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2013 IN-DEPTH BUDGET REVIEW
REVIEW OF “OFF-BUDGET” FUNDS
AND OPERATIONS

A REPORT TO THE
EXECUTIVE APPROPRIATIONS COMMITTEE
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REVIEW OF “OFF-BUDGET” FUNDS AND OPERATIONS

EXECUTIVE APPROPRIATIONS COMMITTEE

BUDGET REVIEW

EXECUTIVE SUMMARY

While Utah consistently ranks among the best managed states, legislators recognize that there is always room for improvement. They also know financial transparency and accountability are hallmarks of good government. In this vein they have undertaken a number of initiatives to better define, coordinate, analyze and report state finances. This report is the latest advancement in that effort. It inventories 457 state funds, operations, and tax incentives that are not currently included in the appropriations process and makes individual recommendations for each of these "off-budget" items. Those recommendations fall into six broad categories:

1. Close 35 funds and deposit \$393,100 into the General Fund;
2. Include \$70,824,200 in financial activity and \$606,375,400 in fund balances from 53 funds and operations in the appropriations process and modify the Budgetary Procedures Act so that they are appropriately communicated with the Governor's budget;
3. Refer 45 funds to subcommittees to consider statute changes;
4. Request the executive branch make changes to 18 funds and provide additional expenditure detail;
5. Include seven funds in annual presentations to the Executive Appropriations Committee, including a new presentation on long-term liabilities and other material risks; and,
6. Ask seven organizations to report annually to the Retirement and Independent Entities Appropriations Subcommittee.

The report contains a one page summary for each individual fund or operation. The summary page has a red/yellow/green “stoplight” indicator for most funds and operations. It also describes the fund's or operation's purpose; reviews its current accountability mechanisms; graphs its revenue, expenses, and balance information; and makes fund or operation specific recommendations where applicable.

In addition to these fund and operation specific recommendations, staff from the Office of the Legislative Fiscal Analyst discovered a number of potential process improvements. The Fiscal Analyst recommends the following five changes to statute and the budget process:

1. Extend the \$30,000 revenue-generating requirement to all donation funds;
2. Direct the Division of Finance to review \$9 million in stagnant fund balances;
3. Broaden the scope of the annual “Preliminary Fund Balance Report”;
4. Change the legislative drafting instructions for bills that create or modify funds; and,
5. Include \$1.8 billion in tax credits in the annual appropriations review.

The Fiscal Analyst believes that these recommendations will significantly increase transparency of and accountability for \$33.5 billion in financial activity and \$45.1 billion of balances for “off-budget” funds and operations.

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INTRODUCTION

Utah finds itself at the top of rankings for government financial management. Even so, legislators recognize that staying on top means constantly and consistently improving. To that end, they have:

- reformed the state retirement system and closed costly post-employment benefit programs;
- established a financial transparency website on which all financial transactions are posted for the world to see (www.transparent.utah.gov);
- pilot tested long-term forecasting requirements contemplated by the Government Accounting Standards Board (GASB);
- reorganized appropriations acts so that the acts can contain all transaction types – not just operating and capital budgets; and,
- gradually included in appropriations review funds and activities that are materially significant or present a large liability.

Through this report, the Legislature takes its next step in increasing financial accountability and transparency – a full cataloguing of financial transactions not yet included in the appropriations process. Under Joint Rule 3-2-502, the Legislative Fiscal Analyst is required each year to perform an in-depth budget review. At the direction of the Executive Appropriations Committee, this report fulfills that requirement.

In preparing this study, the Fiscal Analyst reviewed 324 off-budget funds and operations with combined expenditures in FY 2013 or CY 2012 of \$15.8 billion, revenues of \$17.7 billion, and ending balances of \$45.1 billion. Off-budget funds are those that were outside of the appropriations acts of the 2013 General Session. Off-budget operations are largely independent entities and financial activity outside of funds. The Analyst also reviewed 133 tax credits totaling \$1.8 billion.

The Fiscal Analyst investigated financial activity and applicable laws and regulations to determine the level of limitations, controls, and reports for each off-budget fund or operation. Most (216) off-budget funds or operations received a stoplight ranking (red, yellow, or green). Red means that controls and reports are lacking or regularly not being followed. Yellow indicates that the fund lacks either controls, reports, or there are occasional compliance problems. Green means that there are clear limitations, reports, and controls that are being followed. Of the 216 off-budget funds and operations with an accountability stoplight, the Fiscal Analyst classified 16 or 8% as red, 100 or 46% as yellow, and 100 or 46% as green. Table 1 on the following page lists the 16 funds classified as red.

While off-budget funds do receive technical oversight by the Division of Finance, state agencies, and boards/commissions, the Fiscal Analyst found instances where the accountability for the off-budget funds and operations could improve. This report includes recommendations to improve the oversight of all the tax credits as well as 145 or 45% of all the 324 off-budget funds and operations. Appendix M has the list of all 324 off-budget funds and operations analyzed as part of this report.

REVIEW OF “OFF-BUDGET” FUNDS AND OPERATIONS

#	Fund/Operation With a Red Accountability Stoplight	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Report Page
0021	Utah Retirement Systems Payment Adjustments	\$ 178,400	\$ -	\$ 568,000	D - 1
2000	Attorney General Consumer Programs Fund	\$ -	\$ 87,300	\$ 269,300	C - 7
2165	Salinity Offset Fund	\$ 154,000	\$ 9,100	\$ 522,900	D - 2
2390	Alcoholic Beverage Control Act Enforcement Fund	\$ 3,484,100	\$ 3,236,600	\$ 2,907,900	B - 31
2815	Local Transportation Corridor Preservation Revolving	\$ 18,503,400	\$ 10,436,900	\$ 40,535,000	C - 15
2846	County of 2nd Class State Highway Projects Fund	\$ 6,000,900	\$ 6,000,900	\$ -	C - 17
5276	Water Resources Conservation and Development Pledged Loans	\$ 28,202,400	\$ 20,790,100	\$ 158,215,700	C - 18
5277	Water Resources 2010 Recapitalization Revenue Bond	\$ 5,645,600	\$ 3,100,100	\$ (5,395,500)	C - 19
5281	Water Resources Cities Pledged Loans	\$ 182,700	\$ 2,126,400	\$ 10,402,500	C - 20
7340	Inmate Agency Fund Draper	\$ 17,664,100	\$ 17,256,800	\$ 2,828,600	C - 28
8025	County Road & School Fund from Forest Reserves	\$ 10,579,800	\$ 10,579,800	\$ 200	C - 32
8050	Office of State Debt Collection Collections	\$ 942,300	\$ 958,000	\$ -	B - 37
8150	Public Safety-Seized Cash	\$ 2,899,600	\$ 3,168,200	\$ 2,252,400	C - 36
8170	Juvenile Courts Trust Account	\$ 1,325,900	\$ 1,257,400	\$ 2,018,100	C - 37
8171	District Courts Trust Account	\$ 27,944,500	\$ 26,382,200	\$ 29,287,300	C - 38
9237	Utah State Railroad Museum Authority	\$ -	\$ -	\$ -	F - 5
16	Totals	\$ 123,707,700	\$ 105,389,800	\$ 244,412,400	

Table 1

WHY IS THIS STUDY NECESSARY?

As noted above, off-budget funds and operations constitute a significant amount of money. The sheer volume of funds and value of fund proceeds is reason enough to warrant this study. But this is not the only reason. Delegation of Constitutional authority and liability for other people’s money are others.

Appropriation of tax dollars is a plenary power of the Legislature. Yet, some off-budget funds allow the executive branch to spend general tax resources without legislative appropriation. The Industrial Assistance Fund is a good example. In years of surplus, this fund gets an automatic set-aside from the sales-tax backed General Fund. While deposits into the fund are appropriated by legislators, spending from the fund is not. At the end of FY 2013, the fund had a balance in excess of \$30 million. Because the fund is “off-budget”, elected representatives have little insight into nor influence over the expenditure of that \$30 million.

Other off-budget funds account for “other people’s money.” While at first glance it appears the state’s role in these funds is purely custodial, guardianship of other people’s money can result in expenditure of tax revenue. For example, the state served a fiduciary role for the Utah Navajo Royalties Holding Fund. The Navajo nation sued Utah claiming the state had breached its fiduciary responsibilities, and taxpayers paid a total of \$33.9 million related to what is known as the Pelt Case settlement.

A fund like the Utah Navajo Royalties Holding Fund would normally be accounted for outside the legislative process and have little to no reporting requirements. In this particular case, the State only became the fiduciary due to an act of the United States Congress. Taxpayers ended up expending nearly \$34 million due to an “off-budget” fund which the State had little or no interest in overseeing.

For these reasons and others, on May 14, 2013, the Executive Appropriations Committee adopted a motion authorizing the Legislative Fiscal Analyst to study of “off-budget” funds and operations. The report is to “identify each (off-budget) fund or operation; state entities using the fund or operation; purposes for which the fund or operation may exist; history of revenues to and expenditures from the fund or operation; and potential recommendations for putting the fund or operation on-budget, making statutory changes, or implementing reporting changes.”

This motion comes as part of Joint Rule 3-2-502 which states that, “each year, the Executive Appropriations Committee shall select a state agency, institution, or program to be the subject of an in-depth budget review.”

EVERYTHING YOU NEED TO KNOW ABOUT FUNDS FOR THIS REPORT

In order to understand more about how funds begin and end, as well as how they are overseen, we asked the following questions:

- Where do funds come from?
- What is the cost of having a fund?
- What does statute say about how funds should be handled?
- What current options does the Legislature have for overseeing funds and operations?
- How are funds closed?
- What is currently being done to assure accountability for off-budget funds?

Answers to the questions above are provided in the paragraphs that follow.

Where Do Funds Come From?

The State’s Division of Finance has authority as per [UCA 51-5-5](#) to create funds and subfunds whenever necessary. Finance has designed a specific team of staff that is the only group able to create funds. Finance monitors activities that may require a fund such as legislation and changes to Governmental Accounting Standards Board (GASB) standards. Additionally, Finance has regular meetings with agencies in which they discuss needs for potential funds. To open a fund, Finance has indicated that one of the three conditions below must be met.

1. **Explicit statutory authorization** (30% of funds reviewed in this report): In law a fund is created and named and granted certain guidelines for its operations. Some examples from the 2013 General Session include [H.B. 157 Children's Hearing Aid Pilot Program](#) and [H.B. 118 Automatic External Defibrillator Restricted Account](#).
2. **Implicit statutory authorization** (45% of funds reviewed in this report): In law a new program is created and/or there is passive authority for a new fund or subfund. Sometimes for the new program to have sufficient accountability for its goals, a new fund is created. A recent example is fund 5600, Federal High Risk Insurance Pool, created in 2010 to account for the temporary high risk health insurance pool program created by the Patient Protection and Affordable Care Act. An example for subfunds is funds 5420-5449 which are all used to track different sources of revenues and expenses for the Olene Walker Housing Loan Fund created in [UCA 35A-8-502](#). Statute creates the Olene Walker Housing Loan Fund, but not the 13 subfunds used to track activity for the Fund.
3. **Administrative necessity** (25% of funds reviewed in this report):
 - a. Clearing accounts – temporarily hold money until it can be properly distributed. For example, funds 0115 – 0117 are clearing accounts used for taxes owed to the State.
 - b. Funds to comply with Generally Accepted Accounting Principles – funds 0055 – 0070 record non-budgetary activity, which is financial activity reported in the State’s annual financial statement, such as fair market value adjustments of investments, but does not impact budgets. Additionally, a fund may be used to create an audit trail or ensure complete control of funds.
 - c. Other reasons where financial activity needs to be accounted for separately. Some reasons include, the State acting as a fiduciary, fund activity spreading over multiple years (loans, bonds, etc.), and passing through money to another entity.

What is the Cost of Having a Fund?

The Division of Finance estimates the cost of opening or reopening a fund is about \$1,000 per year for 20 hours of staff time. The ongoing cost of maintaining a fund is about \$500 per year for 10 hours of staff time to review entries and provide support. In the last five years, the Legislature has added 69 new funds – an estimated cost of \$69,000 one-time plus \$34,500 ongoing. During this same time, the Legislature provided to the Division of Finance \$3,000 ongoing from the General Fund beginning in FY 2014 for administration of new funds. Table 2 shows the number of funds added during each of the last five General Sessions.

Funds Created by the Legislature	
General Session	# Funds Created
2008	12
2009	6
2010	14
2011	17
2012	12
2013	8
Total	69

Table 2

What Does Statute Say about How Funds Should Be Handled?

There are two main statutes that direct how funds should be handled: (1) [UCA 51-5 Funds Consolidation Act](#) and (2) [UCA 63J-1 Budgetary Procedures Act](#). These acts set out several guiding principles for the treatment of funds by State government.

1. The Legislature has the authority to review all revenues and expenditures, regardless of whether the money appears in any appropriations act. The Governor’s budget must include all planned revenues and expenditures of all funds, except expendable special revenue funds. The Governor must also include any requests for funds that need additional appropriations.
2. The State shall follow generally accepted accounting principles, which includes an annual audited financial statement from the Governor by December 1st each year showing the State’s assets, liabilities, reserves, and debts. This statement, known as the *Comprehensive Annual Financial Report*, includes a list of funds that ended the year with a net deficit. For FY 2012 this included four funds, all of which are already part of the annual appropriations process (two private purpose trust funds and two internal service funds). Any funds with negative net assets at year end should be reported annually.
3. Federal funds are to remain restricted according to their various obligations. Programs supported by federal funds must match expenditures to the actual amount of federal funds received.
4. All revenues and expenditures shall be accounted for in the appropriate fund, and all funds shall fall in one of the following major fund types:
 - a. General Fund – the default fund type if a fund does not fit in any other fund type.
 - b. Special Revenue Funds – collect and disburse specific revenues restricted for a specified purpose. Expendable Special Revenue Funds are Special Revenue Funds that have specific revenues and statutory authority to spend those revenues. These funds are subject to annual review by a legislative appropriations subcommittee.
 - c. Capital Projects Funds – account for the acquisition of capital outlays (construction or assets).

- d. Debt Service Funds – account for the payment of long-term obligations.
 - e. Permanent Funds – contain assets with legal restrictions that allow only earnings, not principal, to be used for a specific purpose.
 - f. Enterprise Funds – account for operations run like a business where costs are primarily covered by external user charges and where there is a requirement for periodic determination of revenues and expenses.
 - g. Internal Service Funds – account for operations that run like a business where costs are primarily covered charging other units of state government. For these funds to bill another agency for a service, the Legislature must approve budgets, rates, staffing levels, and capital acquisition amounts.
 - h. Trust and Agency Funds – contain assets held by the State as trustee.
 - i. Discrete Component Unit Funds – account for discrete component units of the State, such as the state’s colleges.
5. Agencies may not spend more free revenue than appropriated by the Legislature or received by the agency, whichever is lower. Agencies also may not transfer appropriations to another agency or another line item within the agency. If an agency overspends, the Division of Finance will automatically reduce the subsequent year’s budget by the amount of the overspending. Additionally, any overspending agency would need to present a report to the Board of Examiners as per UCA 63J-1-217.
 6. Unspent restricted revenue at year’s end lapses back to the appropriate restricted account unless the Legislature has provided specific nonlapsing authority.
 7. If the State is in a deficit position, the Legislature has authority to appropriate from restricted accounts to eliminate that deficit.

What Current Options Does the Legislature Have For Overseeing Funds and Operations?

Seventy-five percent of off-budget funds and many off-budget operations are explicitly or implicitly created and governed by state statute. The Legislature always has the option to create additional guidance or reporting requirements for a specific fund or funds in general via state law. Additionally, the Legislature sometimes delegates certain checks on a fund’s spending to other entities, such as the Division of Finance or a governing board.

The decision to use a fund for financial oversight of certain financial operations usually comes from the Legislature, GASB (Governmental Accounting Standards Board), or a third party. However, funds are not always the best option for assuring discreet accounting for governmental operations. When specific revenue sources are collected for specific purposes, when government is acting as custodian for other people’s money, or in other defined circumstances, creating a fund is warranted. The Division of Finance works closely with legislators to determine whether or not bills require creation of a fund.

However, when legislators simply wish to assure that general tax revenue is used for a prescribed purpose, they can appropriate funds to a separate budget line item. Under the Budgetary Procedures Act, appropriations cannot be transferred among line items without legislative action. The Division of Finance enforces this restriction. It is a valid alternative to creating a separate fund.

How Are Funds Closed?

Occasionally funds go inactive due to legislative changes, end of revenues, or end of expenses. Finance monitors funds that may be candidates for closing. If Finance and the affected agency decide that a fund is no longer needed, if that fund isn’t established in statute, it will be closed. Closing a fund that exists in

statute requires legislative action. The cost of closing a fund is staff time. Costs for closing funds with outstanding balances or other issues are higher than costs for closing funds with no balances and no financial activity.

What Is Currently Being Done to Assure Accountability for Off-Budget Funds?

The Division of Finance, State Treasurer, and State Auditor all have roles in assuring that funds and operations – whether on budget or off – are properly accounted for.

The Division of Finance has a central system, FINET, for monitoring and securing all state government financial activity. FINET has controls that help prevent inappropriate or unauthorized use of state money. The Division of Finance primarily monitors for overspending and incorrect accounting. For example, the Division of Finance regularly checks all funds to see if expenditures in a fund exceed revenues and if there are any negative fund balances. Occasionally, a fund will have a negative balance at year end, but usually this is just a timing issue (when revenues and expenditures happened vs. the end of the state fiscal year).

Each agency monthly reconciles their accounts, with depository bank accounts monitored by the State Treasurer, to what is in FINET and reporting that information to the Division of Finance. Each agency is responsible to know about and comply with applicable direction provided in statute for expenditures.

At any time the public can see high level summaries of types of revenues and expenditures by fund via www.transparent.utah.gov. Additionally, those with a state government ID can log into Data Warehouse (<http://finance.utah.gov/datawarehousemain.html>) and look up AM 31 (balances) and AM 65 reports (revenues and expenditures) by fund.

For each fund, there is an agency that is responsible to manage the money in the fund. If there were a problem with a fund, like overspending, then the agency would be responsible for those problems. Specific guidelines for each fund often come from state and/or federal law.

Finance has internal controls that look for any activity that may be happening outside of FINET. Additionally, Finance has regular training meetings with agencies. Finance indicates that the following types of activities can be appropriately accounted for outside of FINET: 1) money from employees managed by employees and 2) bona-fide non-profit training organizations. The money from employees managed by employees is often a voluntary contribution fund to provide gifts for special occasions (births, weddings, etc.). Some non-profit training organizations include the Northern Utah Association of Government Accountants and the Utah Government Auditors Association. FINET is the state’s central financial management system for tracking all financial activity.

The State Treasurer has the following responsibilities to help keep everything in FINET:

- Open and close all depository bank accounts
- Inform the Division of Finance regarding all depository bank accounts
- Maintain a list of all active depository bank accounts

The State Treasurer does not monitor individual transactions by agency. The ongoing involvement by the State Treasurer for fund distribution is to wire enough funds to pay for all checks by the State based on reports from Finance.

