

STATE OF COLORADO

**GENERAL SUPPORT SERVICES
OFFICE OF THE STATE CONTROLLER**

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Roy Romer
Governor

Department of Personnel
André N. Pettigrew
Executive Director

Clifford W. Hall
State Controller

TO: The Honorable Roy Romer
Governor

The Honorable Tom Norton
President of the Senate

The Honorable Charles Berry
Speaker of the House of Representatives

FROM: Clifford W. Hall *Clifford W. Hall*
State Controller

DATE: December 24, 1997

SUBJECT: *Report on the State's Accounts Receivable*

This report provides information about the state's accounts receivable at June 30, 1997 in accordance with CRS 24-30-202.4(7). Attached for your perusal are:

Exhibit A - Summary of the state's total accounts receivable by type.

Exhibit B - Summary of the state's accounts receivable by agency.

Exhibit C - Pie chart of the state's accounts receivable by type.

Exhibit D - Bar graph comparing the state's accounts receivable and the related allowance for doubtful accounts by type.

At June 30, 1997 the state's accounts receivable totaled \$1.87 billion for all state agencies and funds. The comparable amount for June 30, 1996 was \$1.76 billion. Thus, the state's accounts receivable at June 30, 1997 increased by \$111 million or 6% when compared to the previous year. This increase is consistent with the overall revenue growth for the state. The state's allowance for doubtful accounts at June 30, 1997 was \$277 million as compared to \$264 million for the previous year. The allowance for doubtful accounts represents the dollar amount of accounts receivable that are estimated by state agencies to be uncollectible.

Of the state's total accounts receivable at June 30, 1997, \$923 million or 49% are accrual estimates. Accrual estimates are prepared at the end of the fiscal year in accordance with generally accepted accounting principles and represent revenue earned in fiscal year 1996-97 which are expected to be collected after June 30th. The largest portion of the accrual estimate was provided by the Department of Revenue (DOR). DOR estimates that \$546 million in taxes are due to the state. This estimate is based upon historical revenue data and, in some cases, an analysis of selected tax returns filed with DOR during early July, 1997. This amount will ultimately be paid to the state by taxpayers in the normal course of filing their tax returns during fiscal year 1997-98.

Comments concerning significant matters are provided below:

- Included on *Exhibit A* under the classification *Other Receivables* are \$53 million of client overpayments for the Department of Human Services (DHS) that have been on the state's books for a number of years. It is doubtful that many of these accounts can be collected and therefore most of the accounts have been fully reserved. The client receivables relate to entitlement programs such as Aid For Dependent Children (AFDC) and Food Stamps. The AFDC accounts totaling \$38 million are recorded by DHS at 100% of the amount owed, even though the state's share is only 30%. A collection from an AFDC client is split between the federal government (50%), the state (30%), and the applicable county (20%). The Food Stamps receivables of \$15 million are 100% federal. Information about the client including the amount owed and the reason for the debt is retained at the county social services offices. While each county is responsible to collect client overpayments, the state also has a responsibility to attempt collection. During the past year, DHS has been working on an incentive plan to encourage the counties to turn these accounts over to the state for collection and write-off, if necessary. Legislative action may be necessary to provide an incentive for this purpose.
- Also included on *Exhibit A* under the classification *Customer Accounts*, are \$49 million of receivables that are past due. Approximately 76% of these accounts are over one year old. Most of these past due amounts are from UI Benefits overpayments at the Department of Labor and Employment (\$23 million), and approximately \$13 million of patient receivables at the Colorado Mental Health Institutes at Pueblo and Fort Logan and the University of Colorado Psychiatric Hospital. Collection of these accounts will require working with patients, insurance companies and other third parties such as Medicare. The majority of these past due accounts have been referred to the Central Collection Unit in GSS for collection effort.
- At June 30, 1997, 216,136 accounts were assigned to the Central Collection Unit (CCU) for collection. The aggregate dollar value of these accounts is \$163.6 million. During fiscal year 1996-97, the CCU collected \$12.8 million of past due accounts, a

5% increase over the prior fiscal year. Collections by the CCU have increased each year for the past five years.

- Passage of House Bill 97-1207 sponsored by the State Controller's Office should further assist in collecting overdue state debts. This new law allows the state controller to intercept payments to vendors and deduct debts owed to the state for back taxes, student loans and past due child support. It is anticipated that software programming and testing should be completed by April, 1998.

