

REPORT HIGHLIGHTS



CASH FUNDS UNCOMMITTED RESERVES
FISCAL YEAR ENDED JUNE 30, 2018
PERFORMANCE AUDIT

STATE OF COLORADO
OFFICE OF THE STATE CONTROLLER

CONCERN

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

KEY FACTS AND FINDINGS

- We determined that 10 departments had funds with excess uncommitted reserves as of June 30, 2018. The departments that we identified as having cash funds with excess uncommitted reserves as of June 30, 2018, are:
 - ▶ Department of Education
 - ▶ Department of Human Services
 - ▶ Judicial Department
 - ▶ Department of Labor and Employment
 - ▶ Department of Law
 - ▶ Department of Personnel & Administration
 - ▶ Department of Public Health and Environment
 - ▶ Department of Public Safety
 - ▶ Department of Regulatory Agencies
 - ▶ Department of Revenue
- Within those 10 departments, 16 total cash funds had excess uncommitted reserves totaling approximately \$29.7 million. The total number of departments with excess uncommitted reserves decreased by one from the prior year. The total number of funds with excess uncommitted reserves decreased by two from the prior year. Total excess uncommitted reserves increased from \$4.1 million in the prior year by approximately \$25.6 million for a total of \$29.7 million in the current year.

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.
- Each department verifies the financial information prepared by the OSC. This information is audited as part of the annual Statewide Financial audit.

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 agreed with the recommendations.