

COLORADO OFFICE OF THE STATE AUDITOR



STATE OF COLORADO

CASH FUNDS UNCOMMITTED RESERVES FISCAL YEAR ENDED JUNE 30, 2021



NOVEMBER 2021

PERFORMANCE AUDIT

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November 10, 2021

KERRI L. HUNTER, CPA
—
STATE AUDITOR

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, 2021. 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. The report presents our findings, conclusions, and recommendations, and the responses of various departments.



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REPORT HIGHLIGHTS



CASH FUNDS UNCOMMITTED RESERVES

FISCAL YEAR ENDED JUNE 30, 2021

PERFORMANCE AUDIT, NOVEMBER 2021

STATE OF COLORADO

OFFICE OF THE STATE CONTROLLER

CONCERN

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

KEY FACTS AND FINDINGS

- We determined that five departments had funds with excess uncommitted reserves as of June 30, 2021. The departments that we identified as having cash funds with excess uncommitted reserves as of June 30, 2021, are:
 - ▶ Department of Personnel and Administration
 - ▶ Department of Public Health and Environment
 - ▶ Department of Public Safety
 - ▶ Department of Regulatory Agencies
 - ▶ Department of Revenue
- Within those five departments, 19 total cash funds had excess uncommitted reserves totaling approximately \$15.1 million.
 - ▶ The total number of departments with excess uncommitted reserves decreased by two from the prior year.
 - ▶ The total number of funds with excess uncommitted reserves increased by two from the prior year.
 - ▶ Total excess uncommitted reserves increased by approximately \$6 million from the prior year.
- The Department of Public Health and Environment and the Department of Regulatory Agencies have had cash funds with excess uncommitted reserves for 3 consecutive years; as a result, the OSC will be required to restrict both departments' spending authority in accordance with Section 24-75-402(12), C.R.S., beginning in Fiscal Year 2022.

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, statutory alternative 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 2021

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 2021**

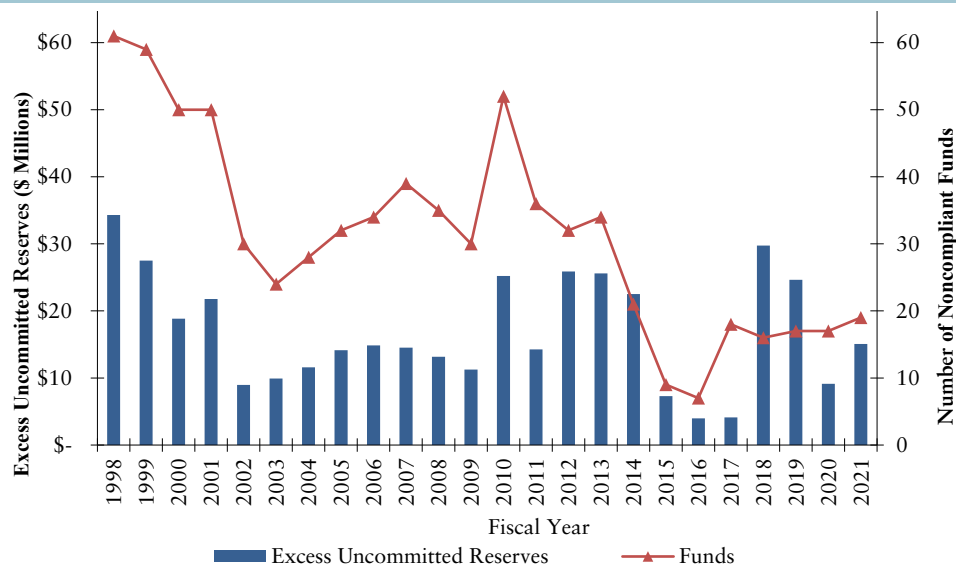
FUND NAME	WAIVER TYPE	MAXIMUM RESERVE	ALTERNATIVE MAXIMUM RESERVE	WAIVER PERIOD (FISCAL YEARS)
AGRICULTURE				
Industrial Hemp Registration Program Cash Fund	Exemption	N/A	N/A	2021 through 2023
EDUCATION				
Educator Licensure Cash Fund	Exemption	N/A	N/A	2019 through 2021
HIGHER EDUCATION				
Private Occupational Schools Fund	Exemption	N/A	N/A	2020 through 2022
HUMAN SERVICES				
Child Care Licensing Cash Fund	Exemption	N/A	N/A	2019 through 2021
Records and Reports Fund	Exemption	N/A	N/A	2020 through 2022
LABOR AND EMPLOYMENT				
Conveyance Safety Fund	Alternative Maximum	\$123,276	\$1,500,000	2021 through 2022
Wage Theft Enforcement Fund	Exemption	N/A	N/A	2021 through 2022
Workers' Compensation Cost Containment Fund	Exemption	N/A	N/A	2021 through 2022
LOCAL AFFAIRS				
Building Regulation Fund	Alternative Maximum	\$162,368	\$380,168	2019 through 2021
Private Activity Bond Allocations Fund	Alternative Maximum	\$8,562	\$381,705	2019 through 2021
PUBLIC SAFETY				
CBI Identification Unit Fund	Exemption	N/A	N/A	2020 through 2021
Health Facility Construction and Inspection Cash Fund	Alternative Maximum	N/A	30%	2021 through 2023
Public School Construction and Inspection Cash Fund	Alternative Maximum	N/A	40%	2021 through 2023
REVENUE				
Liquor Enforcement Division and State Licensing Authority	Exemption	N/A	N/A	2020 through 2022
Marijuana Cash Fund ¹	Exemption	N/A	N/A	2020 through 2022
SOURCE: Joint Budget Committee letters to the Office of the State Controller dated March 2017 through June 2021. ¹ This fund is distinct from the Medical Marijuana Cash Fund administered by the Department of Public Health and Environment.				

The Fiscal Year 2021 Report indicates that, overall, Section 24-75-402, C.R.S., has reduced total excess uncommitted reserves since 1998. The Report shows 19 cash funds with excess uncommitted reserves of about \$15.1 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 2020 to Fiscal Year 2021 the total excess

uncommitted reserves increased by approximately \$6 million, and the total number of funds increased by two.

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 2021*.

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 September 1, 2021, the State had approximately \$16.1 billion in TABOR revenue for Fiscal Year 2021. This included \$5.5 billion recorded in all cash funds, with \$315 million in cash funds subject to the requirements of this report. Fiscal Year 2021 revenue was over the limit by \$453.6 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, 2021, WITH COMPARISON OF BALANCES AS OF JUNE 30, 2020				
DEPARTMENT	FUND NAME	EXCESS UNCOMMITTED RESERVES 2020	EXCESS UNCOMMITTED RESERVES 2021	TOTAL NUMBER OF YEARS OUT OF COMPLIANCE ¹
Department of Public Health and Environment	Hazardous Substances Response Fund	\$0	\$4,159,019	1
Department of Personnel and Administration	Supplier Database Cash Fund	\$2,096,339	\$2,752,337	9
Department of Regulatory Agencies	Real Estate Cash Fund	\$319,443	\$1,990,598	7
Department of Public Safety	Instant Criminal Background Check Fund	\$838,106	\$1,632,224	4
Department of Revenue	Auto Dealers License Fund	\$0	\$1,162,700	10
Department of Public Health and Environment	Vital Records	\$0	\$663,304	3
Department of Regulatory Agencies	Conservation Easements Cash Fund	\$520,110	\$433,650	2
Department of Public Health and Environment	Radiation Control Fund	\$97,872	\$366,340	4
Department of Regulatory Agencies	Telecommunications Utility Fund	\$475,222	\$337,539	3
Department of Public Health and Environment	Trauma System Cash Fund	\$186,607	\$315,309	11
SOURCE: Office of the State Auditor analysis of the <i>Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2001, through 2021.</i>				
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 provides a listing of the cash funds with excess uncommitted reserves for 2 or more consecutive years as of June 30, 2021. As shown in the exhibit the following funds at the Department of Public Health and Environment had an excess uncommitted reserve for 3 consecutive years:

- Medical Marijuana Cash Fund
- Home Care Agency Cash Fund
- Assisted Living Residence Fund

The following funds at the Department of Regulatory Agencies had an excess uncommitted reserve for 3 consecutive years:

- Prescription Drug Monitoring Fund
- Division of Securities Cash Fund

As a result, these funds are now subject to spending authority restriction in Fiscal Year 2022, 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 2023 if they continue to have an excess uncommitted reserve at the end of Fiscal Year 2022.

EXHIBIT 1.5. STATE OF COLORADO CASH FUNDS WITH TWO OR MORE CONSECUTIVE YEARS OF EXCESS UNCOMMITTED RESERVES AS OF JUNE 30, 2021			
FUND NAME	EXCESS UNCOMMITTED RESERVES		
	2019	2020	2021
PERSONNEL AND ADMINISTRATION			
Supplier Database Cash Fund	\$0	\$2,096,339	\$2,752,337
PUBLIC HEALTH AND ENVIRONMENT			
Radiation Control	\$0	\$97,872	\$366,340
Trauma System Cash Fund	\$0	\$186,607	\$315,309
Medical Marijuana Cash Fund	\$31,699	\$190,239	\$24,665
Home Care Agency	\$89,965	\$39,520	\$15,415
Assisted Living Residence Fund	\$336,177	\$10,910	\$182,922
SUBTOTAL	\$457,841	\$525,148	\$904,651
PUBLIC SAFETY			
School Safety Resource Center Cash Fund	\$0	\$2,321,824	\$299,724
Instant Criminal Background Check Fund	\$0	\$838,106	\$1,632,224
SUBTOTAL	\$0	\$3,159,930	\$1,931,948
REGULATORY AGENCIES			
Conservation Easements Cash Fund	\$0	\$520,110	\$433,650
Prescription Drug Monitoring	\$480,061	\$174,278	\$62,471
Telecommunications Utility Fund	\$0	\$475,222	\$337,539
Real Estate Cash Fund	\$0	\$319,443	\$1,990,598
Division of Securities Cash Fund	\$713,942	\$75,011	\$105,715
SUBTOTAL	\$1,194,003	\$1,564,064	\$2,929,973
GRAND TOTAL	\$1,651,844	\$7,345,481	\$8,518,909
SOURCE: Office of the State Auditor analysis of the <i>Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2019, through 2021.</i>			

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

CURRENT AND PRIOR YEAR COMPLIANCE

In our *Fiscal Year 2021 Cash Funds Uncommitted Reserves* audit report we have made recommendations to five departments for 19 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 2020 audit, we made recommendations to seven departments for 17 cash funds that were out of compliance.