Please contact me if you have questions or desire more information. Thank you for your continued cooperation and support.

Attachments

cc: André Pettigrew, GSS
George Delaney, OSPB
Department Controllers/Chief Financial Officers

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STATE OF COLORADO
OFFICE OF THE STATE CONTROLLER
ANNUAL ACCOUNTS RECEIVABLE REPORT
ALL STATE AGENCIES AND HIGHER EDUCATION INSTITUTIONS
AT JUNE 30, 1997

Exhibit A

	Taxes Receivable	Student Tuition Receivable	Customer Accounts	Interagency Receivables	Loans and Notes Receivable	Receivables from Other Governments	Other Receivables	Long-Term Over 1 Year Receivables	Federal Student Loans	Total Receivables
<u>NET COLLECTIBLE RECEIVABLES</u>										
Gross Accounts Receivable	\$ 869,214,264	\$ 36,651,598	\$ 90,638,326	\$ 228,371,932	\$ 9,006,365	\$ 295,993,150	\$ 148,987,274	\$ 110,997,588	\$ 85,348,570	\$ 1,875,209,067
Less Allow. for Doubtful Accounts	(152,659,583)	(13,638,300)	(28,589,839)	-	(630,683)	-	(71,606,153)	-	(9,539,006)	(276,663,564)
Net Collectible Receivables	<u>\$ 716,554,681</u>	<u>\$ 23,013,298</u>	<u>\$ 62,048,487</u>	<u>\$ 228,371,932</u>	<u>\$ 8,375,682</u>	<u>\$ 295,993,150</u>	<u>\$ 77,381,121</u>	<u>\$ 110,997,588</u>	<u>\$ 75,809,564</u>	<u>\$ 1,598,545,503</u>

AGING OF TOTAL GROSS RECEIVABLES

Not Past Due										
Accrued and Not Billed	\$ 638,367,027	\$ 55,029	\$ 10,096,288	\$ 98,112,667	\$ -	\$ 156,700,560	\$ 20,122,740	\$ 10,000	\$ 50	\$ 923,464,361
Billed	3,854,884	16,484,586	31,529,761	126,991,810	7,529,561	134,762,272	61,673,577	109,395,585	72,164,821	564,386,857
Total Not Past Due	<u>642,221,911</u>	<u>16,539,615</u>	<u>41,626,049</u>	<u>225,104,477</u>	<u>7,529,561</u>	<u>291,462,832</u>	<u>81,796,317</u>	<u>109,405,585</u>	<u>72,164,871</u>	<u>1,487,851,218</u>
Past Due										
1-30 Days	56,741,338	3,474,010	1,989,742	1,188,175	95,103	2,192,971	2,251,886	-	1,298,634	69,231,859
31-90 Days	41,066,843	2,157,945	3,598,313	240,943	241,455	973,800	2,390,567	-	1,384,198	52,054,064
91 Days to 1 Year	43,877,547	5,244,199	6,227,542	1,756,735	103,800	1,077,170	5,390,199	-	2,463,774	66,140,966
Over 1 Year	85,306,625	9,235,829	37,196,680	81,602	1,036,446	286,377	57,158,305	1,592,003	8,037,093	199,930,960
Total Past Due	<u>226,992,353</u>	<u>20,111,983</u>	<u>49,012,277</u>	<u>3,267,455</u>	<u>1,476,804</u>	<u>4,530,318</u>	<u>67,190,957</u>	<u>1,592,003</u>	<u>13,183,699</u>	<u>387,357,849</u>
Total Gross Accounts Receivable	<u>\$ 869,214,264</u>	<u>\$ 36,651,598</u>	<u>\$ 90,638,326</u>	<u>\$ 228,371,932</u>	<u>\$ 9,006,365</u>	<u>\$ 295,993,150</u>	<u>\$ 148,987,274</u>	<u>\$ 110,997,588</u>	<u>\$ 85,348,570</u>	<u>\$ 1,875,209,067</u>

TOTAL ANNUAL GROSS REVENUES \$ 6,545,749,010 \$ 616,645,590 \$ 551,340,653 \$ 1,729,620,707 \$ 340,475 \$ 2,525,704,856 \$ 1,009,978,747 N/A \$ 28,814,333

