

COLORADO OFFICE OF THE STATE AUDITOR



SA

We Set the Standard for Good Government

STATE OF COLORADO

CASH FUNDS UNCOMMITTED RESERVES

FISCAL YEAR ENDED JUNE 30, 2019



OCTOBER 2019

PERFORMANCE AUDIT

THE MISSION OF THE OFFICE OF THE STATE AUDITOR
IS TO IMPROVE GOVERNMENT
FOR THE PEOPLE OF COLORADO

LEGISLATIVE AUDIT COMMITTEE

Senator Nancy Todd – Chair

Representative Lori Saine – Vice-Chair

Representative Rod Bockenfeld

Senator Paul Lundeen

Senator Rhonda Fields

Representative Dafna Michaelson Jenet

Representative Tracy Kraft-Tharp

Senator Jim Smallwood

OFFICE OF THE STATE AUDITOR

Dianne E. Ray

State Auditor

Kerri Hunter

Deputy State Auditor

Crystal Dorsey

Audit Manager

Scott Reid

Team Leader

Dana Dove

Auditor

AN ELECTRONIC VERSION OF THIS REPORT IS AVAILABLE AT
WWW.STATE.CO.US/AUDITOR

A BOUND REPORT MAY BE OBTAINED BY CALLING THE
OFFICE OF THE STATE AUDITOR
303.869.2800

PLEASE REFER TO REPORT NUMBER 1929P WHEN REQUESTING THIS REPORT



OFFICE OF THE STATE AUDITOR



We Set the Standard for Good Government

DIANNE E. RAY, CPA
—
STATE AUDITOR

October 15, 2019

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, 2019. 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.

OFFICE OF THE STATE AUDITOR
1525 SHERMAN STREET
7TH FLOOR
DENVER, COLORADO
80203

303.869.2800



CONTENTS



Report Highlights	1
CHAPTER 1	
OVERVIEW	3
Methodology to Identify Cash Funds with Excess Uncommitted Reserves	4
Cash Funds Uncommitted Reserves for Fiscal Year 2019	5
Taxpayer’s Bill of Rights (TABOR) Implications	8
Restriction of Spending Authority	10
Reporting Requirements	11
Current and Prior Year Compliance	11
Audit Purpose, Scope, and Methodology	13
Overall Conclusion	14
CHAPTER 2	
FINDINGS AND RECOMMENDATIONS	17
Compliance with Statutory Reserve Requirements	18
Department of Agriculture	20
RECOMMENDATION 1	21
Department of Higher Education	22
RECOMMENDATION 2	23
Department of Human Services	24
RECOMMENDATION 3	25
Judicial Department	26
RECOMMENDATION 4	27
Department of Labor and Employment	28
RECOMMENDATION 5	29
Department of Law	31
RECOMMENDATION 6	33
Department of Military and Veterans Affairs	34
RECOMMENDATION 7	35
Department of Public Health and Environment	36
RECOMMENDATION 8	38

Department of Public Safety	40
RECOMMENDATION 9	42
Department of Regulatory Agencies	44
RECOMMENDATION 10	46
Department of Revenue	48
RECOMMENDATION 11	50
Department of State	52
RECOMMENDATION 12	53
Cash Funds Uncommitted Reserves Report for the Fiscal Year Ended June 30, 2019	56
Notes to the Cash Funds Uncommitted Reserves Report	61
APPENDIX A DESCRIPTIONS OF CASH FUNDS	A-1
APPENDIX B CASH FUNDS UNCOMMITTED RESERVES REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019 – ALL FUNDS	B-1

REPORT HIGHLIGHTS



CASH FUNDS UNCOMMITTED RESERVES
FISCAL YEAR ENDED JUNE 30, 2019
PERFORMANCE AUDIT

STATE OF COLORADO
OFFICE OF THE STATE CONTROLLER

CONCERN

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

KEY FACTS AND FINDINGS

- We determined that 12 departments had funds with excess uncommitted reserves as of June 30, 2019. The departments that we identified as having cash funds with excess uncommitted reserves as of June 30, 2019, are:
 - ▶ Department of Agriculture
 - ▶ Department of Higher Education
 - ▶ Department of Human Services
 - ▶ Judicial Department
 - ▶ Department of Labor and Employment
 - ▶ Department of Law
 - ▶ Department of Military and Veterans Affairs
 - ▶ Department of Public Health and Environment
 - ▶ Department of Public Safety
 - ▶ Department of Regulatory Agencies
 - ▶ Department of Revenue
 - ▶ Department of State
- Within those 12 departments, 17 total cash funds had excess uncommitted reserves totaling approximately \$24.6 million.
 - ▶ The total number of departments with excess uncommitted reserves increased by two from the prior year.
 - ▶ The total number of funds with excess uncommitted reserves increased by one from the prior year.
 - ▶ Total excess uncommitted reserves decreased by approximately \$5.1 million from the prior year.
- The Department of Law had one cash fund with excess uncommitted reserves for 3 consecutive years and the OSC was required to restrict their spending authority, in accordance with Section 24-75-402(12), C.R.S., beginning in Fiscal Year 2020.

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 annually by September 20 to determine which funds are in compliance.

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 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 calculate the amount of each cash fund's uncommitted reserves. Statute limits the amount of uncommitted reserves a fund can have at the end of each fiscal year. Funds that have any amount of uncommitted reserves in excess of either the statutory maximum or the JBC-approved alternative maximum, as applicable, have "excess uncommitted reserves" and are out of compliance. The exhibit 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:			
1 CALCULATE THE UNCOMMITTED RESERVE			
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>			
2 CALCULATE THE MAXIMUM RESERVE			
Multiply total expenses by 16.5 percent			
Total expenses	\$ 200,000	H	
	x	16.5%	
Maximum reserve			\$ 33,000
3 CALCULATE THE EXCESS UNCOMMITTED RESERVE			
Subtract maximum reserve from the uncommitted reserve			
EXCESS UNCOMMITTED RESERVE			\$ 283,000

CASH FUNDS UNCOMMITTED RESERVES FOR FISCAL YEAR 2019

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. The General Assembly also added a provision that allows departments to request that the State Controller 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 Office of the State Controller (OSC) indicates that it has not received any requests to average uncommitted reserves in accordance with this provision.

The bill also added a provision allowing departments to submit a request to the JBC to waive these reserve requirements for a specific period. Departments can specifically request either a full exemption for a cash fund or the establishment of an alternative maximum reserve amount for the cash fund. This waiver could be for any amount. EXHIBIT 1.2 shows the cash funds that have JBC-approved waivers as of the date of this report. The funds in this table noted as having an “Exemption” waiver are excluded from the cash funds reporting requirements and are, therefore, not included in any tables or appendices. The funds in this table noted as having an “Alternative Maximum” waiver are included in tables and appendices, and are included in this report if they have uncommitted reserves in excess of their alternative maximum reserve.

**EXHIBIT 1.2. STATE OF COLORADO
JOINT BUDGET COMMITTEE APPROVED CASH FUND WAIVERS
FOR CASH FUNDS WITH EXCESS UNCOMMITTED RESERVES EFFECTIVE
AS OF FISCAL YEAR 2019**

DEPARTMENT	FUND NAME	WAIVER TYPE	MAXIMUM RESERVE	ALTERNATIVE MAXIMUM RESERVE	WAIVER PERIOD
Education	Educator Licensure Cash Fund	Exemption	N/A	N/A	Fiscal Years 2019 through 2021
Human Services	Child Care Licensing Cash Fund	Exemption	N/A	N/A	Fiscal Years 2019 through 2021
Labor and Employment	Conveyance Safety Fund	Alternative Maximum	\$163,622	\$1,500,000	Fiscal Years 2019 through 2021
Labor and Employment	Workers' Compensation Cost Containment Fund	Exemption	N/A	N/A	Fiscal Years 2019 through 2021
Local Affairs	Building Regulation Fund	Alternative Maximum	\$190,084	\$380,168	Fiscal Years 2019 through 2021
Local Affairs	Private Activity Bond Allocations Fund	Alternative Maximum	\$20,994	\$381,705	Fiscal Years 2019 through 2021
Personnel & Administration	State Archives and Records Fund	Exemption	N/A	N/A	Fiscal Years 2019 through 2020
Personnel & Administration	Supplier Database Cash Fund	Exemption	N/A	N/A	Fiscal Years 2017 through 2019
Public Health and Environment	Hazardous Substance Response Form	Alternative Maximum	\$620,710	\$10,000,000	Fiscal Years 2018 through 2020
Public Health and Environment	Medical Marijuana Program Cash Fund – Health Research Subaccount	Alternative Maximum	\$306,970	\$10,000,000	Fiscal Years 2018 through 2019
Public Health and Environment	Vital Statistics Record Cash Fund	Exemption	N/A	N/A	Fiscal Years 2018 through 2020
Public Safety	CBI Investigation Unit Fund	Exemption	N/A	N/A	Fiscal Years 2019 through 2020
Transportation	Motorcycle Operator Safety Training Fund	Exemption	N/A	N/A	Fiscal Years 2017 through 2019

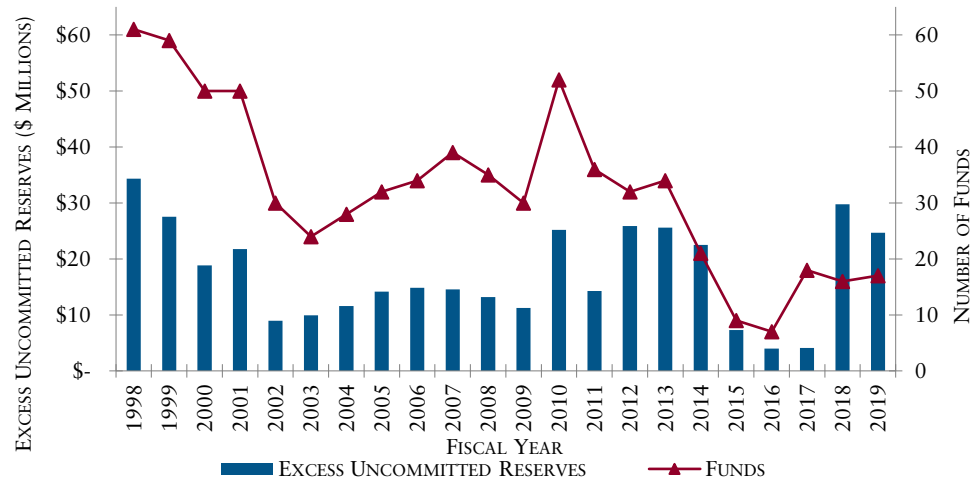
SOURCE: Joint Budget Committee letters to the Office of the State Controller dated March 2017 through March 2019.

The Fiscal Year 2019 Cash Funds Report (Report) indicates that, overall, Section 24-75-402, C.R.S., has reduced total excess uncommitted reserves since 1998. The Report shows 17 cash funds with excess uncommitted reserves of about \$24.6 million, compared with 61 cash funds with excess uncommitted reserves of about \$34.3 million identified in the Fiscal Year 1998 Report. From Fiscal Year 2018 to Fiscal Year 2019 the total excess uncommitted reserves decreased by \$5.1 million, and the total number of funds increased by one.

EXHIBIT 1.3 shows the excess uncommitted reserves by fiscal year and

the number of noncompliant funds since the implementation of the original cash funds legislation in 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 2019*.

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 with an excess.

