

# COLORADO OFFICE OF THE STATE AUDITOR



STATE OF COLORADO

## CASH FUNDS UNCOMMITTED RESERVES

FISCAL YEAR ENDED JUNE 30, 2017



OCTOBER 2017

PERFORMANCE AUDIT

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IS TO IMPROVE GOVERNMENT  
FOR THE PEOPLE OF COLORADO

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# OFFICE OF THE STATE AUDITOR



DIANNE E. RAY, CPA  
—  
STATE AUDITOR

October 5, 2017

Members of the Legislative Audit Committee:

This report contains the results of a performance audit of the *Cash Funds Uncommitted Reserves Report* for the Fiscal Year Ended June 30, 2017. The audit was conducted pursuant to Section 24-30-207(3), C.R.S., which requires the State Auditor to conduct an audit of the *Cash Funds Uncommitted Reserves Report* prepared by the Office of the State Controller. This report presents our findings, conclusions, and recommendations and the responses of the various departments.

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# REPORT HIGHLIGHTS



CASH FUNDS UNCOMMITTED RESERVES  
FISCAL YEAR ENDED JUNE 30, 2017  
PERFORMANCE AUDIT

STATE OF COLORADO  
OFFICE OF THE STATE CONTROLLER

## CONCERN

11 departments did not comply with uncommitted cash fund reserves statutory requirements.

## KEY FACTS AND FINDINGS

- We determined that 11 departments had funds with excess uncommitted reserves as of June 30, 2017. The departments that we identified as having cash funds with excess uncommitted reserves as of June 30, 2017, are:
  - Department of Agriculture
  - Department of Human Services
  - Department of Law
  - Department of Local Affairs
  - Department of Natural Resources
  - Department of Personnel and Administration
  - Department of Public Health and Environment
  - Department of Public Safety
  - Department of Regulatory Agencies
  - Department of Revenue
  - Department of State
- Within those 11 departments, 18 total cash funds had excess uncommitted reserves totaling approximately \$4 million. This was an increase of five departments and 11 funds from the previous year. Total excess uncommitted reserves remained consistent with the prior year.
- Two of the 18 funds have been out of compliance for three consecutive years. The following departments had cash funds with excess uncommitted reserves for three consecutive years and the OSC was required to restrict their spending authority, in accordance with House Bill 15-1261, beginning in Fiscal Year 2018:
  - Department of Agriculture
  - Department of Law

## BACKGROUND

- Section 24-75-402, C.R.S., limits the amount that departments can keep in certain cash funds at the end of a fiscal year.
- A cash fund has an excess uncommitted reserve when the year-end balance is greater than statutory reserve limits.
- The Office of the State Controller (OSC) is required to prepare the Cash Funds Excess Uncommitted Reserves Report by September 20 to determine which funds are in compliance.
- Each department verifies the financial information prepared by the OSC. This information is audited as part of the Statewide Financial audit.

## KEY RECOMMENDATION

- The departments with excess uncommitted reserves should take appropriate action to ensure that all cash funds are in compliance with applicable statutory requirements.

The departments generally agreed with the recommendations.



# CHAPTER 1

## OVERVIEW

In 1998, the General Assembly limited the amount of reserves that state agencies may maintain in cash funds by passing Senate Bill 98-194. Codified in Section 24-75-402, C.R.S., the law establishes a reserve limit for all cash funds, except those specifically exempted, equal to 16.5 percent of the total expenditures in the fund during the fiscal year. This amount is roughly equal to a 2-month spending reserve. Some funds may be subject to alternative maximum reserve limits that statutes establish elsewhere. If a particular fund's uncommitted reserve balance exceeds the applicable statutory limit, the agency responsible for the fund is required to reduce fees accordingly or increase expenditures in order to reduce the excess.

To help enforce these constraints, the General Assembly included a provision requiring the Office of the State Controller (OSC or State Controller) to produce an annual report of the uncommitted reserves that exist in each state cash fund. The Legislature codified this provision in Section 24-30-207, C.R.S., which specifically requires that the State Controller submit the *Cash Funds Uncommitted Reserves Report* (Report) to the Office of State Planning and Budgeting (OSPB) and the Joint Budget Committee (JBC) on or before September 20 of each year. The law also requires the State Auditor to audit the Report.

## METHODOLOGY TO IDENTIFY CASH FUNDS WITH EXCESS UNCOMMITTED RESERVES

Section 24-75-402, C.R.S., prescribes a methodology to determine the amount of excess uncommitted reserves for each of the State’s cash funds. EXHIBIT 1.1 demonstrates the activity and account balances used to calculate the excess uncommitted reserve of a hypothetical cash fund to illustrate the methodology.

Fund balance (adjusted for exempt assets and previously appropriated amounts), and revenue (categorized by fee and non-fee sources), are used to derive the amount of excess uncommitted reserves. EXHIBIT 1.1 shows that cash fund “Z” has an excess uncommitted reserve of \$283,000 at the end of the fiscal year.

**EXHIBIT 1.1. HYPOTHETICAL BALANCES FOR CASH FUND Z  
CALCULATION OF EXCESS UNCOMMITTED RESERVE  
BALANCES AS OF JUNE 30, 20XX**

HYPOTHETICAL BALANCES:			
Ending fund balance	\$ 400,000	A	
Exempt assets (e.g. inventory)	\$ 1,000	B	
Capital Reserve	\$ 1,000	C	
Previously appropriated fund balance (e.g., capital construction)	\$ 3,000	D	
Fiscal Year 20XX revenue and expenses:			
Fee revenue	\$ 200,000	E	
Non-fee revenue	\$ 50,000	F	
Total revenue	\$ 250,000	G	
Total expenses	\$ 200,000	H	
STEPS USED TO CALCULATE THE AMOUNT OF EXCESS UNCOMMITTED RESERVES:			
<b>1 CALCULATE THE UNCOMMITTED RESERVE</b>			
Reduce fund balance by exempt assets and any previously appropriated fund balance			
Fund balance	\$ 400,000	A	
LESS: Exempt assets	\$ (1,000)	B	
Capital reserve	\$ (1,000)	C	
Previously appropriated fund balance	\$ (3,000)	D	
Reduced fund balance			\$ 395,000
Multiply reduced fund balance by the ratio of fee revenue to total revenue			
Fee revenue	\$ 200,000	E	
Total revenue	\$ 250,000	G	
Ratio of fee revenue to total revenue			80%
Uncommitted reserve			\$ 316,000
<i>(Note: Reduced fund balance multiplied by the ratio.)</i>			
<b>2 CALCULATE THE MAXIMUM RESERVE</b>			
Multiply total expenses by 16.5 percent			
Total expenses	\$ 200,000	H	
	x	16.5%	
Maximum reserve			\$ 33,000
<b>3 CALCULATE THE EXCESS UNCOMMITTED RESERVE</b>			
Subtract maximum reserve from the uncommitted reserve			
<b>EXCESS UNCOMMITTED RESERVE</b>			<b>\$ 283,000</b>

## CASH FUNDS UNCOMMITTED RESERVES FOR FISCAL YEAR 2017

The purpose of Section 24-75-402, C.R.S., was not only to eliminate excess uncommitted reserves existing on June 30, 1998, but also to keep all cash funds from increasing their uncommitted reserves in future years. In Fiscal Year 2015, the General Assembly changed the requirements for calculating excess uncommitted reserves through House Bill 15-1261, which stated that only funds with uncommitted reserves greater than \$200,000 with an excess are out of compliance. Prior to Fiscal Year 2015, a fund was out of compliance if it had an uncommitted reserve balance greater than \$50,000 with an excess. The General Assembly also added a provision that allows departments to request that the OSC average the calculated uncommitted reserve for a cash fund over a multi-year period if the program has a multi-year revenue collection period. As of the date of this report, the OSC has not received any requests to average uncommitted reserves in accordance with this provision.

Departments can also submit a request to the Joint Budget Committee (JBC) to waive the requirements of Section 24-75-402, C.R.S., for a specific fund and period of time. EXHIBIT 1.2 shows the cash funds that have JBC approved waivers as of March 2017.

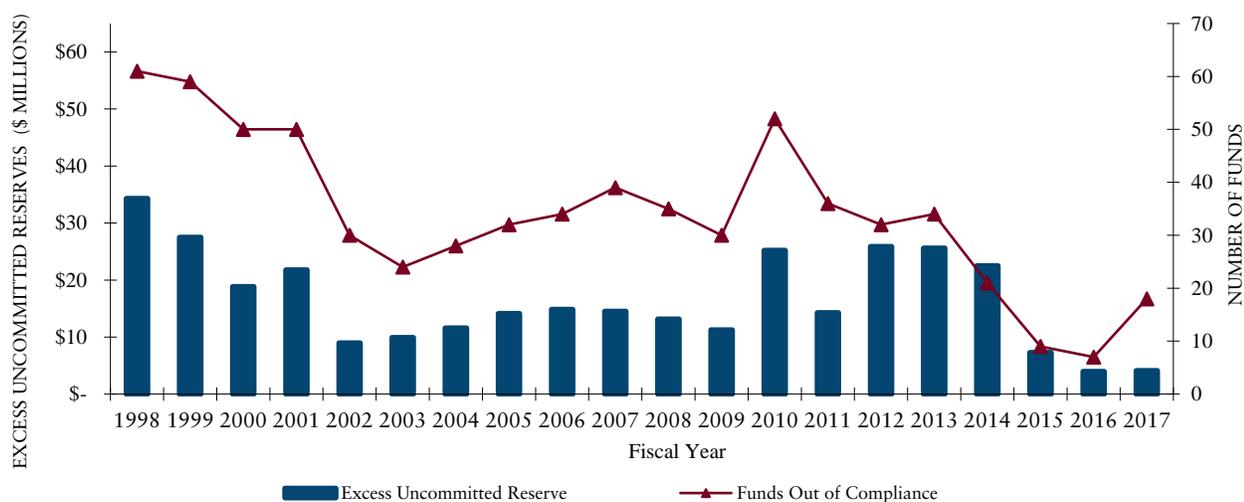
EXHIBIT 1.2. STATE OF COLORADO JOINT BUDGET COMMITTEE APPROVED CASH FUND MAXIMUM RESERVE WAIVERS FOR CASH FUNDS WITH EXCESS UNCOMMITTED RESERVES AS OF FISCAL YEAR 2017			
DEPARTMENT	FUND NAME	WAIVER TYPE	WAIVER PERIOD
Personnel & Administration	Supplier Database Cash Fund	Exempt	Fiscal Years 2017 through 2019
Transportation	Motorcycle Operator Safety Training Fund	Exempt	Fiscal Years 2017 through 2019

SOURCE: Joint Budget Committee letter dated March 15, 2017, to the Office of the State Controller.

The Fiscal Year 2017 Report indicates that, overall, Section 24-75-402, C.R.S., has reduced total excess uncommitted reserves since 1998. It shows 18 cash funds with excess uncommitted reserves of about \$4 million, compared with 61 cash funds with excess uncommitted reserves of about \$34.3 million in the Fiscal Year 1998 Report. The total excess uncommitted reserves remained consistent, and the total number of funds increased by 11 funds from Fiscal Year 2016 to Fiscal Year 2017.

EXHIBIT 1.3 shows the excess uncommitted reserves by fiscal year and the number of noncompliant funds since Fiscal Year 1998.

EXHIBIT 1.3. STATE OF COLORADO  
CASH FUNDS EXCESS UNCOMMITTED RESERVES AND NUMBER OF  
NONCOMPLIANT FUNDS  
BY FISCAL YEAR



SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for Fiscal Years 1998 through 2017*.

NOTE: Beginning with Fiscal Year 2015, funds with excess uncommitted reserves are defined as funds with uncommitted reserves greater than \$200,000 with an excess. For Fiscal Years 1998 through 2014, the definition applied to funds with uncommitted reserves greater than \$50,000.

## TAXPAYER’S BILL OF RIGHTS (TABOR) IMPLICATIONS

Each year, the OSC prepares the *Schedule of Computations Required Under Article X, Section 20, of the State Constitution (TABOR)*, which calculates the annual amount of TABOR revenue, and the annual TABOR revenue limit. If the State collects revenue in excess of the limit, it must refund that excess to taxpayers. The excess has traditionally been paid from the General Fund, not cash funds. TABOR revenue consists of two major parts: state tax revenues including income and sales taxes, and fees from cash-funded activities. The financial information relating to fee revenue contained in this audit report is a component of all fees from cash-funded activities. As reported by the OSC as of September 1, 2017, the State had approximately \$12.9 billion in TABOR revenue for Fiscal Year 2017. This included \$570 million in all cash funds, with \$132 million in funds subject to the requirements of this report.

TABOR allows the State to keep revenue up to the calculated limit that is based on revenue and collections from prior fiscal years; this limit is known as the Excess State Revenues Cap (Cap). Fiscal Year 2017 revenue was under the Cap by \$436 million. When the State’s TABOR revenue exceeds the Cap, excess fee revenue in cash funds may impact whether the State will owe TABOR refunds. Section 24-75-402(3)(c), C.R.S., requires a department to reduce fees if the department has excess uncommitted reserves.

EXHIBIT 1.4 lists the top 10 individual funds with the largest excess uncommitted reserves balances, and their corresponding departments. The exhibit also shows the total number of years, not necessarily consecutive, that each fund has been out of compliance with statutory requirements.