PERFORMANCE MEASURES BY CATEGORY

	4	14	34	N/A	N/A	20	21	N/A	N/A	STATEWIDE TARGET
Days of Gross Revenues in Billed Accounts Receivable										30
Net Collectible Receivables As A Percent of Gross A/R	82%	63%	68%	100%	93%	100%	52%	100%	89%	95%

PERFORMANCE MEASURES STATEWIDE

	Target	Actual
Days of Gross Revenues in Billed Accounts Receivable	30	11
Net Collectible Receivables As A Percent of Gross A/R	95%	85%

STATE OF COLORADO
OFFICE OF THE STATE CONTROLLER
SUMMARY OF THE STATE'S GROSS ACCOUNTS RECEIVABLE BY STATE AGENCY
AT JUNE 30, 1997

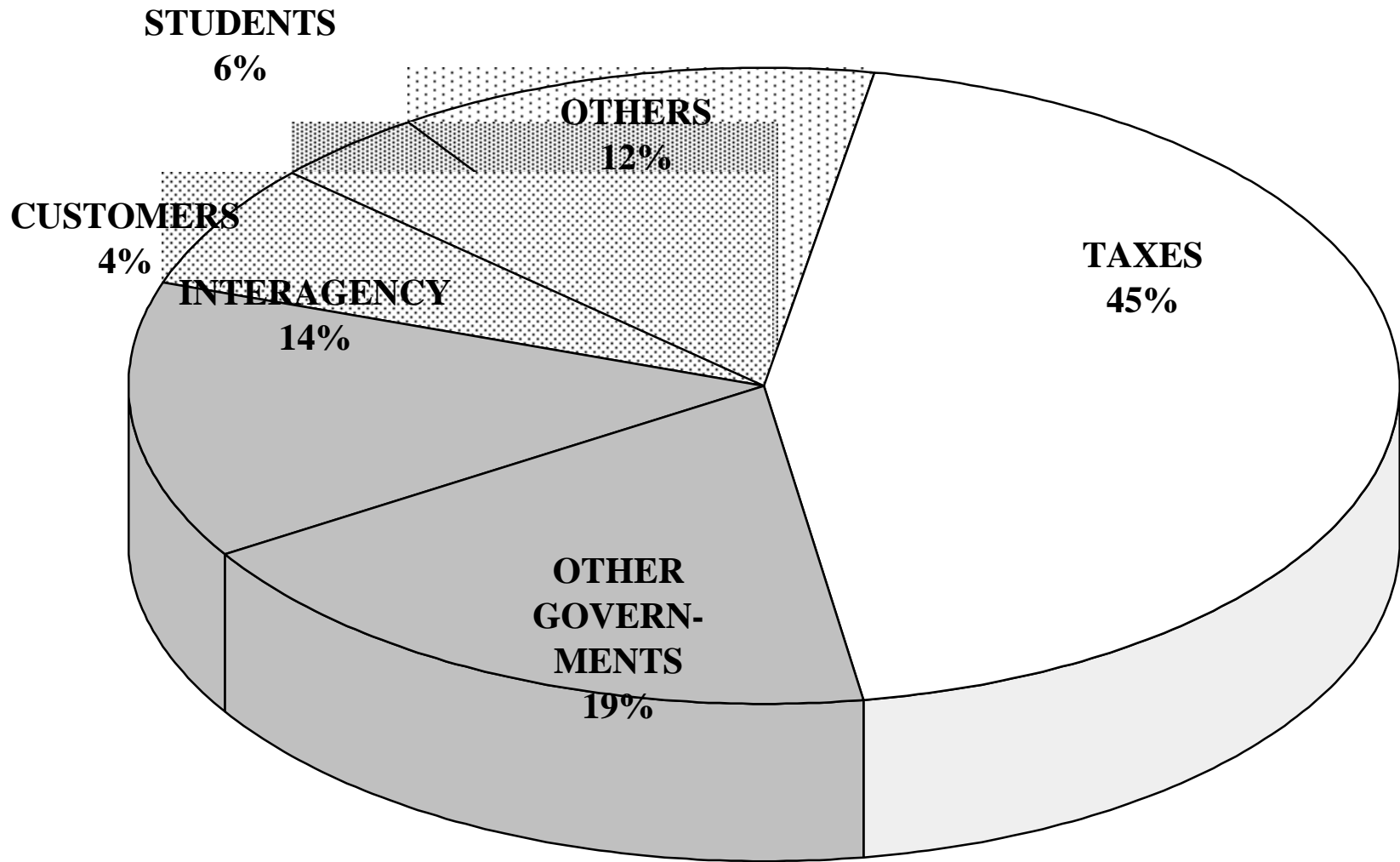
<u>AGY</u>	<u>AGENCY NAME</u>	<u>AMOUNT</u>	<u>AGY</u>	<u>AGENCY NAME</u>	<u>AMOUNT</u>
AAA	DOP - EXECUTIVE DIRECTOR	\$ 1,587,359	GJA	COLO COMM COLL & OCC ED SYS	4,015,620
BAA	DEPARTMENT OF AGRICULTURE	697,532	GJB	ARAPAHOE COMMUNITY COLLEGE	1,097,058
BSF	STATE FAIR AUTHORITY	414,056	GJC	COMMUNITY COLLEGE OF AURORA	1,237,593
CAA	CORRECTIONS ADMINISTRATION	720,615	GJD	COMMUNITY COLLEGE OF DENVER	2,348,433
CBA	PENITENTIARY	320,599	GJE	FRONT RANGE COMMUNITY COLLEGE	5,987,004
CFA	CORRECTIONAL INDUSTRIES	1,844,683	GJF	LAMAR COMMUNITY COLLEGE	611,667
CFB	SURPLUS PROPERTY	39,211	GJG	MORGAN COMMUNITY COLLEGE	392,935
DAA	DEPARTMENT OF EDUCATION	19,686,640	GJH	OTERO JUNIOR COLLEGE	1,077,181
DBA	SCHOOL FOR THE DEAF AND BLIND	254,133	GJJ	PIKES PEAK COMMUNITY COLLEGE	3,373,688
EAA	OFFICE OF THE GOVERNOR	2,172,350	GJK	PUEBLO COMMUNITY COLLEGE	2,234,757
EBA	LIEUTENANT GOVERNOR	163,194	GJL	RED ROCKS COMMUNITY COLLEGE	1,961,930
ECA	STATE PLANNING & BUDGETING	26,538	GJM	TRINIDAD STATE JUNIOR COLLEGE	1,580,025
EDA	OFFICE OF ECONOMIC DEVELOPMENT	401,159	GJP	LOWRY HEAT CENTER	330,005
EEA	GOVERNORS JOB TRAINING OFFICE	3,264,205	GKA	UNIVERSITY OF NORTHERN COLO	14,619,834