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 collected by the State. If the State collects revenue in excess of a calculated limit, it must refund that excess to taxpayers. The excess has traditionally been paid from tax revenues in the General Fund, rather than fee revenues in 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 State Controller as of August 30, 2019, the State had approximately \$14.8 billion in TABOR revenue for Fiscal Year 2019. This included \$4.7 billion

recorded in all cash funds, with \$258 million in cash funds subject to the requirements of this report. Fiscal Year 2019 revenue was over the limit by \$428 million. When the State's TABOR revenue exceeds the limit, excess fee revenue in cash funds may influence whether the State will owe TABOR refunds. Section 24-75-402(3)(c), C.R.S., requires a department to reduce fees or increase expenditures 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, 2019, WITH COMPARISON OF BALANCES AS OF JUNE 30, 2018				
DEPARTMENT	FUND NAME	EXCESS UNCOMMITTED RESERVES 2018	EXCESS UNCOMMITTED RESERVES 2019	TOTAL NUMBER OF YEARS OUT OF COMPLIANCE ¹
Department of Revenue	Marijuana Cash Fund	\$ 15,163,131	\$ 13,926,918	2
Judicial Department	Judicial Information Technology Cash Fund	1,634,237	3,115,385	2
Department of Public Safety	Public School Construction and Inspection Fund	3,014,118	1,748,630	2
Department of Agriculture	Industrial Hemp Registration Program Fund	0	1,229,338	1
Department of Public Safety	Health Facility Construction and Inspection Fund	2,022,767	865,245	2
Department of Regulatory Agencies	Division of Securities Cash Fund	0	713,942	8
Department of Military and Veterans Affairs	Chargeable Quarters and Billeting Cash Fund	0	694,205	1
Department of Regulatory Agencies	Prescription Drug Monitoring Fund	0	480,061	6
Department of Labor and Employment	Conveyance Safety Fund	1,796,364	376,218	2
Department of Public Health and Environment	Assisted Living Residence Fund	0	336,177	13

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2019*.

¹ Total number of years out of compliance may not necessarily represent consecutive years.

RESTRICTION OF SPENDING AUTHORITY

Section 24-75-402(12), C.R.S., requires the State Controller to restrict spending authority for cash funds that have been out of compliance for 3 consecutive fiscal years. Specifically, 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 an exemption waiver for the fund.

EXHIBIT 1.5 is a summary of the funds with excess uncommitted reserves for 2 or 3 consecutive years as of June 30, 2019. As shown in the exhibit, the Uniform Consumer Credit Code Cash Fund at the Department of Law has had an excess uncommitted reserve for 3 consecutive years, and is subject to the spending authority restriction in Fiscal Year 2020, in accordance with statute. The remaining funds, which have had excesses for 2 consecutive years, will be subject to the spending authority restriction in Fiscal Year 2021 if they continue to have an excess uncommitted reserve at the end of Fiscal Year 2020.

**EXHIBIT 1.5. STATE OF COLORADO
CASH FUNDS WITH TWO OR THREE CONSECUTIVE YEARS OF EXCESS
UNCOMMITTED RESERVES AS OF JUNE 30, 2019**

DEPARTMENT	FUND NAME	EXCESS UNCOMMITTED RESERVES 2017	EXCESS UNCOMMITTED RESERVES 2018	EXCESS UNCOMMITTED RESERVES 2019
Judicial	Judicial Information Technology Cash Fund	\$ 0	\$ 1,634,237	\$ 3,115,385
Law	Uniform Consumer Credit Code Cash Fund	369,028	202,047	140,729
Labor and Employment	Conveyance Safety Fund	0	1,796,364	376,218
Public Safety	Public School Construction and Inspection Cash Fund	0	3,014,118	1,748,630
Public Safety	Health Facility Construction and Inspection Fund	0	2,022,767	865,245
Revenue	Marijuana Cash Fund ¹	0	15,163,131	13,926,918
Revenue	Liquor Law Enforcement	0	895,416	71,334
TOTAL		\$ 369,028	\$24,728,080	\$20,244,459

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2017, through 2019.*

¹ This fund has an exemption waiver beginning in Fiscal Year 2020

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 a cash fund's fee revenue that has a fee set in statute should be excluded from a cash fund's fee revenue in the calculation of excess uncommitted reserves.

CURRENT AND PRIOR YEAR COMPLIANCE

In our *Fiscal Year 2019 Cash Funds Uncommitted Reserves* audit report we have made recommendations to 12 departments for 17 funds with excess uncommitted reserves that were out of compliance with Section 24-75-402(3)(c), C.R.S. By comparison in the previous year, as a result of our Fiscal Year 2018 audit, we made recommendations to 10 departments for 16 cash funds that were out of compliance.

EXHIBIT 1.6 shows cash funds with any excess uncommitted reserves at the end of Fiscal Year 2019 or Fiscal Year 2018. The complete Report with all cash funds with uncommitted reserves greater than \$200,000 at the end of Fiscal Year 2019 and subject to Section 24-75-402, C.R.S., is on PAGES 56 and 57.

EXHIBIT 1.6. STATE OF COLORADO CASH FUNDS UNCOMMITTED RESERVES REPORT SUMMARY FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2019 CASH FUNDS WITH EXCESS UNCOMMITTED RESERVES GREATER THAN \$0		
FUND NAME	EXCESS UNCOMMITTED RESERVES	
	FISCAL YEAR 2018	FISCAL YEAR 2019
DEPARTMENT OF AGRICULTURE		
Industrial Hemp Registration Program Cash Fund	\$0	\$1,229,338
DEPARTMENT OF EDUCATION		
Educator Licensure Cash Fund	\$183,457	\$0
DEPARTMENT OF HIGHER EDUCATION		
Private Occupational Schools Fund	\$0	\$115,981
DEPARTMENT OF HUMAN SERVICES		
Child Care Licensing Cash Fund	\$114,916	\$0
Records And Reports Fund	\$0	\$270,740
SUBTOTAL	\$114,916	\$270,740
JUDICIAL BRANCH		
Judicial Information Technology Cash Fund	\$1,634,237	\$3,115,385
DEPARTMENT OF LABOR AND EMPLOYMENT		
Conveyance Safety Fund	\$1,796,364	\$376,218
Workers' Compensation Cost Containment Fund	\$1,663,985	\$0
SUBTOTAL	\$3,460,349	\$376,218
DEPARTMENT OF LAW		
Collection Agency Cash Fund	\$0	\$146,020
Uniform Consumer Credit Code Cash Fund	\$202,047	\$140,729
SUBTOTAL	\$202,047	\$286,749
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS		
Chargeable Quarters and Billeting Cash Fund	\$0	\$694,205
DEPARTMENT OF PERSONNEL & ADMINISTRATION		
State Archives and Public Records Fund	\$243,503	\$0
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT		
Newborn Genetics Cash Fund	\$233,012	0
Home Care Agency Cash Fund	\$0	\$89,965
Assisted Living Residence Fund	\$0	\$336,177
SUBTOTAL	\$233,012	\$426,142
DEPARTMENT OF PUBLIC SAFETY		
Fire Suppression Cash Fund	\$198,021	\$0
Colorado Bureau of Investigation Identification Unit Fund	\$1,843,441	\$0
Public School Construction and Inspection Fund	\$3,014,118	\$1,748,630
Health Facility Construction and Inspection Fund	\$2,022,767	\$865,245
SUBTOTAL	\$7,078,347	\$2,613,875

EXHIBIT 1.6. STATE OF COLORADO CASH FUNDS UNCOMMITTED RESERVES REPORT SUMMARY FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2019 CASH FUNDS WITH EXCESS UNCOMMITTED RESERVES GREATER THAN \$0		
FUND NAME	EXCESS UNCOMMITTED RESERVES	
	FISCAL YEAR 2018	FISCAL YEAR 2019
DEPARTMENT OF REGULATORY AGENCIES		
Prescription Drug Monitoring Fund	\$0	\$480,061
Public Utilities Commission Fixed Utilities	\$71,997	\$0
Division of Professions and Occupations Cash Fund	\$465,247	\$0
Division of Securities Cash Fund	\$0	\$713,942
SUBTOTAL	\$537,244	\$1,194,003
DEPARTMENT OF REVENUE		
Marijuana Cash Fund	\$15,163,131	\$13,926,918
Liquor Law Enforcement	\$895,416	\$71,334
SUBTOTAL	\$16,058,547	\$13,998,252
DEPARTMENT OF STATE		
Department of State Cash Fund	\$0	\$323,820
GRAND TOTAL	\$29,745,659	\$24,644,708

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2018 and 2019*, prepared by the Office of the State Controller.

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 annual Report. We performed our audit work on the Fiscal Year 2019 Report during the period June 2019 through October 2019. We acknowledge the cooperation and assistance provided by the State Controller and OSC staff, 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 full 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 Report, as prepared by the OSC, were 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 complied with Section 24-75-402, C.R.S., for cash funds with excess uncommitted reserves as of the Fiscal Year Ended June 30, 2019.
- 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.

OVERALL CONCLUSION

Based on the results of our audit, we determined that the Cash Funds Uncommitted Reserves Report as prepared by the State Controller on September 20, 2019, agreed to the State's underlying accounting records for Fiscal Year 2019 that were contained in the State's financial accounting system at that time. We noted no exceptions related to the preparation of the Cash Funds Uncommitted Reserves Report in accordance with applicable laws, rules, and regulations under Sections 24-30-207 (3), and 24-75-402, C.R.S.

We did note a presentation difference in the State Controller-prepared Report that we determined did not have an effect on any cash fund's overall statutory compliance. Specifically, Senate Bill 18-200 directed the State to provide a general fund distribution of \$225 million to the Public Employees Retirement Plan to eliminate its unfunded liability; the State Controller allocated approximately \$1.8 million of the distribution to selected State cash funds based on each cash fund's payroll benefit expense. However, the State Controller excluded the effect of this transaction from the Cash Funds Uncommitted Reserves Report because he considered the distribution to be a financial statement entry rather than direct expenditures made from each fund. Our conclusions are not modified with regard to this change.

Our conclusions, including specific details regarding instances of noncompliance with applicable cash funds statutes to support our findings, conclusions, and recommendations are described in CHAPTER 2.



CHAPTER 2

FINDINGS AND RECOMMENDATIONS

COMPLIANCE WITH STATUTORY RESERVE REQUIREMENTS

Cash funds statutes list key dates that specify when cash funds should comply 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 audit of the Fiscal Year 2019 *Cash Funds Uncommitted Reserves Report* (Report) we reviewed the departments' cash fund balances, obtained fund descriptions, and performed testwork on significant balances. The purpose of our audit work was to determine departments' compliance with statutory limits on excess uncommitted cash funds 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, Section 24-75-402(3)(c) C.R.S., 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. 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 12 departments had excess uncommitted reserves as of the end of Fiscal Year 2019 totaling approximately \$24.6 million in 17 cash funds that are subject to statutory limits. The departments and funds not in compliance as of June 30, 2019, 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 12 departments with excess uncommitted reserves for Fiscal Year 2019 did not take action to ensure statutory compliance with cash funds uncommitted reserves limits such as reducing fees, spending down the balance, or seeking a waiver from the Joint Budget Committee.

WHY DOES THIS PROBLEM MATTER?

Cash fund fees are considered part of TABOR revenue and excess cash reserves contribute to the State potentially exceeding TABOR limits in the current year. For Fiscal Year 2019 the State exceeded the TABOR excess revenues cap by \$428 million according to the State Controller's August 30th TABOR certification letter. If departments had reduced fees to effectively mitigate their excess reserves this excess revenue would have been lower.

DEPARTMENT OF AGRICULTURE

As of June 30, 2019, the Department of Agriculture had one cash fund out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$1.2 million.

INDUSTRIAL HEMP REGISTRATION PROGRAM CASH FUND

PURPOSE: To test hemp crops to ensure that THC levels comply with requirements. Fees are charged for inspections and based on land area.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2016.