Exhibit 1.6 shows cash funds with any excess uncommitted reserves at the end of Fiscal Year 2021 or Fiscal Year 2020. The complete Report with all cash funds with uncommitted reserves greater than \$200,000 at the end of Fiscal Year 2021 and subject to Section 24-75-402, C.R.S., is on PAGES 50 and 51.

EXHIBIT 1.6. STATE OF COLORADO CASH FUNDS UNCOMMITTED RESERVES REPORT SUMMARY FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2021 CASH FUNDS WITH EXCESS UNCOMMITTED RESERVES GREATER THAN \$0		
FUND NAME	EXCESS UNCOMMITTED RESERVES	
	FISCAL YEAR 2020	FISCAL YEAR 2021
DEPARTMENT OF AGRICULTURE		
Industrial Hemp Registration Program Cash Fund	\$1,178,171	\$0
DEPARTMENT OF LAW		
Uniform Consumer Credit Code Cash Fund	\$193,429	\$0
DEPARTMENT OF PERSONNEL & ADMINISTRATION		
Disability Support Fund	\$0	\$217,959
Supplier Database Cash Fund	\$2,096,339	\$2,752,337
SUBTOTAL	\$2,096,339	\$2,970,296
DEPARTMENT OF PUBLIC HEALTH & ENVIRONMENT		
Hazardous Substances Response Fund	\$0	\$4,159,019
Radiation Control Fund	\$97,872	\$366,340
Vital Records Fund	\$0	\$663,304
Trauma System Cash Fund	\$186,607	\$315,309
Medical Marijuana Cash Fund	\$190,239	\$24,665
Home Care Agency Cash Fund	\$39,520	\$15,415
Assisted Living Residence Fund	\$10,910	\$182,922
Laboratory Cash Fund	\$0	\$114,286
SUBTOTAL	\$525,148	\$5,841,260
DEPARTMENT OF PUBLIC SAFETY		
School Safety Resource Center Cash Fund	\$2,321,824	\$299,724
Instant Criminal Background Check Fund	\$838,106	\$1,632,224
Public School Construction Inspection Fund	\$7,341	\$0
SUBTOTAL	\$3,167,271	\$1,931,948

**EXHIBIT 1.6. STATE OF COLORADO
CASH FUNDS UNCOMMITTED RESERVES REPORT SUMMARY
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2021
CASH FUNDS WITH EXCESS UNCOMMITTED RESERVES
GREATER THAN \$0**

FUND NAME	EXCESS UNCOMMITTED RESERVES	
	FISCAL YEAR 2020	FISCAL YEAR 2021
DEPARTMENT OF REGULATORY AGENCIES		
Conservation Easements Cash Fund	\$520,110	\$433,650
Prescription Drug Monitoring Fund	\$174,278	\$62,471
Telecommunications Utility Fund	\$475,222	\$337,539
Real Estate Cash Fund	\$319,443	\$1,990,598
Division of Securities Cash Fund	\$75,011	\$105,715
SUBTOTAL	\$1,564,064	\$2,929,973
DEPARTMENT OF REVENUE		
Racing Cash Fund	\$0	\$223,609
Auto Dealers License Fund	\$0	\$1,162,700
SUBTOTAL	\$0	\$1,386,309
DEPARTMENT OF STATE		
Department of State Cash Fund	\$400,328	\$0
GRAND TOTAL	\$9,124,750	\$15,059,786

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2020 and 2021*, prepared by the Office of the State Controller.

AUDIT PURPOSE, SCOPE, AND METHODOLOGY

We conducted this performance audit pursuant to Section 24-30-207(3), C.R.S., which requires the State Auditor to perform an audit of the OSC's annual Report. We performed our audit work on the Fiscal Year 2021 Report during the period July 2021 through November 2021. We appreciate the cooperation and assistance provided by the State Controller and OSC staff, as well as staff at the various departments.

We conducted this performance 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.

The key audit objectives were 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.

To accomplish our audit objectives, we performed the following audit work:

- 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 OSC'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, 2021.
- 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 relied on sampling to support some of our audit work. We selected a nonstatistical sample of 100 of the total 512 funds and performed detail testing of the various balances reported in the OSC's Report. We chose the sample to provide sufficient coverage of those areas that were significant to the objectives of this audit and the results of our sample testing were not intended to be projected to the entire population. However, the sample results are valid for confirming that the departments generally recorded cash fund information in accordance with the OSC's Fiscal Procedures Manual (FPM) and, along with the

other audit work performed, provide sufficient, reliable evidence as the basis for our findings, conclusions, and recommendations. The OSC publishes the FPM each year to communicate policies and procedures to the departments, and it includes detailed policies for recording transactions related to cash funds. This is the main way the OSC communicates internal control information externally to each department.

As required by auditing standards, we planned our audit work to assess the effectiveness of those internal controls that were significant to our audit objectives. Our conclusions on the effectiveness of those controls that were significant to our audit objectives, as well as specific details about the audit work supporting our findings, conclusions, and recommendations are described in the remainder of this report. The OSC reviewed a draft of this report and each department reviewed their respective findings and recommendations. We have incorporated the department and OSC comments into the report where relevant. The written responses to the recommendations and the related implementation dates are the sole responsibility of each department.

OVERALL CONCLUSION

Based on the results of our audit we determined the schedules contained in the Report, as prepared by the OSC, were prepared in accordance with Section 24-75-402, et. seq., C.R.S., including within the deadline for submission to the OSPB and JBC outlined in Section 24-30-207(3), C.R.S. We obtained an understanding of internal controls that were significant within the context of our audit objectives, evaluated the effectiveness of internal control in relation to the State Controller's preparation of the financial report, and found no deficiencies.

We determined that the OSC has created and implemented 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.

We determined that five departments did not comply with Section 24-75-402, C.R.S., for cash funds with excess uncommitted reserves as of the Fiscal Year Ended June 30, 2021. We describe specific details regarding these instances of noncompliance, our findings, and recommendations to the various departments 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 2021 *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. Section 24-75-402(12) C.R.S. 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 five departments had excess uncommitted reserves as of the end of Fiscal Year 2021, totaling approximately \$15.1 million within 19 cash funds that are subject to statutory limits. The departments and funds not in compliance as of June 30, 2021, 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 DOES THIS PROBLEM OCCUR?

The five departments with excess uncommitted reserves for Fiscal Year 2021 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?

As discussed in Chapter 1, because the departments did not take the necessary action to reduce fees, excess reserves were not mitigated effectively. Further, because cash fund fees are considered part of TABOR revenue, excess cash reserves contribute to the State potentially exceeding TABOR limits in a given year. For Fiscal Year 2021, the State was over the TABOR excess revenues cap by \$453.6 million according to the State Controller's September 1 TABOR certification letter.

DEPARTMENT OF PERSONNEL AND ADMINISTRATION

As of June 30, 2021, the Department of Personnel and Administration had two cash funds out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$3.0 million.

DISABILITY SUPPORT FUND

PURPOSE: To record the funds received from the sale of registration numbers for license plates to benefit Colorado's disability community.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2015.

STATUS: Fiscal Year 2021 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. DISABILITY SUPPORT FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2015-2020 ¹	\$ –
2021	\$217,959
SOURCE: Office of the State Auditor analysis of the <i>Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2015, through 2021.</i>	
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.	

SUPPLIER DATABASE CASH FUND

PURPOSE: To maintain the centralized database of providers of goods and services.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2003.

STATUS: Fiscal Year 2021 was the 9th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.2. SUPPLIER DATABASE CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2003-2009 ¹	\$ –
2010	\$142,569
2011	\$88,699
2012	\$181,983
2013	\$259,252
2014	\$1,295,229
2015	\$2,209,436
2016	\$1,805,137
2017-2019 ¹	\$ –
2020	\$2,096,339
2021	\$2,752,337

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2021*.

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 Personnel and Administration should take the appropriate action related to its cash funds excess uncommitted reserves including the following:

- A Ensuring that the Disability Support Fund complies with applicable cash funds statutory requirements.
- B Ensuring that the Supplier Database Cash Fund complies with applicable cash funds statutory requirements.

RESPONSE

DEPARTMENT OF PERSONNEL AND ADMINISTRATION

A AGREE. IMPLEMENTATION DATE: JUNE 2022.

The Department of Personnel & Administration (DPA) agrees that the Disability Support Fund is out of compliance with the statutory reserve requirements. While DPA is responsible for the fund accounting, fund expenditures are controlled by the Colorado Disability Funding Committee per Section 24-30-2203 C.R.S. A report in 2020 found that there was opportunity to improve the effectiveness of the Committee. Consequently, DPA temporarily transferred staffing responsibilities for the Committee to the Lt. Governor's Office to improve support for the Committee through an interagency agreement. This change led to increased revenues, a more collaborative Committee, and increased public visibility.

DPA will address the fund balance issue in a few ways. We addressed the issue in DPA's budget request submitted November 1, 2021, which requests to exempt the Disability Support Cash Fund from the uncommitted reserves requirements established in Section 24-30-2205.5, C.R.S. in conjunction with other technical changes to the Committee's structure and purview. The Department also intends to submit a cash fund waiver to JBC in January 2022.

B AGREE. IMPLEMENTATION DATE: JUNE 2022.

