audit.

### 2C Maintenance of Effort Comparison

Applicable Spending	2012 - 2014 Average Spending (Required MOE)	2023 Spending
Labor and Benefits*	\$ 1,737,714	\$ 3,085,143
Allocated Operating Expenses	\$ 147,876	\$ 349,568
Capital Improvement Projects	\$ 812,923	\$ 283,915
Total	\$ 2,698,513	\$ 3,718,626
Spending Above MOE		\$ 1,020,113

\* Includes \$2.0 million for pot hole repairs in 2014.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing, a part of the Professional Practices Framework promulgated by the Institute of Internal Auditors.

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