STATUS: Fiscal Year 2019 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 2.1. INDUSTRIAL HEMP REGISTRATION PROGRAM CASH FUND

FISCAL YEAR	AMOUNT OF EXCESS
2016–2018 ¹	\$ –
2019	\$ 1,229,338

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2016, through 2019*.

¹ This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

RECOMMENDATION 1

The Department of Agriculture should take appropriate action to ensure that the Industrial Hemp Registration Program Cash Fund complies with applicable cash funds statutory requirements.

RESPONSE

DEPARTMENT OF AGRICULTURE

AGREE. IMPLEMENTATION DATE: JUNE 2022.

Since FY17, the number of registrations for the Industrial Hemp program has grown 410%, an unsustainable growth rate aided by the passage of Hemp as an agricultural crop on the 2018 Agricultural Improvement Act (Federal Farm Bill). The growth of this program currently exceeds spending authority, restricting the Department's ability to bring this fund into compliance. During the 2019 legislative session the Department pursued and obtained the passage of SB 19-220, which will provide an 4.6 additional FTE to the program. The Department does project continued growth in hemp registrations in FY20. Currently, the Department is leading the CHAMP initiative (Colorado Hemp Advancement and Management Plan) in collaboration with leading state, local, and tribal agencies, as well as industry experts. It is anticipated this initiative will drive additional funding requests to develop a sustainable plan to advance the Industrial Hemp program and could include funding for FTE, contractors, and funding for the development of a database system to more effectively manage Hemp registration, inspection and THC sampling data. In addition, during FY20 the Department will pursue a temporary alternative maximum reserve and/or waiver from the cash funds report from the JBC. The Department's deployed strategy for the cash fund management is intended to bring the Industrial Hemp Registration Program Cash Fund into compliance.

DEPARTMENT OF HIGHER EDUCATION

As of June 30, 2019, the Department of Higher Education had one cash fund out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$116,000.

PRIVATE OCCUPATIONAL SCHOOLS FUND

PURPOSE: To collect fees from Private Occupational schools to pay for administrative costs to ensure that schools are authorized and certified so that students are protected from substandard or fraudulent schools.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2003.

STATUS: Fiscal Year 2019 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 2.2. PRIVATE OCCUPATIONAL SCHOOLS FUND

FISCAL YEAR	AMOUNT OF EXCESS
2003 ¹	\$ -
2004	\$ 12,154
2005	\$ 16,378
2006	\$ 89,793
2007-2018 ¹	\$ -
2019	\$ 115,981

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2019.*

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

RECOMMENDATION 2

The Department of Higher Education should take appropriate action to ensure that the Private Occupational Schools Fund complies with applicable cash funds statutory requirements.

RESPONSE

DEPARTMENT OF HIGHER EDUCATION

AGREE. IMPLEMENTATION DATE: JANUARY 2020.

The Department of Higher Education (DHE) will take appropriate action to ensure that the Private Occupational Schools Fund complies with applicable cash funds statutory requirements. In accordance with Section 24-75-402(8), DHE will process a waiver request. Moving forward, the Division of Occupational Schools will obviously monitor expenditures and increase expenditures, if possible and as needed. Specifically, the Division of Occupational School is looking into implementing an online data base system. The online data base system will improve productivity and utilize unspent funds.

DEPARTMENT OF HUMAN SERVICES

As of June 30, 2019, the Department of Human Services had one cash fund out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$271,000.

RECORDS AND REPORTS FUND

PURPOSE: To collect fees from employers to conduct background screening job applications against the State Department of Human Services Child Abuse database that contains individuals who have a confirmed history of child abuse.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2003.

STATUS: Fiscal Year 2019 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 2.3. RECORDS AND REPORTS FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2003–2005 ¹	\$ –
2006	\$ 772,699
2007	\$ 335,404
2008–2012 ¹	\$ –
2013	\$ 70,391
2014	\$ 31
2015–2016 ¹	\$ –
2017	\$ 144,941
2018 ¹	\$ –
2019	\$ 270,740

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2019.*

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

RECOMMENDATION 3

The Department of Human Services should take appropriate action to ensure that the Records and Reports Fund complies with applicable cash funds statutory requirements.

RESPONSE

DEPARTMENT OF HUMAN SERVICES

AGREE. IMPLEMENTATION DATE: JUNE 2020.

The Department of Human Services takes an active role in monitoring all funds to ensure that they are being spent appropriately within statutory and regulatory requirements, this includes the Records and Reports cash fund. On January 1, 2019 CRS 26-3.1-111 was implemented adding an additional fee source to this existing fund. This fee is related to mandatory background checks performed against the Department's CAPS (Colorado Adult Protective Services) data system by certain employer's to determine whether a potential employee has been substantiated of mistreatment, neglect, or exploitation of an at-risk adult. This additional fee revenue started midyear in FY19 yet the associated spending authority for this revenue source was not granted in FY19. At the first opportunity to take action through the State budget process, the Department submitted an emergency supplemental request in FY20 to remedy this situation. Typically when a new fund source is implemented it is earned in its own fund, and when a fund is created there is a three year exception before it has to be compliant with the cash funds statute. In this case, since the revenue is earned in an existing fund, we were not given the same time frame typically needed to develop cost models for the new program. In addition to the increase in spending authority for FY20, the Department is also analyzing fund activity for consideration of a fee modification.

JUDICIAL DEPARTMENT

As of June 30, 2019, the Judicial Department had one cash fund out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$3.1 million.

JUDICIAL INFORMATION TECHNOLOGY CASH FUND

PURPOSE: To collect usage fees to maintain the court case management system.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2010.

STATUS: Fiscal Year 2019 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 2.4. JUDICIAL INFORMATION TECHNOLOGY CASH FUND

FISCAL YEAR	AMOUNT OF EXCESS
2010–2017 ¹	\$ –
2018	\$ 1,634,237
2019	\$ 3,115,385

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2010, through 2019*.

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

RECOMMENDATION 4

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

RESPONSE

JUDICIAL DEPARTMENT

AGREE. IMPLEMENTATION DATE: JUNE 2020.

The Department anticipates that the Judicial Information Technology Cash Fund will be in statutory compliance by the end of FY20 (June 30th, 2020). The FY20 appropriation from the Fund is \$21,949,179 which is over \$5 million greater than the FY19 actual expenditures. Revenues are projected to grow by only 3.5% to \$17.7 million meaning there will be spend down of fund balance of an estimated \$4.2 million which will bring the fund into compliance.

DEPARTMENT OF LABOR AND EMPLOYMENT

As of June 30, 2019, the Department of Labor and Employment had one cash fund out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$376,000.

CONVEYANCE SAFETY FUND

PURPOSE: To collect fees from conveyance owners to pay wages for inspectors and support staff that inspect and certify conveyances throughout the state, as well as program operating expenditures.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2003.

STATUS: Fiscal Year 2019 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 2.5. CONVEYANCE SAFETY FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2003-2017 ¹	\$ -
2018	\$ 1,796,364
2019	\$ 376,218

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2019.*

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

RECOMMENDATION 5

The Department of Labor and Employment should take appropriate action to ensure that the Conveyance Safety Fund complies with applicable cash funds statutory requirements, including maintaining the balance at or below the Joint Budget Committee (JBC) approved alternative maximum reserve.

RESPONSE

DEPARTMENT OF LABOR AND EMPLOYMENT

PARTIALLY AGREE. IMPLEMENTATION DATE: JULY 2021.

The Joint Budget Committee provided an exemption waiver for FY 2018-19, FY2019-20, and FY 2020-21 as well as established an alternate reserve after the waiver period was over. According to 24-75-402 (8) (a) Notwithstanding the maximum reserve limitation in paragraph (c) of subsection (3) of this section, for fiscal years beginning on or after July 1, 2015, the joint budget committee may grant a waiver of the maximum reserve for up to three years for an entity that demonstrates a specific purpose for which the entity needs to maintain uncommitted reserves in an amount greater than the maximum reserve. As part of the waiver, the joint budget committee may establish an alternative maximum reserve for the cash fund or exempt the cash fund altogether from any limits on uncommitted reserves. The department agrees to be in compliance once the waived period is complete.

AUDITOR'S ADDENDUM

As noted in CHAPTER 1, EXHIBIT 1.2, for Fiscal Years 2019 through 2021, the Department requested and the JBC approved an alternative maximum reserve, rather than an exemption waiver, of \$1.5 million for this fund. Because the Fund's uncommitted reserves exceeded the

alternative maximum reserve amount by approximately \$376,000 for Fiscal Year 2019, it is, therefore, out of compliance with the cash funds statutes. Furthermore, beginning in Fiscal Year 2022, the alternative maximum reserve waiver will expire and the fund will be required to comply with the statutory maximum reserve amount, which is 16.5 percent of annual expenditures. Based on the response by the Department, they need to seek clarification from the JBC on what the JBC approved and the requirements related to this approval.

DEPARTMENT OF LAW

As of June 30, 2019, 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 \$287,000.

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 2019 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. The Fund has been out of compliance for 3 consecutive years and is, therefore, also subject to spending restrictions noted in Section 24-75-402(12), C.R.S.

EXHIBIT 2.6. UNIFORM CONSUMER CREDIT CODE CASH FUND

FISCAL YEAR	AMOUNT OF EXCESS
2003	\$ 146,836
2004 ¹	\$ -
2005	\$ 69,796
2006	\$ 187,293
2007	\$ 113,989
2008–2010 ¹	\$ -
2011	\$ 35,918
2012	\$ 176,400
2013–2015 ¹	\$ -
2016	\$ -
2017	\$ 369,028
2018	\$ 202,047
2019	\$ 140,729

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2019*.

¹ This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

COLLECTION AGENCY CASH FUND

PURPOSE: To regulate collection agencies and debt collectors who pay registration fees for licenses.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2003.

STATUS: Fiscal Year 2019 was the 12th 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 2.7. COLLECTION AGENCY CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2003	\$ 6,097
2004	\$ 43,314
2005	\$ 60,981
2006	\$ 97,978
2007	\$ 94,281
2008	\$ 71,940
2009	\$ 78,312
2010	\$ 104,581
2011	\$ 76,537
2012	\$ 5,347
2013	\$ 18,507
2014-2018 ¹	\$ -
2019	\$ 146,020

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2019.*

¹ This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

RECOMMENDATION 6

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

- A Immediately addressing the Uniform Consumer Credit Code Fund's excess uncommitted reserves in order to meet the requirements for the State Controller to release any spending restrictions on the fund.
- B Ensuring that the Collection Agency Cash Fund complies with applicable cash funds statutory requirements.

RESPONSE

DEPARTMENT OF LAW

- A AGREE. IMPLEMENTATION DATE: JUNE 2020.

Monitoring of a cash funds viability, including excess reserves, is an on-going effort. During Fiscal Year 2019, the Department of Law pro-actively reduced revenue by lowering fees in anticipation of bringing the fund into compliance by the end of FY19. Although this goal did not fully materialize due to minimal variances in both revenue and expenditure forecasting, the Fund Balance was reduced by approximately \$241,000, and the Department will continue these efforts with compliance targeted for June 30, 2020.

- B AGREE. IMPLEMENTATION DATE: JUNE 2020.

Monitoring of a cash funds viability, including excess reserves, is an on-going effort. The Department will take steps during Fiscal Year 2020 to target compliance by June 30, 2020 for this fund.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

As of June 30, 2019, the Department of Military and Veterans Affairs had one cash fund out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$694,000.