The State Auditor monitors the certified public accountant firms that do the oversight of some of the independent entities. Additionally, the State Auditor does more work for funds that are considered material.

Each year, the Auditor performs the Statewide Single Audit (<http://financialreports.utah.gov/saoreports/2012/12-40StateofUtahSingleAudit.pdf>) on behalf of the

federal government. This audit tests the State's compliance with guidelines for material federal funds received by the State.

The State Auditor also has several procedures to help ensure the completeness of the State's Comprehensive Annual Financial Report:

1. The annual financial audit of state agencies includes, among other procedures, looking for significant discrepancies including the following:
 - a. Discussions with management regarding existing bank accounts.
 - b. Sample testing of bank reconciliations. This might expose funds that are operating out of FINET.
 - c. Ensure that all activity and balances match the entity's accounting system.
 - d. Check reported amounts vs. estimated amounts based on events that may have impacted funds.
 - e. Requiring letters signed by executive management of each agency certifying the completeness of financial reports provided.
 - f. Also includes all quasi-governmental entities.
2. Bank sweep – approximately once a decade the State Auditor works with banks to identify all funds linked to the State and checks that list against the accounts authorized by the State Treasurer. In 2007, this effort identified four State bank accounts that had not been authorized by the State Treasurer. The State Auditor investigates any unauthorized accounts and provides recommendations for actions where needed.

In preparing this report, the Fiscal Analyst identified eight financial activities that were not taking place in FINET. Agencies reported these financial activities to the Analyst in response to the following question:

Do you have any activity (bank accounts, transactions) that is not accounted for in FINET that is associated with a state-operated program? If yes, please explain what the activity is (purpose, funding source, etc.).

Financial activities #1, #3, #4, #6, and #7 have their own summary later in the report. Of the eight financial activities, Finance may have concerns with up to three of the financial activities (#1, #2, and #3) being outside of FINET. Finance previously had identified two of the financial activities (#2 and #3) through its own monitoring controls.

1. **(Governor's Office) Governor's Energy Development Summit** – Finance is evaluating the activity of this fund to determine the State's fiduciary responsibility. If the State has a fiduciary responsibility, then it should be included in FINET. The Office of Energy Development uses this fund for revenues and expenses associated with the annual Governor's Energy Development Summit and Summit-related quarterly events.
2. **(Veterans' and Military Affairs) Fiduciary Fund** – The fund is for donations for furnishings and equipment for the veteran nursing homes in Ivins and Payson. Finance indicates that it had previously identified this financial activity through its internal controls process. The activity is now in FINET.
3. **(Utah State Office of Education) Utah Public Education Foundation** – The fund should be in FINET and Finance indicates that it had previously identified this financial activity through its internal controls process. Finance intends to have this activity included in FINET for FY 2015.

4. **(Environmental Quality) Moab Mill Reclamation Trust Escrow Account** - This escrow account holds the unspent funds from the Moab Mill Reclamation Trust Fund. The Moab Mill is an abandoned mill site in northwest Moab, Utah. As an escrow account, it is appropriately outside of FINET.
5. **(Department of Administrative Services) Fleet Fuel Program** – When non-state agencies purchase fuel at sites that are part of the state’s extended network (not state-owned), the vendor is paid the full amount by the non-state agency as well as the State Fuel Network transaction fees. The state’s transaction fees are in FINET, but the fuel costs are not. The fuel costs are appropriately outside of FINET since the dollars for the fuel never flow through any State entity.
6. **(Utah Communications Agency Network) Utah Communications Agency Network** – The Utah Communications Agency Network is an independent state agency providing a public safety communications network and facilities on a statewide basis for the benefit and use of public agencies and state and federal agencies. This fund accounts for the financial activities of the network. It is appropriately outside of FINET since the Utah Communications Agency Network is an independent entity and the account is for a joint venture.
7. **(School and Institutional Trust Lands Administration) Coral Canyon Escrow Account** – The escrow account is for certain developer obligation in connection with bonding for Coral Canyon Special Service District improvements. As an escrow account, it is appropriately outside of FINET.
8. **(Various) Small Group Fund** – One agency responded to the survey indicating it had a voluntary employee donation fund for gifts. This situation is likely not unique to the one agency who reported. These funds cover employee activities like intra-office gifts and celebrations and are therefore appropriately outside of FINET.

Additionally, Finance is currently in the process of moving the Employee Charitable Fund Drive (see page E – 5) into FINET at the request of the Attorney General.

WHAT ARE THE STATE’S OFF-BUDGET FUNDS AND OPERATIONS?

To talk about “off-budget” funds, we must first define “on-budget” funds. “On-budget” funds for the purposes of this report are those funds that:

1. If a fund was part of the 2013 appropriations acts, it is likely an on-budget fund. A summary of the appropriations acts is available in the *2013-2014 Appropriations Report* available at <http://le.utah.gov/interim/2013/pdf/00001950.pdf>.
 - a. Exception: if the fund only appeared in the transfer section as a fund receiving money, then it is still off-budget. Below is the name of the tables and the page numbers where these transfers appear in the Appropriations Report (<http://le.utah.gov/interim/2013/pdf/00001950.pdf>):
 - i. Restricted Fund and Account Transfers (pages 20 - 21)
 - ii. Transfers to Unrestricted General/Education Funds (page 22)
2. If the Legislature has to appropriate both the inflow and outflow of money to the fund, then the fund is on-budget (even if it did not appear in the 2013 appropriations acts).

“Off-budget” funds generally come about because of “fund type.” Certain types of funds are generally “off-budget” by their very nature, such as fiduciary funds in which the State manages someone else’s money. Financial resources that were not part of the general operating and capital budget of the State were historically “off-budget.” However, “off budget” does not mean “unimportant.” Legislators can – and should – review almost all funds whether or not they are part of the operating and capital budget.

To this end, based on direction provided by the Executive Appropriations Committee during its November 13, 2012 meeting, the Legislature and the Fiscal Analyst helped to include \$892 million in off-budget funds for FY 2013 as part of the 2013 General Session. At the same time the Executive Appropriations Committee approved reorganization of appropriations acts to more clearly identify different types of transactions. Under the reorganization, operating and capital appropriations – typically thought of as “the budget” – were presented in separate subsections from items that approved business-like activities, reviewed fiduciary funds, or simply moved money from one account to another. The goal of the reorganization is to more clearly communicate the Legislature’s intent to state agencies and the Division of Finance, it also allows readers to more easily compare appropriations acts to other budget documents like the Governor’s recommendations and Comprehensive Annual Financial Report.

The reorganization also allowed legislative staff to present more and better information about certain types of financial activity. Because transactions were presented and summarized by type, all activity in self-spending “restricted special revenue” funds and enterprise funds were shown without risk of double-counting. For the 2013 General Session, staff expanded and improved reporting on funds and accounts previously included in appropriations acts, and will over time add other funds not previously shown.

The next logical step in this reorganization was to inventory all financial activity in the state and determine whether and how it should be reviewed in the appropriations process.

METHODOLOGY

In preparing this report, the Fiscal Analyst employed the following criteria and methods:

Criteria for Fiscal Analyst Review

1. Risk – does the fund/operation pose a risk to the State?
2. Accountability – is the current oversight and direction in statute/other guiding provision of the fund/operation sufficient?
3. Compliance with statute or other guiding provisions – does the fund/operation comply with all of its governing provisions (whether state or federal)?
4. Materiality – Is the fund activity material/significant? For the purposes of this report material meant \$100,000 or more.

Review Efforts

1. Identify – the Fiscal Analyst with the help of the Division of Finance and other state agencies identified 286 off-budget funds and 38 off-budget operations (outside of the 2013 General Session appropriations process). The review excluded off-budget funds and operations associated with higher and public educational institutions.
2. Research – the Fiscal Analyst together with help from state agencies answered up to 30 questions per fund. Additionally, the Fiscal Analyst researched 11 questions regarding nonlapsing authority, accruing interest, and updated fund type listed in statute.
3. Report – the Fiscal Analyst summarized the results of its research indicating whether or not the Fiscal Analyst recommended any changes. For 145 or 45% of the 324 off-budget funds and operations analyzed, the Fiscal Analyst recommended changes.
4. Classify level of accountability – for those 216 off-budget funds without a recommendation for closure or that are not accounting tools only, the Fiscal Analyst classified the level of fund accountability using a stoplight approach with the following criteria:
 - a. Red (16 funds) – There are no reporting/control requirements for the fund or an agency is regularly not complying with control/reporting requirements where they exist. The fund has

little or no definitions of where its money comes from, who can use it, or what can be done with it (either in statute, rule, federal regulation, or some other official document). If controls/reporting is defined, agencies have not reported or maintained controls as required for more than one consecutive period. There are no controls on the fund.

- b. Yellow (100 funds) – The current controls on the fund seem inadequate or the agency is periodically not complying with the reporting/control requirements. The fund has very broad definitions of where fund money comes from, who can use it, or what can be done with it (either in statute, rule, federal regulation, or some other official document). Agencies have intermittently failed to report or failed to maintain controls as required within the last three years. For some other reason, an analyst wishes to draw legislators' attention to the fund (e.g.: an analyst is recommending technical changes to the fund).
- c. Green (100 funds) – The fund has specific reporting requirements and the agency is abiding by those reporting/control requirements. The fund has specific definitions of where fund money comes from, who can use it, and what can be done with it (either in statute, rule, federal regulation, or some other official document). Agencies have consistently reported or maintained controls as required in the last three years. The current controls on the fund seem adequate.

Review of Nonlapsing Authority

The Fiscal Analyst identified one fund, fund 1222 Medicaid Restricted Account, that was listed as Nonlapsing in statute but not included in the list of Nonlapsing Funds in 63J-1-602.1 to 63J-1-602.5. The Fiscal Analyst reviewed all 99 funds in the 1000 to 6999 range created in statute by reading the enabling statute to determine if the enabling statute provided nonlapsing authority. The Analyst then checked to make sure that the two funds with nonlapsing authority mentioned in its enabling statute, were also listed in the list of Nonlapsing Funds in 63J-1-602.1 to 63J-1-602.5. Ongoing nonlapsing authority must be listed in 63J-1-602.1 to 63J-1-602.5. The issue with the Medicaid Restricted Account is limited to FY 2013 and the Legislature addressed this by providing nonlapsing authority via intent language. No further action is needed.

Review of Fund Types in Statute

The Fiscal Analyst reviewed 75 funds created in statute to see if a fund type was listed. For those fund types mentioned in statute, the Fiscal Analyst checked if it matched the fund type used by Finance. The Fiscal Analyst did not identify any funds where the type of fund specified in statute does not match its present categorization.

RECOMMENDATIONS

Six Recommendations Affecting 145 Off-budget Funds and Operations

Recommendation 1 - Close 35 funds and deposit \$393,100 into the General Fund - The Fiscal Analyst recommends that the Division of Finance work with affected agencies to close 35 funds with balances of \$1,907,000. The Fiscal Analyst recommends sweeping \$393,100 of balances into the General Fund. The remaining \$1,513,900 in balances should be returned to the owner or spent on authorized purposes specific to each fund. Each of these 35 funds along with their FY 2013 financial activity is listed on the following page in Table 3. For additional information please visit the report page for each fund.

REVIEW OF "OFF-BUDGET" FUNDS AND OPERATIONS

#	Fund/Operation Recommended for Closure	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Sweep to General Fund	Delete UCA	Report Page
1034	Agriculture Conservation Easement Account	\$ -	\$ -	\$ -	\$ -		A - 1
1052	Victims of Domestic Violence Services Account	\$ 10,300	\$ -	\$ 15,500	\$ 15,500		A - 2
1141	Recreational Trails & Streams Enhancement Protect Acct	\$ -	\$ -	\$ -	\$ -	Yes	A - 3
1143	Wetlands Protection Account	\$ -	\$ -	\$ -	\$ -		A - 4
1144	Natural Resources Conservation Easement Account	\$ -	\$ -	\$ -	\$ -		A - 5
1404	Stripper Well-Petroleum Violation Escrow	\$ 7,500	\$ -	\$ 1,251,100	\$ -		A - 6
1550	Veterans' Nursing Home Reimbursement Restricted Account	\$ -	\$ -	\$ 105,000	\$ 105,000	Yes	A - 7
2140	Utah Arts Council Art & Publication Fund	\$ -	\$ -	\$ 400	\$ 400		A - 8
2150	State History Endowment Fund	\$ -	\$ -	\$ 100	\$ -		A - 9
2152	Housing Relief Expendable Special Revenue Fund	\$ -	\$ -	\$ -	\$ -	Yes	A - 10
2195	State Hospital Gift Fund	\$ -	\$ -	\$ -	\$ -		A - 11
2205	Substance Abuse Donation Fund	\$ -	\$ -	\$ -	\$ -		A - 12
2206	Respite Care Assistance Fund	\$ -	\$ -	\$ 700	\$ -		A - 13
2280	Natural Resources Reclamation Fund	\$ 1,000	\$ -	\$ 150,100	\$ 150,100		A - 14
2840	Aeronautics Construction Revolving Loan Fund	\$ -	\$ -	\$ -	\$ -		A - 15
5450	Housing Opportunities for People With AIDS Loans	\$ -	\$ -	\$ 7,800	\$ -		A - 16
7020	Public Treasurer's Investment Pool-Long Term Principle	\$ -	\$ -	\$ -	\$ -		A - 17
7350	Utah Instructional Material Consortium	\$ -	\$ -	\$ -	\$ -		A - 18
8020	Finance Suspense Fund	\$ -	\$ -	\$ 122,100	\$ 122,100		A - 19
8040	Savings Bond Fund	\$ -	\$ -	\$ (200)	\$ -		A - 20
8075	Securities Investor Recovery Fund	\$ -	\$ -	\$ -	\$ -		A - 21
8101	Water Rights & United States Geological Survey Cooperative	\$ -	\$ 86,300	\$ -	\$ -		A - 22
8125	5-A-Day Association	\$ -	\$ -	\$ (700)	\$ -		A - 23
8126	Litigation Fund	\$ -	\$ -	\$ -	\$ -		A - 24
8130	Air Travel Commission	\$ -	\$ -	\$ -	\$ -		A - 25
8135	Miscellaneous Agency Fund	\$ 401,000	\$ 393,700	\$ 119,100	\$ -		A - 26
8140	Motor Carrier Fee	\$ -	\$ -	\$ -	\$ -	Yes	A - 27
8180	Industrial Commission Seminar Fund	\$ 1,500	\$ 11,000	\$ 7,700	\$ -		A - 28
8220	Ad Valorem Tax Cash Bond	\$ -	\$ -	\$ 113,000	\$ -		A - 29

REVIEW OF "OFF-BUDGET" FUNDS AND OPERATIONS

#	Fund/Operation Recommended for Closure	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Sweep to General Fund	Delete UCA	Report Page
8221	Ad Valorem Tax Withholding	\$ -	\$ -	\$ 8,600	\$ -		A - 30
8228	Interstate Fuel Tax Agreement-Cash Bonds	\$ -	\$ -	\$ 300	\$ -		A - 31
8231	Local Sales Tax for Sports Facilities Diversion	\$ -	\$ -	\$ 26,200	\$ -	Yes	A - 32
8235	Special Fuel Bond	\$ -	\$ -	\$ 12,800	\$ -		A - 33
8237	Tax Suspense Fund B	\$ -	\$ -	\$ (32,600)	\$ -		A - 34
9235	Energy Infrastructure Authority	\$ -	\$ -	\$ -	\$ -	Yes	A - 35
35	Total	\$ 421,300	\$ 491,000	\$ 1,907,000	\$ 393,100	6	

Table 3

Recommendation 2 - Include \$70,824,200 in financial activity and \$606,375,400 in fund balances from 53 funds and operations in the appropriations process and modify the Budgetary Procedures Act so that they are appropriately communicated with the Governor’s budget recommendations.

The Fiscal Analyst recommends making five changes to funds in relation to the appropriations acts:

- A. Include 53 funds as part of the annual appropriations bills;
- B. Move fund 2000, Attorney General Consumer Programs Fund, to the operating and capital budget;
- C. Have appropriation subcommittees annually review all off-budget funds and operations;
- D. Include reserve funds as part of the annual appropriations bills; and,
- E. Modify requirements for the Governor’s budget in UCA 51-5 and 63J-1.

Each of the recommendations above has further explanations below.

Recommendation 2A - Include 53 Funds as Part of the Annual Appropriations Bills

The Fiscal Analyst recommends including 53 funds as part of the annual appropriations bills. This will not change how the funds operate, it will just increase the visibility of the funds. Of the 53 funds, 36 or 68% are expendable special revenue funds (most of the funds with numbers in the 2000 to 2999 range). The Fiscal Analyst recommends moving all expendable special revenue funds to the annual appropriations bills. The reason for bringing all expendable special revenue funds to the annual appropriations bills can be found in UCA 51-5-4(c)(iii) which states “Expendable Special Revenue Funds are subject to annual legislative review by the appropriate legislative appropriations subcommittee.” This recommendation will help facilitate that annual legislative review. In total, this has the effect of adding \$70,824,200 in financial activity and \$606,375,400 in fund balances to the appropriations process. These 53 funds and their FY 2013 financial activity are listed below in Table 4. For additional information please visit the report page for each fund.