**EXHIBIT 1.4. STATE OF COLORADO  
CASH FUNDS WITH 10 LARGEST EXCESS UNCOMMITTED  
RESERVES BALANCES AS OF JUNE 30, 2017,  
WITH COMPARISON OF BALANCES AS OF JUNE 30, 2016**

DEPARTMENT	FUND NAME	EXCESS UNCOMMITTED RESERVES 2016	EXCESS UNCOMMITTED RESERVES 2017	TOTAL NUMBER OF YEARS OUT OF COMPLIANCE <sup>1</sup>
Department of State	Department of State Cash Fund	\$ 248,901	\$ 575,161	11
Department of Law	Uniform Consumer Credit Code Cash Fund	265,230	369,028	8
Department of Regulatory Agencies	Mortgage Company and Loan Originator Licensing Cash Fund	0	331,422	6
Department of Public Health and Environment	Paint Stewardship Cash Fund	0	303,758	1
Department of Natural Resources	Satellite Monitoring System Cash Fund	0	271,525	2
Department of Personnel & Administration	State Archives and Public Records Cash Fund	0	245,614	4
Department of Public Safety	Fire Suppression Cash Fund	0	245,161	5
Department of Law	Insurance Fraud Cash Fund	480,764	231,594	3
Department of Regulatory Agencies	Telecommunications Utility Fund	0	229,030	1
Department of Agriculture	Inspection and Consumer Services Cash Fund	0	189,301	6
<b>TOTAL</b>		<b>\$ 994,895</b>	<b>\$ 2,991,594</b>	

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2017*.

<sup>1</sup>Total number of years out of compliance may not necessarily represent consecutive years.

## RESTRICTION OF SPENDING AUTHORITY

House Bill 15-1261, discussed earlier, also created a new requirement that the State Controller restrict spending authority for funds that have been out of compliance for three consecutive fiscal years. Codified in Section 24-75-402(12), C.R.S., this statute instructs the State Controller to restrict spending of any appropriation from the cash fund for the next fiscal year in an amount equal to the lesser of the excess uncommitted reserve or the applicable maximum reserve requirement. Statute also instructs the State

Controller to release the restriction when the fund complies with the maximum or alternative maximum reserve requirement, or when the Joint Budget Committee approves a waiver for the fund. The State Controller's restriction could reduce cash fund spending beginning with Fiscal Year 2018.

EXHIBIT 1.5 is a summary of the Cash Funds Report showing funds with excess uncommitted reserves for three consecutive years as of June 30, 2017, that may be subject to the State Controller's restrictions. The exhibit also shows the funds with excess uncommitted reserves for two consecutive years as of June 30, 2017. These funds may be subject to this restriction in the next fiscal year if they continue to have excess uncommitted reserves.

EXHIBIT 1.5. STATE OF COLORADO CASH FUNDS WITH TWO OR THREE CONSECUTIVE YEARS OF EXCESS UNCOMMITTED RESERVES AS OF JUNE 30, 2017				
DEPARTMENT	FUND NAME	EXCESS UNCOMMITTED RESERVES 2015	EXCESS UNCOMMITTED RESERVES 2016	EXCESS UNCOMMITTED RESERVES 2017
Department of Agriculture	Agricultural Products Inspection Fund	\$154,541	\$255,635	\$183,601
Department of Law	Insurance Fraud Cash Fund	115,851	480,764	231,594
Department of Law	Uniform Consumer Credit Code Cash Fund	0	265,230	369,028
Department of Local Affairs	Building Regulation Fund	0	53,275 <sup>1</sup>	117,864
Department of State	Department of State Cash Fund	0	248,901	575,161
TOTAL		\$270,392	\$1,303,805	\$1,477,248

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2015, through 2017*.

<sup>1</sup>This fund was not reported with excess uncommitted reserves in the Fiscal Year 2016 Report due to the erroneous omission of the fund in the prior year.

## REPORTING REQUIREMENTS

Section 24-75-402(5), C.R.S., identifies specific funds to be excluded from the Report, as well as criteria for exclusion. These criteria include the exclusion of any cash fund established to fund capital construction, any trust fund, and any cash fund with uncommitted reserves of less than

\$200,000. Additionally, during Fiscal Year 2011, a legal memorandum from the Office of Legislative Legal Services concluded that if a cash fund has fees set in statute, those funds are excluded from fee revenue in the calculation of excess uncommitted reserves.

House Bill 15-1261 specifically added state institutions of higher education to exempted entities, added an exclusion for four specific funds, and added repeal dates to the exclusion for 20 funds effective July 1, 2017. A complete list of excluded funds can be found in NOTE 3 on PAGE 56. The legislation also removed the exclusion for the Department of Personnel & Administration Revolving Fund.

## PRIOR AND CURRENT YEAR COMPLIANCE

Based on our prior year cash funds performance audit for Fiscal Year 2016, we found that the OSC did not meet the September 20 statutory deadline for cash fund reporting because it did not ensure that accounting periods were closed in a timely manner. At that time we recommended that the State Controller ensure it completes the turnaround process and prepares and issues the Report in accordance with the statutory deadline. Based on our Fiscal Year 2017 cash funds audit work, we determined that the OSC complied with the September 20 statutory deadline and submitted the Report in accordance with Section 24-30-207(3), C.R.S.

Additionally, in our Fiscal Year 2016 cash funds performance audit report, we made recommendations for Fiscal Year 2016 to six departments for seven funds with excess uncommitted reserves that were out of compliance with Section 24-75-402(3)(c), C.R.S. EXHIBIT 1.6 shows a summary of the Report that outlines cash funds with excess uncommitted reserves at the end of Fiscal Year 2016 compared with those out of compliance at the end of Fiscal Year 2017. The complete Report with all cash funds with uncommitted reserves greater than \$200,000 and subject to Section 24-75-402, C.R.S., is on PAGES 52 and 53.

EXHIBIT 1.6. STATE OF COLORADO CASH FUNDS UNCOMMITTED RESERVES REPORT SUMMARY FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2017 FUNDS WITH EXCESS UNCOMMITTED RESERVES			
FUND		EXCESS UNCOMMITTED RESERVE	
		2016	2017
<b>DEPARTMENT OF AGRICULTURE</b>			
1030	Agricultural Products Inspection Fund	\$255,635	\$183,601
16R0	Inspect & Consumer Services Cash Fund	0	189,301
	<b>SUBTOTAL</b>	<b>255,635</b>	<b>372,902</b>
<b>DEPARTMENT OF HUMAN SERVICES</b>			
12T0	Child Care Licensing Cash Fund	0	138,368
17K0	Records And Reports Fund	0	144,941
	<b>SUBTOTAL</b>	<b>0</b>	<b>283,309</b>
<b>DEPARTMENT OF LAW</b>			
1510	Uniform Consumer Credit Code Cash Fund	265,230	369,028
16Z0	Insurance Fraud Cash Fund	480,764	231,594
	<b>SUBTOTAL</b>	<b>745,994</b>	<b>600,622</b>
<b>DEPARTMENT OF LOCAL AFFAIRS</b>			
12V0	Building Regulation Fund	53,275 <sup>1</sup>	117,864
<b>DEPARTMENT OF NATURAL RESOURCES</b>			
1660	Satellite Monitoring System Cash Fund	0	271,525
<b>DEPARTMENT OF PERSONNEL &amp; ADMINISTRATION</b>			
24Y0	State Archives & Public Records Cash Fund	0	245,614
2810	Supplier Database Cash Fund	1,805,137	0
	<b>SUBTOTAL</b>	<b>1,805,137</b>	<b>245,614</b>
<b>DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT</b>			
1230	Radiation Control Fund	0	126,601
14V0	Medical Marijuana Cash Fund	169,156	0
29A0	Paint Stewardship Cash Fund	0	303,758
	<b>SUBTOTAL</b>	<b>169,156</b>	<b>430,359</b>
<b>DEPARTMENT OF PUBLIC SAFETY</b>			
12C0	Fire Suppression Cash Fund	0	245,161
27J0	Instant Criminal Background Check Fund	747,725	0
	<b>SUBTOTAL</b>	<b>747,725</b>	<b>245,161</b>
<b>DEPARTMENT OF REGULATORY AGENCIES</b>			
18S0	Prescription Drug Monitoring Fund	0	183,608
19U0	Mortgage Company and Loan Originator Licensing Cash Fund	0	331,422
2006	Telecommunications Utility Fund	0	229,030
2720	Financial Services Cash Fund	0	48,938
	<b>SUBTOTAL</b>	<b>0</b>	<b>792,998</b>
<b>DEPARTMENT OF REVENUE</b>			
1920	Auto Dealers License Fund	0	183,138
<b>DEPARTMENT OF STATE</b>			
2000	Department of State Cash Fund	248,901	575,161
	<b>GRAND TOTAL</b>	<b>\$ 4,025,823</b>	<b>\$4,118,653</b>

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2017 and 2016*, prepared by the Office of the State Controller.

<sup>1</sup>This fund was not reported with excess uncommitted reserves in the Fiscal Year 2016 Report due to the erroneous omission of the fund in the prior year.

## AUDIT PURPOSE, SCOPE, AND METHODOLOGY

Section 24-30-207(3), C.R.S., requires the State Auditor to conduct an audit of the OSC's Report. We performed our audit work during the period July 2017 through October 2017. We acknowledge the cooperation and assistance provided by the State Controller and staff at the OSC, as well as staff at the various departments.

The overall objective of our audit was to determine compliance of the State's cash funds in accordance with Section 24-75-402, C.R.S., and to determine whether the schedules contained in the State Controller's Report were prepared in accordance with Statute. The Report is included in the Financial Information section of this audit report.

Our audit work was designed to assess the effectiveness of those internal controls that were significant to our audit objectives. Our conclusions on the effectiveness of those controls are described in the audit findings and recommendations.

To accomplish our audit objectives, we:

- Determined whether the schedules contained in the Cash Funds Uncommitted Reserves report, as prepared by the OSC, are prepared in accordance with statute.
- Obtained an understanding of internal control that is significant within the context of audit objectives. If significant to audit objectives, we evaluated the effectiveness of internal control in relation to the State Controller's preparation of the financial report.
- Determined whether departments were in compliance with Section 24-75-402, C.R.S., for cash funds with excess uncommitted reserves as of the Fiscal Year Ended June 30, 2107.
- Determined whether the OSC has created policies and procedures to ensure creation of an accurate list of funds for which they are required to restrict spending authority in accordance with Section 24-75-402(12), C.R.S.

- Followed up on prior year audit recommendations.

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We planned our audit work to assess the effectiveness of those internal controls that were significant to our audit objectives. Our conclusions about the effectiveness of those controls, as well as specific details regarding instances of noncompliance with applicable cash funds statutes to support our findings, conclusions, and recommendations are described in CHAPTER 2.

We communicated certain deficiencies in internal control and other matters that were not significant to the objectives of the audit to the Office of the State Controller management in a separate letter dated October 5, 2017.

# CHAPTER 2

## FINDINGS AND RECOMMENDATIONS

# COMPLIANCE WITH STATUTORY RESERVE REQUIREMENTS

Cash funds statutes list key dates that specify when cash funds should be in compliance with statutory requirements. Section 24-75-402(6), C.R.S., specifies that excess uncommitted reserves limitations do not apply to funds that have been in existence for fewer than 2 full fiscal years.

## WHAT AUDIT WORK WAS PERFORMED AND WHAT WAS THE PURPOSE?

As part of our Fiscal Year 2017 audit of the Report, we reviewed departments' cash fund balances, obtained fund descriptions, and performed testwork on significant balances. The purpose of our audit work was to determine compliance with statutory limits on excess uncommitted reserves.

## HOW WERE THE RESULTS OF THE AUDIT WORK MEASURED?

Departments are allowed to keep cash fund reserves subject to limits as outlined in statute. If a cash fund is found to be out of compliance with the statutory limits, statute requires that departments take action to reduce excess uncommitted reserves by decreasing fees charged to citizens, taking into account any increases in expenditures from the fund. Beginning with Fiscal Year 2018, the statute also requires the State Controller to restrict spending authority of funds that have been out of compliance for 3 consecutive years.

## WHAT PROBLEM DID THE AUDIT WORK IDENTIFY?

During our audit, we found that 11 departments had excess uncommitted reserves for Fiscal Year 2017 totaling approximately \$4 million in 18 cash funds that are subject to statutory limits. The departments and funds not in compliance as of June 30, 2017, are described in the following department sections in this report, along with the number of years each fund has shown an excess, based on the first year of required compliance.

## WHY DID THIS PROBLEM OCCUR?

The 11 departments with excess uncommitted reserves for Fiscal Year 2017 did not take action to ensure compliance with cash funds uncommitted reserves in accordance with statutory limits.

## WHY DOES THIS PROBLEM MATTER?

As discussed in CHAPTER 1, because the departments did not take the necessary action to reduce fees, excess reserves were not mitigated effectively. Further, because cash fund fees are considered part of TABOR revenue, excess cash reserves contribute to the State potentially exceeding TABOR limits in the current year.

# DEPARTMENT OF AGRICULTURE

As of June 30, 2017, the Department of Agriculture had two cash funds out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$373,000. Of those two funds, one fund was also out of compliance with Section 24-75-402(12), C.R.S.

## AGRICULTURAL PRODUCTS INSPECTION FUND

**PURPOSE:** Fixed fees assessed for the inspection and certification of fruits, vegetables, and other agricultural products. All monies collected pay for operational costs.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2003.

**STATUS:** Fiscal Year 2017 was the 5th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S. The Fund has been out of compliance for 3 consecutive years and is, therefore, also subject to the restrictions in Section 24-75-402(12), C.R.S.

### EXHIBIT 2.1. AGRICULTURAL PRODUCTS INSPECTION FUND

FISCAL YEAR	AMOUNT OF EXCESS
2003-2007 <sup>1</sup>	\$ -
2008	\$ 27,353
2009	\$ 40,802
2010-2014 <sup>1</sup>	\$ -
2015	\$ 154,541
2016	\$ 255,635
2017	\$ 183,601

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003 through 2017*.

<sup>1</sup>This fund was in compliance with Section 24-75-402(3)(c), C.R.S., during these years.

## INSPECTION AND CONSUMER SERVICES CASH FUND

**PURPOSE:** Fees are charged to issue inspection certificates for scales, eggs, meat, fertilizer, feed, grain, and anhydrous ammonia.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2006.