CHARGEABLE QUARTERS AND BILLETING CASH FUND

PURPOSE: Depositing earned revenue from charging individuals staying in the billeting facilities when not on military orders.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2014.

STATUS: Fiscal Year 2019 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 2.8. CHARGEABLE QUARTERS AND BILLETING CASH FUND

FISCAL YEAR	AMOUNT OF EXCESS
2014-2018 ¹	\$ -
2019	\$ 694,205

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2014, through 2019.*

¹ This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

RECOMMENDATION 7

The Department of Military and Veterans Affairs should take appropriate action to ensure that the Chargeable Quarters and Billeting Cash Fund complies with applicable cash funds statutory requirements.

RESPONSE

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

AGREE. IMPLEMENTATION DATE: JUNE 2020.

This fund is used for operation of a lodging facility at a National Guard training center on Ft. Carson. National Guard regulation 5-3-1 associated with operation of such a training sight requires DMVA to, ". . . generate sufficient revenue to cover all lodging operating costs and future capital improvements." Rates are determined by DMVA's Lodging Advisory Council who review and approve costs and approval of rate structure to cover those costs. The Council reviewed and approved expenses and appropriate rates to cover requested costs. Operational issues at the facility have delayed progress with making some of those expenditures happen. In addition to increasing rates to cover costs, the facility experienced a 26 percent increase in occupancy, which was above expectations.

The Council meets quarterly to review costs and revenues. At the next meeting, the Council will discuss the cash balance and review costs and revenues. We will determine which costs can be accomplished in the 2020 fiscal year, then determine how rates will be adjusted to meet the required reduction in the cash balance. DMVA will have a defined plan by November 30, 2019.

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

As of June 30, 2019, 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 \$426,000.

ASSISTED LIVING RESIDENCE FUND

PURPOSE: To support inspections and licensing of assisted living residences to ensure the protection of health and safety for residents who cannot live independently.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2001.

STATUS: Fiscal Year 2019 was the 13th 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. ASSISTED LIVING RESIDENCE FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2001–2002 ¹	\$ –
2003	\$ 307,280
2004	\$ 382,317
2005	\$ 182,142
2006	\$ 59,848
2007	\$ 81,393
2008	\$ 33,287
2009	\$ 60,746
2010	\$ 279,220
2011	\$ 472,596
2012	\$ 311,202
2013	\$ 302,604
2014	\$ 64,034
2015–2018 ¹	\$ –
2019	\$ 336,177

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2001, through 2019.*

¹ This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

HOME CARE AGENCY FUND

PURPOSE: To administer and enforce standards for home healthcare agencies.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2011.

STATUS: Fiscal Year 2019 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 2.10. HOME CARE AGENCY FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2011	\$ 24,378
2012	\$ 254,091
2013	\$ 12,648
2014–2018 ¹	\$ –
2019	\$ 89,965

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2011, through 2019.*

¹ This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

RECOMMENDATION 8

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 Assisted Living Residence Fund complies with applicable cash funds statutory requirements.
- B Ensuring that the Home Care Agency Fund complies with applicable cash funds statutory requirements.

RESPONSE

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

- A AGREE. IMPLEMENTATION DATE: JUNE 2021.

The Department increased assisted living residence (ALR) fees effective July 1, 2018, and again July 1, 2019, to provide sufficient resources to hire additional staff to survey and inspect the increasing number of licensed ALRs, currently at 696 facilities. Increasing the fees and receiving fees from a larger number of ALRs brought in additional revenue, but as it took time to hire the additional survey staff, the fund retained an excess uncommitted reserve as of June 30, 2019. We project that with the hiring of the additional staff the fund balance will be below the uncommitted cash fund reserve limitation by or before June 30, 2021.

- B AGREE. IMPLEMENTATION DATE: JUNE 2020.

Prior to FY 2018-19 this fund had been in compliance since 2013-14. The fund received fees from over 100 new facilities in the fiscal year which was not anticipated. In addition the program manager position was vacant for several months and thus expenditures were

decreased. The fund will be monitored closely during this fiscal year to ensure that it is brought back into compliance.

DEPARTMENT OF PUBLIC SAFETY

As of June 30, 2019, the Department of Public Safety had two cash funds out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$2.6 million.

PUBLIC SCHOOL CONSTRUCTION AND INSPECTION FUND

PURPOSE: To record the costs and fees associated with the public school construction and inspection program administered by the division of fire prevention and control.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2011.

STATUS: Fiscal Year 2019 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 2.11. PUBLIC SCHOOL CONSTRUCTION AND INSPECTION FUND

FISCAL YEAR	AMOUNT OF EXCESS
2011–2017 ¹	\$ –
2018	\$ 3,014,118
2019	\$ 1,748,630

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2011, through 2019.*

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

HEALTH FACILITY CONSTRUCTION AND INSPECTION FUND

PURPOSE: To record the costs and fees associated with the health facility construction and inspection program administered by the division of fire prevention and control.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2016.

STATUS: Fiscal Year 2019 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 2.12. HEALTH FACILITY CONSTRUCTION AND INSPECTION FUND

FISCAL YEAR	AMOUNT OF EXCESS
2016–2017 ¹	\$ –
2018	\$ 2,022,767
2019	\$ 865,245

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2016, through 2019*.

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

RECOMMENDATION 9

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

- A Ensuring that the Public School Construction and Inspection Fund complies with applicable cash funds statutory requirements.
- B Ensuring that the Health Facility Construction and Inspection Fund complies with applicable cash funds statutory requirements.

RESPONSE

DEPARTMENT OF PUBLIC SAFETY

- A AGREE. IMPLEMENTATION DATE: JUNE 2020.

The Public School Construction and Inspection Fund (fund 22S0) first became non-compliant in FY18. The construction safety inspection program supported by this fund became fully staffed during FY18, which is consuming some of the excess fund balance and improving fund balance forecasting. Recognizing that the fund balance was high, the department reduced fees beginning in March, 2018. The fund program managers are actively managing the fund balance, and the excess uncommitted reserves have fallen by more than half during FY19. We still anticipate the fund will be in compliance by June 30, 2020.

- B AGREE. IMPLEMENTATION DATE: JUNE 2020.

The Health Facility Construction and Inspection Fund (fund 27K0) was exempt from the excess uncommitted reserves requirement prior to July 1, 2017. The fund first became non-compliant in FY18, the first year that the fund was non-exempt from the excess uncommitted reserves requirement.

Based on current staffing and operating cost estimates, the suspension of the \$500 annual fee for certificates of compliance (which has been suspended since 2017), and the acceleration of other fee reductions, the excess uncommitted reserves have fallen by about half during FY19. We still anticipate the fund will be in compliance by June 30, 2020.

DEPARTMENT OF REGULATORY AGENCIES

As of June 30, 2019, the Department of Regulatory Agencies had two cash funds out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$1.2 million.

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 2019 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 2.13. PRESCRIPTION DRUG MONITORING FUND

FISCAL YEAR	AMOUNT OF EXCESS
2007-2008 ¹	\$ -
2009	\$ 129,482
2010	\$ 69,556
2011	\$ 120,412
2012 ¹	\$ -
2013	\$ 57,577
2014-2016 ¹	\$ -
2017	\$ 183,608
2018 ¹	\$ -
2019	\$ 480,061

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2007, through 2019.*

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

DIVISION OF SECURITIES FUND

PURPOSE: To collect registration fees assessed on security sellers and protect investors by providing funds for Division staff to investigate cases of potential investment fraud, provide licensing and examination of investment advisers and stockbrokers, and for outreach and educational presentations.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2001.

STATUS: Fiscal Year 2019 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 2.14. DIVISION OF SECURITIES FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2001	\$ 112,625
2002–2004 ¹	\$ –
2005	\$ 279,648
2006	\$ 288,343
2007	\$ 230,010
2008	\$ 47,333
2009 ¹	\$ –
2010	\$ 85,207
2011–2013 ¹	\$ –
2014	\$ 165,190
2015–2018 ¹	\$ –
2019	\$ 713,942

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2001, through 2019.*

¹ This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

RECOMMENDATION 10

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 Division of Securities Cash Fund complies with applicable cash funds statutory requirements.

RESPONSE

DEPARTMENT OF REGULATORY AGENCIES

- A AGREE. IMPLEMENTATION DATE: JUNE 2021.

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. Due to oscillating renewal schedules for prescriptive authority licensees, this fund routinely encounters high renewal volume and low renewal volume in alternating years. Fees will be reduced in order to achieve compliance as soon as possible in order to rectify the fund balance. Specifically, fee reductions will be made effective FY 19-20 in order to achieve compliance as soon as is practicable; the next fee setting opportunity is Spring 2020, and so fund balance compliance will be achieved June 2021. However, the Department intends to examine whether to request an averaging of fund balance pursuant to Section 24-75-402 (7.5) in order to facilitate more reasonable consideration of this fund with respect to statutory fund balance limits.

B AGREE. IMPLEMENTATION DATE: JUNE 2020.

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. Due to recent fund balances that risked deficit status for the fund, fees were increased effective January 2019. However, given the excess fund balance, fees will be reduced effective January 2020 in order to achieve compliance as soon as possible. Fund balance compliance is expected to be achieved by June 2020.

DEPARTMENT OF REVENUE

As of June 30, 2019, the Department of Revenue had two cash funds out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$14 million.

MARIJUANA CASH FUND

PURPOSE: To regulate the cultivation, manufacture, distribution, and sale of marijuana products.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2013.

STATUS: Fiscal Year 2019 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 2.15. MARIJUANA CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2013–2017 ¹	\$ —
2018	\$ 15,163,131
2019	\$ 13,926,918

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Report for the Fiscal Years Ended June 30, 2013, through 2019*.

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

LIQUOR LAW ENFORCEMENT CASH FUND

PURPOSE: To support the administration, licensing, and enforcement of Colorado liquor laws.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2003.

STATUS: Fiscal Year 2019 was the 10th 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 2.16. LIQUOR LAW ENFORCEMENT CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2003–2007 ¹	\$ –
2008	\$ 210,305
2009	\$ 358,335
2010	\$ 455,866
2011	\$ 482,663
2012	\$ 520,137
2013	\$ 581,702
2014	\$ 704,503
2015	\$ 333,340
2016–2017 ¹	\$ –
2018	\$ 895,416
2019	\$ 71,334

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2019.*

¹ This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

RECOMMENDATION 11

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

- A Ensuring that the Marijuana Cash Fund complies with applicable cash funds statutory requirements.
- B Ensuring that the Liquor Law Enforcement Cash Fund complies with applicable cash funds statutory requirements.

RESPONSE

DEPARTMENT OF REVENUE

- A AGREE. IMPLEMENTATION DATE: JUNE 2020.

[Marijuana Enforcement Division] MED received an exemption waiver from the Joint Budget Committee for the maximum reserve for FY2019-2020, 2020-2021 and 2021-2022. MED will experience increased spending as a result of several special bills during the 2019 Legislation session including HB19-1090 Publicly licensed marijuana companies, HB19-1230 Marijuana hospitality establishments, HB19-1234 Regulated marijuana delivery, and SB19-224 Sunset regulated marijuana, and decision item (R-07 MED Operations) which provides a new enforcement unit to combat the black and gray market marijuana industry. Based on all of these factors, the cash fund is set to be compliant for FY2020. We will continue to monitor the fund balance.

- B AGREE. IMPLEMENTATION DATE: JUNE 2020.

The Liquor Enforcement Division (LED) reviewed, adjusted, and implemented a new fee structure last fiscal year through the annual fee setting process to alleviate the excess funding starting in January 2019. Based on this, the cash fund is set to be compliant for FY2020.

The Budget and LED teams meet monthly to review and discuss the current fee structure to ensure ongoing compliance.