#	Fund/Operation to Include in Appropriations Acts	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Report Page
1054	Industrial Assistance Account	\$ 2,227,600	\$ 4,677,200	\$ 31,177,900	B - 1
1222	Medicaid Restricted Account	\$ 200	\$ -	\$ 41,400	C - 3
2000	Attorney General Consumer Programs Fund	\$ -	\$ 87,300	\$ 269,300	C - 7
2010	Attorney General Crime & Violence Prevention Fund	\$ 234,800	\$ 82,400	\$ 307,400	C - 8

REVIEW OF "OFF-BUDGET" FUNDS AND OPERATIONS

#	Fund/Operation to Include in Appropriations Acts	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Report Page
2040	Architecture Education & Enforcement Fund	\$ 3,500	\$ 33,900	\$ 20,900	B - 2
2045	Consumer Protect Education & Training Fund	\$ 3,116,800	\$ 2,716,800	\$ 500,000	B - 3
2050	Cosmetologist/Barber, Esthetician, Electrologist Fund	\$ 21,700	\$ 12,800	\$ 101,200	B - 4
2055	Land Surveyor/Engineer Education & Enforcement Fund	\$ 89,800	\$ 54,100	\$ 86,000	B - 5
2060	Landscapes Architects Education & Enforcement Fund	\$ 100	\$ 4,100	\$ 4,000	B - 6
2065	Physicians Education Fund	\$ 12,200	\$ -	\$ 61,800	B - 7
2070	Real Estate Education, Research, & Recovery Fund	\$ 230,800	\$ 174,300	\$ 1,021,600	B - 8
2075	Residence Lien Recovery Fund	\$ 275,200	\$ 294,100	\$ 2,302,500	B - 9
2080	Residential Mortgage Loan Education, Research & Recovery	\$ 140,500	\$ 163,000	\$ 397,500	B - 10
2085	Securities Investor Education/Training/Enforcement Fund	\$ 215,500	\$ 298,600	\$ 287,200	B - 11
2090	Child Welfare Parental Defense Fund	\$ 600	\$ 21,200	\$ 84,800	B - 12
2096	State Archives Fund	\$ 100	\$ -	\$ 400	B - 13
2100	State Endowment Fund	\$ 13,710,700	\$ -	\$ 137,249,400	C - 9
2105	Office of State Debt Collection Fund	\$ 1,477,800	\$ 1,580,100	\$ 543,700	B - 14
2110	History Donation Fund	\$ 3,500	\$ 1,700	\$ 308,400	B - 15
2130	State Library Donation Fund	\$ 8,900	\$ -	\$ 1,247,500	B - 16
2145	State Arts Endowment Fund	\$ 41,000	\$ 7,500	\$ 278,200	B - 17
2165	Salinity Offset Fund	\$ 154,000	\$ 9,100	\$ 522,900	D - 2
2180	Out & About Homebound Transportation Assistance Fund	\$ 24,400	\$ -	\$ 126,000	B - 18
2185	State Development Center Miscellaneous Donation Fund	\$ 75,700	\$ 84,600	\$ 571,400	C - 10
2190	State Development Center Workshop Fund	\$ 126,800	\$ 134,200	\$ 6,400	B - 19
2200	State Hospital Unit Fund	\$ 48,700	\$ 15,300	\$ 320,400	C - 11
2215	Utah Geological Survey Sample Library Fund	\$ 500	\$ -	\$ 78,400	B - 20
2230	Sexually Explicit Business & Escort Service Fund	\$ -	\$ -	\$ 2,000	D - 3
2240	Women, Infants, & Children Supplemental Food Program Fund	\$ -	\$ -	\$ 450,000	C - 12
2255	Wire Estate Memorial Fund	\$ 1,000	\$ 1,000	\$ 161,500	B - 21
2260	Child Care Fund	\$ 200	\$ -	\$ 23,800	D - 4
2290	Waste Tire Recycling Fund	\$ 2,937,100	\$ 2,214,100	\$ 1,649,500	C - 13
2310	CCJJ Juvenile Accountability Incentive Block Grant Fund	\$ 7,000	\$ -	\$ 429,200	B - 22
2320	State Elections Grant Fund	\$ 595,600	\$ 595,600	\$ -	D - 5
2321	CCJJ Justice Assistance Grant Fund	\$ 19,300	\$ -	\$ 482,900	B - 23
2322	Transient Room Tax Fund	\$ 2,298,700	\$ 1,417,700	\$ 1,049,600	B - 24
2323	Private Proposal Restricted Revenue Fund	\$ -	\$ -	\$ 7,000	B - 25
2330	Insurance Fraud Victim Restitution Fund	\$ -	\$ -	\$ -	B - 26

REVIEW OF “OFF-BUDGET” FUNDS AND OPERATIONS

#	Fund/Operation to Include in Appropriations Acts	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Report Page
2335	Title Insurance Recovery Education & Research Fund	\$ 31,400	\$ 50,000	\$ 406,300	B - 27
2340	Child Nutrition Program Commodities Fund	\$ 4,800	\$ 10,400	\$ (400)	B - 28
2345	Utah Community Center for the Deaf Fund	\$ 10,600	\$ 7,500	\$ 30,400	B - 29
2355	Visually Handicapped Fund	\$ 17,300	\$ 5,500	\$ 991,300	D - 6
2390	Alcoholic Beverage Control Act Enforcement Fund	\$ 3,484,100	\$ 3,236,600	\$ 2,907,900	B - 30
2455	Charter School Revolving Account	\$ 49,200	\$ -	\$ 6,494,200	B - 31
2456	School Building Revolving Account	\$ (127,200)	\$ -	\$ 9,468,200	B - 32
5290	Permanent Community Impact Bonus Fund	\$ 10,664,500	\$ 28,900	\$ 321,527,500	B - 33
7205	Utah Navajo Royalties Holding Fund	\$ 2,859,200	\$ 2,255,500	\$ 58,286,900	B - 34
7320	Wildland Fire Suppression Fund	\$ 2,384,900	\$ -	\$ 10,360,600	B - 35
8050	Office of State Debt Collection Collections	\$ 942,300	\$ 958,000	\$ -	B - 36
8060	Attorney General Financial Crimes Trust Fund	\$ 883,900	\$ 863,100	\$ 225,500	B - 37
8185	Wage Claim Agency Fund	\$ 371,600	\$ (1,045,700)	\$ 13,068,800	B - 38
9214	Schools for the Deaf & Blind Donation Fund	\$ 57,900	\$ 19,800	\$ 351,800	B - 39
L017	Utah Public Education Foundation	\$ 8,600	\$ 10,500	\$ 84,300	D - 15
53	Totals	\$ 49,743,400	\$ 21,080,800	\$ 606,375,400	

Table 4

Recommendation 2B - Move Fund 2000, Attorney General Consumer Programs Fund, to the Operating and Capital Budget

The Fiscal Analyst further recommends moving one of the 53 funds, Fund 2000 Attorney General Consumer Programs Fund, to the operating and capital budget. This will require statutory changes to how the fund operates and the Legislature will now appropriate the revenues and expenditures of this fund. For FY 2014, this action puts new balances of \$269,300 directly under the Legislature’s control.

Recommendation 2C - Have Appropriation Subcommittees Annually Review All Off-budget Funds and Operations

The Fiscal Analyst recommends that each appropriations subcommittee, as part of its review of base budgets, review all off-budget funds and operations under its purview. In addition to the 53 funds mentioned above, this would provide annual legislative review for the other 271 funds and operations reviewed in this report.

Recommendation 2D - Include Reserve Funds as part of the Annual Appropriations Bills

Some reserve funds are currently highly visible even though they remain “off-budget” and outside of the official appropriations act. These include the following two rainy day funds with a combined FY 2013 ending balance of \$403 million:

1. General Fund Budget Reserve Account (“Rainy Day Fund”)
2. Education Fund Budget Reserve Account (“Education Reserve”)

Their visibility includes a summary in the *Appropriations Report* from the Fiscal Analyst, Governor’s Budget Recommendations, and the Comprehensive Annual Financial Report. Some reserve-like funds are less visible than the Rainy Day Fund and Education Reserve. They include the following three funds with a combined FY 2013 ending balance of \$153 million:

1. Fund 1222 Medicaid Restricted Account
2. Fund 2100 State Endowment Fund
3. Disaster Recovery Account

Recommendation 2D: *The Fiscal Analyst recommends listing the reserve accounts shown above in the annual appropriations bills process for informational purposes only.*

Recommendation 2E - Modify Requirements for the Governor’s budget in UCA 51-5 and 63J-1

Statute currently requires the Governor’s Office of Management and Budget to submit a budget for governmental funds with the exception of expendable special revenue funds. Section 51-5-7 also requires the governor’s office to submit separate pro forma financial statements for expendable special revenue funds, proprietary funds, and fiduciary funds. In performing this review, we were unable to find financial pro formas for expendable special revenue funds in recent governors’ budget submissions.

Past budget submissions have included pro formas for internal service funds (ISFs) and enterprise funds. Those pro formas have proven quite useful in analyzing ISF finances. We’ve included a sample ISF pro forma in Appendix L.

We note that expendable revenue fund financial information is available in the state financial system. However, this data is retrospective and not prospective. As you can see in the pro forma in Appendix L, forward looking financial information is also provided. This information is especially critical for expendable revenue funds through which the executive branch has authority to expend tax dollars without annual legislative appropriation or approval.

Beyond expendable special revenue funds, the Governor's Office of Management and Budget (GOMB) has requested a change in the current statute to clarify treatment of permanent funds in the Governor’s budget.

Recommendation 2E: *The Fiscal Analyst recommends modifying the Budgetary Procedures Act and Funds Consolidation Act to clarify the responsibilities of the Governor’s office with regard to submission of financial information for expendable special revenue funds, enterprise funds, trust funds, and agency funds.*

Recommendation 3 - Refer 45 funds to subcommittees to consider statute changes - Due to deficiencies in accountability the Fiscal Analyst recommends changing the statutory requirements of 45 funds or operations. The two primary recommendations in this category are to require more regular legislative review (29 funds) and make statute more restrictive in allowable uses (seven funds). These 45 funds and their FY 2013 financial activity are listed on the following page in Table 5. For additional information please visit the individual report pages.

While reviewing the Utah State Fair Corporation, the Fiscal Analyst developed the following two recommendations that likely apply to a number of funds and operations:

- A. Update board membership for fourth congressional district – Boards and any other groups created in statute that had membership in statute based on Utah's three congressional districts be updated to reflect that Utah has four congressional districts.
- B. Specify committees for reports to the Legislature – Some funds (and probably other activities) currently have a report going to the Legislature by statute. Change all of these references and designate a specific committee to receive the report.

REVIEW OF "OFF-BUDGET" FUNDS AND OPERATIONS

#	Fund/Operation With Recommended Statutory Changes	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Report Page
0015	Public Safety-Other Post Employment Benefits Pool	\$ 1,320,000	\$ (1,087,600)	\$ 13,105,900	C - 1
0045	Transportation Fund-Other Post Employment Benefits Pool	\$ 1,884,500	\$ (1,604,900)	\$ 19,042,800	C - 2
1222	Medicaid Restricted Account	\$ 200	\$ -	\$ 41,400	C - 3
1332	Tax & Revenue Anticipation Note Redemption Account	\$ -	\$ -	\$ -	C - 4
1337	Infrastructure and Economic Diversification Investment	\$ 147,300	\$ -	\$ 560,300	C - 5
1520	Abortion Litigation Account	\$ -	\$ -	\$ 1,400	C - 6
2000	Attorney General Consumer Programs Fund	\$ -	\$ 87,300	\$ 269,300	C - 7
2010	Attorney General Crime & Violence Prevention Fund	\$ 234,800	\$ 82,400	\$ 307,400	C - 8
2100	State Endowment Fund	\$ 13,710,700	\$ -	\$ 137,249,400	C - 9
2165	Salinity Offset Fund	\$ 154,000	\$ 9,100	\$ 522,900	D - 2
2185	State Development Center Miscellaneous Donation Fund	\$ 75,700	\$ 84,600	\$ 571,400	C - 10
2200	State Hospital Unit Fund	\$ 48,700	\$ 15,300	\$ 320,400	C - 11
2240	Women, Infants, & Children Supplemental Food Program Fund	\$ -	\$ -	\$ 450,000	C - 12
2290	Waste Tire Recycling Fund	\$ 2,937,100	\$ 2,214,100	\$ 1,649,500	C - 13
2810	Transportation Inventory Fund	\$ 14,800	\$ 14,800	\$ 12,633,300	C - 14
2815	Local Transportation Corridor Preservation Revolving	\$ 18,503,400	\$ 10,436,900	\$ 40,535,000	C - 15
2835	Tollway Special Revenue Fund	\$ 672,500	\$ 840,300	\$ 461,500	C - 16
2846	County of 2nd Class State Highway Projects Fund	\$ 6,000,900	\$ 6,000,900	\$ -	C - 17
5276	Water Resources Conservation and Development Pledged Loans	\$ 28,202,400	\$ 20,790,100	\$ 158,215,700	C - 18
5277	Water Resources 2010 Recapitalization Revenue Bond	\$ 5,645,600	\$ 3,100,100	\$ (5,395,500)	C - 19
5281	Water Resources Cities Pledged Loans	\$ 182,700	\$ 2,126,400	\$ 10,402,500	C - 20
5415	Water Resources Investigation Account	\$ 611,400	\$ 712,100	\$ 1,788,000	C - 21
5416	Lake Powell Pipeline Project Operation & Maintenance Fund	\$ -	\$ -	\$ -	C - 22
5475	Utah Dairy Commission	\$ 2,782,300	\$ 2,508,200	\$ 1,549,600	F - 1
7290	Human Services Client Trust Fund	\$ 3,609,100	\$ 3,757,300	\$ 872,100	C - 23
7300	Maurice N. Warshaw Trust Fund	\$ 1,000	\$ -	\$ 149,100	C - 24

#	Fund/Operation With Recommended Statutory Changes	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Report Page
7305	State Development Center-Patient Account	\$ 1,913,200	\$ 1,870,600	\$ 750,800	C - 25
7310	State Hospital Patient Trust Fund	\$ 877,700	\$ 888,900	\$ 74,700	C - 26
7315	Bond & Surety Forfeiture Trust Fund	\$ 215,700	\$ 120,200	\$ 823,200	C - 27
7340	Inmate Agency Fund Draper	\$ 17,664,100	\$ 17,256,800	\$ 2,828,600	C - 28
7355	Visually Handicapped Vendors	\$ 130,700	\$ 268,700	\$ 169,500	D - 8
8010	Misdemeanor Fines	\$ 1,918,500	\$ 1,797,400	\$ 240,600	C - 29
8015	Security Surcharge and Fines	\$ 4,952,300	\$ 4,952,300	\$ -	C - 30
8016	Surcharge Fines	\$ 18,919,100	\$ 18,926,200	\$ 9,200	C - 31
8025	County Road & School Fund from Forest Reserves	\$ 10,579,800	\$ 10,579,800	\$ 200	C - 32
8030	Local Government Tax Auditor Held Warrants Fund	\$ 658,200	\$ 605,600	\$ 199,800	C - 33
8090	Human Services-ORS Support Collections	\$ 195,159,200	\$ 195,159,200	\$ -	C - 34
8100	Water Rights - Well Driller Bond	\$ -	\$ -	\$ -	C - 35
8150	Public Safety-Seized Cash	\$ 2,899,600	\$ 3,168,200	\$ 2,252,400	C - 36
8170	Juvenile Courts Trust Account	\$ 1,325,900	\$ 1,257,400	\$ 2,018,100	C - 37
8171	District Courts Trust Account	\$ 27,944,500	\$ 26,382,200	\$ 29,287,300	C - 38
8226	Education Tax Check Off Lease Refunding	\$ 28,300	\$ 35,300	\$ 31,200	C - 39
8310	State Treasurer Higher Education City Bail	\$ 64,500	\$ 56,900	\$ 5,500	C - 40
9217	Utah State Fair Corporation	\$ 4,524,800	\$ 4,435,800	\$ 1,859,300	D - 14
L004	Fund of Funds	\$ 20,408,000	\$ 11,900,000	\$ 24,000,000	C - 41
45	Totals	\$ 396,923,200	\$ 349,748,900	\$ 459,853,800	

Table 5

Recommendation 4 - Request the executive branch make changes to 18 funds and provide additional expenditure detail

The Fiscal Analyst recommends that the Legislature request that the executive branch make four changes in relation to funds or operations:

- A. Make specific changes to 18 funds or operations;
- B. Provide additional expenditure detail wherever feasible for funds;
- C. Agency head certification for funds spending more than revenues entering a fund; and,
- D. Direct the agency(s) to do required work so four funds appropriately accrue interest.

Each of the recommendations above has further explanations below.

Recommendation 4A - Make Specific Changes to 18 Funds or Operations

The Fiscal Analyst recommends that the executive branch make changes to 18 funds or operations. Some of the recommendations include a report to the Legislature (5 funds), update the fund name (3 funds), and

work on reducing inactive, stagnant fund balances (3 funds). These 18 funds or operations and their most recent year of financial activity are listed below in Table 6. For additional information please visit the individual report pages.

#	Fund/Operation With Recommended Changes for the Executive Branch	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Report Page
0021	Utah Retirement Systems Payment Adjustments	\$ 178,400	\$ -	\$ 568,000	D - 1
2165	Salinity Offset Fund	\$ 154,000	\$ 9,100	\$ 522,900	D - 2
2230	Sexually Explicit Business & Escort Service Fund	\$ -	\$ -	\$ 2,000	D - 3
2260	Child Care Fund	\$ 200	\$ -	\$ 23,800	D - 4
2320	State Elections Grant Fund	\$ 595,600	\$ 595,600	\$ -	D - 5
2322	Transient Room Tax Fund	\$ 2,298,700	\$ 1,417,700	\$ 1,049,600	20 - 21
2355	Visually Handicapped Fund	\$ 17,300	\$ 5,500	\$ 991,300	D - 6
5475	Utah Dairy Commission	\$ 2,782,300	\$ 2,508,200	\$ 1,549,600	F - 1
7325	Water Commissioner Fund	\$ 1,697,000	\$ 1,587,100	\$ 1,778,600	D - 7
7355	Visually Handicapped Vendors	\$ 130,700	\$ 268,700	\$ 169,500	D - 8
8005	Social Security Suspense Fund	\$ 129,886,300	\$ 129,866,400	\$ (91,900)	D - 9
8160	Lieutenant Governor-Election File Fee Fund	\$ -	\$ -	\$ 7,000	D - 10
8223	Car and Bus Company Trust	\$ 8,954,000	\$ 8,954,000	\$ 999,900	D - 11
8227	General Fund Tax Cash Bond	\$ 2,500	\$ -	\$ 76,200	D - 12
8243	Withholding Tax Cash Bonds	\$ -	\$ -	\$ (3,900)	D - 13
9217	Utah State Fair Corporation	\$ 4,524,800	\$ 4,435,800	\$ 1,859,300	D - 14
L017	Utah Public Education Foundation	\$ 8,600	\$ 10,500	\$ 84,300	D - 15
L024	Governor's Energy Development Summit	\$ 307,500	\$ 211,000	\$ 94,500	D - 16
18	Totals	\$ 151,537,900	\$ 149,869,600	\$ 9,680,700	

Table 6

Recommendation 4B - Provide Additional Expenditure Detail Wherever Feasible for Funds

In the review of funds, the Fiscal Analyst found large expenditures lumped into one category that did not provide a lot of information. For example– *ORS Fund 8090 Child Support Collections: all expenditures are coded as “Trust and Agency - Miscellaneous Disbursements.”* The Fiscal Analyst recommends that the executive branch provide additional expenditures detail where feasible. The Division of Finance expressed concerns in implementing this recommendation regarding privacy, feasibility, and cost issues.

Recommendation 4C - Agency Head Certification for Funds Spending More Than Revenues Entering a Fund

The Fiscal Analyst recommends that the executive branch have agency heads certify to the Director of the Division of Finance that funds which have spent more money than revenue for at least two consecutive years are financially viable and will not create future liabilities for the State. Further give these reports to the Office of the Legislative Fiscal Analyst and the Governor’s Office of Management and Budget.

Recommendation 4D - Direct the Agency(s) to do Required Work so Four Funds Appropriately Accrue Interest

The Fiscal Analyst identified four funds with balances over \$50,000 that should accrue interest but did not. Although the State does not lose the interest, the General Fund receives the interest rather than the individual fund retaining the interest. The Fiscal Analyst recommends that the responsible agency take the necessary steps to ensure that the fund accrues interest going forward. These four funds, the responsible agency, and their FY 2013 financial activity and potential interest earned are listed on the following page in Table 7. The average interest rate of 0.7% for FY 2013 for the Public Treasurers’ Investment Fund is the potential interest rate earned.