The Department of Personnel & Administration agrees that the Supplier Database Cash Fund is out of compliance with its statutory reserve requirements. The Department continues to work through the budgetary process to address the excess balance. In FY 2021-22, the Department estimates that it will draw down the excess uncommitted reserve balance by the end of the fiscal year. This is due to an approximate \$4.1 million fund balance adjustment enacted through the figure setting process for FY 2021-22.

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

As of June 30, 2021, the Department of Public Health and Environment had eight cash funds out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$5.8 million.

HAZARDOUS SUBSTANCES RESPONSE FUND

PURPOSE: To record activities related to the actions of the various sites that hold hazardous substances.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2018.

STATUS: Fiscal Year 2021 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 2.3. HAZARDOUS SUBSTANCES RESPONSE FUND

FISCAL YEAR	AMOUNT OF EXCESS
2018-2020 ¹	\$ –
2021	\$4,159,019

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2018, through 2021*.

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

RADIATION CONTROL FUND

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

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2001.

STATUS: Fiscal Year 2021 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 2.4. RADIATION CONTROL FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2001	\$98,739
2002-2016 ¹	\$ –
2017	\$126,601
2018-2019 ¹	\$ –
2020	\$97,872
2021	\$366,340
SOURCE: Office of the State Auditor analysis of the <i>Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2001, through 2021.</i>	
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.	

VITAL RECORDS FUND

PURPOSE: To maintain the vital statistics system.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2003.

STATUS: Fiscal Year 2021 was the 3rd year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.5. VITAL RECORDS FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2003-2008 ¹	\$ –
2009	\$28,590
2010	\$271,261
2011-2020 ¹	\$ –
2021	\$663,304
SOURCE: Office of the State Auditor analysis of the <i>Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2021.</i>	
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.	

TRAUMA SYSTEM CASH FUND

PURPOSE: To support a program to designate qualifying health care facilities as trauma centers.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2003.

STATUS: Fiscal Year 2021 was the 11th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.6. TRAUMA SYSTEM CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2003 ¹	\$ –
2004	\$27,299
2005	\$37,244
2006 ¹	\$ –
2007	\$66,734
2008	\$77,864
2009	\$48,484
2010	\$25,923
2011	\$137,884
2012	\$132,045
2013	\$211,745
2014-2019 ¹	\$ –
2020	\$186,607
2021	\$315,309
SOURCE: Office of the State Auditor analysis of the <i>Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2021.</i>	
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.	

MEDICAL MARIJUANA CASH FUND

PURPOSE: To create an identification registry for cardholders and partially offset the costs of administering the medical marijuana program.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2004.

STATUS: Fiscal Year 2021 was the 16th 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 continuing spending restrictions noted in Section 24-75-402(12), C.R.S.

EXHIBIT 2.7. MEDICAL MARIJUANA CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2004 ²	\$282
2005 ²	\$16,170
2006 ²	\$23,018
2007 ²	\$84,580
2008 ²	\$189,920
2009 ²	\$222,546
2010 ²	\$4,127,911
2011 ²	\$7,321,922
2012	\$11,322,309
2013	\$12,542,567
2014	\$12,977,819
2015	\$1,426,724
2016	\$169,156
2017-2018 ¹	\$ –
2019	\$31,699
2020	\$190,239
2021	\$24,665

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2004, through 2021*.

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.

² This fund was not reported with excess uncommitted reserves for these years due to the Department's improper coding of revenue.

HOME CARE AGENCY CASH FUND

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

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2011.

STATUS: Fiscal Year 2021 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. The Fund has been out of compliance for 3 consecutive years and is, therefore, also subject to continuing spending restrictions noted in Section 24-75-402(12), C.R.S.

EXHIBIT 2.8. HOME CARE AGENCY CASH FUND

FISCAL YEAR	AMOUNT OF EXCESS
2011	\$24,378
2012	\$254,091
2013	\$12,648
2014–2018 ¹	\$ –
2019	\$89,965
2020	\$39,520
2021	\$15,415

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2011, through 2021*.

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.

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 2021 was the 15th 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 continuing spending restrictions noted in Section 24-75-402(12), 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
2020	\$10,910
2021	\$182,922

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2001, through 2021*.
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.

LABORATORY CASH FUND

PURPOSE: To analyze microbiological specimens, environmental samples, and forensic toxicological samples.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2005.

STATUS: Fiscal Year 2021 was the 3rd year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.10. LABORATORY FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2005-2012 ¹	\$ –
2013	\$439,331
2014	\$151,225
2015-2020 ¹	\$ –
2021	\$114,286

SOURCE: Office of the State Auditor analysis of the *Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2005, through 2021*.
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 2

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 Hazardous Substances Response Fund complies with applicable cash funds statutory requirements.
- B Ensuring that the Radiation Control Fund complies with applicable cash funds statutory requirements.
- C Ensuring that the Vital Records Fund complies with applicable cash funds statutory requirements.
- D Ensuring that the Trauma System Cash Fund complies with applicable cash funds statutory requirements.
- E Immediately addressing the Medical Marijuana Cash Fund's excess uncommitted reserves in order to meet the requirements for the State Controller to release any spending restrictions on the Fund.
- F Immediately addressing the Home Care Agency Cash Fund's excess uncommitted reserves in order to meet the requirements for the State Controller to release any spending restrictions on the Fund.
- G Immediately addressing the Assisted Living Residence Fund's excess uncommitted reserves in order to meet the requirements for the State Controller to release any spending restrictions on the Fund.
- H Ensuring that the Laboratory Cash Fund complies with applicable cash funds statutory requirements.

RESPONSE

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

A AGREE. IMPLEMENTATION DATE: JUNE 2022.

The Hazardous Substance Response Fund (HSRF) maintains a significant balance as required to meet the State's long term obligations under the Comprehensive Environmental Response and Compensation Liability Act (CERCLA), known as Superfund. The current total long term liability is approximately \$39M. The HSRF cannot maintain a balance at the statutory cap of 16.5%, which is currently \$722,767, considerably less than the expected long term liability of \$39M. In an effort to resolve the conflicting information surrounding this fund, the department is considering pursuing resolution with the Joint Budget Committee for legislative change for SFY2022 and beyond.

B AGREE. IMPLEMENTATION DATE: JUNE 2022.

The radiation control fund is expected to be in compliance at the end of FY 22. The excess balance is due to limited expenditures due to lack of field work resulting from COVID.

C AGREE. IMPLEMENTATION DATE: JUNE 2022.

Program staff agrees with recommendation and will ensure that they comply with applicable cash funds statutory requirements by June 2022.

The 2021 excess uncommitted reserve is expected to be expended, or brought into compliance, by a combination of an ongoing capital construction project that is in progress and a reduction of projected annual revenues. This fund was granted a waiver from excess uncommitted reserve requirements that expired at the end of fiscal

year 2020. Therefore the fund balance is representative of one year of excess cash balance not requiring further restriction to be in compliance.

D AGREE. IMPLEMENTATION DATE: JUNE 2022.

The revenue in SFY20 was quite high due to a significant effort to collect past due billings. The revenue in SFY21 is returning to a more normal level, but may still reflect some of the past due collections. In addition, trauma facility reviews were down due to the pandemic, so program expenditures were lower than anticipated. For SFY19, trauma conducted 47 reviews. In SFY20, 18 reviews were conducted (9 were canceled due to COVID). In SFY21, 10 reviews were conducted (the program was unable to conduct reviews until February 2021). In SFY22 the program is projecting facility reviews to increase bringing it in line with previous SFY's. This in turn will increase expenses bringing the fund into compliance.

E AGREE. IMPLEMENTATION DATE: JUNE 2022.

Program staff agrees with the recommendation and will address the excess uncommitted reserve in this fund through a restriction of \$24,665 in funds.

While the program had a cash balance entering fiscal year 2022 that must be restricted, the program expects to exhaust the balance and newly appropriated funds, including additional funds created by the passage of House Bill 21-1317 by June 30, 2022.

F AGREE. IMPLEMENTATION DATE: JUNE 2022.

This fund had an increase of 60 new facilities in SFY20. The number of initial licenses increased by 36 in SFY21. The Department also experienced turnover in positions that were difficult to fill. The Department will continue to work toward filling vacancies and

utilizing the excess uncommitted reserves. We anticipate the fund will be in compliance by the end of SFY22.

G AGREE. IMPLEMENTATION DATE: JUNE 2022.

Pursuant to HB17-1285, this fund had a fee increase for SFY19. The fee increase was implemented to aid in sustaining the fund over the course of five years. Phase 2 of the fee increase went into effect on 7/1/2019. The intent of the fee increase was to gain excess fund balance in the first few years (SFY20 being year two) and slowly use that fund balance in subsequent years as expenses increase. In addition, the Department experienced a net increase of 27 facilities during SFY20 and an additional 72 in SFY21, which resulted in higher than anticipated revenue. However, with the unanticipated vacancies the program experienced, the expenses were less than expected. To bring this fund back into compliance the division is working with HR to fill the vacant position.

H AGREE. IMPLEMENTATION DATE: JULY 2021.

This fund had a small revenue increase in SFY21 accompanied with some vacancy savings due to the turnover in positions that were difficult to fill quickly. The Department plans to expend the excess cash reserve on the recently filled accessioning and certification positions in SFY22 and any related operating needs. We anticipate the fund will be in compliance in SFY22.

DEPARTMENT OF PUBLIC SAFETY

As of June 30, 2021, 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 \$1.9 million.

SCHOOL SAFETY RESOURCE CENTER CASH FUND

PURPOSE: To promote safe learning environments for Colorado schools by charging attendance fees for training programs and conferences.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2013.

STATUS: Fiscal Year 2021 was the 2nd year since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.11. SCHOOL SAFETY RESOURCE CENTER CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2013–2019 ¹	\$ –
2020	\$2,321,824
2021	\$299,724
SOURCE: Office of the State Auditor analysis of the <i>Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2013, through 2021.</i>	
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.	

INSTANT CRIMINAL BACKGROUND CHECK FUND

PURPOSE: To report costs and fees related to the Department's performance of criminal history record checks.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2015.