**STATUS:** Fiscal Year 2017 was the 6th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.2. INSPECTION AND CONSUMER SERVICES CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2006-2007 <sup>1</sup>	\$ -
2008	\$ 456,991
2009 <sup>1</sup>	\$ -
2010	\$ 124,408
2011-2012 <sup>1</sup>	\$ -
2013	\$ 724,084
2014	\$ 519,857
2015	\$ 93,819
2016 <sup>1</sup>	\$ -
2017	\$ 189,301

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2006 through 2017*.

<sup>1</sup>This fund was in compliance with Section 24-75-402(3)(c), C.R.S., during these years.

# RECOMMENDATION 1

The Department of Agriculture should take appropriate action related to its cash funds excess uncommitted reserves including the following:

- A Immediately addressing the excess uncommitted reserves by either (1) reducing fees to eliminate the excess, or (2) requesting a waiver from the Joint Budget Committee in accordance with Section 24-75-402(8), C.R.S., for the Agricultural Products Inspection Fund in order to meet the requirements for the State Controller to release any spending restrictions on this fund.
- B Ensuring that the Inspection and Consumer Services Cash Fund complies with applicable cash funds statutory requirements.

# RESPONSE

## DEPARTMENT OF AGRICULTURE

- A AGREE. IMPLEMENTATION DATE: JUNE 2018.

The Department will evaluate whether an additional fee decrease is necessary. In addition, the Department will submit a waiver request in accordance with Section 24-75-402(8), C.R.S., for the Agricultural Products Inspection Fund in order to meet the requirements for the State Controller to release any spending restrictions on this fund.

- B AGREE. IMPLEMENTATION DATE: JUNE 2018.

The Department will monitor the fee revenue for this fund and make fee adjustments, as necessary, to bring the fund into compliance.

# DEPARTMENT OF HUMAN SERVICES

As of June 30, 2017, the Department of Human Services had two cash funds out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$283,000.

## CHILD CARE LICENSING CASH FUND

**PURPOSE:** To collect permanent, time-limited, and provisional license fees and fees for continuation or renewal, whichever is applicable, of a license for specific types of child care arrangements.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2003.

**STATUS:** Fiscal Year 2017 was the 4th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.3. CHILD CARE LICENSING CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2003	\$ 56,137
2004-2006 <sup>1</sup>	\$ -
2007	\$ 8,069
2008	\$ 45,127
2009-2016 <sup>1</sup>	\$ -
2017	\$ 138,368

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003 through 2017*.

<sup>1</sup>This fund was in compliance with Section 24-75-402(3)(c), C.R.S., during these years.

## RECORDS AND REPORTS FUND

**PURPOSE:** To collect fees from employers to conduct background screening job applications against the TRAILS registry database that contains individuals who have a confirmed history of child abuse.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2003.

**STATUS:** Fiscal Year 2017 was the 5th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.4. RECORDS AND REPORTS FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2003-2005 <sup>1</sup>	\$ -
2006	\$ 772,699
2007	\$ 335,404
2008-2012 <sup>1</sup>	\$ -
2013	\$ 70,391
2014	\$ 31
2015-2016 <sup>1</sup>	\$ -
2017	\$ 144,941

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003 through 2017.*

<sup>1</sup>This fund was in compliance with Section 24-75-402(3)(c), C.R.S., during these years.

## RECOMMENDATION 2

The Department of Human Services should take appropriate action related to its cash funds excess uncommitted reserves including the following:

- A Ensuring that the Child Care Licensing Cash Fund complies with applicable cash funds statutory requirements.
- B Ensuring that the Records and Reports Fund complies with applicable cash funds statutory requirements.

## RESPONSE

### DEPARTMENT OF HUMAN SERVICES

- A AGREE. IMPLEMENTATION DATE: JUNE 2018.

The Department monitors its uncommitted reserves and is working with program staff to ensure future compliance with statutory limits. The increased reserves are a temporary timing issue and will be paid down by higher indirect costs and other program initiatives in the future. Specifically, the licensing fees in 12T0 are collected for both Child Welfare and Child Care. The Child Welfare portion of the fees has recently been increasing and the program is aware of their current balance. The Division's leadership is working on strategies to spend the money. Additionally, the fund will need to pay for increased indirect cost assessments equal to 5% of the appropriated balances pursuant to the FY 2018 Long Bill and, thus, increase expenses to the fund.

- B AGREE. IMPLEMENTATION DATE: JUNE 2018.

The Department monitors its uncommitted reserves and is working with program staff to ensure future compliance with statutory limits.

The increased reserves are a temporary timing issue and will be paid down by higher indirect costs and other program initiatives in the future. Specifically, fund 17K0 exceeded the statutory allowable cash balance for two primary reasons: unanticipated staffing vacancies (approximately \$75,000) and unprecedented revenue growth in June 2017 (approximately 58%). The Division's leadership is working on strategies to spend the money. Additionally, the fund will need to pay for increased indirect cost assessments equal to 5% of the appropriated balances pursuant to the FY 2018 Long Bill and, thus, increase expenses to the fund.

# DEPARTMENT OF LAW

As of June 30, 2017, the Department of Law had two cash funds out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$601,000. Of those two funds, one fund was also out of compliance with Section 24-75-402(12), C.R.S.

## INSURANCE FRAUD CASH FUND

**PURPOSE:** To collect application and renewal fees to provide adequate funds to the Colorado Department of Law for the investigation and prosecution of allegations of insurance fraud.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2014.

**STATUS:** Fiscal Year 2017 was the 3rd year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S. The Fund has been out of compliance for 3 consecutive years and is, therefore, also subject to the restrictions in Section 24-75-402(12), C.R.S.

EXHIBIT 2.5. INSURANCE FRAUD CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2014 <sup>1</sup>	\$ -
2015	\$ 115,851
2016	\$ 480,764
2017	\$ 231,594

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2014 through 2017*.  
<sup>1</sup>This fund was in compliance with Section 24-75-402(3)(c), C.R.S., during this year.

## UNIFORM CONSUMER CREDIT CODE CASH FUND

**PURPOSE:** To collect license fees and court awards related to the enforcement of the Uniform Consumer Credit Code.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2003.

**STATUS:** Fiscal Year 2017 was the 8th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.6. UNIFORM CONSUMER CREDIT CODE CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2003	\$ 146,836
2004 <sup>1</sup>	\$ -
2005	\$ 69,796
2006	\$ 187,293
2007	\$ 113,989
2008-2010 <sup>1</sup>	\$ -
2011	\$ 35,918
2012	\$ 176,400
2013-2015 <sup>1</sup>	\$ -
2016	\$ 265,230
2017	\$ 369,028

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003 through 2017.*

<sup>1</sup>This fund was in compliance with Section 24-75-402(3)(c), C.R.S., during these years.

## RECOMMENDATION 3

The Department of Law should take appropriate action related to its cash funds excess uncommitted reserves including the following:

- A Immediately addressing the excess uncommitted reserves by either (1) reducing fees to eliminate the excess, or (2) requesting a waiver from the Joint Budget Committee in accordance with Section 24-75-402(8), C.R.S., for the Insurance Fraud Cash Fund in order to meet the requirements for the State Controller to release any spending restrictions on this fund.
- B Ensuring that the Uniform Consumer Credit Code Cash Fund complies with applicable cash funds statutory requirements.

## RESPONSE

### DEPARTMENT OF LAW

- A AGREE. IMPLEMENTATION DATE: JUNE 2018.

The Insurance Fraud Fund has a tiered fee structure. One fee is established on businesses that generally have a Colorado insurance book value of less than \$1M in Colorado and another, higher fee for those businesses that have a book value of greater than \$1M in the state. The DOL lowered each of these fees for FY2015-2016 and FY2016-2017 and has made the appropriate accommodations to the fee structure. The forecasted fee revenue and expenses for FY2017-2018, will bring this fund into compliance by June, 2018. This projection is consistent with the Compliance Plan articulated in Schedule 9B, on page 3-92 of the Department of Law's FY2017-2018 Budget Request.

B AGREE. IMPLEMENTATION DATE: JUNE 2019.

The DOL implemented a fee reduction for the CY 2017 license period. The DOL will further reduce fees for the CY 2018 license period. These fee reductions, coupled with projected expenses, will bring the fund into fund balance compliance by June, 2019.

# DEPARTMENT OF LOCAL AFFAIRS

As of June 30, 2017, the Department of Local Affairs had one cash fund out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$118,000.

## BUILDING REGULATION FUND

**PURPOSE:** To collect fees from inspections of factory-built housing, commercial structures, and manufactured homes to ensure the health and safety of Colorado residents who purchase these units.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2003.

**STATUS:** Fiscal Year 2017 the 9th year since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.7. BUILDING REGULATION FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2003-2004 <sup>1</sup>	\$ -
2005	\$ 550,006
2006	\$ 931,721
2007	\$ 1,106,743
2008	\$ 1,197,489
2009 <sup>1</sup>	\$ -
2010	\$ 204,546
2011	\$ 337,518
2012	\$ 377,677
2013-2015 <sup>1</sup>	\$ -
2016 <sup>2</sup>	\$ 53,275
2017	\$ 117,864

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003 through 2017*.

<sup>1</sup>This fund was in compliance with Section 24-75-402(3)(c), C.R.S., during these years.

<sup>2</sup>This fund was not reported with excess uncommitted reserves in the Fiscal Year 2016 Report due to the erroneous omission of the fund in the prior year.

# RECOMMENDATION 4

The Department of Local Affairs should take appropriate action to ensure that the Building Regulation Fund complies with applicable cash funds statutory requirements.

## RESPONSE

### DEPARTMENT OF LOCAL AFFAIRS

PARTIALLY AGREE.

Prior to July 1, 2015, the General Assembly was responsible for granting waivers from the Reserve Fund Requirements as stipulated in Section 24-75-402, C.R.S. Pursuant to S.B. 15-112, a waiver for the Building Regulation Fund went into effect beginning in FY 2014-15 and wasn't repealed until July 1, 2017. The Department believes the waiver was valid for three fiscal years (FY 2014-15, FY 2015-16, and FY 2016-17). With the late determination of the fund's non-compliance with Section 24-75-402, C.R.S., the Department did not have sufficient time to engage the Attorney General's Office for a review of legislative records pertaining to SB 15-112 regarding whether the General Assembly intended for this legislation to provide a three-year waiver.

SB 15-112 authorized a couple transfers from general fund. The fund balance of \$242,003.43 in FY 2016 included a transfer of \$300,000 during FY 2015 and FY 2017 fund balance of \$382,326.05 also included a second transfer of \$200,000. Without the transfers, the fund balance would have been deficit.

Going forward, the Schedule 9 for the Building Regulation Fund submitted with the Department's FY 2017-18 budget request showed no excess uncommitted reserve for FY 2017-18. That being the case, the Department believe a fee adjustment is premature at this time.

**AUDITOR'S ADDENDUM:**

*Section 24-75-402 (11)(a), C.R.S., (SB15-112) specifically indicates for the Department's Building Regulation Fund that “for the 2014-15 Fiscal Year (Emphasis added)[1 year only], a waiver of the target reserve requirement ... is allowed.” This is consistent with the fiscal note for SB15-112. The statute and fiscal note did not address any additional years. Therefore, the Department should ensure that the Building Regulation Fund complies with all applicable cash funds statutes.*

# DEPARTMENT OF NATURAL RESOURCES

As of June 30, 2017, the Department of Natural Resources had one cash fund out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$272,000.

## SATELLITE MONITORING SYSTEM CASH FUND

**PURPOSE:** To collect fees for operating the automated data processing equipment and administer programs associated with the satellite monitoring system of the Colorado Water Resources and Power Development Authority.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2008.

**STATUS:** Fiscal Year 2017 was the 2nd year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

### EXHIBIT 2.8. SATELLIE MONITORING SYSTEM CASH FUND

FISCAL YEAR	AMOUNT OF EXCESS
2008-2012 <sup>1</sup>	\$ -
2013	\$ 24,234
2014-2016 <sup>1</sup>	\$ -
2017	\$ 271,525

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2008 through 2017*.

<sup>1</sup>This fund was in compliance with Section 24-75-402(3)(c), C.R.S., during these years.

## RECOMMENDATION 5

The Department of Natural Resources should take appropriate action to ensure that the Satellite Monitoring System Cash Fund complies with applicable cash funds statutory requirements.

## RESPONSE

### DEPARTMENT OF NATURAL RESOURCES

AGREE. IMPLEMENTATION DATE: JUNE 2018.

CRS 37-80-111.5 states the Satellite Monitoring System Cash fund revenues are from fees assessed for the use of the equipment and programs of the satellite monitoring system. To reduce the fund balance and the excess reserves, the Division of Water Resources (DWR) will reduce and collect only a portion of the Satellite Monitoring user fees in FY17-18. In addition, DWR expects the full amount of the Satellite Monitoring System long bill line appropriation will be spent in FY17-18.

# DEPARTMENT OF PERSONNEL & ADMINISTRATION

As of June 30, 2017, the Department of Personnel & Administration had one cash fund out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$246,000.

## STATE ARCHIVES AND PUBLIC RECORDS CASH FUND

**PURPOSE:** To account for fees charged for storing records, used to pay for the direct and indirect costs of responding to requests for information and research from state agencies and the general public.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2012.

**STATUS:** Fiscal Year 2017 was the 4th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.9. STATE ARCHIVES AND PUBLIC RECORDS CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2012	\$ 52,822
2013	\$ 95,734
2014	\$ 61,823
2015-2016 <sup>1</sup>	\$ -
2017	\$ 245,614

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2012 through 2017.*

<sup>1</sup>This fund was in compliance with Section 24-75-402(3)(c), C.R.S., during these years.

## RECOMMENDATION 6

The Department of Personnel & Administration should take appropriate action to ensure that the State Archives and Public Records Cash Fund complies with applicable cash funds statutory requirements.