#	Fund That Should be Earning Interest	Responsible Agency	FY 2013 Ending Fund Balance	Potential Interest Earned	Report Page
2010	Attorney General Crime & Violence Prevention Fund	Attorney General	\$ 307,400	\$ 2,000	C - 8
2050	Cosmetologist/Barber, Esthetician, Electrologist Fund	Commerce	\$ 101,200	\$ 700	B - 4
2065	Physicians Education Fund	Commerce	\$ 61,800	\$ 400	B - 7
2322	Transient Room Tax Fund	Economic Development (Gov.)	\$ 1,049,600	\$ 6,900	B - 25
4	Totals		\$ 1,520,000	\$ 10,000	

Table 7

In response to findings by the Fiscal Analyst, the Attorney General and the Department of Commerce indicated that they are taking steps to invest the money in the funds going forward. The Department of Commerce indicated that by September it had done the necessary work to have its two funds accrue interest going forward.

Fund 2322 Transient Room Tax is essentially a pass through from the State to Sandy City from a tax earmark. This fund should not have a balance normally like other funds. The fund had a balance of \$1 million in FY 2013. The Governor’s Office of Economic Development has a memorandum of understanding with Sandy City through 2027 to disburse the funds monthly.

Recommendation 4D: *The Legislature should take one of the following options regarding Fund 2322 Transient Room Tax*

1. *No changes – direct the Governor’s Office of Economic Development to be more proactive in complying with the statutory requirement to invest the fund.*
2. *Remove the investment requirement – remove the requirement in UCA 63M-1-2203(2)(b) for the fund to accrue interest.*
3. *Disburse funds more proactively – have the Division of Finance work with the Governor’s Office of Economic Development to set up a more regular disbursement so that there are not balances sitting in the fund.*

Recommendation 5 - Include seven funds in annual presentations to the Executive Appropriations Committee, including a new presentation on long-term liabilities and other material risks – The Fiscal Analyst recommends that the Division of Finance, along with other state officials, annually present big ticket issues to the Executive Appropriations Committee. The Fiscal Analyst recommends that the first four funds or operations in Table 8 be part of that report. The bottom three operations in Table 8 should be added to the annual “Preliminary Fund Balance Report” that also goes to the Executive Appropriations Committee. These seven funds and their most recent year of financial activity are listed on the following page in Table 8. For additional information please visit the individual report pages.

The Fiscal Analyst recommends having the Division of Finance, the Attorney General, State Auditor, and State Treasurer do an annual presentation and report to the Executive Appropriations Committee in December of each year on unfunded long-term liabilities as well as other potential material risks and important issues. Finance already has most of this information compiled in its 2013 Comprehensive Annual Financial Report (<http://finance.utah.gov/reporting/documents/13UTCAFR.pdf>). The Attorney General annually sends a letter to Finance identifying potential legal liabilities (see CAFR pages 116 – 117). The State Auditor and Treasurer may have additional information to share. Some of the issues that may be

of interest from the 2013 Comprehensive Annual Financial Report include: (1) two trust funds with a combined net negative ending balance of \$64 million (CAFR pg. 115) and (2) 37% funded ratio for the State's two Other Postemployment Benefit Plans (CAFR pg. 127).

#	Fund/Operation to Include in Annual Reports to EAC	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Report Page
3555	Permanent State School Fund	\$ 244,029,900	\$ -	\$ 1,605,655,400	E - 1
7000	Public Treasurer's Investment Fund	\$ 8,270,875,800	\$ 7,929,009,400	\$ 6,399,401,600	E - 2
8300	State Treasurer Miscellaneous Investments	\$ (686,500)	\$ -	\$ 22,573,400	E - 3
L006	Moral Obligation Bonds	\$ -	\$ -	\$781,225,000	E - 4
L030	Employee Charitable Fund Drive	\$ 197,500	\$ 178,800	\$ 210,800	E - 5
L031	Inmate Accounting	\$ 10,043,200	\$ 9,746,100	\$ 1,945,200	E - 6
L032	Offender Obligation	\$ 7,620,800	\$ 7,510,700	\$ 883,400	E - 7
7	Totals	\$ 8,532,080,700	\$ 7,946,445,000	\$ 8,811,894,800	

Table 8

Recommendation 6 - Ask seven organizations to report annually to the Retirement and Independent Entities Appropriations Subcommittee - The Fiscal Analyst recommends that all independent entities report annually to the Retirement and Independent Entities Appropriations Committee. There are seven independent entities that currently do not report to a committee. These seven entities and their most recent year of financial activity are listed below Table 9. For additional information please visit the report page for each operation.

#	Independent Entity to Report to Retirement and Independent Entities Appropriations Subcommittee	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Report Page
5475	Utah Dairy Commission	\$ 2,782,300	\$ 2,508,200	\$ 1,549,600	F - 1
9111	Utah Housing Corporation	\$ 77,225,000	\$ 77,669,000	\$ 233,908,000	F - 2
9216	Heber Valley Historic Railroad Authority	\$ 1,799,000	\$ 1,915,000	\$ 1,672,000	F - 3
9236	Military Installation Authority	\$ 9,178,300	\$ 17,327,400	\$ (8,149,100)	F - 4
9237	Utah State Railroad Museum Authority	\$ -	\$ -	\$ -	F - 5
L013	Utah Communications Agency Network	\$ 5,380,600	\$ 4,723,300	\$ 657,300	F - 6
L022	Workers' Compensation Fund	\$ 262,200,000	\$ 222,300,000	\$ 618,700,000	F - 7
7	Totals	\$ 358,565,200	\$ 326,442,900	\$ 848,337,800	

Table 9

179 funds or operations with no recommendation - The Fiscal Analyst reviewed 179 funds or operations and provided no recommendations for changes. These 179 funds or operations and their financial activity of \$15.3 billion and balances of \$34.6 billion are included on subsequent pages in Table 10. For additional information please visit the individual report pages.

REVIEW OF "OFF-BUDGET" FUNDS AND OPERATIONS

#	Fund/Operation With No Recommendations for Changes	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Report Page
0010	Public Safety-Termination Pool	\$ -	\$ 931,300	\$ 1,185,100	G - 1
0020	General Fund-Termination Pool	\$ -	\$ 878,300	\$ 835,500	G - 2
0025	General Fund-Other Post Employment Benefits Pool	\$ 15,102,800	\$ (6,996,800)	\$ 133,261,900	G - 3
0030	Uniform School Fund-Termination Pool	\$ -	\$ 421,600	\$ (5,100)	G - 4
0035	Uniform School Fund-Other Post Employment Benefits Pool	\$ 704,500	\$ (921,400)	\$ 7,231,200	G - 5
0040	Transportation Fund-Termination Pool	\$ -	\$ 957,100	\$ 6,772,100	G - 6
0055	General Fund-Non-Budgetary Accruals	\$ (8,215,000)	\$ (19,349,000)	\$ 157,882,600	G - 7
0060	Education Fund-Non-Budgetary Accruals	\$ (13,414,200)	\$ 2,817,400	\$ 201,384,000	G - 8
0065	Uniform School Fund-Non-Budgetary Accruals	\$ (243,400)	\$ -	\$ 1,255,800	G - 9
0070	Transportation Fund-Non-Budgetary Accruals	\$ (7,071,000)	\$ -	\$ 26,274,300	G - 10
0075	Transportation Invest Fund-Non-Budgetary Accruals	\$ 7,587,500	\$ -	\$ 24,687,300	G - 11
0085	Elected Official-Other Post Employment Benefits Pool	\$ 143,400	\$ (1,708,500)	\$ 5,039,500	G - 12
0110	Special Accounts Fund - Payroll Clearing Fund	\$ -	\$ -	\$ -	G - 13
0115	Special Accounts Fund-Tax Clearing	\$ -	\$ -	\$ -	G - 14
0116	Special Accounts Fund-Fuel Tax Clearing	\$ -	\$ -	\$ -	G - 15
0117	Special Accounts Fund-Misc Tax Clearing	\$ -	\$ -	\$ -	G - 16
0118	Special Accounts Fund-Motor Vehicle Fees Tax Clearing	\$ -	\$ -	\$ -	G - 17
0120	Special Accounts Fund-General Capital Assets	\$ -	\$ -	\$ -	G - 18
0150	Environmental Quality Clearing Fund	\$ -	\$ -	\$ -	G - 19
0950	Entity Wide Adjustments-Governmental	\$ -	\$ -	\$ -	G - 20
0980	Entity Wide Adjustments-Business-type	\$ -	\$ -	\$ -	G - 21
1050	Community Development Block Grant Loan Advances	\$ 10,000	\$ 10,000	\$ -	G - 22
1056	Humanitarian Service Restricted Account	\$ 4,600	\$ -	\$ 10,000	G - 23
1057	Martin Luther King Jr Civil Rights Support Restricted Account	\$ -	\$ -	\$ -	G - 24
1080	Water Quality-Provo River Central Utah Project Investments Fund	\$ -	\$ -	\$ -	G - 25
1083	Nuclear Accident & Hazard Compensation Account	\$ -	\$ -	\$ -	G - 26
1084	Nuclear Waste Facility Oversight Account	\$ -	\$ -	\$ -	G - 27
1086	Radioactive Waste Perpetual Care & Maintenance Account	\$ 431,000	\$ -	\$ 4,909,700	G - 28
1145	Wildlife Resources Conservation Easement Account	\$ 211,500	\$ -	\$ 321,500	G - 29
1235	Medicaid Budget Stabilization Restricted Account	\$ -	\$ -	\$ -	G - 30

REVIEW OF "OFF-BUDGET" FUNDS AND OPERATIONS

#	Fund/Operation With No Recommendations for Changes	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Report Page
1323	Federal Commodities	\$ 408,983,700	\$ 408,983,700	\$ -	G - 31
1324	General Fund Budget Reserve Account	\$ 1,100,000	\$ -	\$ 134,116,700	G - 32
1333	Tobacco Control Restricted Account	\$ -	\$ -	\$ -	G - 33
1340	Navajo Water Rights Negotiation Account	\$ 2,000,000	\$ -	\$ 2,000,000	G - 34
1501	Remote Sales Restricted Account	\$ 500	\$ -	\$ 78,400	G - 35
2246	State Imposed Transit Tax Fund	\$ 3,167,300	\$ 3,167,300	\$ -	G - 36
2420	Invest More for Education Account	\$ -	\$ -	\$ -	G - 37
2805	Highway Projects Within Counties Fund	\$ 1,436,500	\$ 1,436,500	\$ -	G - 38
2830	Marda Dillree Corridor Preservation Fund	\$ 8,794,700	\$ 14,055,400	\$ 3,725,900	G - 39
2847	2010 Salt Lake County Revenue Bond Sinking Fund	\$ 6,570,200	\$ 6,570,200	\$ -	G - 40
2860	Public Safety Motorcycle Education	\$ 542,600	\$ 323,500	\$ 2,113,600	G - 41
3250	State Building Ownership Authority Capital Projects	\$ 1,992,900	\$ 10,953,900	\$ 1,549,800	G - 42
3510	Utah State University-Principle, Permanent Fund	\$ 207,100	\$ -	\$ 2,239,200	G - 43
3515	Deaf School-Principle, Permanent Fund	\$ 52,400	\$ -	\$ 497,900	G - 44
3520	Utah State Hospital- Principle, Permanent Fund	\$ 236,500	\$ -	\$ 3,062,700	G - 45
3525	Institution for the Blind-Principle, Permanent Fund	\$ 1,735,000	\$ -	\$ 16,283,900	G - 46
3530	Miners Hospital-Principle, Permanent Fund	\$ 5,412,000	\$ -	\$ 45,520,600	G - 47
3535	Normal School-Principle, Permanent Fund	\$ 332,400	\$ -	\$ 3,648,900	G - 48
3540	Public Building-Principle, Permanent Fund	\$ -	\$ -	\$ 32,900	G - 49
3545	State Youth Development Center-Principle, Permanent Fund	\$ 133,500	\$ -	\$ 959,300	G - 50
3550	Reservoir-Principle, Permanent Fund	\$ 708,300	\$ -	\$ 5,207,400	G - 51
3560	School Mines-Principle, Permanent Fund	\$ 307,800	\$ -	\$ 3,241,200	G - 52
3565	University of Utah Land-Principle, Permanent Fund	\$ 483,600	\$ -	\$ 3,910,800	G - 53
4105	02 General Obligation Refunding Bonds Series 2002 B	\$ 59,915,000	\$ 59,915,000	\$ -	G - 54
4106	03 General Obligation Refunding Bonds Series 2003 A	\$ 55,340,000	\$ 55,340,000	\$ -	G - 55
4107	04 General Obligation Refunding Bonds Series 2004 A	\$ 22,415,800	\$ 22,415,800	\$ -	G - 56
4108	04 General Obligation Bonds Series 2004 B	\$ 3,960,000	\$ 3,960,000	\$ -	G - 57
4109	07 General Obligation Bonds Series 2007	\$ 11,290,900	\$ 11,290,900	\$ -	G - 58
4110	09 General Obligation Bonds Series 2009A	\$ 31,693,400	\$ 31,693,400	\$ -	G - 59
4111	09 General Obligation Bonds Series 2009B	\$ 22,546,300	\$ 22,546,300	\$ -	G - 60
4112	09 General Obligation Bonds Series 2009C	\$ 55,848,400	\$ 55,848,400	\$ -	G - 61
4113	09 General Obligation Bonds Series 2009D	\$ 22,099,500	\$ 22,099,500	\$ -	G - 62
4114	10 General Obligation Bonds Series 2010A	\$ 65,581,300	\$ 65,581,300	\$ -	G - 63
4115	10 General Obligation Bonds Series 2010B	\$ 21,481,600	\$ 21,481,600	\$ -	G - 64

REVIEW OF "OFF-BUDGET" FUNDS AND OPERATIONS

#	Fund/Operation With No Recommendations for Changes	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Report Page
4116	10 General Obligation Refunding Bonds Series 2010C	\$ 8,351,700	\$ 8,351,700	\$ -	G - 65
4117	11 General Obligation Bonds Series A	\$ 56,657,200	\$ 56,657,200	\$ -	G - 66
4118	12 General Obligation Bonds Series A	\$ 6,053,700	\$ 6,053,700	\$ -	G - 67
4300	92A Lease Revenue Refunding Bonds Series 1992 A	\$ -	\$ -	\$ 898,000	G - 68
4301	92B Lease Revenue Bonds Series 1992 B	\$ -	\$ -	\$ 77,300	G - 69
4302	93A Lease Revenue Bonds Series 1993 A	\$ 2,300	\$ 515,900	\$ 76,100	G - 70
4309	98C Lease Revenue Refunding Bonds Series 1998 C	\$ 11,301,400	\$ 11,458,400	\$ (794,800)	G - 71
4314	03 Lease Revenue Bonds Series 2003	\$ 1,836,700	\$ 1,701,600	\$ 400,300	G - 72
4315	04A Lease Revenue Bonds Series 2004 A	\$ 839,500	\$ 2,345,300	\$ (1,390,900)	G - 73
4317	06A Lease Revenue Refunding Bonds Series 2006 A	\$ -	\$ -	\$ -	G - 74
4318	07A Lease Revenue Bonds Series 2007 A	\$ -	\$ -	\$ 5,700	G - 75
4319	09A Lease Revenue Bonds Series 2009 A	\$ -	\$ -	\$ 1,500	G - 76
4320	09B Lease Revenue Bond Series 2009B	\$ (200)	\$ -	\$ (200)	G - 77
4321	09C Lease Revenue Bond Series 2009C	\$ -	\$ -	\$ -	G - 78
4322	09D Lease Revenue Bond Series 2009D	\$ 606,200	\$ 609,300	\$ (14,700)	G - 79
4323	09E Lease Revenue Bond Series 2009E	\$ 4,992,500	\$ 4,997,700	\$ (13,900)	G - 80
4324	10A Recap Water Revenue Bonds Series A	\$ 21,300	\$ 21,300	\$ (5,000)	G - 81
4325	10B Recap Water Revenue Bonds Series B	\$ 7,300	\$ 7,300	\$ 1,700	G - 82
4326	10C Recap Water Revenue Bonds Series C BAB	\$ 14,000	\$ 14,000	\$ 3,300	G - 83
4327	10 Lease Revenue Refunding Bond Series 2010	\$ 2,781,700	\$ 2,211,300	\$ 1,574,700	G - 84
4328	11 Lease Revenue Bond Series 2011	\$ 596,700	\$ 491,600	\$ 122,700	G - 85
4329	12A Lease Revenue Bond Series 2012A	\$ 13,352,600	\$ 13,286,700	\$ 65,900	G - 86
4330	12B Lease Revenue Bond Series 2012B	\$ 7,897,900	\$ 7,160,100	\$ 737,800	G - 87
5100	Board of Regents-Student Assistance Fund	\$ 55,563,700	\$ 52,417,000	\$ 55,099,000	G - 88
5210	State Revolving Fund for Drinking Water Projects	\$ 13,276,800	\$ 3,175,900	\$ 141,054,900	G - 89
5215	Drinking Water State Revolving Fund Hardship Fee Account	\$ 526,000	\$ 235,700	\$ 4,360,300	G - 90
5246	Drinking Water Origination Fee-Federal	\$ 84,100	\$ 143,500	\$ 424,400	G - 91
5250	Water Quality State Revolving Fund Hardship Assessment	\$ 2,131,500	\$ 490,500	\$ 12,931,200	G - 92
5255	Utah State Revolving Fund for Wastewater Projects	\$ 8,496,600	\$ 950,000	\$ 243,332,000	G - 93
5266	Water Quality Origination Fee Sub Account	\$ -	\$ -	\$ (800)	G - 94
5267	Water Quality Origination Fee-Federal	\$ -	\$ 71,200	\$ 523,700	G - 95
5310	Energy Efficiency Fund	\$ 1,500	\$ 500	\$ 817,900	G - 96
5311	United States Energy Program Revolving Loan Fund (ARRA)	\$ 334,600	\$ 600	\$ 2,861,100	G - 97
5420	Olene Walker Housing Loan Fund-Farmer Home	\$ 1,800	\$ 77,300	\$ 554,400	G - 98