STATUS: Fiscal Year 2021 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 2.12. INSTANT CRIMINAL BACKGROUND CHECK FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2015	\$1,418,615
2016	\$747,725
2017-2019 ¹	\$ –
2020	\$838,106
2021	\$1,632,224
SOURCE: Office of the State Auditor analysis of the <i>Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2015, through 2021.</i>	
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 3

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

- A Ensuring that the School Safety Resource Center Cash Fund complies with applicable cash funds statutory requirements.
- B Ensuring that the Instant Criminal Background Check Fund complies with applicable cash funds statutory requirements.

RESPONSE

DEPARTMENT OF PUBLIC SAFETY

- A PARTIALLY AGREE. IMPLEMENTATION DATE: JUNE 2023.

The department understands that reporting for this fund reflects an excess fund balance, however the excess reserves reported are not from fee revenue as defined by 24-75-402 C.R.S. In Fiscal Year 2019 there was a \$5.5 million transfer of general fund made into

this fund and the reported fund balance currently includes funds remaining due to this transfer. This fund only earned \$46,130 and \$2,424 in fee revenue in fiscal years 2020 and 2021, respectively, and therefore does not have excess cash reserves derived from fee revenue defined by this statute. As noted in a Joint Budget Committee staff memo dated May 13, 2020, the department anticipates spending down the total fund balance, primarily derived from general fund, by June 2023. To ensure this fund is explicitly excluded from this reporting for fiscal year 2021-22, the department will request a waiver from the Joint Budget Committee.

AUDITOR'S ADDENDUM

The provisions in Section 24-75-402 (2)(e), C.R.S., do not allow the Office of the State Controller to make adjustments to current year fee revenue for prior year transfers. Therefore, fee revenue and the uncommitted reserve balances as of June 30, 2021, are calculated correctly. The Department should ensure compliance with the cash funds requirements, which may include seeking a waiver from the Joint Budget Committee.

B AGREE. IMPLEMENTATION DATE: JUNE 2022.

The Department requested and received approval of \$1.7M additional spending authority for Fiscal Year 2022 to hire up to 20 FTE, providing resources for increased workload in this program. It is expected that this will draw down excess reserves fund balance.

DEPARTMENT OF REGULATORY AGENCIES

As of June 30, 2021, the Department of Regulatory Agencies had five cash funds out of compliance with Section 24-75-402(3)(c), C.R.S., with excess uncommitted reserves totaling approximately \$2.9 million.

CONSERVATION EASEMENTS CASH FUND

PURPOSE: To ensure the soundness of state income tax credits for conservations easements by certifying organizations that hold conservation easements, determining credibility of appraisals, and assessing the qualifications of deeds of conservation easements.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2020.

STATUS: Fiscal Year 2021 was the 2nd year since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.13. CONSERVATION EASEMENTS CASH FUND

FISCAL YEAR	AMOUNT OF EXCESS
2020	\$520,110
2021	\$433,650
SOURCE: Office of the State Auditor analysis of the <i>Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2020, through 2021.</i>	

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 2021 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. The Fund has been out of compliance for 3 consecutive

years and is, therefore, also subject to continuing spending restrictions noted in Section 24-75-402(12), C.R.S.

EXHIBIT 2.14. 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
2020	\$174,278
2021	\$62,471
SOURCE: Office of the State Auditor analysis of the <i>Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2007, through 2021.</i>	
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.	

TELECOMMUNICATIONS UTILITY FUND

PURPOSE: To collect fees to defray the full amount of administrative expenses of the public utilities commission for the supervision and regulation of telecommunications public utilities.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2017.

STATUS: Fiscal Year 2021 was the 3rd year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.15. TELECOMMUNICATIONS UTILITY FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2017	\$229,030
2018–2019 ¹	\$ –
2020	\$475,222
2021	\$337,539
SOURCE: Office of the State Auditor analysis of the <i>Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2017, through 2021.</i>	
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.	

REAL ESTATE CASH FUND

PURPOSE: To collect fees for licenses, fines, and registrations for real estate brokers to support the Department's mission to protect the public from incompetent and dishonest real estate practitioners.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2003.

STATUS: Fiscal Year 2021 was the 7th 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. REAL ESTATE CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2003	\$1,034,446
2004	\$615,426
2005	\$1,167,900
2006	\$1,018,346
2007–2010 ¹	\$ –
2011	\$19,426
2012–2019 ¹	\$ –
2020	\$319,443
2021	\$1,990,598
SOURCE: Office of the State Auditor analysis of the <i>Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2003, through 2021.</i>	
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.	

DIVISION OF SECURITIES CASH FUND

PURPOSE: To collect registration fees assessed on security sellers and protect investors by providing funds for Division of Securities 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 2021 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. The Fund has been out of compliance for 3 consecutive

years and is, therefore, also subject to continuing spending restrictions noted in Section 24-75-402(12), C.R.S.

EXHIBIT 2.17. DIVISION OF SECURITIES CASH 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
2020	\$75,011
2021	\$105,715
SOURCE: Office of the State Auditor analysis of the <i>Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2001, through 2021.</i>	
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 4

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 Conservation Easements Cash Fund complies with applicable cash funds statutory requirements.
- B Immediately addressing the Prescription Drug Monitoring Fund's excess uncommitted reserves in order to meet the requirements for the State Controller to release any spending restrictions on the Fund.
- C Ensuring that the Telecommunications Utility Fund complies with applicable cash funds statutory requirements.
- D Ensuring that the Real Estate Cash Fund complies with applicable cash funds statutory requirements.

- E Immediately addressing the Division of Securities Cash Fund's excess uncommitted reserves in order to meet the requirements for the State Controller to release any spending restrictions on the Fund.

RESPONSE

DEPARTMENT OF REGULATORY AGENCIES

- A AGREE. IMPLEMENTATION DATE: JUNE 2023.

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. With respect to the Conservation Cash Fund, the Department significantly reduced fees, and additionally it is still expected that expenditures will increase in step with future hiring. Because the excess balance results from revenue in 2019 that exceeded 250% of program costs, it is taking several years to achieve compliance even with aggressive fee reductions. The Department still forecasts compliance as of no later than June 2023 (although compliance is probable by June 2022), and this expected implementation date is unchanged from last year.

- B AGREE. IMPLEMENTATION DATE: JUNE 2022.

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. The Department implemented fee reductions effective FY 2019-20 in order to achieve compliance as swiftly as possible while avoiding deficit status in out-years. Thus far, the Department has further reduced excess balance by 87% (from \$480k to \$82k) between June 2019 and June 2021. However, the

fund was non-compliant as expected during FY 20-21 in order to avert a fund balance deficit in FY 21-22, based on the timing of license renewals. The implementation date of June 2022 listed here is unchanged.

C AGREE. IMPLEMENTATION DATE: JUNE 2022.

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. With respect to the Telecommunications Fixed Utility Fund, unexpected underspending during FY 2020-21 was a primary factor in the excess. Expenditures in FY 2021-22 are expected to eliminate the excess balance.

D AGREE. IMPLEMENTATION DATE: JUNE 2023.

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. With respect to the Division of Real Estate Cash Fund, the Department immediately acted to aggressively reduce fees at the earliest possible date, reducing license fees by more than 50%, and has further acted to drastically reduce fees during FY 2021-22 (including fee reductions that are greater than 90%). Given the timing of this fund's license cycle, in which only 1/3 of licenses pay fees each year and most revenue is from fees charged in prior fiscal year periods, it is taking multiple fiscal years for compliance to be achieved without also causing a deficit. The Department presently forecasts compliance no later than June 2023, which is unchanged from last year, but is implementing aggressive fee reductions to make maximum progress by June 2022.

E AGREE. IMPLEMENTATION DATE: JUNE 2022.

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. The Department implemented aggressive fee reductions for this fund at the earliest opportunity, reducing fees by approximately 75% and taking revenue significantly below program costs. Excess fund balance was nearly eliminated by June 2020 having been reduced by 90% (from \$714k to \$75k) since June 2019. However, while the Department made significant progress and would have entirely eliminated the excess by June 2021, \$227,000 in unexpected underspending by the Department of Law during FY 20-21 prevented this from occurring, and the excess sits at \$105,715. Fee adjustments will be made immediately to return the fund to compliance.

DEPARTMENT OF REVENUE

As of June 30, 2021, 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 \$1.4 million.

RACING CASH FUND

PURPOSE: To promote racing and the recreation, entertainment, and commercial benefits derived from racing.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2005.

STATUS: Fiscal Year 2021 was the 5th year in total since the Fund's inception that the Fund was not in compliance with Section 24-75-402(3)(c), C.R.S.

EXHIBIT 2.18. RACING CASH FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2005-2009 ¹	\$ –
2010	\$71,522
2011	\$242,508
2012	\$217,530
2013	\$173,587
2014-2020 ¹	\$ –
2021	\$223,609
SOURCE: Office of the State Auditor analysis of the <i>Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2005, through 2021.</i>	
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.	

AUTO DEALERS LICENSE FUND

PURPOSE: To support the regulatory oversight function of the Motor Vehicle Dealer Board.

FIRST YEAR OF REQUIRED COMPLIANCE: Fiscal Year 2001.

STATUS: Fiscal Year 2021 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 2.19. AUTO DEALERS LICENSE FUND	
FISCAL YEAR	AMOUNT OF EXCESS
2001	\$163,256
2002-2006 ¹	\$ –
2007	\$569,256
2008-2009 ¹	\$ –
2010	\$644,669
2011	\$331,550
2012	\$144,635
2013	\$488,433
2014	\$618,714
2015	\$196,059
2016 ¹	\$ –
2017	\$183,138
2018-2020 ¹	\$ –
2021	\$1,162,700
SOURCE: Office of the State Auditor analysis of the <i>Cash Funds Uncommitted Reserves Reports for the Fiscal Years Ended June 30, 2001, through 2021.</i>	
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 5

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

- A Ensuring that the Racing Cash Fund complies with applicable cash funds statutory requirements.
- B Ensuring that the Auto Dealers License Fund complies with applicable cash funds statutory requirements.