## RESPONSE

### DEPARTMENT OF PERSONNEL & ADMINISTRATION

AGREE. IMPLEMENTATION DATE: JUNE 2019.

The Department continually monitors cash funds excess uncommitted reserves and believes it has taken appropriate actions to ensure this fund complies with statutory requirements. The Department submitted a waiver request in accordance with C.R.S. 24-75-402 (8)(a) in anticipation of excess reserves for Fiscal Years 2017 and 2018. This waiver was not approved by Joint Budget Committee staff as the fund had not been out of compliance for three years since July 1, 2015, when the statutory waiver process became effective. The Department intends to request additional cash spending authority for the Fiscal Year 2019 from this fund and has changed the fee structure effective for Fiscal Year 2018.

# DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

As of June 30, 2017, the Department of Public Health and Environment had two cash funds out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$430,000.

## RADIATION CONTROL FUND

**PURPOSE:** To license, track and inspect special nuclear material, source material, by-product material, well logging and tracer studies, and human use material, in accordance to the requirements set forth by the Nuclear Regulatory Commission.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2001.

**STATUS:** Fiscal Year 2017 was the 2nd year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.10. RADIATION CONTROL FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2001	\$ 98,739
2002-2016 <sup>1</sup>	\$ -
2017	\$ 126,601

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2001 through 2017.*

<sup>1</sup>This fund was in compliance with Section 24-75-402(3)(c), C.R.S., during these years.

## PAINT STEWARDSHIP CASH FUND

**PURPOSE:** To collect application fees to review and report on state's management of the Architectural Paint Stewardship program.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2017.

**STATUS:** Fiscal Year 2017 was the 1st year since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

**EXHIBIT 2.11. PAINT STEWARDSHIP CASH FUND**

FISCAL YEAR	AMOUNT OF EXCESS
2017	\$ 303,758

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Report for the Fiscal Year Ended June 30, 2017*.

## RECOMMENDATION 7

The Department of Public Health and Environment should take appropriate action related to its cash funds excess uncommitted reserves including the following:

- A Ensuring that the Radiation Control Fund complies with applicable cash funds statutory requirements.
- B Ensuring that the Paint Stewardship Cash Fund complies with applicable cash funds statutory requirements.

## RESPONSE

### DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

- A AGREE. IMPLEMENTATION DATE: NOVEMBER 2017.

The Radiation Control Fund reported an excess fund balance as a result of approximately \$480,000 of revenue generated by billings issued in the final two months of FY17 and because of two staff vacancies in the work unit. In the past few years, the Fund has not generated sufficient revenue so the Colorado Board of Health approved a fee increase and added a new fee for facilities operating X-Ray machines. As a result of these factors, the amount billed toward the end of the fiscal year increased the revenue and created the \$126,601 excess fund balance.

In early FY18, two new program staff were hired and two other vacancies will be filled by November 1. The department expects to be in compliance with the statute by November 2017.

B AGREE. IMPLEMENTATION DATE: JUNE 2018.

The Paint Stewardship Program was created in SB 14-029 and has generated approximately \$120,000 in annual revenue in FY 15, FY 16 and FY 17. The source of the funds is from an apply-and-review fee and an annual report fee, both of which support 1 FTE to administer the program. The position was vacant in FY 15 and FY 16 while the department promulgated rules, established a paint stewardship plan review process and identified a paint stewardship organization as required by the legislation. The FTE was hired in mid-FY17 and is responsible for monitoring participating programs for compliance, reviewing annual plans, serving as a resource to retail paint suppliers and distributors, and presenting findings annually to the General Assembly.

Although the department anticipates there will be increased on-going expenses since the program is now fully operational, the Hazardous Materials and Waste Management Division is reviewing the fee revenue for a possible adjustment in FY18.

As a result of these factors, the program expects to be in compliance by the end of FY18.

# DEPARTMENT OF PUBLIC SAFETY

As of June 30, 2017, the Department of Public Safety had one cash fund out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$245,000.

## FIRE SUPPRESSION CASH FUND

**PURPOSE:** To collect fees associated with licensing and inspecting paid by residential and commercial contractors, used to administer the fire suppression evaluation program.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2003.

**STATUS:** Fiscal Year 2017 was the 5th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.12. FIRE SUPPRESSION CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2003	\$ 51,710
2004	\$ 51,569
2005-2010 <sup>1</sup>	\$ -
2011	\$ 67,497
2012	\$ 112,332
2013-2016 <sup>1</sup>	\$ -
2017	\$ 245,161

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003 through 2017*.

<sup>1</sup>This fund was in compliance with Section 24-75-402(3)(c), C.R.S., during these years.

## RECOMMENDATION 8

The Department of Public Safety should take appropriate action to ensure that the Fire Suppression Cash Fund complies with applicable cash funds statutory requirements.

## RESPONSE

### DEPARTMENT OF PUBLIC SAFETY

AGREE. IMPLEMENTATION DATE: SEPTEMBER 2018.

This fund was in compliance until June, 2017, when unusually large revenues were received that inflated the fund balance. Examining the reason for the increased revenues, it was found that some payers of permit fees were selecting incorrect options when making payments online.

This problem stems back to January 1, 2017, when the Division of Fire Prevention and Control began using an online permit application and payment system. Ambiguity in the instructions and selection options permitted payers to make incorrect selections on the website, which directed their payments to the incorrect fund. This caused an overstatement of revenues in the Fire Suppression Fund, and corresponding understatement of revenues in the Health Facility Construction and Inspection Fund or the Public School Construction and Inspection Fund.

Until such time as the Division of Fire Prevention and Control can have this flaw in the payment portal remedied, the department will, retroactive to January 1, 2017, manually review all revenues received through the payment portal to ensure these revenues are recorded properly. It is expected that the program can work with the vendor to make the necessary corrections to the website by September 30, 2018.

# DEPARTMENT OF REGULATORY AGENCIES

As of June 30, 2017, the Department of Regulatory Agencies had four cash funds out of compliance, with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$793,000.

## PRESCRIPTION DRUG MONITORING FUND

**PURPOSE:** To collect prescription license fees to support the costs of the Division of Professions and Occupations in implementing the Prescription Drug Monitoring Program.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2007.

**STATUS:** Fiscal Year 2017 was the 5th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.13. PRESCRIPTION DRUG MONITORING FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2007-2008 <sup>1</sup>	\$ -
2009	\$ 129,482
2010	\$ 69,556
2011	\$ 120,412
2012 <sup>1</sup>	\$ -
2013	\$ 57,577
2014-2016 <sup>1</sup>	\$ -
2017	\$ 183,608

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2007 through 2017.*

<sup>1</sup>This fund was in compliance with Section 24-75-402(3)(c), C.R.S., during these years.

## MORTGAGE COMPANY AND LOAN ORIGINATOR LICENSING CASH FUND

**PURPOSE:** To collect application, and license fees from mortgage companies and loan originators to administer the Mortgage Loan Originator Licensing and Mortgage Company Registration program.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2009.

**STATUS:** Fiscal Year 2017 was the 6th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.14. MORTGAGE COMPANY AND LOAN ORIGINATOR LICENSING CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2009	\$ 182,873
2010 <sup>1</sup>	\$ -
2011	\$ 760,846
2012	\$ 794,600
2013	\$ 310,309
2014	\$ 66,981
2015-2016 <sup>1</sup>	\$ -
2017	\$ 331,422

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2009 through 2017*.

<sup>1</sup>This fund was in compliance with Section 24-75-402(3)(c), C.R.S., during these years.

## FINANCIAL SERVICES CASH FUND

**PURPOSE:** To collect fees from financial institutions to support the activities of the Division of Financial Services.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2003.

**STATUS:** Fiscal Year 2017 was the 5th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.15. FINANCIAL SERVICES CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2003-2004 <sup>1</sup>	\$ -
2005	\$ 56,229
2006	\$ 38,158
2007-2010 <sup>1</sup>	\$ -
2011	\$ 168,398
2012	\$ 155,340
2013-2016 <sup>1</sup>	\$ -
2017	\$ 48,938

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003 through 2017*.

<sup>1</sup>This fund was in compliance with Section 24-75-402(3)(c), C.R.S., during these years.

## TELECOMMUNICATIONS UTILITY FUND

**PURPOSE:** To defray the full amount of administrative expenses of the public utilities commission for the supervision and regulation of

telecommunications public utilities paying such fees.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2017.

**STATUS:** Fiscal Year 2017 was the 1st year since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

**EXHIBIT 2.16. TELECOMMUNICATIONS UTILITY FUND**

FISCAL YEAR	AMOUNT OF EXCESS
2017	\$ 229,030

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Report for the Fiscal Year Ended June 30, 2017*.

## RECOMMENDATION 9

The Department of Regulatory Agencies should take the appropriate action related to its cash funds excess uncommitted reserves including the following:

- A Ensuring that the Prescription Drug Monitoring Fund complies with applicable cash funds statutory requirements.
- B Ensuring that the Mortgage Company and Loan Originator Licensing Cash Fund complies with applicable cash funds statutory requirements.
- C Ensuring that the Financial Services Cash Fund complies with applicable cash funds statutory requirements.
- D Ensuring that the Telecommunications Utility Fund complies with applicable cash funds statutory requirements.

## RESPONSE

### DEPARTMENT OF REGULATORY AGENCIES

- A AGREE. IMPLEMENTATION DATE: JUNE 2018.

The Department agrees with the recommendation and continually monitors all fund balances for compliance with Senate Bill 98-194's limitations on excess uncommitted reserves. This fund was in deficit during FY 16-17, and fees were increased March 2017 in order to accommodate increased two-year costs beginning in FY 17-18. However, the timing of fee payer volume is the primary reason for this temporary excess, and program expenditures will return the fund to compliance by June 2018, with a projected fund balance of 14.7 percent.

B AGREE. IMPLEMENTATION DATE: JUNE 2019.

The Department agrees with the recommendation and continually monitors all fund balances for compliance with Senate Bill 98-194's limitations on excess uncommitted reserves. Expenditures during FY 16-17 were significantly less than prior years. As a result, aggressive fee action is being taken effective January 2018 in order to return the fund to compliance by June 2019, with a projected fund balance of 8.4 percent.

C AGREE. IMPLEMENTATION DATE: JUNE 2018.

The Department agrees with the recommendation and continually monitors all fund balances for compliance with Senate Bill 98-194's limitations on excess uncommitted reserves. Expenditures were less than anticipated during FY 16-17, and as a result fee action will be taken immediately in order to return the fund to compliance by June 2018, with a projected fund balance of 7.8 percent.

D AGREE. IMPLEMENTATION DATE: JUNE 2018.

The Department agrees with the recommendation and continually monitors all fund balances for compliance with Senate Bill 98-194's limitations on excess uncommitted reserves. This fund is a newly created fund that has had only two fiscal years of expenditures, which were less than anticipated during FY 16-17. It is expected that planned spending during FY 17-18 will return the fund to compliance by June 2018, with a projected fund balance of 14.6 percent.

# DEPARTMENT OF REVENUE

As of June 30, 2017, the Department of Revenue had one cash fund out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$183,000.

## AUTO DEALERS LICENSE FUND

**PURPOSE:** To collect fees from motor vehicle dealers to support the regulatory oversight function of the Motor Vehicle Dealer Board.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2001.

**STATUS:** Fiscal Year 2017 was the 9th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.17. AUTO DEALERS LICENSE FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2001	\$ 163,256
2002-2006 <sup>1</sup>	\$ –
2007	\$ 569,256
2008-2009 <sup>1</sup>	\$ –
2010	\$ 644,669
2011	\$ 331,550
2012	\$ 144,635
2013	\$ 488,433
2014	\$ 618,714
2015	\$ 196,059
2016 <sup>1</sup>	\$ –
2017	\$ 183,138

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2001 through 2017*.

<sup>1</sup>This fund was in compliance with Section 24-75-402(3)(c), C.R.S., during these years.

# RECOMMENDATION 10

The Department of Revenue should take appropriate action to ensure that the Auto Dealers License Fund complies with applicable cash funds statutory requirements.

## RESPONSE

### DEPARTMENT OF REVENUE

AGREE. IMPLEMENTATION DATE: JUNE 2018.

As part of the FY 2016-17 Auto Dealers License Fund fee-setting process, the Auto Industry Division and the Motor Vehicle Dealer Licensing Board worked cooperatively to develop fee and licensing models to ensure the fund would have sufficient revenue to fully support the appropriation while reducing the uncommitted reserve per the statutory requirement. At the meeting held April 18, 2017, the Board recommended a no or 0% overall fee change, based on a projected zero or no growth in licensing activity, with the following exceptions: (1) continuation of the Reprint Fee at \$25; (2) continuation of the Late Fee at \$50; and (3) new associated pass-through cost for fingerprint-based criminal history record check of \$46.35. Although the automotive industry is uncertain and can be volatile, the no change in fees are reasonable to ensure an adequate cash balance to fund operations and to comply with the reserve requirement by year-end FY2017-18; moreover, the no change in fees considered additional expenses related to SB17-240 in the amount of \$70,011 and, considered the additional expenses related to the regulatory staff increase decision item in the amount of \$361,682. Both of these regulations combined for 5.0 FTE.

# DEPARTMENT OF STATE

As of June 30, 2017, the Department of State had one cash fund out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$575,000.

## DEPARTMENT OF STATE CASH FUND

**PURPOSE:** To record collection of business licensing fee revenue and disbursement of licensing payments.

**FIRST YEAR OF REQUIRED COMPLIANCE:** Fiscal Year 2003.

**STATUS:** Fiscal Year 2017 was the 11th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

### EXHIBIT 2.18. DEPARTMENT OF STATE CASH FUND

FISCAL YEAR	AMOUNT OF EXCESS
2003	\$ 4,757,996
2004	\$ 4,667,217
2005	\$ 2,554,809
2006	\$ 2,847,940
2007	\$ 709,445
2008	\$ 2,069,888
2009 <sup>1</sup>	\$ -
2010	\$ 1,911,907
2011	\$ 3,221,197
2012	\$ 4,061,078
2013-2015 <sup>1</sup>	\$ -
2016	\$ 248,901
2017	\$ 575,161

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003 through 2017*.