REVIEW OF "OFF-BUDGET" FUNDS AND OPERATIONS

#	Fund/Operation With No Recommendations for Changes	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Report Page
5423	OWHTF-Farmer Home Program Income	\$ 984,900	\$ 273,300	\$ 2,972,500	G - 99
5426	Olene Walker Housing Loan Fund-Federal Home	\$ 5,734,000	\$ 3,538,600	\$ 47,773,000	G - 100
5429	Olene Walker Housing Loan Fund-Federal Home Income	\$ 3,655,500	\$ 4,129,800	\$ 15,500,500	G - 101
5435	Olene Walker Housing Loan Fund-State Home Income	\$ 661,100	\$ 174,200	\$ 7,674,900	G - 102
5438	Olene Walker Housing Loan Fund-Low Income Housing	\$ 2,545,200	\$ 2,047,300	\$ 21,676,700	G - 103
5441	OWHTF-Low Income Housing - Program Income	\$ 1,726,800	\$ 1,133,200	\$ 5,143,400	G - 104
5444	Olene Walker Housing Loan Fund-Critical Needs	\$ 600	\$ -	\$ 132,400	G - 105
5446	Olene Walker Housing Loan Fund-Escrow Tracking	\$ -	\$ -	\$ 10,000	G - 106
5447	Olene Walker Housing Loan Fund-Rental Rehabilitation	\$ 266,900	\$ 400	\$ 372,100	G - 107
5448	OWHLF Multi-Family Housing Preservation Revolving Loan	\$ 103,000	\$ 64,200	\$ 1,772,200	G - 108
5449	OWHLF Innovative Weatherize Loan Program Fund	\$ 1,980,000	\$ -	\$ 1,980,000	G - 109
5490	Brownfields Fund	\$ -	\$ -	\$ -	G - 110
5500	Infrastructure Loan Fund	\$ 52,100	\$ -	\$ 4,061,900	G - 111
5600	Federal High Risk Insurance Pool	\$ 38,921,900	\$ 40,319,000	\$ (1,382,400)	G - 112
7010	Undistributed Pool Earnings	\$ 62,185,900	\$ 66,025,400	\$ 45,068,800	G - 113
7221	Petroleum Storage Tank Cleanup Fund	\$ 1,384,200	\$ 189,800	\$ 4,909,300	G - 114
7222	Petroleum Damage Settlement Fund	\$ 3,100	\$ 2,200	\$ 480,100	G - 115
7230	Utah Educational Savings Plan Trust	\$ 1,368,120,200	\$ 215,576,800	\$ 5,872,077,000	G - 116
7250	Flexible Benefit Fund-Even Years	\$ 5,274,100	\$ 5,677,000	\$ -	G - 117
7251	Flexible Benefit Fund-Odd Years	\$ 5,164,500	\$ 4,837,900	\$ 326,600	G - 118
7260	Indigent Inmate Trust Fund	\$ 6,200	\$ 500	\$ 993,500	G - 119
7261	Indigent Capital Defense Trust Fund	\$ 473,300	\$ 424,500	\$ 322,600	G - 120
7270	Ethnic Arts Endowment	\$ 1,100	\$ -	\$ 183,700	G - 121
7275	Individual Arts Endowment	\$ 3,700	\$ -	\$ 616,900	G - 122
7280	Moab Mill Reclamation Trust Fund	\$ -	\$ -	\$ -	G - 123
7500	Pension-Contributory System	\$ -	\$ -	\$ -	G - 124
7510	Pension-Non Contributory System	\$ -	\$ -	\$ -	G - 125
7520	Pension-Public Safety System	\$ -	\$ -	\$ -	G - 126
7530	Pension-Firefighters System	\$ -	\$ -	\$ -	G - 127
7540	Pension-Judges' System	\$ -	\$ -	\$ -	G - 128
7550	Pension-Governors & Legislative Pension Plan	\$ -	\$ -	\$ -	G - 129
7560	Pension-401(k) Plan	\$ -	\$ -	\$ -	G - 130
7570	Pension-457 Plan	\$ -	\$ -	\$ -	G - 131
7580	Pension-Traditional IRA	\$ -	\$ -	\$ -	G - 132
7590	Pension-Roth IRA	\$ -	\$ -	\$ -	G - 133
7600	Pension-Health Reimbursement Accounts	\$ -	\$ -	\$ -	G - 134

REVIEW OF "OFF-BUDGET" FUNDS AND OPERATIONS

#	Fund/Operation With No Recommendations for Changes	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Report Page
8001	Unemployment Insurance Agency	\$ 2,275,300	\$ 1,475,500	\$ (1,136,200)	G - 135
8003	Federal Withholding Tax Fund	\$ 83,957,500	\$ 83,998,000	\$ 110,800	G - 136
8007	State Withholding Tax	\$ 37,650,800	\$ 37,649,600	\$ (532,800)	G - 137
8021	Finder Fund	\$ 43,786,600	\$ 43,747,300	\$ 122,200	G - 138
8035	Mortgage Loan Escrows	\$ 41,500	\$ 45,100	\$ 20,100	G - 139
8070	Consumer Protection Agency	\$ (11,000)	\$ -	\$ 151,200	G - 140
8080	Beef Promotion Agency Fund	\$ -	\$ -	\$ 133,200	G - 141
8085	Produce Dealer Bond Agency Fund	\$ -	\$ -	\$ 300	G - 142
8115	Corrections Inventory	\$ 8,879,700	\$ 8,879,700	\$ -	G - 143
8141	Class B & C Road-Agency Fund	\$ -	\$ -	\$ -	G - 144
8142	Aeronautics Airport Agency Fund	\$ 57,852,000	\$ 57,852,000	\$ -	G - 145
8151	Public Safety Financial Responsibility	\$ 10,100	\$ -	\$ 62,400	G - 146
8190	Medical Education Council Agency Fund	\$ 2,300	\$ 303,600	\$ -	G - 147
8200	Civil Fees Judges' Retirement Trust Fund	\$ 1,633,000	\$ 1,633,000	\$ 1,200	G - 148
8205	Firefighters' Retirement Trust & Agency Fund	\$ 12,514,700	\$ 20,500,000	\$ 1,326,600	G - 149
8210	Property Tax Valuation	\$ 2,976,800	\$ 2,974,500	\$ 2,900	G - 150
8222	Botanical, Cultural, & Zoological Tax	\$ 30,696,700	\$ 30,582,600	\$ 3,598,200	G - 151
8224	Motor Vehicle Registration & City 1st Class Fee Collections	\$ 1,630,200	\$ 1,644,700	\$ 50,900	G - 152
8229	License Plate Contributions-Non FINET Entities	\$ 888,000	\$ 888,000	\$ 200	G - 153
8230	Local & Optional Taxes	\$ 236,985,200	\$ 237,189,600	\$ 5,283,100	G - 154
8232	Local Transit Authority	\$ 213,249,400	\$ 211,836,700	\$ 25,754,500	G - 155
8233	Municipal Energy Sales & Use Tax Fund	\$ 4,186,900	\$ 4,341,700	\$ (62,500)	G - 156
8234	Rural County Hospital Tax	\$ 2,951,600	\$ 2,913,200	\$ 315,100	G - 157
8236	Tax Commission Suspense	\$ 1,200	\$ -	\$ 206,800	G - 158
8238	Tax Suspense-International Registration Plan	\$ 15,868,200	\$ 15,771,900	\$ 1,389,500	G - 159
8239	Tax Suspense-Motor Vehicle Impound Sales	\$ -	\$ -	\$ -	G - 160
8240	Tourism Recreation, Cultural & Convention Facilities	\$ 1,803,900	\$ 1,797,200	\$ 216,200	G - 161
8241	Transient Room/Resort Tax	\$ 111,955,200	\$ 111,139,500	\$ 14,147,000	G - 162
8242	Uniform Local Sales Tax	\$ 606,074,100	\$ 602,953,000	\$ 62,803,600	G - 163
8280	Earnings Clearing Fund	\$ 28,500	\$ -	\$ 1,253,100	G - 164
8290	Land Board Suspense Agency	\$ 9,500	\$ -	\$ 3,952,500	G - 165
8305	Election Campaign Fund	\$ 98,800	\$ 102,700	\$ 2,400	G - 166
8315	State Treasurer Industrial Commission Investment	\$ -	\$ -	\$ -	G - 167
8320	State Treasurer State Land Investment	\$ 42,506,400	\$ 42,243,500	\$ (546,500)	G - 168
8325	Tobacco Investment Clearing Account	\$ -	\$ -	\$ -	G - 169
8330	Treasurer Cash Clearing Account	\$ -	\$ -	\$ -	G - 170
9116	Public Employees Health Program	\$ -	\$ -	\$ -	G - 171
9213	Comprehensive Health Insurance Pool	\$ 31,766,900	\$ 34,170,700	\$ 20,372,700	G - 172
L011	Private Activity Bonds	\$ 264,776,200	\$ 253,250,000	\$ 268,846,200	G - 173
L012	Student Assistance Revenue Bonds	\$ 67,587,600	\$ 65,754,600	\$ 331,342,800	G - 174

#	Fund/Operation With No Recommendations for Changes	Revenues FY 13/CY 12	Expenditures FY 13/CY 12	Ending Fund Balance	Report Page
L018	Utah Retirement Systems	\$ 3,422,448,000	\$ 3,171,792,000	\$ 21,362,079,000	G - 175
L019	Utah School Guarantee Act	\$ -	\$ 342,221,000	\$ 3,470,571,000	G - 176
L021	Utah Transit Authority	\$ 394,877,000	\$ 367,658,000	\$ 1,687,682,000	G - 177
L023	Moab Mill Reclamation Trust Escrow Account	\$ 4,300	\$ -	\$ 609,000	G - 178
L028	Coral Canyon Escrow Account	\$ 2,800	\$ 245,300	\$ 247,600	G - 179
179	Totals	\$ 8,208,564,200	\$ 7,070,116,300	\$ 34,555,980,200	

Table 10

Make Five General Operational Changes

The Fiscal Analyst recommends making five general operational changes. The list below discusses each of the five changes in more detail:

Change 1 - Extend \$30,000 revenue-generating requirement to all donation funds – Require all funds that are primarily a donation account to generate at least \$30,000 in revenue in one year during a three year period or be closed. Similar to income tax return contributions in UCA 59-10-1304, this would result in automatic closing of funds that do not generate \$30,000 in donations in one year during a three year period. The Legislature has also used three years in UCA 41-1a-418 (4) as a criteria for license plates to have 500 plates issued. UCA 41-1a-418 (4) further requires the Motor Vehicle Division to report all plates that will be discontinued to the applicable legislative committee each November. The Legislature could add similar reporting requirements for all funds that the Division of Finance proposes to close to the Executive Appropriations Committee. The Legislature may want to provide other criteria or flexibility to the Division of Finance to determine if a fund not meeting the \$30,000 threshold should be closed.

Change 2 - Direct the Division of Finance to review \$9 million in stagnant fund balances – The Fiscal Analyst recommends that the Division of Finance help agencies review the state’s compliance with UCA 67-4a Unclaimed Property Act for its sixty-eight fiduciary funds (fund #s 8000-8999) with combined FY 2013 ending balances of \$190 million. The Division of Finance estimates that approximately \$9 million of the ending balances may be stagnant. The Unclaimed Property Act indicates balances should be remitted to the State’s Unclaimed Property Division if property is payable and unclaimed after three years of due diligence to find the owner. In cases where the owner cannot be found, the State eventually would receive some of the unclaimed money. The Fiscal Analyst found examples of potential noncompliance in funds that it recommends closing as well as funds that continue to have financial activity. For example, Fund 8223 Car and Bus Company Trust is an active fund and has a \$1 million ending balance that has existed since at least 1997. Fund 8223 should normally have a \$0 ending balance. This \$1 million ending balance is a strong candidate for UCA 67-4a Unclaimed Property Act. The Fiscal Analyst recommends that the Division of Finance provide an update on its efforts for the annual “Preliminary Fund Balance Report” in September.

Change 3 - Broaden the scope of the annual “Preliminary Fund Balance Report” – The Fiscal Analyst annually presents the “Preliminary Fund Balance Report” (<http://le.utah.gov/interim/2013/pdf/00003272.pdf>) to the Executive Appropriations Committee. The Legislature may want to expand this report to include more information on funds like the following from the Division of Finance:

1. Recommendation for funds that could be closed as well as any needed action by the Legislature to close those funds.
2. Explanation for all funds that end the year with negative balances over \$100,000 as well as what will be done and what the Legislature may need to do for each item.

3. Identification and explanation of all new funds annually. Additionally, the Fiscal Analyst will provide any recommendations for improving accountability on new funds. If the Legislature wanted, the Fiscal Analyst, with assistance from the Division of Finance, could do the analysis in this report for all of the new off-budget funds each year.

Change 4 - Change the legislative drafting instructions for bills that create or modify funds in four ways:

1. Reports that go to the Legislature, must go to a specific committee. Currently in statute there are a few funds that must “report to the Legislature.” This requirement is too broad and does not provide the desired oversight. By requiring a report going to a committee, the committee can decide if it’s worth having a public hearing on the report.
2. All funds should have some level of accountability. This can take a variety of forms ranging from a board that must review transactions, legislative appropriation to spend and/or receive money, to an individual report or one of many like funds in a report.
3. Funds should have very clear sources of revenue and uses for the money defined in statute.
4. All funds and operations created in statute that are not included in an appropriations act, should have a sunset provision, so that a committee must revisit the fund in order for the fund to continue. The Legislature may want to consider reviewing funds created in the last five years and adding a sunset provision to those funds.

Change 5 - Include \$1.8 billion in tax credits in the annual appropriations review – The State of Utah provides tax credits and exemptions for all tax types. The reasons for the credits and exemptions vary, but include economic development, encouraging certain types of activities, and avoiding double taxation, among others. When looking at just the “big three” tax types – income tax, corporate income tax, and sales tax – the most recent estimate of the total amount of tax credits and exemptions offered amounts to about \$1.8 billion annually for 133 credits and exemptions.

The revenue associated with the credits and exemptions is accounted for in the quarterly forecasting process, although, because this activity takes place outside of an official appropriations bill, the revenue associated with these credits and exemptions are off-budget. The Tax Commission collects and reports on the various tax credits and exemptions on an annual basis through their annual report and website posting of statistical information.

Instead of annually reviewing all credits and exemptions, the Legislature as whole evaluates new credits and exemptions during the annual budget process, deciding whether to authorize a proposed change to the tax code and the associated static revenue change. Bills passed during the 2013 General Session implementing new tax credits with fiscal impacts in FY 2013 and FY 2014 can be found in Table 8 - Legislative Changes to GF/EF Revenue of the [Appropriations Report](#) (click on the link to go to the report; as a note, not all items included in Table 8 are tax law changes).

The issue of tax expenditures is an item of discussion among other states. The Pew Center recently published a couple of reports comparing states on their implementation of tax expenditures and how well states follow-up on what they’ve done (click on the following links for the reports: “[Avoiding Blank Checks](#)” and “[Evidence Counts: Evaluating State Tax Incentives for Jobs and Growth](#)”). Overall, the reports recommended building ongoing evaluation and follow-up mechanisms, measuring economic impact, and drawing clear conclusions on the effectiveness of the tax expenditures.

In terms of estimating tax expenditures, figures are either not updated often, such as the sales tax exemption figures, or are not known until a year or more after the fiscal year ends. For instance, revenue associated with the nonrefundable income tax credits are just now being compiled from calendar year 2012, almost a year after the tax year has ended.

Table 11 below has a summary of the tax credits and exemptions by tax type with their most recent value for the three largest free-revenue tax types: sales tax, income tax, and corporate income tax. The list totals \$1.8 billion.

Credits and Exemptions		
Tax Type	Number	Recent Amount
Corporate Tax	19	\$39,401,600
Income Tax	32	\$1,094,288,500
Sales Tax	82	\$707,053,200
Total	133	\$1,840,743,300

Table 11

In looking at the largest credits and exemptions, the list includes the taxpayer tax credit component of the individual income tax (\$960 million), the motor and special fuels sales tax exemption (\$248 million), the manufacturing, three year life sales tax exemption (\$103 million), the sales tax exemption for prescription drugs (\$59 million), and the taxes paid to another state tax credit (\$56 million). A full list of all the tax credits that make up the \$1.8 billion total is available in Appendix I.

Recommendation: *The Fiscal Analyst recommends that the Legislature implement one of the following three options in relation to these tax credits and exemptions:*

1. *Have the Executive Appropriations Committee review the annual estimates of tax credits from the Tax Commission.*
2. *Direct the Fiscal Analyst to report to the Executive Appropriations Committee on annual estimates of all tax credits.*
3. *Include the \$1.8 billion in tax credits and exemptions as tax expenditures as part of the annual appropriations process. Essentially, instead of reducing revenue estimates for the expected tax expenditures, the revenue estimating process could project revenue presuming the tax expenditures did not happen. Thereafter, should the Legislature wish to authorize the tax expenditures, the Legislature could include consensus tax expenditure estimates in an appropriations bill. The Fiscal Analyst recommends this option.*

Notes and Explanations for One Page Reports on Off-budget Funds and Operations

Below are some helpful notes and explanations about the information presented in the one page report for each fund:

1. The FY 2013 numbers in the graphs are the final numbers for FY 2013. Finance indicated via email on October 31, 2013 that the final audit of the numbers had been completed.
2. Graph explanations - FINET generally reports both revenues and expenditures as positive values. This is why both expenditures and revenues show as positives on most graphs for each fund.
 - a. Transfers – the Fiscal Analyst added positive net transfers for each fund to the fund’s revenues and negative net transfers to the fund’s expenditures.
 - b. In addition to the transfer change above, the following two reasons may explain why some graphs have negative revenues and/or expenses:
 - i. Negative revenues – if an entity shared some of its revenue to help pay for a cost to another agency, then this is one scenario of negative revenue.
 - ii. Negative expenses – if a recorded expense later had some reimbursement, then this would result in a negative expense.

The Fiscal Analyst recommends changes to 145 or 45% of “off-budget funds and operations. Each of these funds and operations with associated recommendations is discussed in more detail in appendices A through G below. The funds and operations are grouped by type of recommendation.

APPENDIX A – RECOMMENDATION 1 - CLOSE 35 FUNDS AND DEPOSIT \$393,100 INTO THE GENERAL FUND

Fund 2390 Alcoholic Beverage Control Act Enforcement Fund

Agency(s): Public Safety

Analyst: Gary Syphus

Purpose and Uses

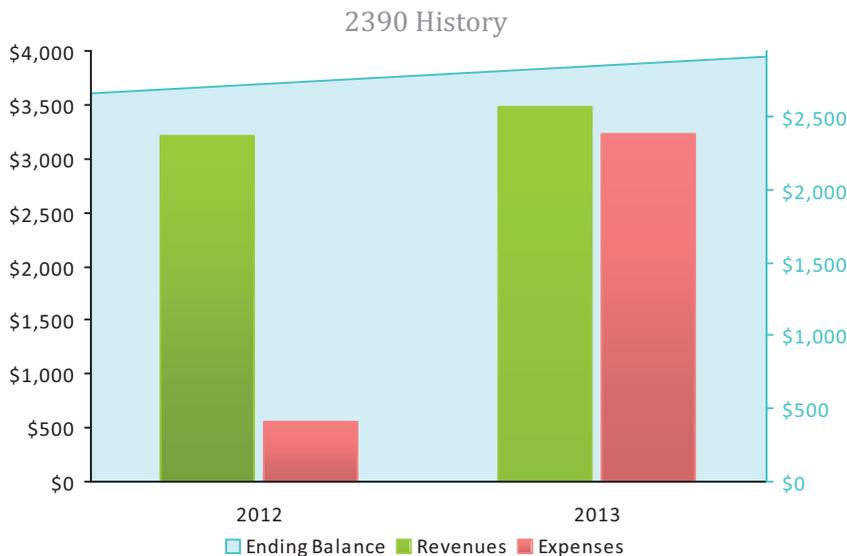
This fund pays for personnel and other related expenses of alcohol and liquor sworn officers.