RESPONSE

DEPARTMENT OF REVENUE

A AGREE. IMPLEMENTATION DATE: JUNE 2022.

The Racing Cash Fund exceeded the uncommitted reserves due to a delay in the 2021 horse racing season because of COVID-19 precautions. The horse racing season normally starts before the end of the fiscal year, but due to COVID-19 the 2021 horse racing season at Arapahoe Park did not start until after the end of the Fiscal Year 2020-21. Expenditures that would have happened in Fiscal Year 2020-21 have been shifted to Fiscal Year 2021-22 because of this delay. The Department has requested a mid-year budget increase in Fiscal Year 2021-22 for the increased expenditures due the shifting the expenditures from Fiscal Year 2020-21 to Fiscal Year 2021-22. The Racing Cash Fund will be in compliance after the 2021 horse racing season.

B AGREE. IMPLEMENTATION DATE: JUNE 2023.

The Auto Dealers License Fund is in excess of the uncommitted reserves due to the uncertainty from the COVID-19 pandemic. The Auto Industry Division had seen a sharp decline to revenue immediately after the start of the pandemic. Consequently, the Motor Vehicle Dealer Licensing Board approved a 50% fee increase in April 2020 in response to the large immediate decline to the industry and the unknown short-term future of the automotive industry due to COVID-19. These actions provided certainty that the Division would have enough available funds and be able to pay normal operating expenses including employee salaries for the remainder of the fiscal year. As part of the Fiscal Year 2020-21 Auto Dealers License Fund fee-setting process, the Auto Industry Division and the Motor Vehicle Dealer Licensing Board worked cooperatively to develop fee and licensing models to ensure the fund

would have sufficient revenue to fully support the operations while reducing the uncommitted reserve per the statutory requirement. At the meeting held in April 2021, the Board approved a 35% fee reduction. Although the automotive industry is uncertain and can be volatile, the reduction in fees is reasonable to ensure there is adequate cash to fund operations and to comply with the reserve requirement by the end of Fiscal Year 2022-23. The division will continue to monitor and evaluate revenue and fund balance health to ensure compliance.

CASH FUNDS

UNCOMMITTED RESERVES

REPORT FOR THE

FISCAL YEAR ENDED

JUNE 30, 2021

STATE OF COLORADO
CASH FUNDS UNCOMMITTED RESERVES REPORT
REPORT OF FUNDS WITH UNCOMMITTED RESERVES GREATER THAN \$200,000
FISCAL YEAR 2021 AS OF JUNE 30, 2021

FUND	FUND BALANCE (NOTE 4) ¹	EXEMPT ASSETS (NOTE 5)	CAPITAL RESERVE (NOTE 6)	PREVIOUSLY APPROPRIATED FUND BALANCE (NOTE 7)	FEE REVENUE (NOTE 8)
Department of Agriculture					
Inspection and Consumer Services Cash Fund	\$1,718,495	\$0	\$10,004	\$0	\$3,351,613
Plant Health, Pest Control and Environmental Protection Fund	2,385,490	-	608	-	5,207,919
SUBTOTAL	4,103,985	-	10,612	-	8,559,532
Health Care Policy & Financing					
Medicaid Nursing Facility Cash Fund	1,278,108	-	-	-	59,397,025
Judicial Branch					
Judicial Information Technology Cash Fund	9,845,898	1,627,964	7,430,909	-	26,032,659
Labor and Employment					
Boiler Inspection Fund	395,267	-	-	-	1,476,364
Conveyance Safety Fund	1,364,509	-	-	-	669,615
SUBTOTAL	1,759,776	-	-	-	2,145,979
Law					
Insurance Fraud Cash Fund	357,130	1,382	143,508	-	2,573,683
Legal Services Cash Fund	8,102,318	2,578,326	1,454,336	-	4,550,437
SUBTOTAL	8,459,448	2,579,708	1,597,844	-	7,124,120
Local Affairs					
Building Regulation Fund	425,056	-	-	-	1,056,651
Private Activity Bond Allocation Fund	202,546	-	-	-	108,555
SUBTOTAL	627,602	-	-	-	1,165,206
Personnel and Administration					
Disability Support Fund	358,710	4	-	-	46,220
Supplier Database Cash Fund	5,441,075	-	-	-	705,563
SUBTOTAL	5,799,785	4	-	-	751,783
Public Health and Environment					
Hazardous Substances Response Fund	7,194,868	-	-	-	1,988,912
Radiation Control Fund	870,025	-	-	-	3,352,463
Vital Records Fund	1,152,319	-	-	-	3,081,798
Trauma System Cash Fund	389,453	-	-	-	515,200
Medical Marijuana Cash Fund	434,717	18,048	-	-	2,276,144
Home Care Agency Cash Fund	243,123	-	-	-	1,369,288
Assisted Living Residence Fund	677,297	-	-	-	3,105,181
Health Facilities General Licensure Cash Fund	277,004	-	-	-	2,306,367
Laboratory Cash Fund	228,072	-	-	-	853,536
Emergency Medical Services Account	1,261,072	-	-	-	10,287,188
SUBTOTAL	12,727,950	18,048	-	-	29,136,077
Public Safety					
School Safety Resource Center Cash Fund	1,831,629	-	-	-	2,424
Instant Criminal Background Check Fund	2,348,617	1,027	-	-	5,179,786
SUBTOTAL	4,180,246	1,027	-	-	5,182,210
Regulatory Agencies					
Conservation Easements Cash Fund	482,917	-	-	-	221,750
Public Utilities Commission Fixed Utility Fund	1,059,872	13,521	-	-	12,770,144
Public Utilities Commission Motor Carrier Fund	344,858	985	-	-	2,128,715
Division of Professions and Occupations Cash Fund	4,479,887	260	-	-	30,260,470
Prescription Drug Monitoring Fund	482,690	-	-	-	477,258
Disabled Telephone Users Fund	267,233	-	-	-	3,872,772
Telecommunications Utility Fund	521,998	8,558	-	-	998,789
Real Estate Cash Fund	3,326,441	225	-	-	8,656,701
Division of Securities Cash Fund	965,693	4,560	-	-	5,195,296
Public Deposit Administration Fund	262,453	8,940	-	-	5,989,279
Division of Insurance Cash	1,193,890	39,136	-	-	9,395,282
SUBTOTAL	13,387,932	76,185	-	-	79,966,456
Revenue					
Racing Cash Fund	459,893	7,983	-	-	1,633,990
Auto Dealers License Fund	1,806,366	17,654	-	-	4,990,925
SUBTOTAL	2,266,259	25,637	-	-	6,624,915
Department of State					
Department of State Cash Fund	5,720,011	915,272	-	-	26,571,379
GRAND TOTAL	\$70,157,000	\$5,243,845	\$9,039,365	\$0	\$252,657,341

¹ Note numbers in column headings refer to the Notes to the Cash Funds Uncommitted Reserves Report beginning on Page 54, 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 RESERVE (NOTE 10)	MAXIMUM RESERVE (NOTE 11)	ALTERNATIVE MAXIMUM RESERVE (NOTE 12)	EXCESS UNCOMMITTED RESERVE (NOTE 13)
\$3,476,196	\$3,382,564	\$61,230	\$1,647,261	\$558,123	\$1,691,282	\$0
5,296,029	4,719,581	39,677	2,345,205	778,731	2,359,791	-
8,772,225	8,102,145	100,907	3,992,466	1,336,854	4,051,073	-
59,468,044	59,480,904	1,526	1,276,582	9,814,349	-	-
30,307,260	27,761,268	111,004	676,021	4,580,609	-	-
1,490,885	1,331,321	3,850	391,417	219,668	1,517,208	-
715,357	747,128	87,251	1,277,258	123,276	1,500,000	-
2,206,242	2,078,449	91,101	1,668,675	342,944	3,017,208	-
2,593,939	2,339,522	1,657	210,583	386,021	-	-
48,740,465	47,312,364	3,689,711	379,945	7,806,540	-	-
51,334,404	49,651,886	3,691,368	590,528	8,192,561	-	-
1,226,366	984,046	58,823	366,233	162,368	380,168	-
108,555	51,893	-	202,546	8,562	381,705	-
1,334,921	1,035,939	58,823	568,779	170,930	761,873	-
71,600	82,407	127,150	231,556	13,597	-	217,959
1,320,146	943,583	2,533,047	2,908,028	155,691	-	2,752,337
1,391,746	1,025,990	2,660,197	3,139,584	169,288	-	2,970,296
2,931,296	4,380,406	2,313,082	4,881,786	722,767	-	4,159,019
3,352,463	3,052,636	-	870,025	503,685	-	366,340
3,089,978	2,945,241	3,050	1,149,269	485,965	-	663,304
521,665	420,111	4,826	384,627	69,318	-	315,309
2,282,609	2,368,633	1,180	415,489	390,824	-	24,665
1,369,288	1,380,048	-	243,123	227,708	-	15,415
3,105,181	2,996,215	-	677,297	494,375	-	182,922
2,306,367	2,226,582	-	277,004	367,386	-	-
855,233	686,867	453	227,619	113,333	-	114,286
10,323,292	9,216,563	4,410	1,256,662	1,520,733	-	-
30,137,372	29,673,302	2,327,001	10,382,901	4,896,094	-	5,841,260
9,924	894,927	1,384,242	447,387	147,663	-	299,724
5,198,911	4,283,213	8,636	2,338,954	706,730	-	1,632,224
5,208,835	5,178,140	1,392,878	2,786,341	854,393	-	1,931,948
221,850	297,266	218	482,699	49,049	-	433,650
15,650,992	16,620,470	192,600	853,751	2,742,378	-	-
2,401,856	2,392,853	39,106	304,767	394,821	-	-
31,308,210	28,465,476	149,912	4,329,715	4,696,804	-	-
947,189	1,095,398	239,478	243,212	180,741	-	62,471
3,877,513	3,727,449	327	266,906	615,029	-	-
998,789	1,066,064	-	513,440	175,901	-	337,539
9,026,114	7,269,611	136,132	3,190,084	1,199,486	-	1,990,598
5,195,410	5,184,222	21	961,112	855,397	-	105,715
6,009,586	6,103,440	857	252,656	1,007,068	-	-
15,611,299	15,101,031	459,793	694,961	2,491,670	-	-
91,248,808	87,323,280	1,218,444	12,093,303	14,408,344	-	2,929,973
1,633,990	1,383,642	-	451,910	228,301	-	223,609
4,990,925	3,794,010	-	1,788,712	626,012	-	1,162,700
6,624,915	5,177,652	-	2,240,622	854,313	-	1,386,309
27,348,753	27,738,855	136,572	4,668,167	4,576,911	4,709,677	-
\$315,383,525	\$304,227,810	\$11,789,821	\$44,083,969	\$50,197,590	\$12,539,831	\$15,059,786



