

REPORT HIGHLIGHTS



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

STATE OF COLORADO
OFFICE OF THE STATE CONTROLLER

CONCERN

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

KEY FACTS AND FINDINGS

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

BACKGROUND

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

KEY RECOMMENDATION

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

The departments generally agreed with the recommendations.