

REPORT HIGHLIGHTS



CASH FUNDS UNCOMMITTED RESERVES
FISCAL YEAR ENDED JUNE 30, 2021
PERFORMANCE AUDIT, NOVEMBER 2021

STATE OF COLORADO
OFFICE OF THE STATE CONTROLLER

CONCERN

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

KEY FACTS AND FINDINGS

- We determined that five departments had funds with excess uncommitted reserves as of June 30, 2021. The departments that we identified as having cash funds with excess uncommitted reserves as of June 30, 2021, are:
 - ▶ Department of Personnel and Administration
 - ▶ Department of Public Health and Environment
 - ▶ Department of Public Safety
 - ▶ Department of Regulatory Agencies
 - ▶ Department of Revenue
- Within those five departments, 19 total cash funds had excess uncommitted reserves totaling approximately \$15.1 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 increased by two from the prior year.
 - ▶ Total excess uncommitted reserves increased by approximately \$6 million from the prior year.
- The Department of Public Health and Environment and the Department of Regulatory Agencies have had cash funds with excess uncommitted reserves for 3 consecutive years; as a result, the OSC will be required to restrict both departments' spending authority in accordance with Section 24-75-402(12), C.R.S., beginning in Fiscal Year 2022.

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.