Accountability

Funding is made up of 1% of all gross alcohol sales. This funding is used for the operation of the liquor law enforcement program at the Department of Public Safety as stipulated in UCA 32B-2-305. There are no current reporting requirements or controls for this fund.

Recommendation

This fund is an expendable special revenue fund. The Analyst recommends the Legislature review this fund annually and include it in an appropriations act. This annual review should help ensure that the formula-driven amount of personnel is being met and the funding level is appropriate for the intended purpose.



*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Graph Notes

Collections in FY 2012 were \$3.2 million. Expenses were about \$554,000. Before any collections were used, carryover funds within the Department of Public Safety's Liquor Law Enforcement program financed this operation, to pay for alcohol enforcement related expenditures. For FY 2013, this fund collected about \$3.2 million with similar expenditures of \$3.2 million. Revenue comprised of alcohol sales and interest income. Expenses consisted of personnel costs, equipment, current expense and other expenses.

Fund 0015 Public Safety-Other Post Employment Benefits Pool

Agency(s): Finance

Analyst: Gary Syphus

Purpose and Uses

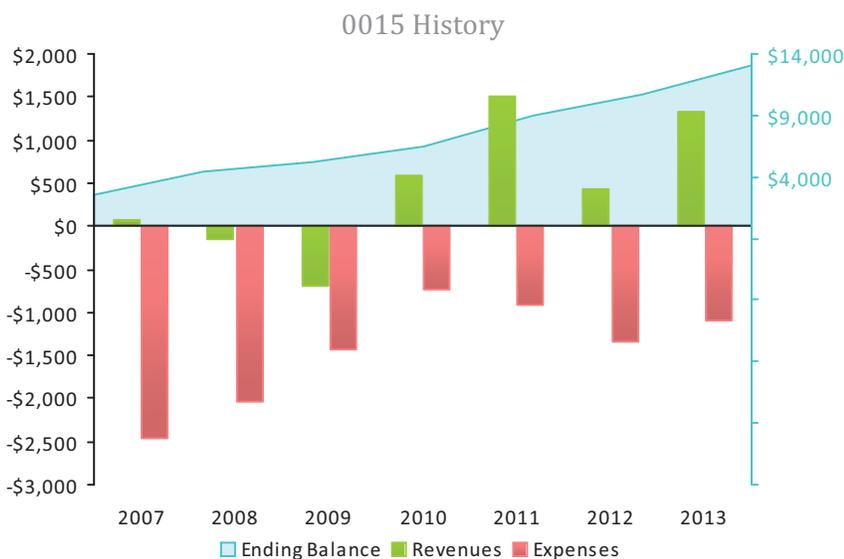
The fund was created to account for annual Other Post-Employment Benefits (OPEB) costs and any unfunded actuarial accrued liability for past service costs.

Accountability

This fund is guided by UCA 51-5-6, UCA 67-19d-201, and UCA 67-19d-202. Revenue is limited to appropriations made by the Legislature and other revenues including interest and investment revenue. Expenses are limited to the cost of the Post-Employment Benefit Program related to eligible public safety employees. There is a board of trustees that oversees proper deposits and disbursements are made.

Recommendation

UCA 67-19d-201 and UCA 67-19d-202 require that administrative costs be "reasonable." This language is vague, the Analyst recommends that language be added/changed to specifically define "reasonable administrative costs."



Graph Notes

The major assets include bonds and equity investments. From FY 2010 to FY 2012, revenues were between \$400,000 to \$1.6 million and consisted of investment income and interest. Over the same time period, expenditures were \$700,000 to \$1.3 million and were personnel-related, health/life insurance, and other benefits.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 7340 Inmate Agency Fund Draper

Agency(s): Corrections

Analyst: Gary Syphus

Purpose and Uses

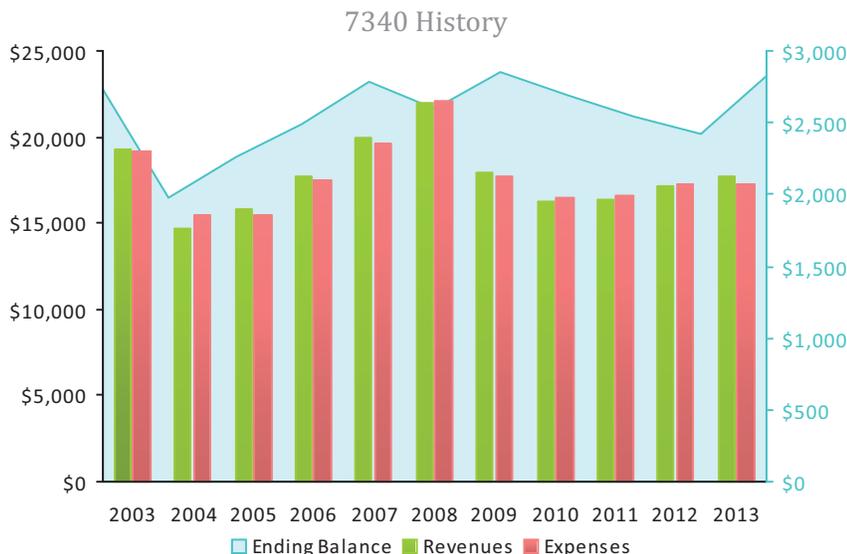
This is a trust fund for inmates that holds the accounts for offenders housed at the Draper prison and community correctional centers. It holds restitution payments and an offender loan program.

Accountability

This fund was created administratively and does not currently have stated limits, reporting requirements, or controls.

Recommendation

The Legislature may want to consider adding statutory language requiring periodic legislative review of account activity due to the materiality of this account and its fiduciary nature.



Graph Notes

For the last three fiscal years, expenditures and revenues have been between \$17.0-18.0 million. Revenues were made of receipts for inmate earnings and inmate requests. The carryover balance has been about \$2.5 million over this same period which consisted of cash.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 8010 Misdemeanor Fines

Agency(s): State Courts

Analyst: Gary Syphus

Purpose and Uses

This fund is used to account for the misdemeanor fines or forfeitures collected by state courts. Collections are disbursed to the government entity funding the prosecutor (50%) on District Court cases. This fund functions as a pass-through account as collected amounts are paid out monthly.

Accountability

Collections are limited to fines and forfeitures for misdemeanors and local ordinance violations. The limits and uses of these collections can be found in UCA 78A-5-110. It states, "Fines and forfeitures collected by the court for violation of a state statute or county or municipal ordinance constituting a misdemeanor or an infraction shall be remitted 1/2 to the State Treasurer and 1/2 to the treasurer of the state or local governmental entity which prosecutes or which would prosecute the violation." There are currently no reporting requirements or controls in statute.



Recommendation

The Legislature may want to consider adding statutory language requiring periodic legislative review of account activity due to the materiality of this account and its fiduciary nature.



Graph Notes

Revenue and expenditures have generally matched over the last three years about \$2.1 million, \$1.9 million, and \$1.7 million and were made up of bail receipts and local share of applicable fines. Expenses have mainly been payments to local government entities. Balances for the same time period are \$120,300, \$119,900 and \$199,600, which is mainly cash.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 8150 Public Safety-Seized Cash

Agency(s): Public Safety

Analyst: Gary Syphus

Purpose and Uses

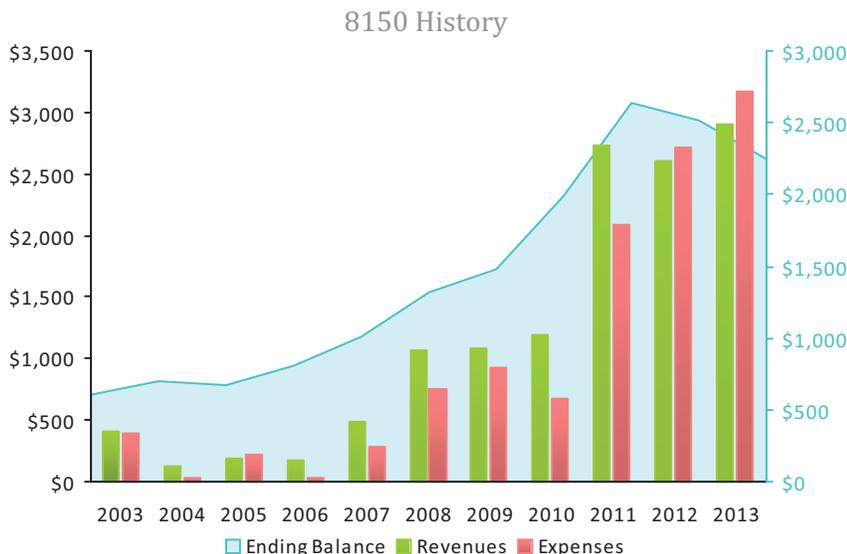
This fund provides a holding account of seized cash until disposition of the funds is determined. Once a case has been processed, adjudicated, etc. the funds are transferred out and returned to the person the funds were originally seized from through their attorneys, used as payment for court fines, or transferred to the Commission on Criminal and Juvenile Justice (CCJJ).

Accountability

This fund was created administratively, and does not explicitly have any limitations, required reporting or controls currently.

Recommendation

Forfeited cash temporarily sits in this account until a determination is made by the Courts. Funds are not used for state purposes unless they are determined to be eligible in the Law Enforcement Forfeiture account, which at that point the Legislature has oversight over these funds per statute. The Analyst recommends an annual review of this fund by the Executive Offices and Criminal Justice Appropriations Subcommittee.



Graph Notes

Revenue collections in this account for FY 2010 - FY 2012 was \$1.2 M, \$2.7 M, and \$2.6 M and were made up of cash receipts. Expenditures for this account for FY 2010 - FY 2012 were \$670,000, \$2.1 M, and \$2.7 M and consisted mainly of cash disbursements and a Davis County Health Department administration fee. The ending balances over this time period were \$2.0 M, \$2.6 M, and \$2.5 M and consisted of cash.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 8170 Juvenile Courts Trust Account

Agency(s): State Courts

Analyst: Gary Syphus

Purpose and Uses

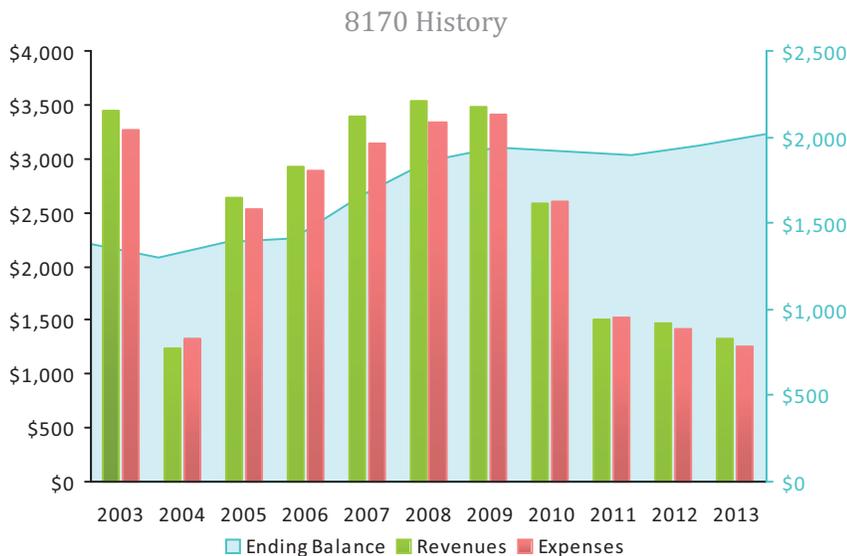
This is an expendable trust fund used to account for payments and disbursements made through the Juvenile Courts youth offender and victim restitution program pursuant to judicial order on Juvenile court cases.

Accountability

Courts perform monthly reconciliation and are recorded in the district court case management system with bank statement totals. Reconciled balances are recorded as monthly journal entries. This fund was created administratively. There are currently no required legislative reports, limitations, or controls.

Recommendation

The Legislature may want to consider adding statutory language requiring periodic legislative review of account activity due to the materiality of this account and its fiduciary nature.



Graph Notes

Revenue and expenditures have generally matched over the last three years (about \$2.6 M, \$1.5 M, \$1.4M). Revenue was made up of restitution receipts and miscellaneous revenue. Expenses were restitution payments and miscellaneous payments. Balances past three fiscal years as follows: FY10 \$1.2 M, FY11 \$1.9 M and FY12 \$1.9 M and has been made up of cash.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 8171 District Courts Trust Account

Agency(s): State Courts

Analyst: Gary Syphus

Purpose and Uses

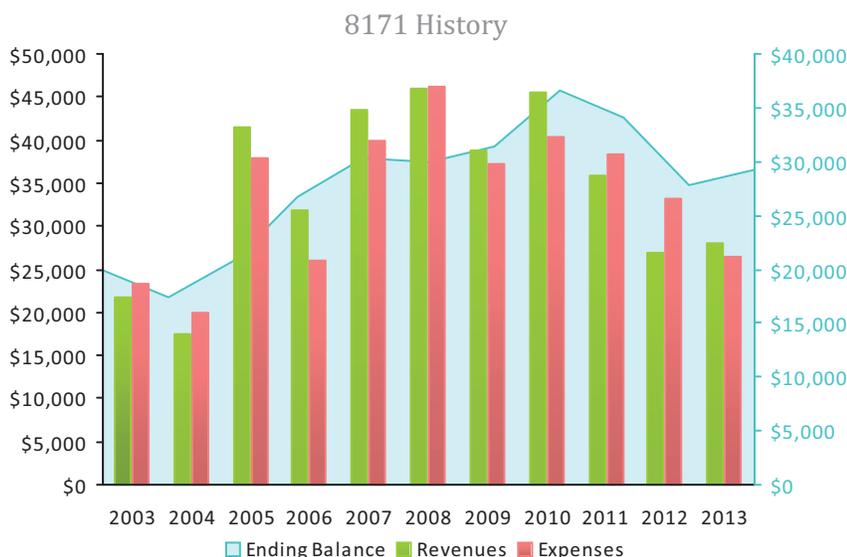
This is an expendable trust fund used to account for payments and disbursements made through District Court bail bond forfeitures and victim restitution payments pursuant to judicial order on District court cases.

Accountability

Courts perform monthly reconciliation and are recorded in District court case management system with bank statement totals. Reconciled balances are recorded as monthly journal entries. This fund was created administratively. There are currently no required legislative reports, limitations, or controls.

Recommendation

The Legislature may want to consider adding statutory language requiring periodic legislative review of account activity due to the materiality of this account and its fiduciary nature.



Graph Notes

Revenue and expenditures have generally matched over the last three years (about \$2.1 M, \$1.9 M, \$1.8M). Revenues consisted of bail receipts restitution receipts, and other miscellaneous revenue. Expenses were bail refunds, restitution payments, and miscellaneous disbursements. Balances past three fiscal years as follows: FY10 \$36.5 M, FY11 \$34 M and FY12 \$27.7 M and has been made up of cash.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 2230 Sexually Explicit Business & Escort Service Fund

Agency(s): Tax Commission, Finance

Analyst: Gary Syphus

Purpose and Uses

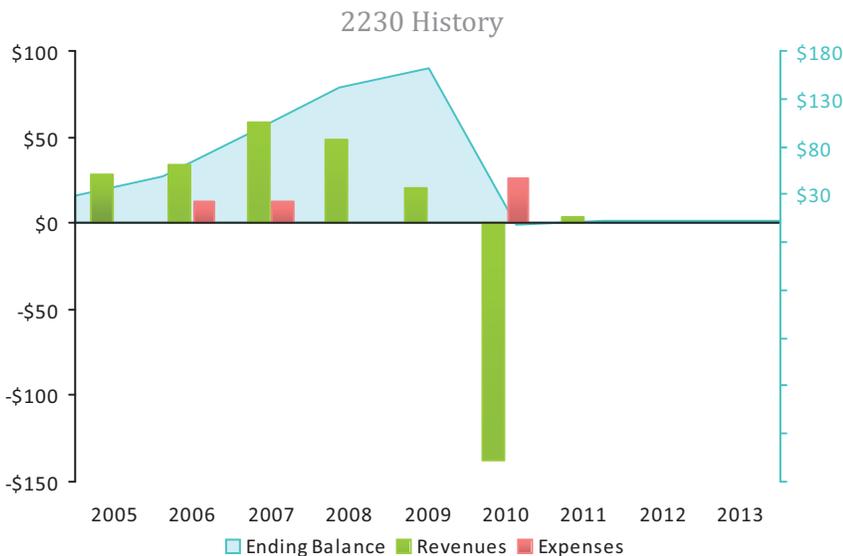
This fund provides treatment services to nonworking indigent adults who have been convicted of a sexual offense and to investigate and prosecute individuals who use the internet to commit crimes against children. Fund revenue is limited to tax on applicable businesses found in UCA 59-27-105.

Accountability

Fund revenue is limited to tax on applicable businesses found in UCA 59-27-105. Statute states that the funds are to be used for certain indigent adults, adult and juvenile offenders. General taxation reporting and controls apply to this fund.

Recommendation

The Analyst recommends that Finance and/or the Tax Commission ensure that this tax is being enforced and collected as provided in statute as revenue has dwindled to \$0 in recent years. This fund is an expendable special revenue fund. The Fiscal Analyst recommends the Legislature review this fund annually and include it in an appropriations act.



Graph Notes

For the past three years there has not been a lot of activity in this fund. Revenue and expenditures for each year have been from \$0-50 over this time period. A lawsuit that the State lost in FY 2010 reduced the number of businesses subject to the sexually-explicit business and escort service Tax. Annual revenues dropped from pre-lawsuit levels of about \$40,000 to \$10 in FY 2012.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 8016 Surcharge Fines

Agency(s): Finance, Administrative Services, Courts, State Treasurer, Corrections

Analyst: Gary Ricks

Purpose and Uses

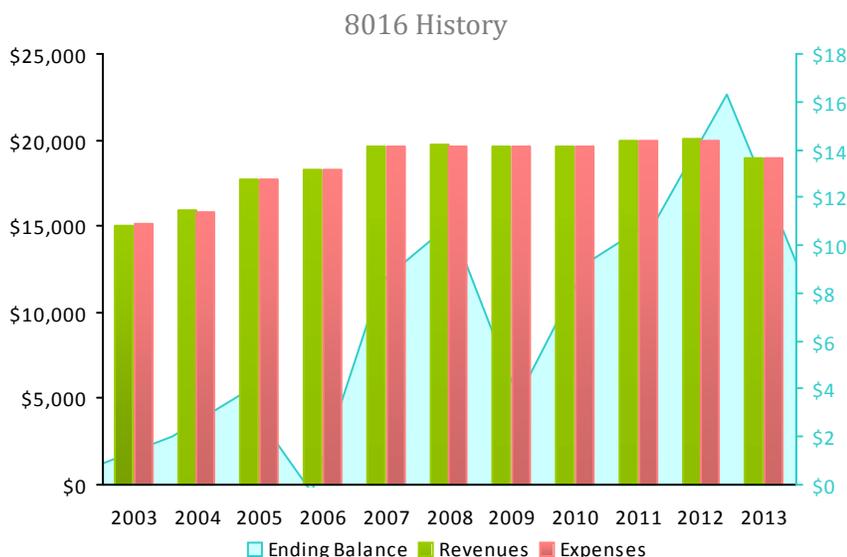
The fund is used to record surcharges imposed on felony and misdemeanor offenses and distribute the funds to various state agencies and programs.