<sup>1</sup>This fund was in compliance with Section 24-75-402(3)(c), C.R.S., during these years.

# RECOMMENDATION 11

The Department of State should take appropriate action to ensure that the Department of State Cash Fund complies with applicable cash funds statutory requirements.

## RESPONSE

### DEPARTMENT OF STATE

AGREE. IMPLEMENTATION DATE: JUNE 2018.

At the end of FY 2016, the Department of State Cash Fund exceeded the alternative maximum reserve established in §24-21-104(4) C.R.S. At the time, the Department designated an implementation date of June 30, 2018. This implementation date has not changed.

The Department regularly monitors the Department of State Cash Fund balance. On a quarterly basis, the Department's Controller briefs members of senior staff on revenues, expenditures, and a projection of the fiscal year-end cash fund balance.

In FY 2017, the Department took action to address the excess reserves, specifically it reduced three of its fees related to the dissolution of businesses (entity dissolutions, delinquent entity dissolutions, and foreign (out-of-state) dissolutions). These three fee changes contributed to a \$300,000 reduction in revenue for these items. However, the Department's expenses for the year were significantly lower than anticipated, due in part to vacancy savings and lower than expected legal expenses. The result is that the Department's excess reserves unexpectedly increased in FY 2017.

The Department expects the Department of State Cash Fund will be in compliance with the alternative maximum reserve by June 2018. In FY 2018, the Department will implement additional fee reductions (to statements of correction/change) and anticipates that it will more fully expend its appropriations.

# CASH FUNDS

UNCOMMITTED RESERVES

REPORT FOR THE

FISCAL YEAR ENDED

JUNE 30, 2017

STATE OF COLORADO  
CASH FUNDS UNCOMMITTED RESERVES REPORT  
REPORT OF FUNDS WITH UNCOMMITTED RESERVES GREATER THAN \$200,000  
FISCAL YEAR 2017 AS OF JUNE 30, 2017

FUND		FUND BALANCE (NOTE 4) <sup>1</sup>	EXEMPT ASSETS (NOTE 5)	CAPITAL RESERVE (NOTE 6)	PREVIOUSLY APPROPRIATED FUND BALANCE (NOTE 7)	FEE REVENUES (NOTE 8)
<b>Department of Agriculture</b>						
1030	Agricultural Products Inspection Fund	551,159	-	-	-	2,142,573
16R0	Inspection and Consumer Services Cash Fund	1,673,681	-	-	-	2,802,507
23S0	Plant Health, Pest Control and Environmental Protection Fund	755,436	12,304	-	-	5,095,543
SUBTOTAL		2,980,276	12,304	-	-	10,040,623
<b>Department of Education</b>						
2930	Educator Licensure Cash Fund	444,509	-	-	-	3,295,699
<b>Department of Health Care Policy and Financing</b>						
11G0	Children's Basic Health Plan Trust	18,357,485	-	-	-	1,272,538
<b>Department of Human Services</b>						
12T0	Child Care Licensing Cash Fund	245,807	-	-	-	825,953
17K0	Records and Reports Fund	274,107	-	-	-	1,009,888
SUBTOTAL		519,914	-	-	-	1,835,841
<b>Judicial Branch</b>						
26J0	Judicial Collection Enhancement Fund	4,595,203	-	-	-	566,751
<b>Department of Labor and Employment</b>						
1370	Boiler Inspection Fund	201,272	-	-	-	1,227,143
<b>Department of Law</b>						
1510	Uniform Consumer Credit Code Cash Fund	854,858	-	-	-	1,815,751
16Z0	Insurance Fraud Cash Fund	525,502	934	-	-	1,489,976
SUBTOTAL		1,380,360	934	-	-	3,305,727
<b>Department of Local Affairs</b>						
11E0	Moffat Tunnel Cash Fund	245,020	-	-	-	26,659
12V0	Building Regulation Fund	382,326	-	-	-	961,665
SUBTOTAL		627,346	-	-	-	988,324
<b>Department of Natural Resources</b>						
1660	Satellite Monitoring System Cash Fund	310,380	-	-	-	376,929
<b>Department of Personnel &amp; Administration</b>						
24Y0	State Archives and Public Records Cash Fund	320,618	-	-	-	108,403
<b>Department of Public Health and Environment</b>						
1210	Newborn Genetics Fund	930,808	-	-	-	6,133,901
1230	Radiation Control Fund	538,532	-	-	-	2,939,552
1240	Vital Records Fund	264,333	-	-	-	3,325,103
2650	Health Facilities General Licensure Cash Fund	301,224	1,700	-	-	1,927,940
29A0	Paint Stewardship Cash Fund	311,554	-	-	-	118,800
SUBTOTAL		2,346,451	1,700	-	-	14,445,296
<b>Department of Public Safety</b>						
12C0	Fire Suppression Cash Fund	268,383	-	-	-	333,904
<b>Department of Regulatory Agencies</b>						
1840	Public Utilities Commission Fixed Utility Fund	1,093,529	4,156	-	-	11,520,204
1850	Public Utilities Commission Motor Carrier Fund	346,567	-	-	-	2,244,902
1890	Division of Professions and Occupations Cash Fund	2,020,108	20	-	-	26,205,579
18S0	Prescription Drug Monitoring Fund	351,111	-	-	-	637,145
19U0	Mortgage Company and Loan Originator Licensing Cash Fund	442,860	-	-	-	971,655
2006	Telecommunications Utility Fund	433,583	-	-	-	1,572,423
2120	Real Estate Cash Fund	791,599	-	-	-	5,447,230
2440	Public Deposit Administration Fund	688,043	750	-	-	5,138,485
2720	Financial Services Cash Fund	309,542	-	-	-	1,725,035
2820	Division of Insurance Cash	1,434,188	1,532	-	-	10,141,900
SUBTOTAL		7,911,130	6,458	-	-	65,604,558
<b>Department of Revenue</b>						
1920	Auto Dealers License Fund	770,708	1,488	-	-	3,402,027
2360	Liquor Enforcement Division & State Licensing Authority	420,677	3,314	-	-	3,046,292
4040	Colorado Title and Registration Fund (Costars)	15,451,676	-	-	-	632,401
SUBTOTAL		16,643,061	4,802	-	-	7,080,720
<b>Department of State</b>						
2000	Department of State Cash Fund	5,037,838	698,447	-	-	21,580,944
GRAND TOTAL		\$ 61,944,226	\$ 724,645	\$ -	\$ -	\$ 132,063,400

<sup>1</sup> Note numbers in column headings refer to the Notes to the Cash Funds Uncommitted Reserves Report beginning on Page 56, prepared by the Office of the State Controller.

SOURCE: Office of the State Controller.

TOTAL REVENUE	TOTAL EXPENSE	NON-FEE FUND BALANCE (NOTE 9)	UNCOMMITTED RESERVES (NOTE 10)	MAXIMUM RESERVE (NOTE 11)	ALTERNATIVE MAXIMUM RESERVE (NOTE 12)	EXCESS UNCOMMITTED RESERVE (NOTE 13)
2,149,861	2,216,303	1,868	549,291	365,690	-	183,601
2,881,577	2,876,907	45,926	1,627,755	474,690	1,438,454	189,301
5,148,155	5,171,997	7,594	735,538	853,380	2,585,999	-
10,179,593	10,265,207	55,388	2,912,584	1,693,760	4,024,453	372,902
3,295,699	3,091,915	-	444,509	510,166	-	-
18,093,685	31,888,234	17,066,394	1,291,091	5,261,559	-	-
827,207	648,885	373	245,434	107,066	-	138,368
1,009,888	782,826	-	274,107	129,166	-	144,941
1,837,095	1,431,711	373	519,541	236,232	-	283,309
6,473,433	6,293,267	4,192,892	402,311	1,038,389	-	-
1,227,879	1,174,466	121	201,151	193,787	1,202,873	-
1,851,752	1,508,616	16,620	838,238	248,922	469,210	369,028
1,507,070	1,739,540	5,950	518,618	287,024	-	231,594
3,358,822	3,248,156	22,570	1,356,856	535,946	469,210	600,622
29,258	58	21,765	223,255	10	250,000	-
1,233,085	1,092,762	84,156	298,170	180,306	-	117,864
1,262,343	1,092,820	105,921	521,425	180,316	250,000	117,864
381,278	214,033	3,540	306,840	35,315	-	271,525
137,291	45,702	67,463	253,155	7,541	-	245,614
6,132,867	6,287,902	(157)	930,965	1,037,504	-	-
2,939,147	2,497,002	(74)	538,606	412,005	-	126,601
3,325,104	3,144,557	-	264,333	518,852	-	-
1,927,940	1,917,169	-	299,524	316,333	-	-
118,800	47,246	-	311,554	7,796	-	303,758
14,443,858	13,893,876	(231)	2,344,982	2,292,490	-	430,359
335,414	133,418	1,208	267,175	22,014	-	245,161
11,944,965	11,447,592	38,738	1,050,635	1,888,853	-	-
2,516,725	2,208,879	37,432	309,135	364,465	-	-
27,047,815	24,556,401	62,903	1,957,185	4,051,806	-	-
833,157	514,542	82,604	268,507	84,899	-	183,608
974,212	668,340	1,162	441,698	110,276	-	331,422
1,572,423	1,239,715	-	433,583	204,553	-	229,030
5,712,378	5,307,117	36,743	754,856	875,674	-	-
5,184,547	4,846,188	6,106	681,187	799,621	-	-
1,732,935	1,570,865	1,411	308,131	259,193	-	48,938
11,461,381	10,475,749	164,933	1,267,723	1,728,499	-	-
68,980,538	62,835,388	432,032	7,472,640	10,367,839	-	792,998
3,569,157	3,333,711	36,020	733,200	550,062	-	183,138
3,201,622	3,083,700	20,249	397,114	508,811	-	-
15,016,125	13,232,184	14,800,932	650,744	2,183,310	-	-
21,786,904	19,649,595	14,857,201	1,781,058	3,242,183	-	183,138
22,446,407	21,768,717	167,313	4,172,078	3,591,838	3,596,917	575,161
\$ 174,240,239	\$ 177,026,505	\$ 36,972,185	\$ 24,247,396	\$ 29,209,375	\$ 9,543,453	\$ 4,118,653



# NOTES

TO THE CASH FUNDS  
UNCOMMITTED  
RESERVES REPORT

#### NOTE 1—PURPOSE

Section 24-30-207, Colorado Revised Statutes (C.R.S.), requires the State Controller to prepare the Cash Fund Uncommitted Reserves Report showing the amount of uncommitted reserves credited to each of the State of Colorado's cash funds. Fund definitions within this report are based on GAAP definitions, rather than the statutory definition of any particular fund. This report will be audited annually by the State Auditor. The report is to be delivered to the Office of State Planning and Budgeting and to the Joint Budget Committee on or before September 20 of each year.

#### NOTE 2—CASH FUND DEFINED

Section 24-75-402(2)(b) C.R.S. defines "cash fund" to mean any fund that is established by law for a specific program or purpose and that includes money from fees; except that "cash fund" excludes the state general fund, any federal fund, and any fund used by a state institution of higher education.

#### NOTE 3—CASH FUNDS EXCLUDED

The following cash funds are specifically excluded from the cash reserves report. As applicable, the repeal date for the exclusion of the fund is listed in parentheses.

- Any cash fund for which revenue is derived solely from fees, the amounts of which are established by the federal government;
- Any cash fund for which revenue is derived solely from fees set by the Colorado Supreme Court in the exercise of its exclusive authority to regulate the practice of law;
- Any cash fund for which revenue is derived solely from fees set by an enterprise, as defined in Section 24-77-102(3), C.R.S., or a special purpose authority;
- Any cash fund that is established for capital construction;

- Any cash fund for which the reserve amounts are based on actuarial requirements;
- Any trust fund;
- Any cash fund with uncommitted reserves of less than \$200,000;
- The Petroleum Storage Tank Fund;
- The Hazardous Substance Response Fund (7/1/2017);
- The Land and Water Management Fund (7/1/2017);
- The Brand Inspection Fund;
- The Colorado State Fair Authority Cash Fund (7/1/2017);
- The Highway Users' Tax Fund;
- The State Highway Fund;
- The Worker's Compensation Cash Fund (7/1/2017);
- The Worker's Compensation Cost Containment Fund (7/1/2017);
- The State Commission on Judicial Performance Cash Fund (7/1/2017);
- The Motorcycle Operator Safety Training Fund (7/1/2019);
- The Colorado Telephone Users with Disabilities Fund (7/1/2017);
- The Colorado Bureau of Investigation Identification Unit Fund (7/1/2017);
- The Buildings and Grounds Cash Fund (7/1/2017);
- The Judicial Department Information Technology Cash Fund (7/1/2017);
- The Private Activity Bond Allocations Fund (7/1/2017);
- The Colorado High Cost Administration Fund (7/1/2017);

SOURCE: Office of the State Controller.

- The Public School Construction and Inspection Cash Fund (7/1/2017);
- The Marijuana Cash Fund (7/1/2017);
- The Health Facility Construction and Inspection Cash Fund;
- The Medical Marijuana License Fund (7/1/2017);
- The Emergency Fire Fund;
- The Wildland Fire Equipment Repair Fund;
- The Wildland Fire Cost Recovery Fund;
- The Wildfire Emergency Response Fund;
- The Wildfire Preparedness Fund;
- The Efficient Schools and Communities Performance Contracting Fund (7/1/2017);
- The Enterprise Services Cash Fund;
- The Public Safety Inspection Fund (7/1/2017);
- The Employee Leasing Company Certification Fund (7/1/2017);
- The Conveyance Safety Fund (7/1/2017);
- The Oil and Gas Conservation and Environmental Response Fund;
- The Licensing Services Cash Fund;
- The Cybersecurity Cash Fund;
- The Technology Advancement and Emergency Fund;
- The Supplier Database Cash Fund (7/1/2019); and,
- Any cash fund used to fund a single program if the program has been in existence less than two full fiscal years.