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 funds uncommitted 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 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 Governor's Mansion Maintenance Fund;
- The Justice Center Cash Fund;

- The Justice Center Maintenance Fund;
- The Small Business Recovery Fund;
- 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);
- The CBI Identification Unit Fund (7/1/2021);
- The Marijuana Cash Fund (7/1/2022);
- The Liquor Enforcement Division and State Licensing Authority Cash Fund (7/1/2022);
- The Records and Reports Fund (7/1/2022);
- The Private Occupational Schools Fund (7/1/2022);
- The Wage Theft Enforcement Fund (7/1/2022);
- The Industrial Hemp Registration Program Cash Fund (7/1/23); and
- 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 Uncommitted Reserves Report from FY2019 through FY2022.
- HB17-1119 provided for an exemption from Section 24-75-402, C.R.S. for the Colorado Uninsured Employer Fund (created in

Section 8-67-105, 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 the fund from the Cash Funds Uncommitted Reserves Report as a permanent exclusion.

NOTE 4. FUND BALANCE

Fund balance is the net of total assets and total liabilities in each fund as of June 30, 2021. 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, 2021. "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.

NOTE 10. UNCOMMITTED RESERVE

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

NOTE 11. MAXIMUM RESERVE

Maximum reserve is calculated as 16.5 percent of Fiscal Year 2021 expenditures of the cash fund.

NOTE 12. ALTERNATIVE MAXIMUM RESERVE

In some cases, an alternative maximum reserve is used in place of a maximum reserve when there is a reserve limit established by statute 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 50 and 51) for the Fiscal Year Ended June 30, 2021, prepared by the Office of the State Controller.

AGRICULTURE

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.

Plant Health, Pest
Control and
Environmental
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.

HEALTH CARE POLICY & FINANCING

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 to Medicaid patients in nursing facilities. These expenditures increase the federal reimbursement amount for the State under the Medicaid program.

JUDICIAL BRANCH

Judicial Information
Technology Cash
Fund

This fund is used to record fees assessed by the Department on 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.

LABOR AND EMPLOYMENT

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.

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	
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.
Legal Services Cash Fund	This fund charges fees for legal services and other costs. Funds are used to pay costs of those legal services provided by the Department.
LOCAL AFFAIRS	
Building Regulation Fund	This fund is used to collect registration fees charged to installers and sellers of manufactured homes as well as various other fees established by the State Housing Board. Funds are used to inspect factory built (modular) housing, commercial structures, and manufactured homes to ensure the health and safety of Colorado residents who purchase these units.
Private Activity Bond Allocation Fund	This fund is used to collect administrative fees for direct allocations, or from entities that receive bonding authority.
PERSONNEL AND ADMINISTRATION	
Disability Support Fund	This fund is used to record the funds received from the sale of registration numbers for license plates to benefit Colorado's disability community.
Supplier Database Cash Fund	This fund is used to collect fees assessed for registration in the centralized database of providers of goods and services to the State. Monies are used to fund the operational costs of maintaining the database.
PUBLIC HEALTH AND ENVIRONMENT	
Hazardous Substances Response Fund	This fund is used to record activity related to the State's obligation under the Comprehensive Environmental Response and Compensation Liability Act . 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 federal Department of the Army for the oversight of the Rocky Mountain Arsenal.

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.
Vital Records Fund	This fund was established in the Vital Statistics Act of 1984 to receive fees collected by the Office of the State Registrar. Fees collected for certified copies of birth and death certificates, marriage licenses, decrees of divorce, etc.
Trauma System Cash Fund	This fund is used to pay for the direct and indirect costs of evaluating and designating applicant health care facilities as Trauma Centers. Fees are charged periodically and rates are commensurate with the level of designation related to the type and amount of resources a facility has available to care for injured patients.
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.
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.
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 based on the number of beds and the Medicaid utilization rate.
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.

Laboratory Cash Fund	This fund is used to record activity related to the analysis of microbiological specimens, environmental samples, and forensic toxicological samples.
Emergency Medical Services Account	This fund is used to record activity related to improving the statewide emergency medical and trauma services system including providing technical assistance to local governments and local emergency medical and trauma service providers, providing assistance in selection and purchasing of medical and communication equipment, and administering a registration program for emergency medical responders.
PUBLIC SAFETY	
School Safety Resource Center Cash Fund	This fund is used to record activity related to the School Safety Resource Program that promotes safe learning environments for Colorado schools. The Department charges attendance fees to attendees of training programs and conferences.
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).
REGULATORY AGENCIES	
Conservation Easements Cash Fund	The fund was created to protect the public by ensuring the soundness of state income tax credits for conservation easements, certifying organizations to hold conservation easements, determine the credibility of appraisals, and assessing the qualifications of deeds of conservation easements. The Department charges annual fees to applicants and organizations seeking conservation tax credits.
Public Utilities Commission Fixed Utility Fund	This fund is used to provide supervision and regulation of the public utilities operating under the Department's Office of Consumer Counsel. The Department charges annual assessments against fixed utilities proportional to public utility company's gross intrastate operating revenue.
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.
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.

Prescription Drug Monitoring Fund	This 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.
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.
Telecommunications Utility Fund	This fund exists to defray the full amount determined by the general assembly for the administrative expenses of the commission for the supervision and regulation of telecommunications public utilities paying such fees. The Department charges fees in the form of annual assessments to telecommunications fixed utilities in proportion to their gross interstate operating revenue.
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.
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.
Public Deposit Administration Fund	This fund is used to record activity related to the Department's 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.
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

Racing Cash Fund	This fund is used to record fees for occupational licenses and business licenses and from racetracks for racetrack meet licenses. Monies used for the promotion of racing, establishment of high standards of sport and fair play, and promotion of the health and safety of the animals involved in racing events.
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.

STATE

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.
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APPENDIX B



CASH FUNDS UNCOMMITTED RESERVES REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021 ALL FUNDS

The *Cash Funds Uncommitted Reserves Report* (PAGES 50 and 51) 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, 2021, 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 2021 AS OF JUNE 30, 2021

FUND	FUND BALANCE (NOTE 4) ¹	EXEMPT ASSETS (NOTE 5)	CAPITAL RESERVE (NOTE 6)	PREVIOUSLY APPROPRIATED FUND BALANCE (NOTE 7)
Department of Agriculture				
Agricultural Products Inspection Fund	\$131,741	\$802	\$0	\$0
Veterinary Vaccine and Service Fund	30,377	-	-	-
Inspection and Consumer Services Cash Fund	1,718,495	-	10,004	-
Wine Development Fund	508,259	-	-	-
Plant Health, Pest Control and Environmental Protection Fund	2,385,490	-	608	-
Colorado Aquaculture Fund	6,043	-	-	-
Pet Animal Care and Facility Fund	127,942	-	-	-
SUBTOTAL	4,908,347	802	10,612	-
Department of Corrections				
Correctional Education Program Fund	111,595	-	-	-
Department of Education				
Other Education Special Revenue Funds	3,129,670	41,730	-	-
Office of the Governor				
Donations - Governor's Office	3,510,959	-	-	-
Travel and Tourism Additional Sources Fund	110,788	-	-	-
Electric Vehicle Grant Fund	895,367	-	-	-
Creative District Community Loan Fund	21,288	-	-	-
SUBTOTAL	4,538,402	-	-	-
Department of Health Care Policy and Financing				
Children's Basic Health Plan Trust	1,047,044	-	-	-
Medicaid Buy-In Cash Fund	111,508	-	-	-
Service Fee Fund	49,937	-	-	-
Medicaid Nursing Facility Cash Fund	1,278,108	-	-	-
Department of Health Care Policy and Financing Cash Fund	175,007	-	-	-
SUBTOTAL	2,661,604	-	-	-
Department of Higher Education				
Community Museums Cash Fund	234,529	161,194	-	-
Department of Human Services				
Alcohol and Drug Abuse Counselor Training Fund	10,158	-	-	-
Controlled Substance Program Fund	29,742	-	-	-
Food Distribution Program Service Fund	469,376	-	-	-
Colorado Domestic Abuse Program Fund	538,229	-	-	-
Work Therapy Cash Fund	214,507	21,849	10,934	-
SUBTOTAL	1,262,012	21,849	10,934	-
Judicial Branch				
Judicial Information Technology Cash Fund	9,845,898	1,627,964	7,430,909	-
Judicial Collection Enhancement Fund	3,635,493	-	-	-
Mediation Cash Fund	45,499	-	-	-
Other Judicial Special Revenue Funds	237,460	25,353	-	-
SUBTOTAL	13,764,350	1,653,317	7,430,909	-
Department of Labor and Employment				
Boiler Inspection Fund	395,267	-	-	-
Utilization Review	36,380	-	-	-
Conveyance Safety Fund	1,364,509	-	-	-
Workmens' Compensation Self-Insurance Fund	179,791	-	-	-
Public Safety Inspection Fund	114,142	-	-	-
Liquefied Petroleum Gas Inspection Fund	199,970	-	-	-
Employment Support Fund	46,429,899	17,518	-	-
Physicians Accreditation Program Fund	199,560	-	-	-
SUBTOTAL	48,919,518	17,518	-	-
Department of Law				
Collection Agency Cash Fund	91,119	-	-	-
Uniform Consumer Credit Code Cash Fund	94,712	-	-	-
Insurance Fraud Cash Fund	357,130	1,382	143,508	-
Legal Services Cash Fund	8,102,318	2,578,326	1,454,336	-
P.O.S.T. Board Cash Fund	1,509,414	2,315	-	-
SUBTOTAL	10,154,693	2,582,023	1,597,844	-
Legislative Branch				
Legislative Department Cash	16,507,674	13,636	-	-
Other Legislature Special Revenue Funds	32,947	-	-	-
SUBTOTAL	16,540,621	13,636	-	-
Department of Local Affairs				
Moffat Tunnel Cash Fund	183,271	-	-	-
Building Regulation Fund	425,056	-	-	-
Private Activity Bond Allocation Fund	202,546	-	-	-
Housing Development Grant Fund	51,042,576	10,770,887	-	-
Board Assessment Appeals Cash Fund	158,316	-	-	-
SUBTOTAL	52,011,765	10,770,887	-	-
Department of Military and Veterans Affairs				
Chargeable Quarters and Billeting Cash Fund	180,909	-	-	-
Veterans One-Stop Center Cash Fund	85,096	-	-	-
SUBTOTAL	266,005	-	-	-

¹ Note numbers in column headings refer to the Notes to the Cash Funds Uncommitted Reserves Report beginning on Page 53, prepared by the Office of the State Controller.