EFA	OFFICE OF ENERGY CONSERVATION	976,226	GLA	COLORADO SCHOOL OF MINES	11,623,892
FAA	DEPT OF PUB HLTH & ENVIRONMENT	14,036,170	GMA	AURARIA HIGHER EDUCATION CTR	4,293,859
FEA	HEALTH-HAZARDOUS MATERIALS	3,154,046	GNA	CHILDREN'S TRUST BOARD	157,403
FFA	HEALTH - CONSUMER PROTECTION	113,949	GPA	PRIVATE OCCUPATIONAL SCHOOL DV	295
FHA	HEALTH-DISEASE CONTROL & EPI	3,076,642	HAA	COLO DEPT OF TRANSPORTATION	103,330,542
FLA	HEALTH-PREVENTION	823,894	IHA	DEPARTMENT OF HUMAN SERVICES	91,454,205
FMA	HEALTH-HEALTH FACILITIES	1,324,968	IHH	PUBLIC HOUSING AUTHORITY	16,438
GAA	COLO COMMISSION ON HIGHER ED	406,264	IIA	OHR - ADMINISTRATIVE OFFICES	1,137,229
GBA	COLORADO COUNCIL ON THE ARTS	1,000	IIB	COLO. MENT HEALTH INST PUEBLO	11,291,723
GCA	STATE HISTORICAL SOCIETY	14,801,225	IIC	COLO. MENT HEALTH INST F LOGAN	4,539,377
GDA	COLORADO STUDENT LOAN	13,090,359	IJB	GRAND JUNCTION REGIONAL CTR	1,736,018
GEA	COLO ADVANCED TECHNOLOGY INST	166,327	IJC	RIDGE REGIONAL CENTER	2,134,291
GFA	CU - REGENTS	120,668,879	IJD	PUEBLO REGIONAL CENTER	1,323,079
GGB	COLORADO STATE UNIVERSITY	47,873,086	IKA	DIV OF YOUTH CORRECTIONS	262,342
GGH	FORT LEWIS COLLEGE	2,758,697	ILA	TRINIDAD STATE NURSING HOME	306,676
GGJ	UNIVERSITY OF SOUTHERN COLO	6,394,845	ILB	STATE VET CENTER AT HOMELAKE	137,778
GHA	STATE COLLEGES IN COLORADO	169,201	ILC	VET NURSING HOME AT FLORENCE	200,244
GHB	ADAMS STATE COLLEGE	2,121,349	ILD	VET NURSING HOME AT RIFLE	304,138
GHC	MESA STATE COLLEGE	3,014,740	ILE	WALSENBURG VET NURSING HOME	413,551
GHD	METROPOLITAN STATE COLLEGE	12,807,728	JAA	JUDICIAL	604,248
GHE	WESTERN STATE COLLEGE	3,058,227	JBA	SUPREME COURT LIBRARY	1,100
GHF	WESTERN COLO GRADUATE CTR	83	JCA	PUBLIC DEFENDER	70,380