Accountability

UCA 51-9-402 directs the courts of record, courts not of record, and administrative traffic proceedings to report all collected financial information monthly to the Administrative Office of the Courts. UCA 51-9-402 also directs the Division of Finance to execute the distribution of funds from fines, penalties, and surcharges among the various recipient government entities as explicitly detailed in UCA 51-9-403 through 412.

Recommendation

The Legislature may want to consider adding statutory language requiring periodic legislative review of account activity due to the materiality of this account and its fiduciary nature.



Graph Notes

The fund consists of cash. Fund activity follows a consistent pattern of recording and disbursing revenue. Revenues consist of surcharges and fines collected by state and local courts and expenditures consist of disbursements to government entities as directed in UCA 51-9-402 through 412.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 7020 Public Treasurer's Investment Pool-Long Term Principle

Agency(s): State Treasurer

Analyst: Zackery N. King

Purpose and Uses

This fund is used to separately account for investments by other public treasurers (i.e. Alpine School District) and held in safekeeping at the Bank of New York in the State's account. The State Treasurer has no control over the investments made. All interest earnings are distributed to the public treasurer as received. The State Treasurer records directly to this fund the long term investments and withdrawals.

Recommendation

The Analyst recommends closing the fund. The fund has not had any activity since FY 1999. The State Treasurer and the Division of Finance do not object.

No Financial History Available

Transaction Information

The fund has not had any revenue or expenditure activities in the last three years. The current fund balance is zero.

Fund 2310 CCJJ Juvenile Accountability Incentive Block Grant Fund

Agency(s): Commission on Criminal and Juvenile Justice

Analyst: Zackery N. King

Purpose and Uses

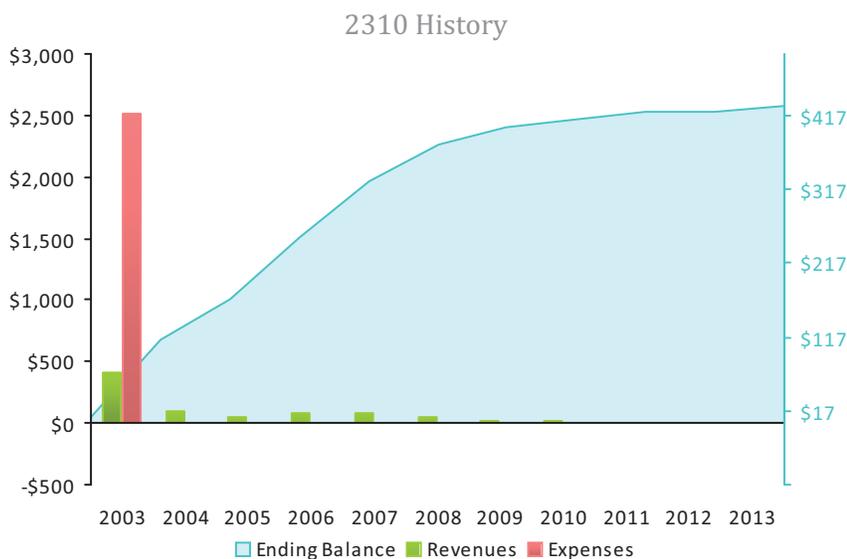
The fund's purpose is to draw down federal funds and to invest them with the principal and interest used to support the Juvenile Accountability Incentive Block Grant program.

Accountability

According to the Juvenile Accountability Incentive Block Grant Guidance Manual, each year of award can be expended for the period of the year of the award plus three years. A total of up to 5% can be used for administrative costs and the rest of the funds are granted out to state courts and Juvenile Justice Services. There is a 10% matching requirement.

Recommendation

The fund is an expendable special revenue fund. The Analyst recommends the Legislature review this fund annually and include it in an appropriations act.



Graph Notes

Revenues come from interest on invested grant money. No expenditures take place from the fund itself; instead, expenditures are recorded in the General Fund, after which a transfer of funds from this fund to the General Fund occurs as a reimbursement. These transactions are tracked as deferred revenue in the fund. FY 2013 deferred revenue for the fund was about \$485,000. The fund balance consists of investments and interest income.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 2321 CCJJ Justice Assistance Grant Fund

Agency(s): Commission on Criminal and Juvenile Justice

Analyst: Zackery N. King

Purpose and Uses

The fund's purpose is to draw down federal funds and to invest them with the principal and interest used to support the Juvenile Assistance Grant program purposes.

Accountability

According to the Juvenile Accountability Grant Guidance Manual, each year of award can be expended for the period of the year of the federal award plus three years. A total of up to 10% can be used for administrative costs and the rest of the funds are granted out for specific purpose areas to local and state agencies. No match is required.

Recommendation

The fund is an expendable special revenue fund. The Analyst recommends the Legislature review this fund annually and include it in an appropriations act.



Graph Notes

Revenue to the fund for FY 2011 and FY 2012 was \$9,500 and \$800, respectively. No expenditures take place from the fund itself; instead, expenditures are recorded in the General Fund, after which a transfer of funds from this fund to the General Fund occurs as a reimbursement - these transactions are tracked as deferred revenue in the fund. Fund balances consist of investments with the State Treasurer and fixed income investments. The current fund balance is about \$422,100.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 8060 Attorney General Financial Crimes Trust Fund

Agency(s): Attorney General

Analyst: Zackery N. King

Purpose and Uses

When the Office of the Attorney General has successfully prosecuted a case and receives an award on behalf of victims of consumer fraud, this fund accounts for money received and its disbursement to the victims.

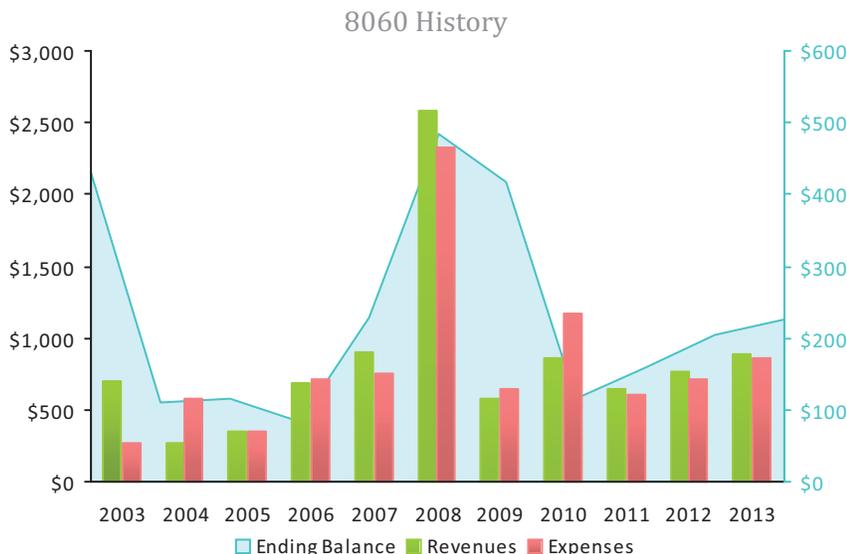
Accountability

A federal grant is the source of funds for paying two employees to administer the fund. Reporting requirements are in place for the use of the funds through the grant program. Internal controls restrict use of fund to distribution of funds to victims of financial crime. No statutory controls or reporting requirements are currently in place.

Recommendation

The Analyst recommends creating an annual report from the Attorney General to the Executive Offices and Criminal Justice Appropriations Subcommittee on revenues, expenditures, and fund balances that includes performance data of fund activities. For example, what is the number of cases prosecuted where an award was received on behalf of victims of consumer fraud? Etc.

Large balances of money flow in and out of this fund. One possible scenario that the State could be faced with is backfilling funds for the two employees that administer the fund, as their salaries are paid by a federal grant. If this federal money were to go away, the Attorney General would be faced with internal decisions about the administration of the fund, one of which could be to approach the Legislature for additional state funds. It is beneficial to the Legislature to know about the fund's existence and at least be apprised of its activities.



Graph Notes

Revenues received were \$650,300 in FY 2011, \$760,200 in FY 2012, and \$883,900 in FY 2013. Revenue to the fund is from court-ordered settlement payments after successful prosecution on behalf of victims of financial crimes. Restitution payments made from this fund were \$608,300, \$713,500, and \$863,100 in FY 2011, FY 2012 & FY 2013, respectively. The fund balance is cash.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 1520 Abortion Litigation Account

Agency(s): Attorney General

Analyst: Zackery N. King

Purpose and Uses

This account is used to pay litigation and appellate expenses of the Office of the Attorney General, including any court-ordered payment of plaintiff's attorney fees, to defend any law passed by the Legislature on or after January 1, 2009.

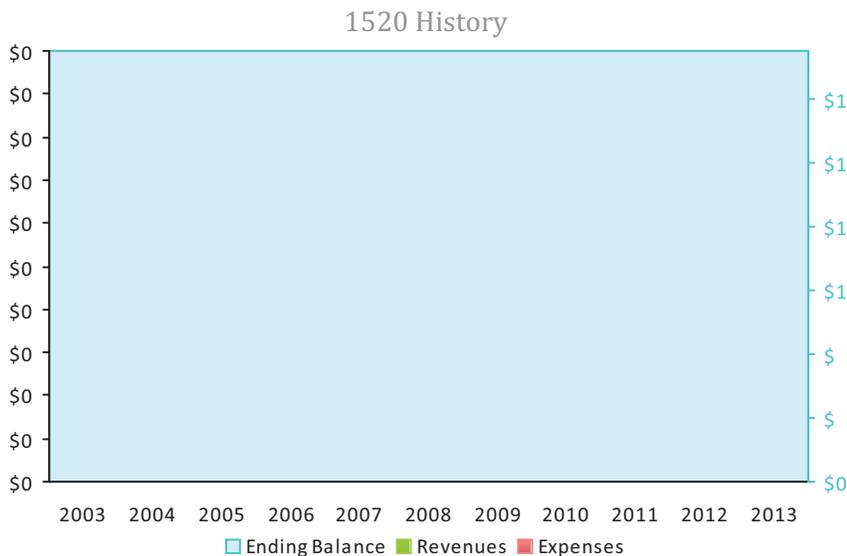
Accountability

UCA 76-7-317.1 limits funds use to paying litigation and appellate expenses of the Attorney General to defend any law passed by the Legislature on or after January 1, 2009, that challenges the legal concept that a woman has a constitutional right to an abortion or places a restriction on the right to an abortion. As a General Fund Restricted Account, funds must be appropriated by the Legislature prior to expenditure. There are no fund-specific reports.

Recommendation

July 1, 2014 is a critical date for the fund as the remaining balance of \$1,400 will most likely be swept and used by the Division of Child and Family Services. At this time, the fund could be closed due to inactivity for over 20 years.

The Legislature may wish to change the conditional date (currently July 1, 2014) in statute for the fund to be swept. This would extend the time for a law to pass that "challenges the legal concept that a woman has a constitutional right to an abortion, or places a restriction on the right to an abortion." The Attorney General is authorized to receive reimbursements from the account for court costs and attorney fees in its defense of any such law.



Graph Notes

Revenue and expenditures are both \$0 over the last three years. The current fund balance is about \$1,400 in cash.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 2000 Attorney General Consumer Programs Fund

Agency(s): Attorney General

Analyst: Zackery N. King

Purpose and Uses

This fund was initially set up in 1995 to account for money received from the bankruptcy of an extended warranty provider. Subsequent to that, the fund has been used for other court cases where the Attorney General receives settlements with a stipulation that the funds be used for investigation and litigation costs, consumer education, or consumer aid.

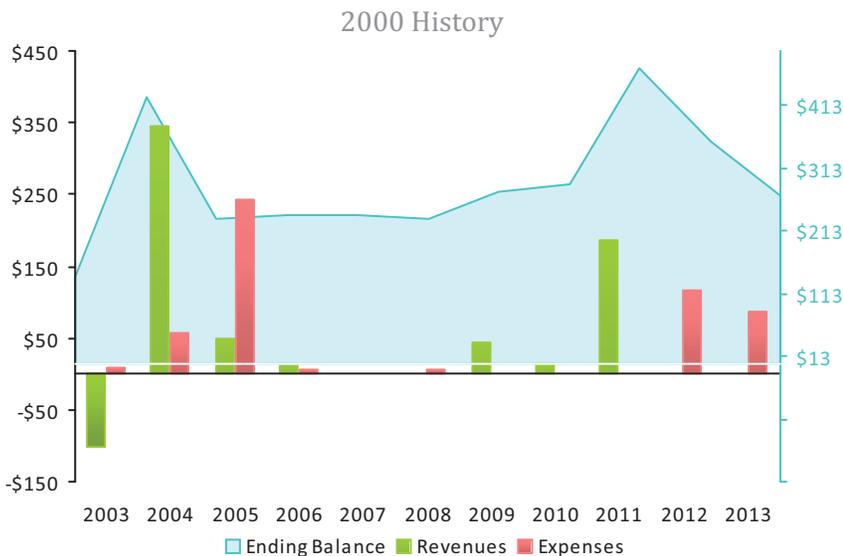
Accountability

The fund is not created in statute, does not have any reporting requirements, and has no oversight of its balances.

Recommendation

The Analyst recommends the Legislature review this fund annually as part of the budget process; create statutory language authorizing the fund, outlining its revenue sources and uses; and re-categorize the fund as a General Fund Restricted Account.

The fund is currently positioned to collect funds from consumer protection type cases and can continue with this function but with more transparency.



Graph Notes

In FY 2011, a \$185,000 settlement was received. In FY 2012 and 2013, \$117,000 and approximately \$120,000 was spent on legal work to aid consumers. The current balance of the fund is approximately \$236,000 in cash.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 2010 Attorney General Crime & Violence Prevention Fund

Agency(s): Attorney General

Analyst: Zackery N. King

Purpose and Uses

This fund was created to account for the receipt and use of gifts and donations to the Attorney General.

Accountability

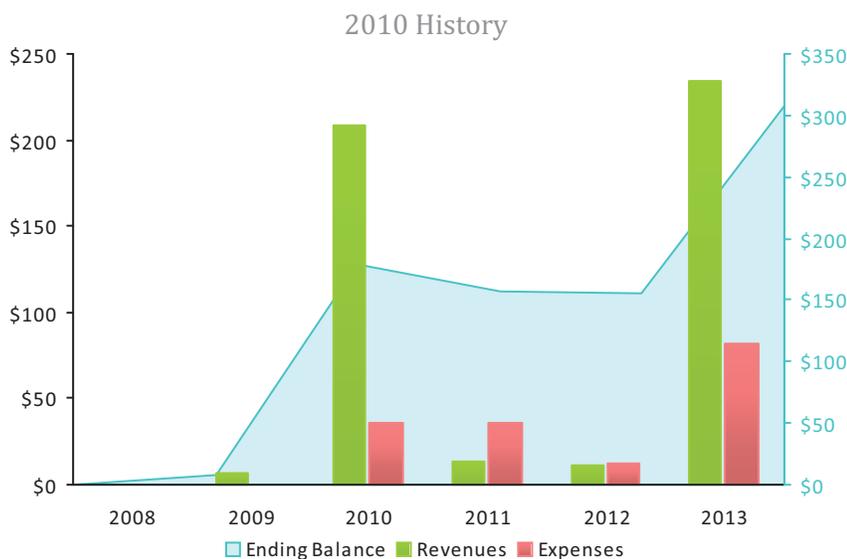
Fund balances cannot be used for administrative purposes. Use of funds is specified in UCA 67-5-24 for various programs addressing crime and violence prevention. An annual report to the Legislature is also directed by statute. The report has not been submitted or taken place over the last three years.

Statute does not currently provide any detail for when or to whom the required annual report is to be given and this condition was cited by the Attorney General as the reason for noncompliance.

Recommendation

It is recommended that the Legislature specify a committee or body within the Legislature to whom the Attorney General "...shall make an annual report..." to. For example, the Executive Offices and Criminal Justice Appropriations Subcommittee. It is also recommended that the Legislature specify a time for when the annual report is required. For example, not later than October 1 of each fiscal year.

This is an expendable special revenue fund. The Analyst further recommends the Legislature review this fund annually and include it in an appropriations act.



Graph Notes

The fund received \$13,600 in FY 2011, \$11,025 in FY 2012, and \$234,800 in FY 2013. Direct expenditures from this fund were about \$36,100, \$12,800, and \$82,400 in FY 2011, FY 2012 and FY 2013, respectively. For purposes as specified with the gift or donation. The fund balance is cash.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 8310 State Treasurer Higher Education City Bail

Agency(s): State Treasurer

Analyst: Zackery N. King

Purpose and Uses

This fund contains parking and moving violation fines assessed on higher education campuses. Funds are distributed quarterly from this account to the applicable institutions of higher education.

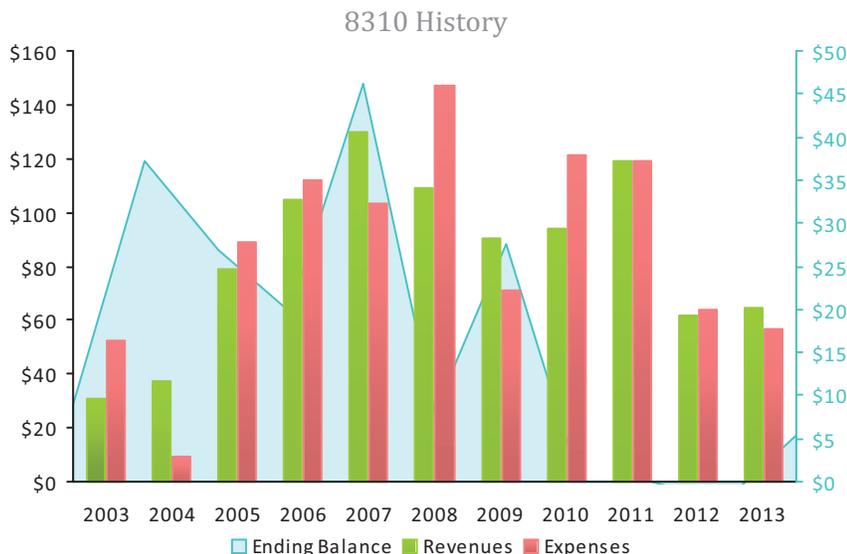
Accountability

This is a pass-through account. Per UCA 53B-3-110, all fines and forfeitures collected by courts for a violation occurring on a state campus of higher education are remitted to the State Treasurer for the credit of this fund. Quarterly the funds are returned to the applicable institution of higher education. The institution of higher education credits its general fund. No known fund specific checks are performed by auditors.



Recommendation

The Analyst recommends creating the fund explicitly in statute and describing its role in the collection and distribution of the funds addressed in UCA 53B-3-110. Additional oversight is recommended on fund activities and balances in the form of an annual report to the Higher Education Appropriations Subcommittee. The report should include, but is not limited to revenues collected, expenditures/distributions by institution, and closing fund balance; all of these should be reported for the most recent fiscal year. Additionally, historical activity up to five years should be included.