SOURCE: Office of the State Controller.

FEE REVENUE (NOTE 8)	TOTAL REVENUE	TOTAL EXPENSE	NON-FEE FUND BALANCE (NOTE 9)	UNCOMMITTED RESERVE (NOTE 10)	MAXIMUM RESERVE (NOTE 11)	ALTERNATIVE MAXIMUM RESERVE (NOTE 12)	EXCESS UNCOMMITTED RESERVE (NOTE 13)
\$2,090,906	\$2,306,837	\$2,234,067	\$12,257	\$118,682	\$368,621	\$0	\$0
391,377	391,377	391,121	-	30,377	64,535	-	-
3,351,613	3,476,196	3,382,564	61,230	1,647,261	558,123	1,691,282	-
1,100	859,460	696,090	507,608	651	114,855	-	-
5,207,919	5,296,029	4,719,581	39,677	2,345,205	778,731	2,359,791	-
4,000	4,000	1,844	-	6,043	304	-	5,739
1,030,190	1,037,210	1,006,144	866	127,076	166,014	-	-
12,077,105	13,371,109	12,431,411	621,638	4,275,295	2,051,183	4,051,073	5,739
134,665	144,645	143,216	7,700	103,895	23,631	-	80,264
651	89,539	128,548	3,065,489	22,451	21,210	-	1,241
58,500	2,662,023	1,525,052	3,433,803	77,156	251,634	-	-
247,403	249,966	225,226	1,136	109,652	37,162	-	72,490
652	647,579	358,638	894,466	901	59,175	-	-
5,057	5,281	167	903	20,385	28	-	20,357
311,612	3,564,849	2,109,083	4,330,308	208,094	347,999	-	92,847
13,195	14,547,107	25,158,200	1,046,094	950	4,151,103	-	-
104,804	104,804	-	-	111,508	-	-	111,508
312,834	2,146,180	2,145,864	42,658	7,279	354,068	-	-
59,397,025	59,468,044	59,480,904	1,526	1,276,582	9,814,349	-	-
326,144	332,380	184,958	3,283	171,724	30,518	-	141,206
60,154,002	76,598,515	86,969,926	1,093,561	1,568,043	14,350,038	-	252,714
535,737	543,697	338,403	1,074	72,261	55,836	-	16,425
16,300	16,300	12,351	-	10,158	2,038	-	8,120
19,500	19,758	6,487	388	29,354	1,070	-	28,284
40,038	785,527	808,171	445,452	23,924	133,348	-	-
1,092	1,254,262	1,118,183	537,760	469	184,500	-	-
207,959	251,717	148,512	31,591	150,133	24,504	-	125,629
284,889	2,327,564	2,093,704	1,015,191	214,038	345,460	-	162,033
26,032,659	30,307,260	27,761,268	111,004	676,021	4,580,609	-	-
355,044	6,661,593	7,902,520	3,441,732	193,761	1,303,916	-	-
14,725	14,725	-	-	45,499	-	-	45,499
291,655	605,929	618,818	110,012	102,095	102,105	-	-
26,694,083	37,589,507	36,282,606	3,662,748	1,017,376	5,986,630	-	45,499
1,476,364	1,490,885	1,331,321	3,850	391,417	219,668	1,517,208	-
7,088	7,088	5,063	-	36,380	835	-	35,545
669,615	715,357	747,128	87,251	1,277,258	123,276	1,500,000	-
156,000	156,000	62,764	-	179,791	10,356	-	169,435
307,200	308,852	274,038	611	113,531	45,216	-	68,315
298,164	300,609	279,418	1,626	198,344	46,104	-	152,240
12,514	40,454,269	39,982,911	46,398,024	14,357	6,597,180	-	-
101,825	101,825	92,623	-	199,560	15,283	-	184,277
3,028,770	43,534,885	42,775,266	46,491,362	2,410,638	7,057,918	3,017,208	609,812
793,401	803,192	847,230	1,111	90,008	139,793	-	-
1,933,119	1,951,730	2,346,996	903	93,809	387,254	-	-
2,573,683	2,593,939	2,339,522	1,657	210,583	386,021	-	-
4,550,437	48,740,465	47,312,364	3,689,711	379,945	7,806,540	-	-
168,071	5,240,204	4,935,062	1,458,761	48,338	814,285	-	-
10,018,711	59,329,530	57,781,174	5,152,143	822,683	9,533,893	-	-
20,869	3,791,530	2,201,354	16,403,253	90,785	363,223	-	-
2,375	2,390	763	207	32,740	126	-	32,614
23,244	3,793,920	2,202,117	16,403,460	123,525	363,349	-	32,614
26,659	28,927	109	14,369	168,902	18	400,000	-
1,056,651	1,226,366	984,046	58,823	366,233	162,368	380,168	-
108,555	108,555	51,893	-	202,546	8,562	381,705	-
11,785	113,209,161	82,456,832	40,267,497	4,192	13,605,377	-	-
108,945	189,047	213,557	67,081	91,235	35,237	-	55,998
1,312,595	114,762,056	83,706,437	40,407,770	833,108	13,811,562	1,161,873	55,998
634,905	649,116	693,444	3,961	176,948	114,418	-	62,530
50,692	62,294	7,382	15,849	69,247	1,218	-	68,029
685,597	711,410	700,826	19,810	246,195	115,636	-	130,559

STATE OF COLORADO
CASH FUNDS UNCOMMITTED RESERVES REPORT
REPORT OF FUNDS WITH UNCOMMITTED RESERVES AND FEE REVENUE GREATER THAN \$0
FISCAL YEAR 2021 AS OF JUNE 30, 2021

FUND	FUND BALANCE (NOTE 4) ¹	EXEMPT ASSETS (NOTE 5)	CAPITAL RESERVE (NOTE 6)	PREVIOUSLY APPROPRIATED FUND BALANCE (NOTE 7)
Department of Natural Resources				
Land and Water Management Fund	64,158	-	-	-
Satellite Monitoring System Cash Fund	30,752	-	-	-
Office of Active and Inactive Mines Operation Fund	38,665	-	-	-
Abandoned Mine Reclamation Fund	432,713	-	-	-
Water Resources Cash Fund	863,198	-	-	-
SUBTOTAL	1,429,486	-	-	-
Department of Personnel and Administration				
Professional Development Cash Fund	109,112	32	-	-
State Archives and Public Records Cash Fund	41,886	13	-	-
Disability Support Fund	358,710	4	-	-
Supplier Database Cash Fund	5,441,075	-	-	-
Administrative Hearings Fund	1,530,339	211,737	162,061	-
SUBTOTAL	7,481,122	211,786	162,061	-
Department of Public Health and Environment				
Hazardous Substances Response Fund	7,194,868	-	-	-
Solid Waste Management Reserve Fund	440,273	-	-	-
Lead Hazard Reduction Fund	62,484	-	-	-
Radiation Control Fund	870,025	-	-	-
Vital Records Fund	1,152,319	-	-	-
Sludge Management Fund	157,009	-	-	-
Trauma System Cash Fund	389,453	-	-	-
Fixed and Rotary-Wing Ambulances Cash Fund	97,436	-	-	-
Medical Marijuana Cash Fund	434,717	18,048	-	-
Community Integrated Health Care Service Agencies	25,595	-	-	-
Medication Administration Fund	65,690	-	-	-
Home Care Agency Cash Fund	243,123	-	-	-
Visa Waiver Program Fund	12,923	-	-	-
Assisted Living Residence Fund	677,297	-	-	-
Health Facilities General Licensure Cash Fund	277,004	-	-	-
Laboratory Cash Fund	228,072	-	-	-
Ozone Protection Fund	55,593	-	-	-
Hazardous Waste Commission Fund	151,595	-	-	-
Paint Stewardship Cash Fund	10,729	-	-	-
Emergency Medical Services Account	1,261,072	-	-	-
SUBTOTAL	13,807,277	18,048	-	-
Department of Public Safety				
Fire Service Education and Training Fund	87,411	-	-	-
Fire Suppression Cash Fund	79,951	-	-	-
Fireworks Licensing Cash Fund	13,006	-	-	-
Sex Offender Registry Fund	19,955	-	-	-
Sex Offender Treatment Provider Fund	4,657	-	-	-
Domestic Violence Treatment Provider Fund	24,382	-	-	-
Firefighter, First and Haz Mat Responder Certification Fund	147,812	-	-	-
Cigarette Ignition Standards & Firefighter Protection Act	97,813	-	-	-
School Safety Resource Center Cash Fund	1,831,629	-	-	-
Instant Criminal Background Check Fund	2,348,617	1,027	-	-
SUBTOTAL	4,655,233	1,027	-	-
Department of Regulatory Agencies				
Conservation Easements Cash Fund	482,917	-	-	-
Insurance Fraud Cash Fund	3,443	-	-	-
Public Utilities Commission Fixed Utility Fund	1,059,872	13,521	-	-
Public Utilities Commission Motor Carrier Fund	344,858	985	-	-
Division of Professions and Occupations Cash Fund	4,479,887	260	-	-
Prescription Drug Monitoring Fund	482,690	-	-	-
Viatical Settlements Cash Fund	130,076	-	-	-
Disabled Telephone Users Fund	267,233	-	-	-
Telecommunications Utility Fund	521,998	8,558	-	-
Real Estate Cash Fund	3,326,441	225	-	-
Division of Securities Cash Fund	965,693	4,560	-	-
Colorado High Cost Administration Fund	106,959	-	-	-
Consumer Outreach and Education Fund	47,261	-	-	-
Public Deposit Administration Fund	262,453	8,940	-	-
Financial Services Cash Fund	101,764	-	-	-
Division of Insurance Cash	1,193,890	39,136	-	-
SUBTOTAL	13,777,435	76,185	-	-

¹ Note numbers in column headings refer to the Notes to the Cash Funds Uncommitted Reserves Report beginning on Page 53, prepared by the Office of the State Controller.