STATE OF COLORADO
OFFICE OF THE STATE CONTROLLER
SUMMARY OF THE STATE'S GROSS ACCOUNTS RECEIVABLE BY STATE AGENCY
AT JUNE 30, 1997

<u>AGY</u>	<u>AGENCY NAME</u>	<u>AMOUNT</u>	<u>AGY</u>	<u>AGENCY NAME</u>	<u>AMOUNT</u>
JDA	SUPREME COURT GRIEVANCE	87,393	VAA	DEPARTMENT OF STATE	84,614
KAA	DEPT OF LABOR AND EMPLOYMENT	114,969,857	VAA	TREASURY - ADMINISTRATION	14,696,542
LAA	DEPARTMENT OF LAW	86,252	WBA	TREASURY - OPERATING	91,054,134
MAA	GENERAL ASSEMBLY	1,110			
MDA	STATE AUDITOR	121,838			
MEA	OFFICE OF LEGISLATIVE LEGAL SV	742	TOTAL		\$ 1,875,209,067
NAA	DEPARTMENT OF LOCAL AFFAIRS	28,695,875			
OAA	DIVISION OF NATIONAL GUARD	1,204,096			
OCA	CIVIL AIR PATROL	189			
PAA	DNR - EXECUTIVE DIRECTOR	381,143			
PBA	DIVISION OF WILDLIFE	5,402,542			
PCA	BOARD OF LAND COMMISSIONERS	1,852,868			
PDA	WATER CONSERVATION BOARD	95,178,408			
PEA	DIVISION OF WATER RESOURCES	7,617			
PFA	SOIL CONSERVATION BOARD	51,139			
PHA	OIL AND GAS CONSERVATION COMM	557,938			
PIA	COLORADO GEOLOGICAL SURVEY	458,742			
PJA	PARKS AND OUTDOOR RECREATION	3,995,059			
PKA	MINED LAND RECLAMATION DIV	365,092			
RAA	DEPARTMENT OF PUBLIC SAFETY	6,455,520			
SAB	OFFICE OF CERTIFICATION	3,700			
SCA	DIVISION OF BANKING	121,000			
SDA	CIVIL RIGHTS DIVISION	129,914			
SFA	DIVISION OF INSURANCE	27,022,389			
SGA	PUBLIC UTILITIES COMMISSION	137,985			
SHA	OFFICE OF CONSUMER COUNSEL	190			
SIA	DIVISION OF REAL ESTATE	4,520			
SJH	DENTAL BOARD	150			
SJI	ELECTRICAL BOARD	28,636			
SJK	MENTAL HEALTH BOARDS	669			
SJN	NURSING BOARD	470			
SJU	PLUMBERS BOARD	8,453			
TAA	REVENUE - ADMINISTRATION	1,096,833			
TBA	REVENUE - COLLECTIONS	753,543,620			
TFA	STATE LOTTERY DIVISION	21,434,091			
TGA	REVENUE - GAMING DIVISION	25,752,096			
UHA	DEPT OF HLTH CARE POLICY & FIN	121,578,924			

**STATE OF COLORADO
NET ACCOUNTS RECEIVABLE BY TYPE
AT JUNE 30, 1997**

Exhibit C



STATE OF COLORADO
ACCOUNTS RECEIVABLE BY TYPE
AT JUNE 30, 1997

Exhibit D