Graph Notes

Fund revenue is realized from higher education fines and for FY 2011, FY 2012, and FY 2013 was \$119,400, \$61,600, and approximately \$64,500, respectively. Expenditures occur with the transfer of fine revenue back to the institutions of higher education that levied them. Expenditures for FY 2011, FY 2012, and FY 2013 were \$119,400, \$63,700, and approximately \$56,900, respectively. The current fund balance is approximately \$29,300 in cash.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 2320 State Elections Grant Fund

Agency(s): Governor's Office

Analyst: Zackery N. King

Purpose and Uses

This fund was established to account for federal funds that support various state and county efforts to improve and reform voting processes and equipment throughout the State so that voting is accessible to as many Utahns as possible.

Accountability

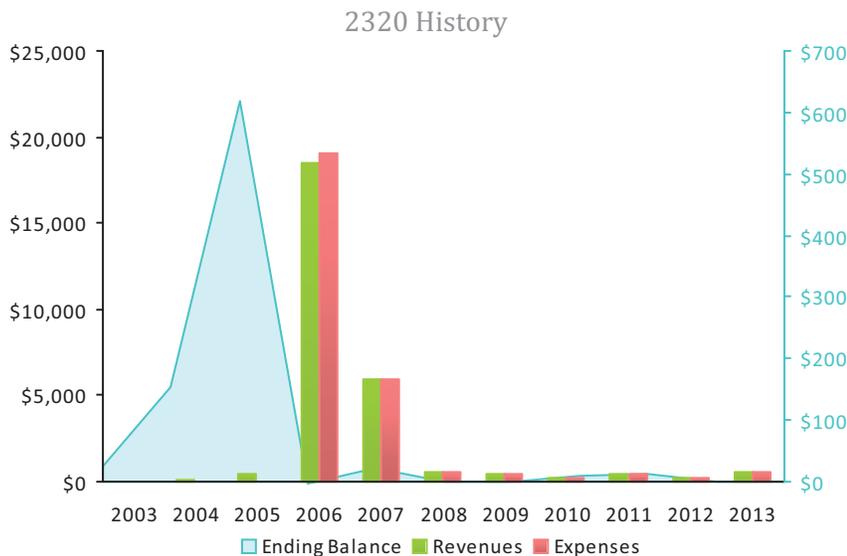
This fund is created administratively to account for federal funds received per federal statute. Funds must be used for specific Help America Vote Act allowable activities. The Feds require that funds be placed in an interest bearing account. The federal law authorizing the program outlines a requirement for an annual report to the administering agency and program. In addition, the state is subject to being audited at the will of the administering federal official.

Recommendation

The Analyst recommends increasing oversight of the fund by requiring the federal reports be submitted to the Legislature through the Office of the Legislative Fiscal Analyst. Also, when an audit is conducted for this fund, that audit results be submitted to the Legislature.

This fund sees anywhere from \$250,000 to almost \$600,000 of activity each fiscal year. If this federal money were to desist, the State could possibly see requests to backfill these funds. Submission of reports and audit results inform the Legislature of fund activities and balances.

This fund is an expendable special revenue fund. The Analyst further recommends the Legislature review this fund annually and include it in an appropriations act.



Graph Notes

Revenue over the last three years has been between about \$236,000 and \$497,000. Federal grants and interest income are the main sources of revenue and fund assets consist of investments with the State Treasurer. Expenditures over the last three years have ranged between \$247,000 and \$495,000. Advertising expenses make up the majority of these expenditures. The account balance as of May 31, 2013 was \$1.5 million.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 8160 Lieutenant Governor-Election File Fee Fund

Agency(s): Governor's Office

Analyst: Zackery N. King

Purpose and Uses

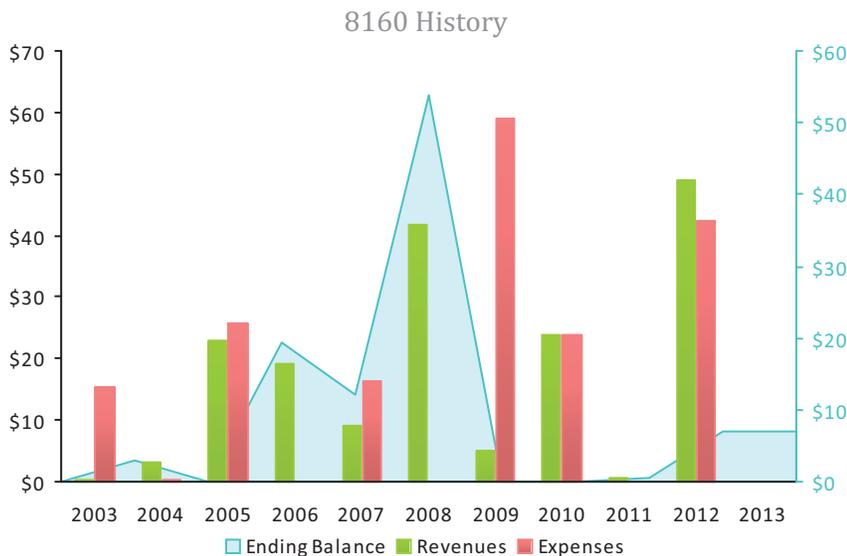
The purpose of this fund is to collect candidate filing fees for county, state, and federal elections within the jurisdiction of the State (e.g. a presidential election). All money received by the Lieutenant Governor's Office for county candidates is distributed to the counties proportionally by the number of votes cast by a county's respective constituents to the aggregate number of votes cast by all counties in a respective congressional district.

Accountability

UCA 20A-9-201(5)(c)(ii) outlines how to administer the collection and distribution of funds in the Lieutenant Governor-Election File Fee Fund. No reporting requirements are currently in place for the fund.

Recommendation

The Analyst recommends a periodic audit of the fund by the State Auditor to ensure that collections and distributions are accurate and according to statute.



Graph Notes

Funds deposited into this account come from the collection of candidate filing fees, pro-rated amounts are paid to the counties and the fund zeroes out. Revenue over the last three years (FY 2010 to FY 2012) has ranged from \$4,500 to \$48,900. Expenditures have ranged from \$0 to \$42,500. The current balance is made up of cash and is approximately \$7,000.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 7000 Public Treasurer's Investment Fund

Agency(s): State Treasurer

Analyst: Zackery N. King

Purpose and Uses

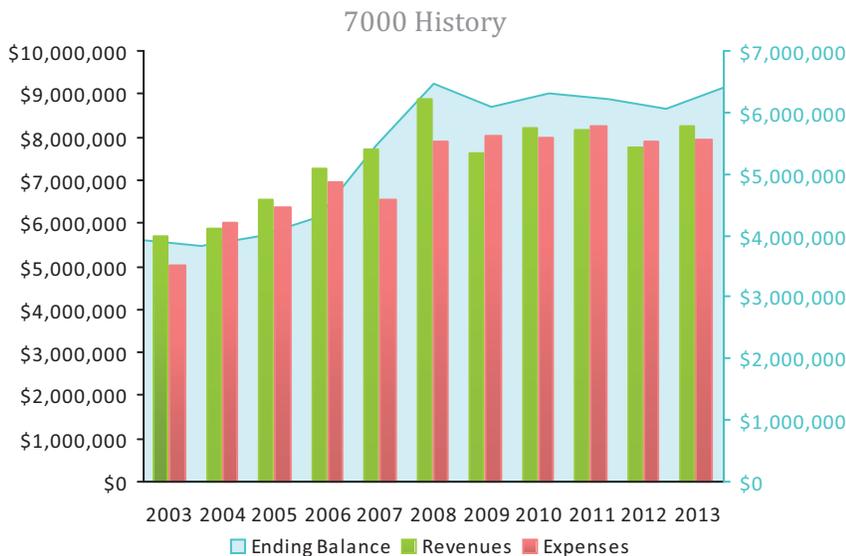
The Public Treasurer's Investment Fund is a short-term investment vehicle for state and local government entities. Funds invested in the Public Treasurer's Investment Fund comply with the Money Management Act and provide safety of principal, liquidity, and a competitive rate of return.

Accountability

Quarterly reporting is required on the activity of the Public Treasurer's Investment Fund to each of its participants, see UCA 51-7-9. An annual audit of the fund is required with a subsequent report to be submitted to the Legislature through the Office of the Legislative Fiscal Analyst. No audit findings have been found related to the pool.

Recommendation

The Analyst recommends that the proposed annual report to the Executive Appropriations Committee on unfunded long-term liabilities and material risks include information on this fund and its activities.



Graph Notes

Fund revenues are derived from interest and treasurer receipts. Expenditures occur with principal disbursements to state or local entities that invest funds in the Public Treasurer's Investment Fund and that make a request for withdrawal of those funds. The fund balance is made up of investments and a small amount cash.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 8300 State Treasurer Miscellaneous Investments

Agency(s): State Treasurer

Analyst: Zackery N. King

Purpose and Uses

This fund records cash and investments deposited with the State Treasurer's Office as required by statute: 1) By grantor domestic insurers (pursuant to Insurance Commission requirements), as deposits in the amount of the insurers' required capital or permanent surplus, to provide a cushion with which the interests of policyholders are protected against the event of insurer insolvency. 2) By grantor energy or mining companies (pursuant to Oil, Gas and Mining Division requirements), as a surety to offset potential costs of post-mining land reclamation.

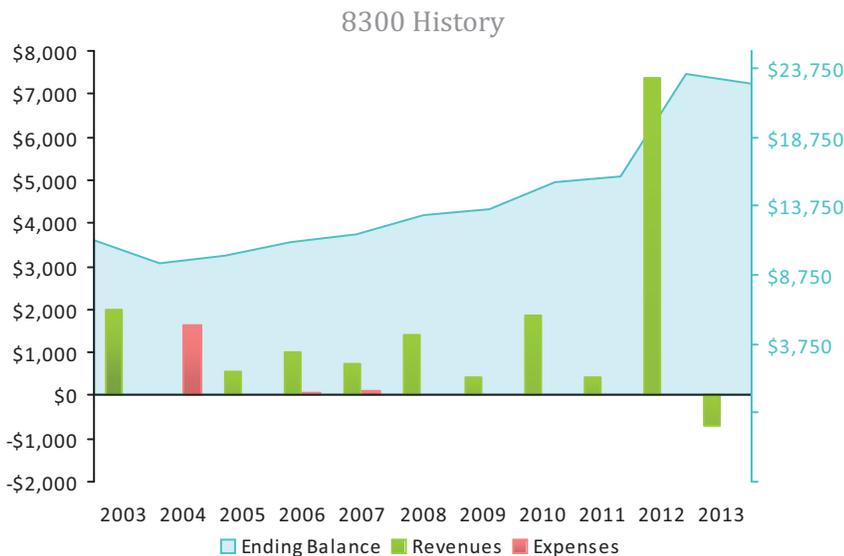
Escrow accounts are maintained on behalf of grantor companies, are owned jointly by the applicable grantor company and the applicable state agency, and are administered jointly by the State Treasurer and the applicable state agency in accordance with statutory requirements.

Accountability

UCA 31A-2-206 and UCA 40-8-14 provide for administration and accounting of the numerous individual escrow accounts. These various escrow accounts are grouped together within this common fund for operational and accounting purposes.

Recommendation

The Analyst recommends that the proposed annual report to the Executive Appropriations Committee on unfunded long-term liabilities and material risks include information on this fund and its activities.



Graph Notes

Revenue to the fund consists of numerous individual escrow accounts. No expenditures have taken place over the last three fiscal years. Fund balances include cash-in-bank and investments held in escrow. The bars on the graph revenues and expenses represent yearly FINET entries made to update the fund balance at each year-end.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 7010 Undistributed Pool Earnings

Agency(s): State Treasurer

Analyst: Zackery N. King

Purpose and Uses

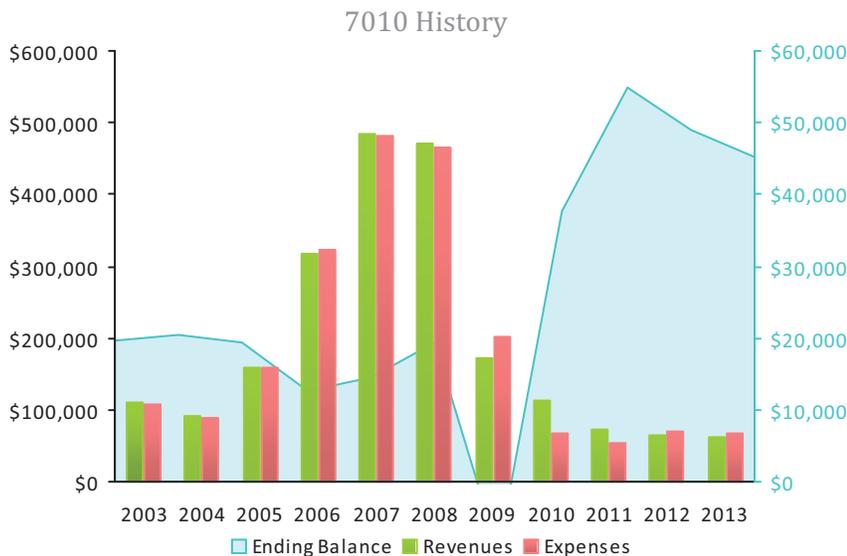
This fund contains the earnings of the Public Treasurer's Investment Fund. These earnings are distributed proportionally to pool participants on a monthly basis (including local and political subdivisions).

Accountability

Per to UCA 51-7-6, this fund is where investment earnings are posted prior to being distributed monthly to Public Treasurer's Investment Fund participants. Per to UCA 51-7-9, an annual audit is conducted by the State Auditor, and a quarterly report is submitted to each participating entity of fund performance, the performance report is submitted to the Legislature through the Office of the Legislative Fiscal Analyst. No audit findings have been found related to the pool in the last three years.



No Changes Recommended



Graph Notes

This fund contains the earnings of the Public Treasurer's Investment Fund. These earnings are distributed proportionally to pool participants on a monthly basis (including state and local government funds). Earnings deposited to this fund have remained steady over the past three fiscal years.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 8210 Property Tax Valuation

Agency(s): State Auditor

Analyst: Zackery N. King

Purpose and Uses

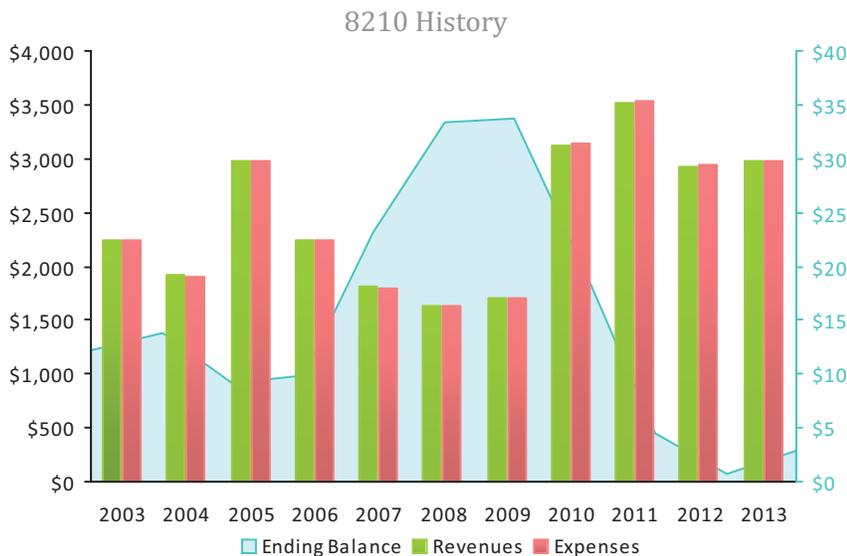
The purpose of the fund is to collect property tax generated by the multi-county assessing and collecting levy from donor counties and distribute funds to receiving counties and the multi-county appraisal trust as determined by formula in UCA 59-2-1600.

Accountability

UCA 59-2-1603 outlines the assessing, collecting, and disbursement of levy money to counties. UCA 59-2-1603(7) requires the money to be received and used for establishing and maintaining accurate property valuations and uniform assessment levels and improving the efficiency of the property tax system. UCA 59-2-1605 requires that counties separately budget and account for the use of money received, and the receipt and disbursement of these funds are included in the annual financial report audited by the counties' independent CPA.



No Changes Recommended



*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Graph Notes

Fund revenue is derived from interest income, property tax receipts, and other income. For FY 2011, FY 2012, and FY 2013, revenue was \$3.5 M, \$2.9 M and approximately \$3.0 M, respectively. Expenditures occur with agency disbursements and for this same time were \$3.5 M, \$2.9 M, and approximately \$2.9 M, respectively. The current fund balance consists primarily of investments with the State Treasurer and is about \$2,900.

Fund 8315 State Treasurer Industrial Commission Investment

Agency(s): State Treasurer

Analyst: Zackery N. King

Purpose and Uses

When the State Treasurer purchases Other Post-Employment Benefits investments, this fund is used to record offsetting entries to those transactions. This fund is used only for tracking purposes and is not included in the State's Comprehensive Annual Financial Report. Investment activity is recorded in funds 0015, 0025, 0035, 0045, and 0085.

No Changes Recommended

No Financial History Available

Transaction Information

Revenue, expenditures, and fund balances are all \$0 over the last three years.

Fund 8320 State Treasurer State Land Investment

Agency(s): State Treasurer

Analyst: Zackery N. King

Purpose and Uses

When the State Treasurer purchases Land Fund investments, this fund is used to record offsetting entries to those transactions. This fund is used only for tracking purposes and is not included in the State's Comprehensive Annual Financial Report. Land fund investment activity is recorded in Funds 3510 through 3565.

No Changes Recommended



Graph Notes

Revenue for FY 2011, FY 2012, and FY 2013 was \$28.6 M, \$32.9 M, and approximately \$43.0 M, respectively. Expenditures over this time period were \$29.0 M, \$32.9 M, and approximately \$42.2 M, respectively. The current fund balance is approximately \$1.0 M and consists of cash and interest receivable.

*Revenues and Expenses include Net Transfers; Dollar figures in thousands

Fund 8325 Tobacco Investment Clearing Account

Agency(s): State Treasurer

Analyst: Zackery N. King

Purpose and Uses

When the State Treasurer purchases investments for the Permanent State Trust Fund, this fund is used to record offsetting entries to those transactions.

No Changes Recommended

No Financial History Available

Transaction Information

This is an offset account used for tracking purposes. Revenue, expenditures, and fund balances are all \$0 over the last three years.

Fund 8330 Treasurer Cash Clearing Account

Agency(s): State Treasurer, Finance

Analyst: Zackery N. King

Purpose and Uses

This is a clearing account used to make offsetting cash entries, the balance of this account is always \$0 and its activity is excluded from Comprehensive Annual Financial Report.

No Changes Recommended

No Financial History Available

Transaction Information

Revenue, expenditures, and fund balances are all \$0 over the last three years.