SOURCE: Office of the State Controller.

FEE REVENUE (NOTE 8)	TOTAL REVENUE	TOTAL EXPENSE	NON-FEE FUND BALANCE (NOTE 9)	UNCOMMITTED RESERVE (NOTE 10)	MAXIMUM RESERVE (NOTE 11)	ALTERNATIVE MAXIMUM RESERVE (NOTE 12)	EXCESS UNCOMMITTED RESERVE (NOTE 13)
109,300	110,115	60,957	475	63,683	10,058	75,000	-
273,329	319,054	314,047	4,407	26,345	51,818	-	-
15,378	240,210	249,207	36,190	2,475	41,119	-	-
804	10,125	459,197	398,352	34,361	75,768	-	-
8,580	866,485	270,512	854,651	8,547	44,634	-	-
407,391	1,545,989	1,353,920	1,294,075	135,411	223,397	75,000	-
20,980	728,927	204,975	105,940	3,140	33,821	-	-
60,810	76,445	212,383	8,564	33,309	35,043	-	-
46,220	71,600	82,407	127,150	231,556	13,597	-	217,959
705,563	1,320,146	943,583	2,533,047	2,908,028	155,691	-	2,752,337
43,981	6,458,387	6,114,248	1,148,665	7,876	1,008,851	-	-
877,554	8,655,505	7,557,596	3,923,366	3,183,909	1,247,003	-	2,970,296
1,988,912	2,931,296	4,380,406	2,313,082	4,881,786	722,767	-	4,159,019
2,000	3,784,621	3,797,585	440,040	233	626,602	-	-
61,276	62,104	61,610	833	61,651	10,166	-	51,485
3,352,463	3,352,463	3,052,636	-	870,025	503,685	-	366,340
3,081,798	3,089,978	2,945,241	3,050	1,149,269	485,965	-	663,304
183,304	183,589	70,439	244	156,765	11,622	-	145,143
515,200	521,665	420,111	4,826	384,627	69,318	-	315,309
80,351	81,148	29,801	957	96,479	4,917	-	91,562
2,276,144	2,282,609	2,368,633	1,180	415,489	390,824	-	24,665
14,900	14,900	8,315	-	25,595	1,372	-	24,223
86,851	86,851	74,040	-	65,690	12,217	-	53,473
1,369,288	1,369,288	1,380,048	-	243,123	227,708	-	15,415
11,000	11,063	1,046	74	12,849	173	-	12,676
3,105,181	3,105,181	2,996,215	-	677,297	494,375	-	182,922
2,306,367	2,306,367	2,226,582	-	277,004	367,386	-	-
853,536	855,233	686,867	453	227,619	113,333	-	114,286
159,256	160,618	186,339	471	55,122	30,746	-	24,376
61,694	61,694	11,527	-	151,595	1,902	-	149,693
121,200	121,200	113,242	-	10,729	18,685	-	-
10,287,188	10,323,292	9,216,563	4,410	1,256,662	1,520,733	-	-
29,917,909	34,705,160	34,027,246	2,769,620	11,019,609	5,614,496	-	6,393,891
57,594	58,525	37,212	1,391	86,020	6,140	-	79,880
233,439	234,606	248,003	398	79,553	40,920	-	38,633
36,900	37,151	49,063	88	12,918	8,095	-	4,823
660	903	354	5,370	14,585	58	-	14,527
15,175	15,370	11,741	59	4,598	1,937	-	2,661
1,553	7,121	29,248	19,065	5,317	4,826	-	491
229,804	231,575	208,520	1,130	146,682	34,406	-	112,276
74,000	74,000	28,673	-	97,813	4,731	-	93,082
2,424	9,924	894,927	1,384,242	447,387	147,663	-	299,724
5,179,786	5,198,911	4,283,213	8,636	2,338,954	706,730	-	1,632,224
5,831,335	5,868,086	5,790,954	1,420,379	3,233,827	955,506	-	2,278,321
221,750	221,850	297,266	218	482,699	49,049	-	433,650
2,855	2,855	-	-	3,443	0	-	3,443
12,770,144	15,650,992	16,620,470	192,600	853,751	2,742,378	-	-
2,128,715	2,401,856	2,392,853	39,106	304,767	394,821	-	-
30,260,470	31,308,210	28,465,476	149,912	4,329,715	4,696,804	-	-
477,258	947,189	1,095,398	239,478	243,212	180,741	-	62,471
9,480	9,480	1,767	-	130,076	292	-	129,784
3,872,772	3,877,513	3,727,449	327	266,906	615,029	-	-
998,789	998,789	1,066,064	-	513,440	175,901	-	337,539
8,656,701	9,026,114	7,269,611	136,132	3,190,084	1,199,486	-	1,990,598
5,195,296	5,195,410	5,184,222	21	961,112	855,397	-	105,715
219,500	221,046	215,183	748	106,211	35,505	-	70,706
134,634	136,035	125,985	487	46,774	20,788	-	25,986
5,989,279	6,009,586	6,103,440	857	252,656	1,007,068	-	-
1,699,919	1,708,386	1,909,421	504	101,260	315,054	-	-
9,395,282	15,611,299	15,101,031	459,793	694,961	2,491,670	-	-
82,032,844	93,326,610	89,575,636	1,220,183	12,481,067	14,779,983	-	3,159,892

STATE OF COLORADO
CASH FUNDS UNCOMMITTED RESERVES REPORT
REPORT OF FUNDS WITH UNCOMMITTED RESERVES AND FEE REVENUE GREATER THAN \$0
FISCAL YEAR 2021 AS OF JUNE 30, 2021

FUND	FUND BALANCE (NOTE 4) ¹	EXEMPT ASSETS (NOTE 5)	CAPITAL RESERVE (NOTE 6)	PREVIOUSLY APPROPRIATED FUND BALANCE (NOTE 7)
Department of Revenue				
Racing Cash Fund	459,893	7,983	-	-
Auto Dealers License Fund	1,806,366	17,654	-	-
Private Letter Ruling Fund	26,481	-	-	-
Tax Lien Certification Fund	59,920	-	-	-
Prepaid Wireless Trust Cash Fund	38,633	-	-	-
Gambling Payment Intercept Fund	103,825	-	-	-
Limited Gaming Fund	2,267,873	24,681	-	-
Supplemental Purse and Breeders Awards Fund	134,454	-	-	-
SUBTOTAL	4,897,445	50,318	-	-
Department of State				
Department of State Cash Fund	5,720,011	915,272	-	-
Department of Transportation				
Aviation Fund	13,024,426	-	-	-
Department of Treasury				
AIR Account	5,111,498	-	-	-
Unclaimed Property Fund	312,832,493	2,755	-	-
SUBTOTAL	317,943,991	2,755	-	-
Grand Total	\$541,239,537	\$16,538,347	\$9,212,360	\$0

¹ Note numbers in column headings refer to the Notes to the Cash Funds Uncommitted Reserves Report beginning on Page 53, prepared by the Office of the State Controller.

SOURCE: Office of the State Controller.

FEE REVENUE (NOTE 8)	TOTAL REVENUE	TOTAL EXPENSE	NON-FEE FUND BALANCE (NOTE 9)	UNCOMMITTED RESERVE (NOTE 10)	MAXIMUM RESERVE (NOTE 11)	ALTERNATIVE MAXIMUM RESERVE (NOTE 12)	EXCESS UNCOMMITTED RESERVE (NOTE 13)
1,633,990	1,633,990	1,383,642	-	451,910	228,301	-	223,609
4,990,925	4,990,925	3,794,010	-	1,788,712	626,012	-	1,162,700
5,000	5,000	5,000	-	26,481	825	-	25,656
7,254	7,254	0	-	59,920	0	-	59,920
12,987	12,987	0	-	38,633	0	-	38,633
21,629	21,629	8,550	-	103,825	1,411	-	102,414
741,528	121,979,526	122,477,279	2,229,555	13,637	20,208,751	-	-
804,004	804,038	669,584	6	134,448	110,481	-	23,967
8,217,317	129,455,349	128,338,065	2,229,561	2,617,566	21,175,781	-	1,636,899
26,571,379	27,348,753	27,738,855	136,572	4,668,167	4,576,911	4,709,677	-
1,561	16,993,273	17,708,858	13,023,230	1,196	2,921,962	-	-
5,865	8,840,446	9,943,021	5,108,107	3,391	1,640,598	-	-
13,725	215,614,570	136,797,425	312,809,825	19,913	22,571,575	-	-
19,590	224,455,016	146,740,446	317,917,932	23,304	24,212,173	-	-
\$269,138,541	\$898,714,967	\$786,494,293	\$466,207,172	\$49,281,658	\$129,771,557	\$13,014,831	\$17,925,044