DEPARTMENT OF STATE

As of June 30, 2019, 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 \$324,000.

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 2019 was the 12th 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. 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 ¹	\$ -
2010	\$ 1,911,907
2011	\$ 3,221,197
2012	\$ 4,061,078
2013–2015 ¹	\$ -
2016	\$ 248,901
2017	\$ 575,161
2018 ¹	\$ -
2019	\$ 323,820

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2019*.

¹This fund was either in compliance or not required to comply with Section 24-75-402(3)(c), C.R.S., during these years.

RECOMMENDATION 12

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 2020.

The Department of State Cash Fund (CDOS Cash Fund) had \$323,820 in excess reserves at the end of FY 2019. Based upon current information and projections, the Department of State (Department) expects that in FY 2020 expenses from the CDOS Cash Fund will increase by approximately \$2 million as a result of 2019 legislation, decision items/budget amendments, and common policy increases (including the salary survey increase for all state employees). At the same time, the Department expects revenue in the CDOS Cash Fund to increase by approximately \$800,000 in FY 2020 relative to FY 2019. As a result, the Department expects the fund to be in compliance by the end of FY 2020.



CASH FUNDS

UNCOMMITTED RESERVES

REPORT FOR THE

FISCAL YEAR ENDED

JUNE 30, 2019

STATE OF COLORADO
CASH FUNDS UNCOMMITTED RESERVES REPORT
REPORT OF FUNDS WITH UNCOMMITTED RESERVES GREATER THAN \$200,000
FISCAL YEAR 2019 AS OF JUNE 30, 2019

FUND	FUND BALANCE (NOTE 4) 1	EXEMPT ASSETS (NOTE 5)	CAPITAL RESERVE (NOTE 6)	PREVIOUSLY APPROPRIATED FUND BALANCE (NOTE 7)	FEE REVENUES (NOTE 8)
Department of Agriculture					
Inspection and Consumer Services Cash Fund	1,490,123	-	-	-	2,573,769
Plant Health, Pest Control and Environmental Protection Fund	1,090,142	2,051	-	-	3,831,919
Industrial Hemp Registration Program Cash Fund	1,311,984	-	-	-	1,714,529
SUBTOTAL	3,892,249	2,051	-	-	8,120,217
Health Care Policy & Financing					
Children's Basic Health Plan Trust	18,614,099	-	-	-	1,264,903
Medicaid Nursing Facility Cash Fund	1,524,084	-	-	-	56,661,683
SUBTOTAL	20,138,183	-	-	-	57,926,586
Higher Education					
Private Occupational Schools Fund	274,439	-	-	-	1,057,301
Human Services					
Records and Reports Fund	505,812	-	-	-	1,768,681
Judicial Branch					
Judicial Information Technology Cash Fund	8,133,262	2,293,440	-	-	17,060,669
Judicial Collection Enhancement Fund	5,638,961	-	-	-	553,323
SUBTOTAL	13,772,223	2,293,440	-	-	17,613,992
Labor and Employment					
Boiler Inspection Fund	239,858	-	-	-	1,494,402
Conveyance Safety Fund	2,141,393	-	-	-	651,523
SUBTOTAL	2,381,251	-	-	-	2,145,925
Law					
Collection Agency Cash Fund	290,265	-	-	-	923,000
Uniform Consumer Credit Code Cash Fund	484,476	-	-	-	1,389,764
Insurance Fraud Cash Fund	337,083	5,247	-	-	2,145,273
SUBTOTAL	1,111,824	5,247	-	-	4,458,037
Military and Veterans Affairs					
Chargeable Quarters and Billeting Cash Fund	835,396	-	-	-	1,501,784
Public Health and Environment					
Hazardous Substances Response Fund	10,812,258	-	-	-	2,862,398
Radiation Control Fund	204,098	-	-	-	2,707,232
Medical Marijuana Cash Fund	398,087	58,224	-	-	2,120,392
Home Care Agency Cash Fund	295,457	-	-	-	1,334,305
Assisted Living Residence Fund	649,958	-	-	-	2,470,638
Health Facilities General Licensure Cash Fund	213,205	-	-	-	2,154,951
SUBTOTAL	12,573,063	58,224	-	-	13,649,916
Public Safety					
Public School Construction and Inspection Fund	2,260,280	-	-	-	922,423
Instant Criminal Background Check Fund	461,185	9,525	-	-	3,484,907
Health Facility Construction and Inspection Fund	1,250,669	-	-	-	276,959
SUBTOTAL	3,972,134	9,525	-	-	4,684,289
Regulatory Agencies					
Public Utilities Commission Fixed Utility Fund	1,980,929	2,345	-	-	11,507,637
Public Utilities Commission Motor Carrier Fund	302,364	-	-	-	2,363,880
Division of Professions and Occupations Cash Fund	2,576,395	220	-	-	25,772,571
Prescription Drug Monitoring Fund	789,421	-	-	-	732,124
Disabled Telephone Users Fund	294,915	-	-	-	3,614,784
Real Estate Cash Fund	265,953	-	-	-	6,031,643
Division of Securities Cash Fund	1,524,540	1,800	-	-	6,403,231
Public Deposit Administration Fund	808,920	6,680	-	-	5,510,179
Financial Services Cash Fund	206,176	-	-	-	1,713,330
Division of Insurance Cash Fund	2,324,954	35,842	-	-	7,870,974
SUBTOTAL	11,074,567	46,887	-	-	71,520,353
Revenue					
Marijuana Cash Fund	17,897,400	15,685	-	-	11,277,786
Auto Dealers License Fund	415,346	16,462	-	-	3,775,333
Liquor Enforcement Division & State Licensing Authority	686,635	14,678	-	-	2,894,101
SUBTOTAL	18,999,381	46,825	-	-	17,947,220
Department of State					
Department of State Cash Fund	5,908,496	988,782	-	-	23,131,490
GRAND TOTAL	\$ 95,439,018.00	\$ 3,450,981.00	-	-	\$ 225,525,791.00

¹ Note numbers in column headings refer to the Notes to the Cash Funds Uncommitted Reserves Report beginning on Page 61, 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)
2,679,948	2,863,506	59,038	1,431,085	472,478	1,431,753	-
3,938,199	3,622,559	29,364	1,058,727	597,722	1,811,280	-
1,714,529	500,887	-	1,311,984	82,646	-	1,229,338
8,332,676	6,986,952	88,402	3,801,796	1,152,846	3,243,033	1,229,338
16,787,458	15,424,309	17,211,562	1,402,537	2,545,011	-	-
56,697,877	56,026,998	973	1,523,111	9,244,455	-	-
73,485,335	71,451,307	17,212,535	2,925,648	11,789,466	-	-
1,057,301	960,353	-	274,439	158,458	-	115,981
1,768,681	1,424,681	-	505,812	235,072	-	270,740
17,149,752	16,327,895	30,334	5,809,488	2,694,103	-	3,115,385
7,081,942	6,606,577	5,198,380	440,581	1,090,085	-	-
24,231,694	22,934,472	5,228,714	6,250,069	3,784,188	-	3,115,385
1,498,295	1,457,857	623	239,235	240,546	1,176,487	-
743,606	991,646	265,175	1,876,218	163,622	1,500,000	376,218
2,241,901	2,449,503	265,798	2,115,453	404,168	2,676,487	376,218
971,294	786,748	14,432	275,833	129,813	-	146,020
1,546,057	1,786,492	48,976	435,500	294,771	-	140,729
2,180,375	2,148,370	5,342	326,494	354,481	-	-
4,697,726	4,721,610	68,750	1,037,827	779,065	-	286,749
1,510,223	827,410	4,668	830,728	136,523	-	694,205
3,121,283	3,761,879	896,789	9,915,469	620,710	10,000,000	-
2,703,780	2,607,445	(261)	204,359	430,228	-	-
2,127,870	1,860,426	1,194	338,669	306,970	10,000,000	-
1,347,145	1,228,342	2,816	292,641	202,676	-	89,965
2,472,659	1,898,484	531	649,427	313,250	-	336,177
2,154,978	2,244,492	3	213,202	370,341	-	-
13,927,715	13,601,068	901,072	11,613,767	2,244,175	20,000,000	426,142
986,995	2,204,700	147,874	2,112,406	363,776	-	1,748,630
3,489,717	3,550,355	623	451,037	585,809	-	-
316,273	1,393,705	155,463	1,095,206	229,961	-	865,245
4,792,985	7,148,760	303,960	3,658,649	1,179,546	-	2,613,875
12,590,009	12,841,443	170,100	1,808,484	2,118,838	-	-
2,661,317	2,407,152	33,793	268,571	397,180	-	-
26,673,789	29,181,112	87,040	2,489,135	4,814,883	-	-
1,016,084	537,845	220,616	568,805	88,744	-	480,061
3,622,494	3,626,573	628	294,287	598,385	-	-
6,450,894	7,478,684	17,285	248,668	1,233,983	-	-
6,403,231	4,901,806	-	1,522,740	808,798	-	713,942
5,550,002	5,289,013	5,756	796,484	872,687	-	-
1,727,621	1,704,635	1,706	204,470	281,265	-	-
12,020,832	11,730,151	790,252	1,498,860	1,935,475	-	-
78,716,273	79,698,414	1,327,176	9,700,504	13,150,238	-	1,194,003
12,278,329	15,137,226	1,457,155	16,424,560	2,497,642	-	13,926,918
3,775,333	3,944,177	-	398,884	650,789	-	-
2,894,101	3,640,137	-	671,957	600,623	-	71,334
18,947,763	22,721,540	1,457,155	17,495,401	3,749,054	-	13,998,252
24,003,236	24,069,499	178,673	4,741,041	3,971,467	4,417,221	323,820
\$ 257,713,509.00	\$ 258,995,569.00	\$ 27,036,903.00	\$ 64,951,134.00	\$ 42,734,266.00	\$ 30,336,741.00	\$ 24,644,708.00



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 Funds 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. If applicable, the repeal date or waiver expiration 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 to fund 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 Highway Users' Tax Fund;
- The State Highway Fund;
- The Petroleum Storage Tank Fund;
- The Brand Inspection Fund;
- The Motorcycle Operator Safety Training Fund (9/1/2020);
- The Worker's Compensation Cash Fund;
- The Emergency Fire Fund;
- The Wildland Fire Equipment Repair Cash Fund;
- The Wildland Fire Cost Recovery Fund;
- The Wildfire Emergency Response Fund;
- The Wildfire Preparedness Fund;
- The Colorado Firefighting Air Corps Fund;
- The Enterprise Services Cash Fund;
- The Oil and Gas Conservation and Environmental Response Fund;
- The Licensing Services Cash Fund;
- The Cybersecurity Cash Fund;
- The Technology Advancement and Emergency Fund;

SOURCE: Office of the State Controller.

- The Division of Youth Services Pilot Program Cash Fund;
- The Governor’s Mansion Maintenance Fund;
- The Justice Center Cash Fund;
- The Justice Center Maintenance Fund;
- The Supplier Database Cash Fund (7/1/2019);
- The Vital Statistics Record Cash Fund (7/1/2020);
- The State Archives and Records Cash Fund (7/1/2020);
- The CBI Identification Unit Cash Fund (7/1/2020);
- The Educator Licensure Cash Fund (7/1/2021);
- The Child Care Licensing Cash Fund (7/1/2021);
- The Workers’ Compensation Cost Containment Fund (7/1/2021);
- Any cash fund used to fund a single program if the program has been in existence less than two full fiscal years.