Although the Private Activity Bond Allocations Fund is specifically excluded from the *Cash Funds Uncommitted Reserves Report* based on

the report statute, the language included in the fund's enabling statute provides for an alternative maximum reserve for the fund. The alternative maximum reserve is applicable to funds reported on this report. Therefore, we are including the fund in the cash funds uncommitted reserves report for informational purposes only.

Although the Medical Marijuana Program Cash Fund is listed as an excluded fund, only the portion of the fund transferred to or available for transfer to the Health Research subaccount is excluded from the limitations of the cash funds uncommitted reserves report statute.

#### NOTE 4—FUND BALANCE

Fund balance is the net of total assets and total liabilities in each fund as of June 30, 2017. This amount does not include net assets related to pension liabilities.

#### NOTE 5—EXEMPT ASSETS

Exempt assets are any long-term assets or non-monetary current assets held by the fund at June 30, 2017. "Non-monetary" current assets are those that either cannot be converted to cash or are held with the intent of being used rather than converted to cash, including but not limited to consumable inventory and prepaid expenses.

#### NOTE 6—CAPITAL RESERVE

The capital reserve is the amount equal to the depreciation of depreciable components of a capital outlay or capital construction, where a cash fund has been appropriated moneys for capital purposes.

#### NOTE 7—PREVIOUSLY APPROPRIATED FUND BALANCE

Previously appropriated fund balance is that portion of fund balance that has been appropriated for capital construction or other multi-year purposes.

SOURCE: Office of the State Controller.

#### NOTE 8—FEE REVENUE

Fee revenue means any moneys collected by an entity, except that fee revenue does not include:

- Any moneys collected from sources excluded from state fiscal year spending, as defined in Section 24-77-102(17), C.R.S.;
- Any moneys received through the imposition of penalties or fines or surcharges imposed on any person convicted of a crime;
- Any moneys appropriated from the state general fund;
- Any moneys received through the imposition of taxes;
- Any moneys received from charges or assessments, the amount of which are not determined by the entity;
- Any moneys received from gifts or donations;
- Any moneys received from local government grants or contracts;
- Any moneys received through direct transfers from another entity, an enterprise, or a special purpose authority; or
- Any moneys received as interest or other investment income.

#### NOTE 9—NON-FEE FUND BALANCE

Non-fee fund balance is calculated by subtracting any exempt assets, capital reserve, and previously appropriated fund balance from total fund balance and multiplying the result times the ratio of non-fee revenue to total revenue.

#### NOTE 10—UNCOMMITTED RESERVE

Uncommitted reserve is calculated by subtracting any exempt assets, capital reserve, and previously appropriated fund balance from total fund balance and multiplying the result by the ratio of fee revenue to total revenue.

**NOTE 11—MAXIMUM RESERVE**

Maximum reserve is defined as 16.5 percent of Fiscal Year 2017 expenditures of the cash fund.

**NOTE 12—ALTERNATIVE MAXIMUM RESERVE**

In some cases an alternative maximum reserve is used in place of a maximum reserve when there is a reserve limit established by statute.

**NOTE 13—EXCESS UNCOMMITTED RESERVE**

Excess uncommitted reserve is the amount by which the uncommitted reserve exceeds the alternative maximum reserve (if provided) or the maximum reserve of the cash fund.



# APPENDIX A



# DESCRIPTIONS OF CASH FUNDS

These cash funds are included on the Cash Funds Uncommitted Reserves Report (PAGES 52 and 53) for the Fiscal Year Ended June 30, 2017, prepared by the Office of the State Controller.

## AGRICULTURE

1030	Agricultural Products Inspection Fund	Fees are assessed for the inspection and certification of fruits and vegetables. All monies collected pay for operational costs.
16R0	Inspection and Consumer Services Cash Fund	Fees are charged to issue inspection certificates for scales, eggs, meat, fertilizer, feed, grain, anhydrous ammonia.
23S0	Plant Health, Pest Control, and Environment Protection Fund	Fees, fines, and penalties collected to implement, administer, and enforce provisions including, but not limited to: biological pest control, bee inspection efforts, ground water protection efforts, and pesticide applicator license and inspection efforts.

## EDUCATION

2930	Educator Licensure Cash Fund	Fees charged to cover the costs to administer examinations and to review applications for licenses, endorsements, and certificates, as authorized by the State Board of Education. Fees are set annually and effective March 1, 2016 were set for the initial license at \$90 for in-state educators and \$110 for out-of-state educators. In addition, the fee is \$60 for a substitute license.
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## HEALTH CARE POLICY & FINANCING

11G0	Children's Basic Health Plan Trust	A percentage of the tobacco litigation settlement is allocated for and transferred to this fund. The program charges enrollment fees that vary based on family size. The purpose of the fund is to pay for the administration and purchase of insurance and health care services for clients of the Plan, established by HB 97-1304 and HB 98-1325.
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## HUMAN SERVICES

12T0	Child Care Licensing Cash Fund	Fees are collected from child care licensing applications, reapplications, and renewals. The State Department is authorized to establish full and provisional license fees and fees for continuation or renewal of a full license for child care arrangements. All fees collected shall be transmitted to the state treasurer, who shall credit the same to the child care licensing cash fund. All funds collected from these fees shall be used in the operation of child care licensing activities.
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17K0	Records and Reports Fund	Fees are charged to any person or agency external to CDHS that is provided information (Background Investigation) from the State Department of Human Services Child Abuse data base.
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**JUDICIAL**

26J0	Judicial Collection Enhancement Fund	This fund contains monies from a fee assessed for a payment plan for any defendant who requires additional time to pay for all fines, fees, costs, surcharges, or other monetary assessments with regard to the sentencing, disposition, or adjudication of a felony, misdemeanor, juvenile delinquency petition, petty offense, traffic offense, or traffic infraction. In accordance with Section 16-11-101.6, C.R.S., the initial payment plan fee is \$25. In addition, a late penalty fee of \$10 may be assessed against a defendant each time a payment toward the fines, fee, costs, surcharges, or other amounts owed is not received on or before the date due. The money collected shall remain in the fund for appropriation to the judicial department for ongoing enforcement and collection of restitution, fines, fees, costs, surcharges, and other monetary assessments.
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**LABOR AND EMPLOYMENT**

1370	Boiler Inspection Fund	Inspection fees support a boiler inspection program that enforces statutory rules and regulations established to control the design, construction, operation, maintenance, and repair of boilers and pressure vessels in the State of Colorado.
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**LAW**

1510	Uniform Consumer Credit Code Cash Fund	This fund was created pursuant to Section 5-6-204(1), C.R.S. All fees collected under the provision of the code are for the purposes of the administration and enforcement of the uniform consumer credit code. Revenues are derived from licensing fees and volume fees, interest on the UCCC cash fund, and court awarded funds that are custodial in nature.
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16Z0	Insurance Fraud Cash Fund	This fund was created pursuant to Section 10-3-207, C.R.S., for the purpose of providing adequate funds to the Colorado Department of Law for the investigation and prosecution of allegations of insurance fraud. Fee revenue is collected for application fees, renewal fees, and fees for entities that have direct written premiums, gross contract funds, or charges received in Colorado.
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**LOCAL AFFAIRS**

11E0	Moffat Tunnel Cash Fund	Cash, proceeds, and other monies collected by the department pursuant to this article shall be transmitted to the state treasurer who shall credit the same to the
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Moffat tunnel cash fund, which fund is hereby created. Monies in the fund not subject to immediate transfer pursuant to Section 32-8-124.7(2), C.R.S., shall be subject to annual appropriation by the general assembly for the direct and indirect costs of the administration of this article.

12V0 Building Regulation Fund	Registration fees charged to installers and sellers of manufactured homes as well as various other fees established by the State Housing Board. Funds are used to inspect factory built (modular) housing, commercial structures, and manufactured homes to ensure the health and safety of Colorado residents who purchase these units.
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**NATURAL RESOURCES**

1660 Satellite Monitoring System Cash Fund	Fees are charged for the use of the equipment and programs of the satellite monitoring system, to support the system.
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**PERSONNEL & ADMINISTRATION**

24Y0 State Archives and Public Records Cash Fund	To record revenue and some expenses for State Archives to maintain the database. The fees are charged to pay for direct and indirect costs of responding to request for information and research from governmental agencies and the general public, and of storing records in the records center.
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**PUBLIC HEALTH AND ENVIRONMENT**

1210 Newborn Genetics Fund	Fee revenue consists of charges for laboratory blood tests for newborns and for genetic counseling; the fees shall be utilized to conduct newborn screening, follow-up care, and genetic counseling, as well as to provide educational awareness programs.
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1230 Radiation Control Fund	The fund receives revenue from fees for low-level radiation permits, x-ray inspection, and certification, machine registrations, uranium mill permits, disposal and management of radioactive materials. It supports the State Radiation Control program, which licenses, tracks and inspects; special nuclear material, source material, by-product material, well logging and tracer studies, and human use material, in accordance to the requirements set forth by the Nuclear Regulatory Commission.
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1240 Vital Records Fund	The Vital Records Cash Fund was established in the Vital Statistics Act of 1984 to receive fees collected by the Office of the State Registrar. Fees collected for certified copies of birth and death certificates, marriage licenses, decrees of divorce, etc.
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2650	Health Facilities General Licensure Cash Fund	Licensing fees charged to Health Facilities. This includes all Licensed facilities that don't fall into another cash fund category (Assisted living or Home care agency). Covered facilities include, but are not limited to hospitals, nursing homes, ambulatory surgical centers, birth centers, end stage renal disease (dialysis) clinics. The fees are used to inspect health facilities.
29A0	Paint Stewardship Cash Fund	Application review and annual report fees are charged to fund the state's management of the Architectural Paint Stewardship program per Section 25-17-401, C.R.S.

## PUBLIC SAFETY

12C0	Fire Suppression Cash Fund	The fund receives fee revenue plan reviews, construction permits, or inspection fees collected from contractors, and fees for required contractor or inspector certifications. This fund exists for the administration of the Fire Suppression Program. The purpose of the Colorado Fire Suppression Program is to ensure that life safety systems, installed in commercial and residential occupancies, are installed and maintained properly, according to nationally recognized standards. This includes a program for certification of construction contractors, inspectors and sprinkler fitters.
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## REGULATORY AGENCIES

1840	Public Utilities Commission Fixed Utility Fund	The fund exists to defray the full amount determined by the general assembly for the administrative expenses of the commission for the supervision and regulation of the public utilities paying such fees and for the financing of the office of consumer counsel. The fund is supported by annual assessments against fixed utilities, which pay in proportion to their gross intrastate operating revenue. Assessments are collected by the Department of Revenue. Telecommunications utilities no longer contribute to the Fixed Utility Fund and now contribute to the Telecommunications Fixed Utility Fund.
1850	Public Utilities Commission Motor Carrier Fund	The fund exists to support the Public Utilities Commission's administration of laws governing the regulation of motor carriers in Colorado. Fees sources include permit fees and annual state identification fees from regulated motor carriers. Over 90% of the revenue for this fund is not controlled by PUC or the State of Colorado.
1890	Division of Professions and Occupations Cash Fund	Fees are collected for the issuance and renewal of occupational licenses for over 40 separate professional boards, such as the Accountancy Board, Dental Board, and Plumbers Board. Monies are used to fund the

		operations of the Division of Professions and Occupations.
18S0	Prescription Drug Monitoring Fund	The fund exists to support the costs of the Division of Professions and Occupations in implementing the Prescription Drug Monitoring Program. The only fee source is authorized assessments against licensees having prescriptive authority, which was \$12 per year effective March 2017.
19U0	Mortgage Company and Loan Originator Licensing Cash Fund	The fund exists to support the costs of the Division of Real Estate in implementing the licensure program for Mortgage Brokers. Fee sources include application and renewal fees for mortgage companies and loan originators. Present fee levels are as follows: Original License-Mortgage Broker - \$80; Education Extension Fee - Mortgage Broker - \$500; Reinstatement - Mortgage Broker - \$39; Original License - Mortgage Companies - \$169; Reinstatement - Mortgage Companies - \$129; Renewal - Mortgage Broker - \$26; Renewal - Mortgage Companies - \$86
2006	Telecommunications Utility Fund	The fund exists to defray the full amount determined by the general assembly for the administrative expenses of the public utilities commission for the supervision and regulation of telecommunications public utilities paying such fees. The fund is supported by annual assessments against telecommunications fixed utilities, which pay in proportion to their gross intrastate operating revenue. The fee level for each utility is assessed within the Department of Revenue's tax collection system.
2120	Real Estate Cash Fund	The majority of revenue is from applications fees for real estate brokers and appraisers, and from their annual renewal fees for licensure. The fund exists to support the costs of the Division in carrying out its mission to protect consumers via regular of real estate practitioners.
2440	Public Deposit Administration Fund	The fund exists to support the costs of the Division of Banking and its mission, which is to serve and protect the public interest by promoting a safe and sound financial institutions industry through continuous quality regulation and supervision. The fund is supported by assessments to financial institutions and various fees as authorized by statute, including charter applications, money transmitter licenses, change fees, and miscellaneous minor fees.
2720	Financial Services Cash Fund	The fund exists to support the costs of the Division of Financial Services and its mission, which is to serve and protect the public interest by promoting a safe and sound financial institutions industry through continuous

quality regulation and supervision. The fund is supported by assessments to financial institutions based on assets. Fees are adjusted biennially.

