

# Report Highlights



## Cash Funds Uncommitted Reserves Fiscal Year Ended June 30, 2023

State of Colorado • Office of the State Controller  
Performance Audit • November 2023 • 2352P

OFFICE OF THE STATE AUDITOR

C O L O R A D O

### Key Concern

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

### Key Findings

- We determined that seven departments had funds with excess uncommitted reserves as of June 30, 2023. The departments that we identified as having cash funds with excess uncommitted reserves as of June 30, 2023, are:
  - Department of Early Childhood
  - Office of the Governor
  - Judicial Department
  - Department of Local Affairs
  - Department of Public Health and Environment
  - Department of Regulatory Agencies
  - Department of Revenue
- Within those seven departments, 18 total cash funds had excess uncommitted reserves totaling approximately \$48.5 million.
  - The total number of departments with excess uncommitted reserves decreased by two from the prior year.
  - The total number of funds with excess uncommitted reserves stayed the same from the prior year.
  - Total excess uncommitted reserves increased by approximately \$32 million from the prior year.
- The Department of Public Health and Environment had a cash fund with excess uncommitted reserves for 3 consecutive years; as a result, the OSC will be required to restrict its spending authority in accordance with Section 24-75-402(12), C.R.S., beginning in Fiscal Year 2024.
- The Department of Public Health and Environment had a cash fund with excess uncommitted reserves for 5 consecutive years; as a result, the OSC began restricting its spending authority in Fiscal Years 2022 and 2023 in accordance with Section 24-75-402(12), C.R.S. and will continue to restrict its spending authority in Fiscal Year 2024.

### 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.

### Recommendations Made

**18**

### Responses

Agree: **18**

Partially Agree: **0**

Disagree: **0**