HB18-1006 provided for an exemption from Section 24-75-402, C.R.S. for the Newborn Hearing Screening Fund (created in Section 25-4-1006(3), C.R.S.) and the Newborn Genetics Fund (created in Section 25-4-1006, C.R.S.). This exclusion is not included in Section 24-75-402, C.R.S, but it was determined that based on the specific language in the bill, the intent of the legislation was to exclude both funds from the Cash Funds Report beginning in FY2019 through FY2022.

NOTE 4. FUND BALANCE

Fund balance is the net of total assets and total liabilities in each fund as of June 30, 2019. 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, 2019. “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.

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. Contributions made by the State related to PERA direct distribution allocations (as required by Section 24-51-414, C.R.S.) on behalf of each cash fund are excluded from the report. Any effect those entries may have had are not included in the non-fee fund balance amount. This treatment is for Fiscal Year 2019 only.

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. Contributions made by the State related to PERA direct distribution allocations (as required by Section 24-51-414, C.R.S.) on behalf of each cash fund are excluded from the report. Any effect those entries may have had are not included in the non-fee fund balance amount. This treatment is for Fiscal Year 2019 only.

NOTE 11. MAXIMUM RESERVE

Maximum reserve is calculated as 16.5 percent of Fiscal Year 2019 expenditures of the cash fund. Contributions made by the State related to PERA direct distribution allocations (as required by Section 24-51-414, C.R.S.) on behalf of each cash fund are excluded from the report. Any effect those entries may have had are not included in the non-fee fund balance amount. This treatment is for Fiscal Year 2019 only.

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 or by waiver approved by the Joint Budget Committee.

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 56 and 57) for the Fiscal Year Ended June 30, 2019, prepared by the Office of the State Controller.

AGRICULTURE

16R0	Inspection and Consumer Services Cash Fund	This fund is used to record activity related to the administration of several inspection and consumer service programs. The Department charges fees to inspect and register certain agricultural activity to increase consumer safety.
23S0	Plant Health, Pest Control, and Environment Protection Fund	This fund is used to record activity related to the implementation, administration, and enforcement of environmental provisions including, but not limited to: biological pest control, bee inspection efforts, ground water protection efforts, and pesticide applicator license and inspection efforts. The Department charges fees, fines, and penalties to ensure environmental protection.
28J0	Industrial Hemp Registration Program Cash Fund	This fund is used to record activity related to the administration of the Industrial Hemp program. This program regulates the cultivation of industrial hemp by sampling hemp crops to ensure tetrahydrocannabinol (THC) concentration levels comply with requirements. The Department charges registration fees based on size and use of land area on which the individual/entity will conduct industrial hemp operations, and fees for crop inspection.

HEALTH CARE POLICY & FINANCING

11G0	Children’s Basic Health Plan Trust	This fund is used to record activity related to the administration the Children’s Basic Health Plan by providing insurance and healthcare services. The Department charges fees to enrollees based on family size.
22X0	Medicaid Nursing Facility Cash Fund	This fund is used to record activity related to the administration of the State’s Medicaid program. The Department charges daily fees to Medicaid nursing facilities for non-Medicare resident patients and uses the revenue to provide nursing and other services Medicaid patients. These expenditures increase the federal reimbursement amount for the State under the Medicaid program.

HIGHER EDUCATION

2220	Private Occupational Schools Fund	This fund is used to record activity related to the State’s oversight of private occupational schools. The Department charges fees for student assessments (student registration fees), institutional applications, course reviews, agent fees, and changes in school ownership, location, or name.
------	-----------------------------------	---

HUMAN SERVICES

17K0 Records and Reports Fund This fund is used to record fees charged by the Department for its State Department of Human Services Child Abuse database checks. The Department provides child abuse background check information to 3rd party employers on potential employees

JUDICIAL BRANCH

21X0 Judicial Information Technology Cash Fund This fund is used to record fees assessed by the Department on for electronic document filings, court database and record searches, and access to the court case management system (ICON/Eclipse). The Department uses this revenue to replace hardware and maintain the network on which the e-filing and public access programs operate.

26J0 Judicial Collection Enhancement Fund This fund is used to record activity related to the Department's enforcement and collection of restitution, fines, fees, costs, surcharges, and other monetary assessments set by the courts. The Department charges fees to defendants who need payment plans for additional time to pay such items.

LABOR AND EMPLOYMENT

1370 Boiler Inspection Fund This fund is used to record fees received from license and inspection of boilers and other pressure vessels. The Department uses this revenue to ensure boilers used in the State meet safety requirements. The Department charges fees to inspect and control the design, construction, operation, maintenance, and repair of boilers and other pressure vessels.

13D0 Conveyance Safety Fund This fund is used to record fees used to increase the safety of public conveyance systems in the State. The Department charges fees to conveyance owners for registration, construction permits and inspection certificates. It also charges fees for licensure of industry professionals.

LAW

1500 Collection Agency Fund This fund is used to record fees used to oversee debt collection agencies in the State. The Department charges fees for debt collector registration and licensure. The Collection Agency Board can also assess fines for unlawful practices.

1510 Uniform Consumer Credit Code Cash Fund This fund is used to record activity related to the administration and enforcement of the Uniform Consumer Credit Code (UCCC). The Department charges licensing and other fees based on credit volume.

16Z0 Insurance Fraud Cash Fund This fund is used to record fees used by the Colorado Department of Law for the investigation and prosecution of allegations of insurance fraud. The Department charges fees for application submission and renewal, and for entities that have direct written premiums, gross contract funds, or charges received in Colorado.

MILITARY AND VETERANS AFFAIRS

26N0 Chargeable Quarters and Billeting Cash Fund This fund is used to record activity related to the lodging facility at the Ft. Carson National Guard training site. The Department charges fees to individuals that use the facility based on room types, including meeting rooms and storage lockers. National Guard regulations dictate rules associated with operation of this type of facility. The Department is responsible for several operating costs including, but not limited to payroll, contractors, supplies, services, etc. along with furniture, fixture and equipment life-cycle replacement. Rates are calculated to cover the estimated costs of these items.

PUBLIC HEALTH AND ENVIRONMENT

1160 Hazardous Substances Response Fund This fund is used to record activity related to the State's obligation of Comprehensive Environmental Response and Compensation Liability Act (CERCLA). The Department charges fees for design, construction, operations, maintenance, and remedial actions of the various sites that hold hazardous substances. The Department also charges a tipping fee to landfill operators and collects a reimbursement fee from the Department of the Army for the oversight of the Rocky Mountain Arsenal.

1230 Radiation Control Fund This fund is used to record activity related to ensuring radiation-producing machines comply with regulations set forth by the Nuclear Regulatory Commission and the State Radiation Control Program. The Department charges fees for low-level radiation permits, x-ray inspection and certification, machine registrations, uranium mill permits, disposal, and management of radioactive materials.

14V0 Medical Marijuana Cash Fund This fund is used to record activity related to the Department's administration of the State's medical marijuana program. The Department charges fees to growers, sellers, and patients. The Department uses the revenue to ensure patients suffering from legitimate debilitating medical conditions are able to safely gain access to medical marijuana.

22R0 Home Care Agency Cash Fund This fund is used to record activity related to the Department's oversight of home care agencies in the State. The Department charges fees for licensure of certified providers.

2460 Assisted Living Residence Fund This fund is used to record activity related to the Department's oversight of assisted living residences in the State. The Department charges fees for licensing, inspection, and complaint investigation of assisted living residences. The Department also charges fees per bed fees change based on Medicaid utilization rate.

2650	Health Facilities General Licensure Cash Fund	This fund is used to record activity related to the Department's oversight of general health facilities that do not 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 Department charges fees for licensing of those facilities.
------	---	---

PUBLIC SAFETY

22S0	Public School Construction and Inspection Fund	This fund is used to record activity related to the construction and inspection of public schools. The Department charges permit and inspection fees of school construction operations.
27J0	Instant Criminal Background Check Fund	This fund is used to record activity related to the Department's administration of the Colorado Bureau of Investigations (CBI) program. The Department charges fees to provide instant background checks through the National Instant Criminal Background Check System (NICS).
27K0	Health Facility Construction and Inspection Fund	This fund is used to record activity related to the Department's inspection of health facilities as well as their construction. The Department charges fees to plan and execute reviews and inspections of health facilities during and after their construction.

REGULATORY AGENCIES

1840	Public Utilities Commission Fixed Utility Fund	This fund is used to provide supervision and regulation of the public utilities operating under the Office of Consumer Counsel. The Department charges annual assessments against fixed utilities proportional to their gross intrastate operating revenue.
1850	Public Utilities Commission Motor Carrier Fund	This fund is used to record activity related to the Department's administration of the Public Utilities Commission program. The Department charges fees to supervise and regulate motor vehicle carriers in the State.
1890	Division of Professions and Occupations Cash Fund	This fund is used to record activity related to the issuance and renewal of occupational licenses for numerous separate professional boards and programs, such as the Accountancy Board, Dental Board, and Plumbers Board. The various boards charge fees to professionals for obtaining and maintaining licensure to perform certain activities in the State.
18S0	Prescription Drug Monitoring Fund	The fund is used to record activity related to the Department's Division of Professions and Occupations' implementation of the Prescription Drug Monitoring Program. The Department charges assessments against licensees who have medical prescriptive authority.
1960	Disabled Telephone Users Fund	This fund is used to record activity related to the Department's telephone relay service for disabled telephone users. The Department charges per month per access line surcharge fees to all business and residential telephone customers. The Department is now applying the fee to wireless customers.

2120	Real Estate Cash Fund	This fund is used to record activity related to the Department's regulation of real estate practitioners. The Department charges application and renewal fees for real estate brokers and appraisers.
2130	Division of Securities Cash Fund	This fund is used to record activity related to the Department's regulation of securities sales agents in the State. The Department charges fees for the registration of those agents and other fees for the regulation of nonexempt securities and municipal bonds issued by certain political subdivisions.
2440	Public Deposit Administration Fund	This fund is used to record activity related to the Division of Banking and its mission to serve and protect the public interest by promoting a safe financial institutions industry through continuous quality regulation and supervision. The Department charges 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	This fund is used to record activity related to the Department's Division of Financial Services and its mission to serve and protect the public interest by promoting a safe and sound financial institutions industry through continuous quality regulation and supervision. The Department charges assessments to financial institutions based on assets. Fees are adjusted biennially.
2820	Division of Insurance Cash Fund	This fund is used to record activity related to the Department's oversight of business insurance in the State. The department charges fees to self-insurance pools, medical-surgical and health services corporations, nonprofit hospitals, and cash-bail agents designated for the Division of Insurance.

REVENUE

15Z0	Marijuana Cash Fund	This fund is used to record activity related to the Department's regulation of the cultivation, manufacture, distribution, and sale of marijuana products in the State. The Department charges license fees and fines to growers, distributors, manufacturers, and sellers.
1920	Auto Dealers License Board	This fund is used to record activity related to the Department's oversight of the Motor Vehicle Dealer Board. The Department charges fees for the licensing of motor vehicle dealers, wholesalers, buyer agents, and salespersons.
2360	Liquor Law Enforcement Division & State Licensing Authority	This fund is used to record activity related to the Department's oversight of liquor manufacturers and distributors. The Department charges a licensing fee that it collects from manufacturers, distributors, wholesalers, and retailers of liquor. The Department also collects application fees for licenses and permits.