2820	Division of Insurance Cash Fund	Fees and taxes collected from self-insurance pools, medical-surgical and health services corporations, nonprofit hospitals, and cash-bail agents designated for the division of insurance. The monies are used to fund all direct and indirect expenditures of the division of insurance, which is charged with the execution of the laws relating to insurance, and has a supervising authority over the business of insurance in Colorado.
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**REVENUE**

1920	Auto Dealers License Board	Fees are for the licensing of motor vehicle dealers, wholesalers, buyer agents, and salespersons. Fees are for the purpose of supporting the regulatory oversight function of the Motor Vehicle Dealer Board. Monies can be used by the Motor Vehicle Dealer Board to pay for the Board’s administration. Any funds remaining at the end of the fiscal year are to be used for educational and enforcement purposes.
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2360	Liquor Law Enforcement Division & State Licensing Authority	A licensing fee collected from manufacturers, distributors, wholesalers, and retailers of liquor. Application fees for licenses and permits are also collected. Fees are used for costs associated with the overall administration, licensing, and enforcement of Colorado liquor laws.
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4040	Colorado Title and Registration Fund (Costars)	Various fees are collected for the purpose of providing funds for the operation of the Colorado State Titling and Registration System (CSTARS) the State and counties use for motor vehicle titling and registration, including fees for titling manufactured homes and for copies of driving records. The fund also includes a portion of annual ownership tax, and a portion of fees from disabled or honorably discharged veteran plate); fees for titling motor vehicles; low-power motor scooter motorist insurance identification fees; or gifts, grants, or donations to the account from private or public sources.
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**SECRETARY OF STATE**

2000	Department of State Cash Fund	Fees are collected for filing articles of incorporation, issuing official certificates, and making official copies of documents. Monies are used to fund the operational costs of the Department of State.
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# APPENDIX B



# CASH FUNDS UNCOMMITTED RESERVES REPORT FOR THE FISCAL YEAR JUNE 30, 2017 ALL FUNDS

The *Cash Funds Uncommitted Reserves Report* (PAGES 52 and 53) prepared by the Office of the State Controller does not include funds that have an uncommitted reserves balance of less than \$200,000. The following report includes all of the cash funds with fee revenue and uncommitted reserve balances at June 30, 2017, greater than zero.

STATE OF COLORADO  
CASH FUNDS UNCOMMITTED RESERVES REPORT  
REPORT OF FUNDS WITH UNCOMMITTED RESERVES AND FEE REVENUE GREATER THAN \$0  
FISCAL YEAR 2017 AS OF JUNE 30, 2017

FUND	FUND BALANCE (NOTE 4) <sup>1</sup>	EXEMPT ASSETS (NOTE 5)	CAPITAL RESERVE (NOTE 6)	PREVIOUSLY APPROPRIATED FUND BALANCE (NOTE 7)	FEE REVENUES (NOTE 8)
<b>Department of Agriculture</b>					
1030 Agricultural Products Inspection Fund	551,159	-	-	-	2,142,573
1040 Veterinary Vaccine and Service Fund	18,378	-	-	-	379,194
1060 Diseased Livestock Fund	474,334	-	-	-	60
16R0 Inspection and Consumer Services Cash Fund	1,673,681	-	-	-	2,802,507
2260 Wine Development Fund	167,604	-	-	-	12,839
22L0 Agriculture Management Fund	4,135,433	13,273	-	-	1,255
23S0 Plant Health, Pest Control and Environmental Protection Fund	755,436	12,304	-	-	5,095,543
2610 Colorado Aquaculture Fund	424	-	-	-	4,250
28J0 Industrial Hemp Registration Program Cash Fund	98,342	-	-	-	196,150
2940 Pet Animal Care and Facility Fund	85,636	-	-	-	777,308
<b>SUBTOTAL</b>	<b>7,960,427</b>	<b>25,577</b>	<b>-</b>	<b>-</b>	<b>11,411,679</b>
<b>Department of Corrections</b>					
22D0 Correctional Education Program Fund	104,382	-	-	-	526,171
<b>Department of Education</b>					
2930 Educator Licensure Cash Fund	444,509	-	-	-	3,295,699
<b>Office of the Governor</b>					
2480 Minority Business Fund	47,319	-	-	-	48,506
28A0 Advanced Industries Export Acceleration Cash Fund	310,149	-	-	-	7,000
28G0 Electric Vehicle Grant Fund	100,589	-	-	-	162,240
29N0 Creative District Community Loan Fund	4,901	-	-	-	2,632
<b>SUBTOTAL</b>	<b>462,958</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220,378</b>
<b>Department of Health Care Policy and Financing</b>					
11G0 Children's Basic Health Plan Trust	18,357,485	-	-	-	1,272,538
15B0 Medicaid Buy-In Cash Fund	3,420	-	-	-	2,782,381
16Y0 Service Fee Fund	56,707	-	-	-	260,721
22X0 Medicaid Nursing Facility Cash Fund	175,182	-	-	-	51,356,132
23G0 Department of Health Care Policy and Financing Cash Fund	285	-	-	-	336,842
<b>SUBTOTAL</b>	<b>18,593,079</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,008,614</b>
<b>Department of Higher Education</b>					
2220 Private Occupational Schools Fund	82,753	-	-	-	900,082
<b>Department of Human Services</b>					
1250 Alcohol and Drug Abuse Counselor Training Fund	6,202	-	-	-	9,250
12T0 Child Care Licensing Cash Fund	245,807	-	-	-	825,953
15M0 Controlled Substance Program Fund	4,679	-	-	-	7,125
17K0 Records and Reports Fund	274,107	-	-	-	1,009,888
18R0 Food Distribution Program Service Fund	288,976	-	-	-	181,165
1940 Colorado Domestic Abuse Program Fund	386,443	-	-	-	160
5160 Work Therapy Cash Fund	122,565	21,849	6,569	-	425,414
<b>SUBTOTAL</b>	<b>1,328,779</b>	<b>21,849</b>	<b>6,569</b>	<b>-</b>	<b>2,458,955</b>
<b>Judicial Branch</b>					
26J0 Judicial Collection Enhancement Fund	4,595,203	-	-	-	566,751
27S0 Restorative Justice Surcharge Fund	792,253	153	-	-	36,275
2860 Mediation Cash Fund	26,623	-	-	-	3,165
700J Other Judicial Special Revenue Funds	118,040	26,792	-	-	246,430
<b>SUBTOTAL</b>	<b>5,532,119</b>	<b>26,945</b>	<b>-</b>	<b>-</b>	<b>852,621</b>
<b>Department of Labor and Employment</b>					
1360 Displaced Homemakers	19,328	-	-	-	108,787
1370 Boiler Inspection Fund	201,272	-	-	-	1,227,143
1390 Utilization Review	27,524	-	-	-	50,759
1400 Workmens' Compensation Self-Insurance Fund	155,171	-	-	-	162,000
1440 Liquefied Petroleum Gas Inspection Fund	196,267	-	-	-	289,494
2320 Employment Support Fund	32,378,954	-	-	-	92,573
2590 Physicians Accreditation Program Fund	108,616	-	-	-	126,248
<b>SUBTOTAL</b>	<b>33,087,132</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,057,004</b>

\* Note numbers in column headings refer to the Notes to the Cash Funds Uncommitted Reserves Report beginning on Page 56, prepared by the Office of the State Controller.

SOURCE: Office of the State Controller.

TOTAL REVENUE	TOTAL EXPENSE	NON-FEE FUND BALANCE (NOTE 9)	UNCOMMITTED RESERVES (NOTE 10)	MAXIMUM RESERVE (NOTE 11)	ALTERNATIVE MAXIMUM RESERVE (NOTE 12)	EXCESS UNCOMMITTED RESERVE (NOTE 13)
2,149,861	2,216,303	1,868	549,291	365,690	-	183,601
379,194	379,194	-	18,378	62,567	-	-
37,017	186	473,565	769	31	-	738
2,881,577	2,876,907	45,926	1,627,755	474,690	1,438,454	189,301
738,786	732,786	164,691	2,913	120,910	-	-
2,718,096	1,428,078	4,120,257	1,903	235,633	-	-
5,148,155	5,171,997	7,594	735,538	853,380	2,585,999	-
5,451	5,909	93	331	975	-	-
196,150	181,886	-	98,342	30,011	-	68,331
804,490	804,414	2,893	82,743	132,728	-	-
15,058,777	13,797,660	4,816,887	3,117,963	2,276,615	4,024,453	441,971
602,000	547,302	13,148	91,234	90,305	-	929
3,295,699	3,091,915	-	444,509	510,166	-	-
48,506	4,812	-	47,319	794	-	46,525
311,820	197,238	303,187	6,962	32,544	-	-
162,240	161,800	-	100,589	26,697	-	73,892
2,657	-	46	4,855	-	-	4,855
525,223	363,850	303,233	159,725	60,035	-	125,272
18,093,685	31,888,234	17,066,394	1,291,091	5,261,559	-	-
2,782,381	2,782,381	-	3,420	459,093	-	-
2,146,513	2,101,146	49,819	6,888	346,689	-	-
51,362,989	51,502,418	23	175,159	8,497,899	-	-
350,626	354,459	11	274	58,486	-	-
74,736,194	88,628,638	17,116,247	1,476,832	14,623,726	-	-
900,082	890,381	-	82,753	146,913	-	-
9,250	7,785	-	6,202	1,285	-	4,917
827,207	648,885	373	245,434	107,066	-	138,368
7,164	5,644	25	4,654	931	-	3,723
1,009,888	782,826	-	274,107	129,166	-	144,941
845,002	795,112	227,021	61,955	131,193	-	-
1,270,573	1,126,724	386,394	49	185,909	-	-
480,479	508,974	10,790	83,357	83,981	-	-
4,449,563	3,875,950	624,603	675,758	639,531	-	291,949
6,473,433	6,293,267	4,192,892	402,311	1,038,389	-	-
991,435	1,065,308	763,118	28,982	175,776	-	-
3,165	-	-	26,623	-	-	26,623
546,758	492,967	50,121	41,127	81,340	-	-
8,014,791	7,851,542	5,006,131	499,043	1,295,505	-	26,623
108,787	120,887	-	19,328	19,946	-	-
1,227,879	1,174,466	121	201,151	193,787	1,202,873	-
50,759	60,929	-	27,524	10,053	-	17,471
162,000	135,170	-	155,171	22,303	-	132,868
290,843	189,184	910	195,357	31,215	-	164,142
32,599,820	25,776,299	32,287,008	91,946	4,253,089	-	-
126,248	103,976	-	108,616	17,156	-	91,460
34,566,336	27,560,911	32,288,039	799,093	4,547,549	1,202,873	405,941

STATE OF COLORADO  
CASH FUNDS UNCOMMITTED RESERVES REPORT  
REPORT OF FUNDS WITH UNCOMMITTED RESERVES AND FEE REVENUE GREATER THAN \$0  
FISCAL YEAR 2017 AS OF JUNE 30, 2017

FUND		FUND BALANCE (NOTE 4) <sup>1</sup>	EXEMPT ASSETS (NOTE 5)	CAPITAL RESERVE (NOTE 6)	PREVIOUSLY APPROPRIATED FUND BALANCE (NOTE 7)	FEE REVENUES (NOTE 8)
<b>Department of Law</b>						
1500	Collection Agency Cash Fund	186,441	-	-	-	797,500
1510	Uniform Consumer Credit Code Cash Fund	854,858	-	-	-	1,815,751
16Z0	Insurance Fraud Cash Fund	525,502	934	-	-	1,489,976
26Q0	Legal Services Cash Fund	2,926,371	1,534,575	462,359	-	2,010,901
28Q0	Safe2Tell Cash Fund	7,612	-	-	-	2,669
2960	P.O.S.T. Board Cash Fund	1,879,276	95,000	-	-	186,995
SUBTOTAL		6,380,060	1,630,509	462,359	-	6,303,792
<b>Legislative Branch</b>						
24S0	Legislative Department Cash	10,578,086	-	-	-	7,302
700M	Other Legislature Special Revenue Funds	24,248	-	-	-	11,012
SUBTOTAL		10,602,334	-	-	-	18,314
<b>Department of Local Affairs</b>						
11E0	Moffat Tunnel Cash Fund	245,020	-	-	-	26,659
12V0	Building Regulation Fund	382,326	-	-	-	961,665
14D0	Mortgage Fraud Custodial Funds	38,144,459	8,979,493	-	27,763,385	5,500
16E0	Private Activity Bond Allocation Fund	123,510	-	-	-	71,652
SUBTOTAL		38,895,315	8,979,493	-	27,763,385	1,065,476
<b>Department of Natural Resources</b>						
1660	Satellite Monitoring System Cash Fund	310,380	-	-	-	376,929
2560	Mined Land Reclamation Fund	838,606	-	-	-	5,100
26S0	Water Resources Cash Fund	177,512	-	-	-	16,032
27F0	Colorado Avalanche Information Center	23,690	2,753	-	-	8,133
SUBTOTAL		1,350,188	2,753	-	-	406,194
<b>Department of Personnel &amp; Administration</b>						
22Y0	Professional Development Cash Fund	178,032	-	-	-	112,609
24Y0	State Archives and Public Records Cash Fund	320,618	-	-	-	108,403
27Y0	Disability Investigational and Pilot Support Fund	464,407	-	-	-	4,200
6110	Administrative Hearings Fund	565,049	153,431	151,163	-	37,524
SUBTOTAL		1,528,106	153,431	151,163	-	262,736
<b>Department of Public Health and Environment</b>						
1170	Solid Waste Management Reserve Fund	1,598,691	-	-	-	457,959
11S0	Lead Hazard Reduction Fund	58,951	-	-	-	88,211
1210	Newborn Genetics Fund	930,808	-	-	-	6,133,901
1230	Radiation Control Fund	538,532	-	-	-	2,939,552
1240	Vital Records Fund	264,333	-	-	-	3,325,103
1280	Sludge Management Fund	76,940	-	-	-	77
12A0	Trauma System Cash Fund	90,049	-	-	-	455,892
13L0	Fixed and Rotary-Wing Ambulances Cash Fund	1,541	-	-	-	76
14V0	Medical Marijuana Cash Fund	48,708	-	-	-	1,372,310
15RS	Marijuana Tax Cash Fund	104,588	588	-	-	25,761
20Y0	Recycling Resources Economic Opportunity Fund	1,207,154	-	-	-	281,785
2240	Medication Administration Fund	23,269	-	-	-	325,658
22R0	Home Care Agency Cash Fund	166,938	-	-	-	1,215,870
23Y0	Visa Waiver Program Fund	1,656	-	-	-	7,750
2460	Assisted Living Residence Fund	106,852	-	-	-	1,407,722
2650	Health Facilities General Licensure Cash Fund	301,224	1,700	-	-	1,927,940
26A0	Laboratory Cash Fund	81,938	-	-	-	1,416,917
2760	Artificial Tanning Device Fund	13,200	-	-	-	960
2790	Hazardous Waste Commission Fund	2,187	-	-	-	62,529
2800	Immunization Fund	18,395	-	-	-	12,790
29A0	Paint Stewardship Cash Fund	311,554	-	-	-	118,800
SUBTOTAL		5,947,508	2,288	-	-	21,577,563

\* Note numbers in column headings refer to the Notes to the Cash Funds Uncommitted Reserves Report beginning on Page 56, prepared by the Office of the State Controller.