STATE

2000	Department of State Cash Fund	This fund is used to record activity related to the operation of the Department of State. The Department charges fees for filing articles of incorporation, issuing official certificates, and making official copies of documents.
------	-------------------------------------	---

APPENDIX B



CASH FUNDS UNCOMMITTED RESERVES REPORT FOR THE FISCAL YEAR JUNE 30, 2019 ALL FUNDS

The *Cash Funds Uncommitted Reserves Report* (PAGES 56 and 57) 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, 2019, 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 2019 AS OF JUNE 30, 2019

FUND	FUND BALANCE (NOTE 4) ¹	EXEMPT ASSETS (NOTE 5)	CAPITAL RESERVE (NOTE 6)	PREVIOUSLY APPROPRIATED FUND BALANCE (NOTE 7)
Department of Agriculture				
Colorado Aquaculture Fund	2,123	-	-	-
Wine Development Fund	246,801	-	-	-
Veterinary Vaccine and Service Fund	21,627	-	-	-
Seed Potato Cash Fund	37,851	-	-	-
Pet Animal Care and Facility Fund	86,532	-	-	-
Agricultural Products Inspection Fund	119,163	802	-	-
Plant Health, Pest Control and Environmental Protection Fund	1,090,142	2,051	-	-
Industrial Hemp Registration Program Cash Fund	1,311,984	-	-	-
Inspection and Consumer Services Cash Fund	1,490,123	-	-	-
SUBTOTAL	4,406,346	2,853	-	-
Department of Corrections				
Correctional Education Program Fund	123,482	-	-	-
Office of the Governor				
Travel and Tourism Promotion Fund	19,366,698	-	-	-
Advance Industries Acceleration Fund	25,205,839	-	-	-
Creative District Community Loan Fund	11,052	-	-	-
Minority Business Fund	19,229	-	-	-
Advanced Industries Export Acceleration Cash Fund	57,680	-	-	-
Travel and Tourism Additional Sources Fund	205,772	-	-	-
SUBTOTAL	44,866,270	-	-	-
Department of Health Care Policy and Financing				
Service Fee Fund	49,964	-	-	-
Medicaid Buy-In Cash Fund	7,921	-	-	-
Department of Health Care Policy and Financing Cash Fund	26,497	-	-	-
Children's Basic Health Plan Trust	18,614,099	-	-	-
Medicaid Nursing Facility Cash Fund	1,524,084	-	-	-
SUBTOTAL	20,222,565	-	-	-
Department of Higher Education				
History Colorado Restricted Donations	1,442,283	-	-	-
Private Occupational Schools Fund	274,439	-	-	-
SUBTOTAL	1,716,722	-	-	-
Department of Human Services				
Colorado Domestic Abuse Program Fund	562,100	-	-	-
Alcohol and Drug Abuse Counselor Training Fund	3,860	-	-	-
Work Therapy Cash Fund	40,225	21,849	8,751	-
Controlled Substance Program Fund	14,986	-	-	-
Food Distribution Program Service Fund	296,849	-	-	-
Records and Reports Fund	505,812	-	-	-
SUBTOTAL	1,423,832	21,849	8,751	-
Judicial Branch				
Mediation Cash Fund	28,399	-	-	-
Other Judicial Special Revenue Funds	268,404	19,216	-	-
Judicial Collection Enhancement Fund	5,638,961	-	-	-
Judicial Information Technology Cash Fund	8,133,262	2,293,440	-	-
SUBTOTAL	14,069,026	2,312,656	-	-
Department of Labor and Employment				
Employment Support Fund	41,967,944	575	-	-
Utilization Review	23,085	-	-	-
Public Safety Inspection Fund	124,341	-	-	-
Physicians Accreditation Program Fund	149,503	-	-	-
Workmens' Compensation Self-Insurance Fund	152,799	-	-	-
Liquefied Petroleum Gas Inspection Fund	199,933	-	-	-
Boiler Inspection Fund	239,858	-	-	-
Conveyance Safety Fund	2,141,393	-	-	-
SUBTOTAL	44,998,856	575	-	-
Department of Law				
Safe2Tell Cash Fund	8,601	-	-	-
P.O.S.T. Board Cash Fund	1,154,439	3,509	-	-
Legal Services Cash Fund	5,611,720	2,367,049	896,045	-
Collection Agency Cash Fund	290,265	-	-	-
Insurance Fraud Cash Fund	337,083	5,247	-	-
Uniform Consumer Credit Code Cash Fund	484,476	-	-	-
SUBTOTAL	7,886,584	2,375,805	896,045	-
Legislative Branch				
Legislative Department Cash	13,419,190	13,136	-	-
Other Legislature Special Revenue Funds	31,672	-	-	-
SUBTOTAL	13,450,862	13,136	-	-
Department of Local Affairs				
Housing Development Grant Fund	15,923,435	3,952,654	-	-
Mortgage Fraud Custodial Funds	39,385,595	22,502,035	-	-
Private Activity Bond Allocation Fund	42,730	-	-	-
Building Regulation Fund	143,988	-	-	-
Moffat Tunnel Cash Fund	288,582	-	-	-
SUBTOTAL	55,784,330	26,454,689	-	-
Department of Military and Veterans Affairs				
Chargeable Quarters and Billeting Cash Fund	835,396	-	-	-

¹ Note numbers in column headings refer to the Notes to the Cash Funds Uncommitted Reserves Report beginning on Page 61, prepared by the Office of the State Controller.
SOURCE: Office of the State Controller.

FEE REVENUES (NOTE 8)	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)
4,240	4,240	3,893	-	2,123	642	-	1,481
30,590	850,161	770,964	237,921	8,880	127,209	-	-
395,280	401,057	397,808	312	21,315	65,638	-	-
9,919	10,502	7,860	2,101	35,750	1,297	-	34,453
831,234	859,480	858,585	2,844	83,688	141,667	-	-
1,875,045	1,890,275	2,176,139	954	117,407	359,063	-	-
3,831,919	3,938,199	3,622,559	29,364	1,058,727	597,722	1,811,280	-
1,714,529	1,714,529	500,887	-	1,311,984	82,646	-	1,229,338
2,573,769	2,679,948	2,863,506	59,038	1,431,085	472,478	1,431,753	-
11,266,525	12,348,391	11,202,201	332,534	4,070,959	1,848,362	3,243,033	1,265,272
453,724	537,450	534,647	19,236	104,246	88,217	-	16,029
100	15,868,969	14,984,278	19,366,576	122	2,472,406	-	-
424	13,000,775	13,858,590	25,205,017	822	2,286,667	-	-
3,370	3,574	111	631	10,421	18	-	10,403
13,105	13,105	25,000	-	19,229	4,125	-	15,104
5,500	12,942	305,079	33,168	24,512	50,338	-	-
647,199	679,522	502,535	9,788	195,984	82,918	-	113,066
669,698	29,578,887	29,675,593	44,615,180	251,090	4,896,472	-	138,573
282,900	2,137,141	2,143,884	43,350	6,614	353,741	-	-
3,939,593	3,939,593	3,939,593	-	7,921	650,033	-	-
101,497	131,569	105,052	6,056	20,441	17,334	-	3,107
1,264,903	16,787,458	15,424,309	17,211,562	1,402,537	2,545,011	-	-
56,661,683	56,697,877	56,026,998	973	1,523,111	9,244,455	-	-
62,250,576	79,693,638	77,639,836	17,261,941	2,960,624	12,810,574	-	3,107
1,000	1,883,849	2,001,375	1,441,517	766	330,227	-	-
1,057,301	1,057,301	960,353	-	274,439	158,458	-	115,981
1,058,301	2,941,150	2,961,728	1,441,517	275,205	488,685	-	115,981
3,908	1,249,392	1,107,831	560,342	1,758	182,792	-	-
6,250	6,250	12,881	-	3,860	2,125	-	1,735
311,281	368,698	370,276	1,499	8,126	61,096	-	-
12,375	12,648	8,167	323	14,663	1,348	-	13,315
127,745	1,187,286	1,148,633	264,910	31,939	189,524	-	-
1,768,681	1,768,681	1,424,681	-	505,812	235,072	-	270,740
2,230,240	4,592,955	4,072,469	827,074	566,158	671,957	-	285,790
1,572	1,572	-	-	28,399	-	-	28,399
286,751	591,859	478,260	128,458	120,730	78,913	-	41,817
553,323	7,081,942	6,606,577	5,198,380	440,581	1,090,085	-	-
17,060,669	17,149,752	16,327,895	30,334	5,809,488	2,694,103	-	3,115,385
17,902,315	24,825,125	23,412,732	5,357,172	6,399,198	3,863,101	-	3,185,601
7,929	34,106,535	30,938,526	41,957,613	9,756	5,104,857	-	-
36,985	36,985	53,021	-	23,085	8,748	-	14,337
342,320	345,022	366,988	974	123,367	60,553	-	62,814
96,600	96,600	62,118	-	149,503	10,249	-	139,254
152,000	152,000	-	-	152,799	-	-	152,799
287,577	292,240	293,249	3,190	196,743	48,386	-	148,357
1,494,402	1,498,295	1,457,857	623	239,235	240,546	1,176,487	-
651,523	743,606	991,646	265,175	1,876,218	163,622	1,500,000	376,218
3,069,336	37,271,283	34,163,405	42,227,575	2,770,706	5,636,961	2,676,487	893,779
5,934	6,067	3,384	189	8,412	558	-	7,854
197,469	5,192,738	5,613,571	1,107,163	43,767	926,239	-	-
3,062,559	41,353,226	41,079,964	2,174,690	173,936	6,778,194	-	-
923,000	971,294	786,748	14,432	275,833	129,813	-	146,020
2,145,273	2,180,375	2,148,370	5,342	326,494	354,481	-	-
1,389,764	1,546,057	1,786,492	48,976	435,500	294,771	-	140,729
7,723,999	51,249,757	51,418,529	3,350,792	1,263,942	8,484,056	-	294,603
2,410	5,596,132	2,851,490	13,400,281	5,773	470,496	-	-
15,106	18,306	10,560	5,536	26,136	1,742	-	24,394
17,516	5,614,438	2,862,050	13,405,817	31,909	472,238	-	24,394
4,200	9,313,650	4,891,500	11,965,383	5,398	807,098	-	-
500	806,938	128,548	16,873,099	10,461	21,210	-	-
119,239	119,239	127,235	-	42,730	20,994	381,705	-
1,006,344	1,080,439	1,152,024	9,874	134,114	190,084	380,168	-
12,000	18,232	85	98,642	189,940	14	-	189,926
1,142,283	11,338,498	6,299,392	28,946,998	382,643	1,039,400	761,873	189,926
1,501,784	1,510,223	827,410	4,668	830,728	136,523	-	694,205

STATE OF COLORADO
CASH FUNDS UNCOMMITTED RESERVES REPORT
REPORT OF FUNDS WITH UNCOMMITTED RESERVES AND FEE REVENUE GREATER THAN \$0
FISCAL YEAR 2019 AS OF JUNE 30, 2019

FUND	FUND BALANCE (NOTE 4) ¹	EXEMPT ASSETS (NOTE 5)	CAPITAL RESERVE (NOTE 6)	PREVIOUSLY APPROPRIATED FUND BALANCE (NOTE 7)
Department of Natural Resources				
Office of Active and Inactive Mines Operation Fund	22,420	-	-	-
Water Resources Cash Fund	51,576	-	-	-
Severance Tax Operating Fund	53,879,991	8,784	-	-
Satellite Monitoring System Cash Fund	56,618	642	-	-
Land and Water Management Fund	75,000	-	-	-
SUBTOTAL	54,085,605	9,426	-	-
Department of Personnel and Administration				
Professional Development Cash Fund	20	-	-	-
Administrative Hearings Fund	615,734	181,018	152,238	-
SUBTOTAL	615,754	181,018	152,238	-
Department of Public Health and Environment				
Hazardous Waste Service Fund	1,799,359	-	-	-
Waste Tire Administration, Enforcement and Cleanup Fund	6,839,459	-	-	-
Emergency Medical Services Account	693,993	-	-	-
Marijuana Tax Cash Fund	1,161,292	-	-	-
Water Quality Certification Sector Fund	5,117	-	-	-
Stationary Sources Fund	1,697,910	18,654	-	-
Visa Waiver Program Fund	9,102	-	-	-
Community Integrated Health Care Service Agencies	11,354	-	-	-
Fixed and Rotary-Wing Ambulances Cash Fund	11,710	-	-	-
Hazardous Waste Commission Fund	35,400	-	-	-
Medication Administration Fund	53,020	-	-	-
Coroner Training Fund	56,409	-	-	-
Trauma System Cash Fund	59,430	-	-	-
Ozone Protection Fund	65,595	-	-	-
Laboratory Cash Fund	123,262	-	-	-
Paint Stewardship Cash Fund	114,094	-	-	-
Radiation Control Fund	204,098	-	-	-
Health Facilities General Licensure Cash Fund	213,205	-	-	-
Home Care Agency Cash Fund	295,457	-	-	-
Medical Marijuana Cash Fund	398,087	58,224	-	-
Hazardous Substances Response Fund	10,812,258	-	-	-
Assisted Living Residence Fund	649,958	-	-	-
SUBTOTAL	25,309,569	76,878	-	-
Department of Public Safety				
Fireworks Licensing Cash Fund	3,711	-	-	-
Sex Offender Registry Fund	24,667	-	-	-
Fire Suppression Cash Fund	47,401	-	-	-
State Patrol Special Events Fund	583,983	-	-	-
Criminal Justice Training Fund	43,612	-	-	-
Fire Service Education and Training Fund	36,256	-	-	-
Cigarette Ignition Standards & Firefighter Protection Act	51,956	-	-	-
School Safety Resource Center Cash Fund	5,063,271	-	-	-
Firefighter, First and Haz Mat Responder Certification Fund	80,648	-	-	-
State Toxicology Laboratory Fund	369,156	-	-	-
Instant Criminal Background Check Fund	461,185	9,525	-	-
Health Facility Construction and Inspection Fund	1,250,669	-	-	-
Public School Construction and Inspection Fund	2,260,280	-	-	-
SUBTOTAL	10,276,795	9,525	-	-
Department of Regulatory Agencies				
Moving Outreach Fund	107	-	-	-
Consumer Outreach and Education Fund	18,459	-	-	-
Colorado High Cost Administration Fund	50,930	-	-	-
Viatical Settlements Cash Fund	112,706	-	-	-
Telecommunications Utility Fund	179,663	-	-	-
Financial Services Cash Fund	206,176	-	-	-
Real Estate Cash Fund	265,953	-	-	-
Public Utilities Commission Motor Carrier Fund	302,364	-	-	-
Disabled Telephone Users Fund	294,915	-	-	-
Prescription Drug Monitoring Fund	789,421	-	-	-
Public Deposit Administration Fund	808,920	6,680	-	-
Division of Insurance Cash Fund	2,324,954	35,842	-	-
Division of Securities Cash Fund	1,524,540	1,800	-	-
Public Utilities Commission Fixed Utility Fund	1,980,929	2,345	-	-
Division of Professions and Occupations Cash Fund	2,576,395	220	-	-
SUBTOTAL	11,436,432	46,887	-	-

¹ Note numbers in column headings refer to the Notes to the Cash Funds Uncommitted Reserves Report beginning on Page 61, prepared by the Office of the State Controller.
SOURCE: Office of the State Controller.

FEE REVENUES (NOTE 8)	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)
280	293,881	299,036	22,399	21	49,341	-	-
14,188	1,133,473	1,082,240	50,930	646	178,570	-	-
1,309	81,148,246	36,829,466	53,870,338	869	6,076,862	-	-
297,840	299,910	272,350	386	55,590	44,938	-	10,652
127,999	130,759	130,759	1,583	73,417	21,575	-	51,842
441,616	83,006,269	38,613,851	53,945,636	130,543	6,371,286	-	62,494
92,833	1,112,977	1,191,929	18	2	196,668	-	-
22,870	5,697,092	5,757,434	281,344	1,134	949,977	-	-
115,703	6,810,069	6,949,363	281,362	1,136	1,146,645	-	-
20	2,433,037	1,969,048	1,799,344	15	324,893	-	-
263	3,133,823	2,751,988	6,838,885	574	454,078	-	-
12,625	10,403,764	12,629,629	693,151	842	2,083,889	-	-
32,866	26,621,803	26,592,585	1,159,858	1,434	4,387,777	-	-
69,667	104,748	107,431	1,714	3,403	17,726	-	-
50,000	13,702,117	13,107,312	1,673,128	6,128	2,162,706	-	-
14,500	14,666	9,273	103	8,999	1,530	-	7,469
15,000	15,000	6,646	-	11,354	1,097	-	10,257
61,426	61,962	76,823	101	11,609	12,676	-	-
68,389	68,389	45,523	-	35,400	7,511	-	27,889
106,337	106,343	79,842	3	53,017	13,174	-	39,843
72,000	72,000	15,591	-	56,409	2,573	-	53,836
419,300	422,417	441,963	439	58,991	72,924	-	-
152,403	152,403	173,195	-	65,595	28,577	-	37,018
860,910	942,913	857,824	10,720	112,542	141,541	-	-
120,000	120,000	187,936	-	114,094	31,009	-	83,085
2,707,232	2,703,780	2,607,445	(261)	204,359	430,228	-	-
2,154,951	2,154,978	2,244,492	3	213,202	370,341	-	-
1,334,305	1,347,145	1,228,342	2,816	292,641	202,676	-	89,965
2,120,392	2,127,870	1,860,426	1,194	338,669	306,970	10,000,000	-
2,862,398	3,121,283	3,761,879	896,789	9,915,469	620,710	10,000,000	-
2,470,638	2,472,659	1,898,484	531	649,427	313,250	-	336,177
15,705,622	72,303,100	72,653,677	13,078,518	12,154,173	11,987,856	20,000,000	685,539
42,150	42,797	81,263	56	3,655	13,408	-	-
1,320	8,716	287	20,931	3,736	47	-	3,689
1,010	5,029	195,345	37,881	9,520	32,232	-	-
96,006	3,040,816	2,503,483	565,545	18,438	413,075	-	-
60,130	74,663	119,997	8,489	35,123	19,800	-	15,323
92,948	93,640	62,976	268	35,988	10,391	-	25,597
49,000	49,000	70,264	-	51,956	11,594	-	40,362
73,156	5,583,617	587,523	4,996,933	66,338	96,941	-	-
220,152	221,858	201,028	620	80,028	33,170	-	46,858
454,973	915,130	942,433	185,624	183,532	155,501	-	28,031
3,484,907	3,489,717	3,550,355	623	451,037	585,809	-	-
276,959	316,273	1,393,705	155,463	1,095,206	229,961	-	865,245
922,423	986,995	2,204,700	147,874	2,112,406	363,776	-	1,748,630
5,775,134	14,828,251	11,913,359	6,120,307	4,146,963	1,965,705	-	2,773,735
1,335	1,375	2,290	3	104	378	-	-
137,257	139,899	171,471	349	18,110	28,293	-	-
440,000	441,790	406,328	206	50,724	67,044	-	-
9,870	9,870	1,661	-	112,706	274	-	112,432
1,146,416	1,146,416	1,065,672	-	179,663	175,836	-	3,827
1,713,330	1,727,621	1,704,635	1,706	204,470	281,265	-	-
6,031,643	6,450,894	7,478,684	17,285	248,668	1,233,983	-	-
2,363,880	2,661,317	2,407,152	33,793	268,571	397,180	-	-
3,614,784	3,622,494	3,626,573	628	294,287	598,385	-	-
732,124	1,016,084	537,845	220,616	568,805	88,744	-	480,061
5,510,179	5,550,002	5,289,013	5,756	796,484	872,687	-	-
7,870,974	12,020,832	11,730,151	790,252	1,498,860	1,935,475	-	-
6,403,231	6,403,231	4,901,806	-	1,522,740	808,798	-	713,942
11,507,637	12,590,009	12,841,443	170,100	1,808,484	2,118,838	-	-
25,772,571	26,673,789	29,181,112	87,040	2,489,135	4,814,883	-	-
73,255,231	80,455,623	81,345,836	1,327,734	10,061,811	13,422,063	-	1,310,262

STATE OF COLORADO
 CASH FUNDS UNCOMMITTED RESERVES REPORT
 REPORT OF FUNDS WITH UNCOMMITTED RESERVES AND FEE REVENUE GREATER THAN \$0
 FISCAL YEAR 2019 AS OF JUNE 30, 2019

FUND	FUND BALANCE (NOTE 4) ¹	EXEMPT ASSETS (NOTE 5)	CAPITAL RESERVE (NOTE 6)	PREVIOUSLY APPROPRIATED FUND BALANCE (NOTE 7)
Department of Revenue				
Prepaid Wireless Trust Cash Fund	17,831	-	-	-
Limited Gaming Fund	2,629,136	21,742	-	-
Private Letter Ruling Fund	26,481	-	-	-
Tax Lien Certification Fund	46,902	-	-	-
Gambling Payment Intercept Fund	84,725	-	-	-
Racing Cash Fund	162,068	250	-	-
Auto Dealers License Fund	415,346	16,462	-	-
Liquor Enforcement Division & State Licensing Authority	686,635	14,678	-	-
Marijuana Cash Fund	17,897,400	15,685	-	-
SUBTOTAL	21,966,524	68,817	-	-
Department of State				
Department of State Cash Fund	5,908,496	988,782	-	-
Department of Treasury				
AIR Account	6,666,113	-	-	-
Unclaimed Property Fund	183,539,466	2,616	-	-
SUBTOTAL	190,205,579	2,616	-	-
Grand Total	\$ 529,589,025.00	\$ 32,565,512.00	\$ 1,057,034.00	-

¹ Note numbers in column headings refer to the Notes to the Cash Funds Uncommitted Reserves Report beginning on Page 61, prepared by the Office of the State Controller.
 SOURCE: Office of the State Controller.

FEE REVENUES (NOTE 8)	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)
6,311	6,311	-	-	17,831	-	-	17,831
946,737	128,032,268	128,102,596	2,588,114	19,280	21,136,928	-	-
6,500	6,500	6,500	-	26,481	1,073	-	25,408
8,283	8,283	-	-	46,902	-	-	46,902
15,860	15,860	6,150	-	84,725	1,015	-	83,710
1,312,578	1,312,578	1,306,596	-	161,818	215,588	-	-
3,775,333	3,775,333	3,944,177	-	398,884	650,789	-	-
2,894,101	2,894,101	3,640,137	-	671,957	600,623	-	71,334
11,277,786	12,278,329	15,137,226	1,457,155	16,424,560	2,497,642	-	13,926,918
20,243,489	148,329,563	152,143,382	4,045,269	17,852,438	25,103,658	-	14,172,103
23,131,490	24,003,236	24,069,499	178,673	4,741,041	3,971,467	4,417,221	323,820
6,065	10,675,050	9,398,195	6,662,326	3,787	1,550,702	-	-
9,100	70,884,512	37,534,521	183,513,288	23,562	6,193,196	-	-
15,165	81,559,562	46,932,716	190,175,614	27,349	7,743,898	-	-
\$ 247,969,747.00	\$ 772,797,468.00	\$ 679,691,675.00	\$ 426,943,617.00	\$ 69,022,862.00	\$ 112,149,124.00	\$ 31,098,614.00	\$ 26,435,213.00