SOURCE: Office of the State Controller.

TOTAL REVENUE	TOTAL EXPENSE	NON-FEE FUND BALANCE (NOTE 9)	UNCOMMITTED RESERVES (NOTE 10)	MAXIMUM RESERVE (NOTE 11)	ALTERNATIVE MAXIMUM RESERVE (NOTE 12)	EXCESS UNCOMMITTED RESERVE (NOTE 13)
803,769	799,062	1,454	184,987	131,845	-	53,142
1,851,752	1,508,616	16,620	838,238	248,922	469,210	369,028
1,507,070	1,739,540	5,950	518,618	287,024	-	231,594
36,854,680	36,696,146	878,724	50,713	6,054,864	-	-
3,275	605	1,409	6,203	100	-	6,103
5,488,122	4,954,344	1,723,481	60,795	817,467	-	-
46,508,668	45,698,313	2,627,638	1,659,554	7,540,222	-	659,867
4,084,748	3,701,056	10,559,176	18,910	610,674	-	-
11,612	3,155	1,253	22,995	521	-	22,474
4,096,360	3,704,211	10,560,429	41,905	611,195	-	22,474
29,258	58	21,765	223,255	10	250,000	-
1,233,085	1,092,762	84,156	298,170	180,306	-	117,864
500,950	114,113	1,386,193	15,388	18,829	-	-
71,652	129,126	-	123,510	21,306	374,181	-
1,834,945	1,336,059	1,492,114	660,323	220,451	624,181	117,864
381,278	214,033	3,540	306,840	35,315	-	271,525
1,104,936	1,006,571	834,735	3,871	166,084	-	-
562,936	595,271	172,457	5,055	98,220	-	-
794,687	789,507	20,723	214	130,269	-	-
2,843,837	2,605,382	1,031,455	315,980	429,888	-	271,525
817,402	909,842	153,506	24,526	150,124	-	-
137,291	45,702	67,463	253,155	7,541	-	245,614
38,216	28,440	413,368	51,039	4,693	-	46,346
5,389,055	5,307,555	258,641	1,814	875,747	-	-
6,381,964	6,291,539	892,978	330,534	1,038,105	-	291,960
4,213,919	3,653,126	1,424,949	173,742	602,766	-	-
89,112	94,927	596	58,355	15,663	-	42,692
6,132,867	6,287,902	(157)	930,965	1,037,504	-	-
2,939,147	2,497,002	(74)	538,606	412,005	-	126,601
3,325,104	3,144,557	-	264,333	518,852	-	-
180,226	186,374	76,907	33	30,752	-	-
458,402	376,082	493	89,556	62,054	-	27,502
124	25,623	597	944	4,228	-	-
1,432,072	2,162,260	2,033	46,675	356,773	-	-
16,987,626	17,066,152	103,842	158	2,815,915	-	-
3,980,672	4,369,530	1,121,702	85,452	720,972	-	-
326,137	333,671	34	23,235	55,056	-	-
1,225,870	1,123,666	1,362	165,576	185,405	-	-
7,844	17,614	20	1,636	2,906	-	-
1,407,722	1,406,482	-	106,852	232,070	-	-
1,927,940	1,917,169	-	299,524	316,333	-	-
1,416,511	1,009,997	(23)	81,961	166,650	-	-
30,195	30,126	12,780	420	4,971	-	-
62,519	68,618	-	2,187	11,322	-	-
12,807	-	24	18,371	-	-	18,371
118,800	47,246	-	311,554	7,796	-	303,758
46,275,616	45,818,124	2,745,085	3,200,135	7,559,993	-	518,924

STATE OF COLORADO  
CASH FUNDS UNCOMMITTED RESERVES REPORT  
REPORT OF FUNDS WITH UNCOMMITTED RESERVES AND FEE REVENUE GREATER THAN \$0  
FISCAL YEAR 2017 AS OF JUNE 30, 2017

FUND	FUND BALANCE (NOTE 4) <sup>1</sup>	EXEMPT ASSETS (NOTE 5)	CAPITAL RESERVE (NOTE 6)	PREVIOUSLY APPROPRIATED FUND BALANCE (NOTE 7)	FEE REVENUES (NOTE 8)
<b>Department of Public Safety</b>					
12B0 Fire Service Education and Training Fund	13,696	-	-	-	53,482
12C0 Fire Suppression Cash Fund	268,383	-	-	-	333,904
12E0 Fireworks Licensing Cash Fund	71,869	-	-	-	46,801
16C0 Sex Offender Registry Fund	15,119	-	-	-	1,280
19Q0 Identity Theft Financial Fraud Fund	595,519	8,423	-	-	45,500
2030 Firefighter, First and Haz Mat Responder Certification Fund	45,210	-	-	-	241,531
21N0 Criminal Justice Training Fund	78,829	385	-	-	77,729
22N0 Cigarette Ignition Standards & Firefighter Protection Act	72,379	-	-	-	10,860
25M0 School Safety Resource Center Cash Fund	46,452	-	-	-	42,235
2710 State Patrol Special Events Fund	35,964	-	-	-	54,881
27J0 Instant Criminal Background Check Fund	25,346	715	-	-	2,289,485
29H0 State Toxicology Laboratory Fund	383,970	-	-	-	346,061
29U0 Vehicle Identification Number Fund	30,000	-	-	-	223,613
<b>SUBTOTAL</b>	<b>1,682,736</b>	<b>9,523</b>	<b>-</b>	<b>-</b>	<b>3,767,362</b>
<b>Department of Regulatory Agencies</b>					
16Z0 Insurance Fraud Cash Fund	1,176	-	-	-	588
1840 Public Utilities Commission Fixed Utility Fund	1,093,529	4,156	-	-	11,520,204
1850 Public Utilities Commission Motor Carrier Fund	346,567	-	-	-	2,244,902
1890 Division of Professions and Occupations Cash Fund	2,020,108	20	-	-	26,205,579
18S0 Prescription Drug Monitoring Fund	351,111	-	-	-	637,145
18W0 Viatical Settlements Cash Fund	96,688	-	-	-	8,540
19U0 Mortgage Company and Loan Originator Licensing Cash Fund	442,860	-	-	-	971,655
2006 Telecommunications Utility Fund	433,583	-	-	-	1,572,423
2120 Real Estate Cash Fund	791,599	-	-	-	5,447,230
2130 Division of Securities Cash Fund	138,923	5,053	-	-	4,835,166
22H0 Certificate of Conservation Easement Holders Fund	46,551	-	-	-	220,999
22J0 Consumer Outreach and Education Fund	40,349	-	-	-	180,687
2440 Public Deposit Administration Fund	688,043	750	-	-	5,138,485
25Q0 HOA Information and Resource Center Cash Fund	65,667	-	-	-	211,743
2720 Financial Services Cash Fund	309,542	-	-	-	1,725,035
27T0 Moving Outreach Fund	4,236	-	-	-	344
2820 Division of Insurance Cash	1,434,188	1,532	-	-	10,141,900
28F0 Conservation Easement Tax Credit Fund	83,022	-	-	-	423,975
<b>SUBTOTAL</b>	<b>8,387,742</b>	<b>11,511</b>	<b>-</b>	<b>-</b>	<b>71,486,600</b>
<b>Department of Revenue</b>					
16V0 Racing Cash Fund	186,102	-	-	-	1,364,938
1920 Auto Dealers License Fund	770,708	1,488	-	-	3,402,027
20A0 Private Letter Ruling Fund	26,481	-	-	-	11,000
2360 Liquor Enforcement Division & State Licensing Authority	420,677	3,314	-	-	3,046,292
2370 Tax Lien Certification Fund	34,560	-	-	-	7,457
25C0 Prepaid Wireless Trust Cash Fund	11,170	-	-	-	7,421
26B0 Gambling Payment Intercept Fund	63,330	-	-	-	17,925
4010 Limited Gaming Fund	2,485,425	33,254	-	-	999,107
4040 Colorado Title and Registration Fund (Costars)	15,451,676	-	-	-	632,401
<b>SUBTOTAL</b>	<b>19,450,129</b>	<b>38,056</b>	<b>-</b>	<b>-</b>	<b>9,488,568</b>
<b>Department of State</b>					
2000 Department of State Cash Fund	5,037,838	698,447	-	-	21,580,944
<b>Department of Treasury</b>					
4060 AIR Account	4,861,824	-	-	-	5,237
8270 Unclaimed Property Fund	113,783,428	4,186	-	-	6,500
<b>SUBTOTAL</b>	<b>118,645,252</b>	<b>4,186</b>	<b>-</b>	<b>-</b>	<b>11,737</b>
<b>GRAND TOTAL</b>	<b>\$ 285,503,346</b>	<b>11,604,568</b>	<b>620,091</b>	<b>\$ 27,763,385</b>	<b>\$ 213,700,489</b>

<sup>1</sup> Note numbers in column headings refer to the Notes to the Cash Funds Uncommitted Reserves Report beginning on Page 56, prepared by the Office of the State Controller.

SOURCE: Office of the State Controller.

TOTAL REVENUE	TOTAL EXPENSE	NON-FEE FUND BALANCE (NOTE 9)	UNCOMMITTED RESERVES (NOTE 10)	MAXIMUM RESERVE (NOTE 11)	ALTERNATIVE MAXIMUM RESERVE (NOTE 12)	EXCESS UNCOMMITTED RESERVE (NOTE 13)
53,500	57,438	5	13,691	9,477	-	4,214
335,414	133,418	1,208	267,175	22,014	-	245,161
47,681	49,502	1,326	70,543	8,168	-	62,375
1,447	210	1,745	13,374	35	-	13,339
552,558	462,678	538,752	48,344	76,342	-	-
241,657	200,253	24	45,186	33,042	-	12,144
99,506	70,116	17,168	61,276	11,569	-	49,707
10,860	43,636	-	72,379	7,200	-	65,179
103,424	117,326	27,483	18,969	19,359	-	-
2,251,239	2,250,759	35,087	877	371,375	-	-
2,298,513	3,553,345	97	24,534	586,302	-	-
699,196	774,383	193,927	190,043	127,773	-	62,270
223,613	223,900	-	30,000	36,944	-	-
6,918,608	7,936,964	816,822	856,391	1,309,600	-	514,389
588	-	-	1,176	-	-	1,176
11,944,965	11,447,592	38,738	1,050,635	1,888,853	-	-
2,516,725	2,208,879	37,432	309,135	364,465	-	-
27,047,815	24,556,401	62,903	1,957,185	4,051,806	-	-
833,157	514,542	82,604	268,507	84,899	-	183,608
8,540	1,533	-	96,688	253	-	96,435
974,212	668,340	1,162	441,698	110,276	-	331,422
1,572,423	1,239,715	-	433,583	204,553	-	229,030
5,712,378	5,307,117	36,743	754,856	875,674	-	-
4,835,858	4,707,078	19	133,851	776,668	-	-
221,032	174,514	7	46,544	28,795	-	17,749
181,694	167,738	224	40,125	27,677	-	12,448
5,184,547	4,846,188	6,106	681,187	799,621	-	-
213,103	158,987	419	65,248	26,233	-	39,015
1,732,935	1,570,865	1,411	308,131	259,193	-	48,938
392	52	519	3,717	9	-	3,708
11,461,381	10,475,749	164,933	1,267,723	1,728,499	-	-
424,014	356,087	8	83,014	58,754	-	24,260
74,865,759	68,401,377	433,228	7,943,003	11,286,228	-	987,789
1,412,250	1,397,597	6,235	179,867	230,604	-	-
3,569,157	3,333,711	36,020	733,200	550,062	-	183,138
11,000	11,000	-	26,481	1,815	-	24,666
3,201,622	3,083,700	20,249	397,114	508,811	-	-
7,457	-	-	34,560	-	-	34,560
7,421	2,065	-	11,170	341	-	10,829
17,925	7,090	-	63,330	1,170	-	62,160
120,003,975	119,928,207	2,431,755	20,416	19,788,154	-	-
15,016,125	13,232,184	14,800,932	650,744	2,183,310	-	-
143,246,932	140,995,554	17,295,191	2,116,882	23,264,267	-	315,353
22,446,407	21,768,717	167,313	4,172,078	3,591,838	3,596,917	575,161
9,191,188	8,704,690	4,859,054	2,770	1,436,274	-	-
63,618,375	4,891,247	113,767,617	11,625	807,056	-	-
72,809,563	13,595,937	118,626,671	14,395	2,243,330	-	-
\$ 570,377,324	\$ 504,760,326	\$ 216,857,212	\$ 28,658,090	\$ 83,285,462	\$ 9,917,634	\$ 5,567,991





