



## Policy 3.D – FINANCIAL CONDITION & ACTIVITIES

Date Adopted/Last Revised: January 27, 2009

Management Limitations

With respect to financial condition and activities, the Superintendent will not cause or allow the development of fiscal jeopardy, or a material deviation of actual expenditures from the Board's Goals priorities.

*I interpret will not cause nor allow the development of to mean: shall not bring about or permit the occurrence of.*

*I interpret the condition of fiscal jeopardy to mean: entering an agreement to pay expenses when the source of income to pay for those expenses has not been determined or not having cash available to pay expenses when they are due.*

*I interpret a material deviation of actual expenditures from the Board's Goals priorities to mean: that when reviewing the actual expenditures of the district, an informed person would not question whether District Goals priorities are being addressed.*

### **Data Reported:**

This Expectations of the Board report pertains to Fiscal Year 2015 (July 1, 2014 – June 30, 2015). The FY 2015 budget was amended in January 2015 due to adjustments in student count and several resource adjustments to account for the \$17.3 million reduction in funding created by the negative factor (12.97%) in the School Finance Act Formula. The budget ensured adequate funds were available for the TABOR Reserve as required under the provisions of section 20 (5) article X of the state constitution as well as a Board Contingency Reserve. The District's total funded pupil count was 16,431.6, an increase of 553.3 full time pupils, inclusive of 110.1 full time pupils in district approved charter schools. The FY 2015 Amended General Operating Fund Budget includes an increase in direct school funding of \$4.9 million (inclusive of charter school funding), and an increase of \$2.7 million for support services department. During the Amended Budget process the District allocated over \$425,000 of unspent, one time funds from FY 2014 to schools. Although the FY 2015 financial audit has not yet been completed, the estimated general fund ending fund balance is \$17.3 million. The amount includes ending fund balances in the Capital Reserve Fund, the Risk Management Insurance Fund, and the Colorado Preschool Program Fund. This balance includes \$7.5 million in required Board and TABOR reserves, \$0.5 million restricted reserves for certified and classified long term service/early retirement benefit, \$2.2 million in assigned reserves for capital, technical education and insurance, and \$0.2 million in carry forward for schools. The fund balance from FY 2015 will help the District fund projects that have a greater financial need than one year's student allocation and offset the loss of revenue in FY 2016 associated with student enrollment lower than projections.

**Conclusion: I report compliance.**

The Superintendent will not:

1. Expend more funds than have been received in the fiscal quarter to date unless the liquidity and long-term reserve requirements below are met.
  - a. The Superintendent will not borrow from reserves (defined as accumulated excess revenues) in an amount greater than can be replenished by certain, otherwise unencumbered revenues within 90 days.

*I interpret this to mean:*

*The District must maintain the 3% TABOR reserve and the 3% Board Reserve. These funds can be used for temporary cash flow purposes as long as they are replenished within a 90 day period.*

**Data Reported:**

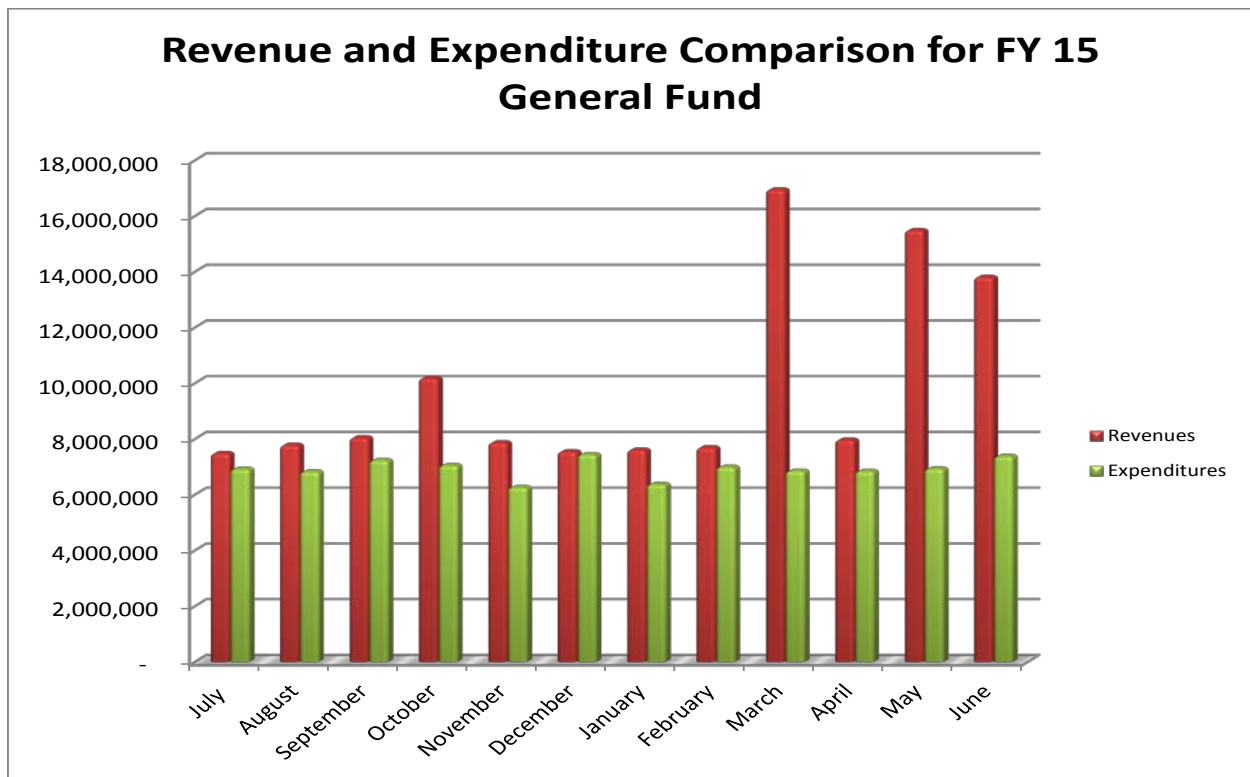
The FY 2015 budget was approved with the expectation that the TABOR reserve as required under the provisions of section 20 (5) article X of the state constitution, and the Board Contingency Reserve, be maintained in the General Fund. Both reserves were fully funded at the required 3% each. The FY2015 audited financials for Eagle Ridge Academy show a positive fund balance in accordance with the school's long term plan. The district has released 100% of the TABOR reserve the district had on behalf of Eagle Ridge Academy.

A review of beginning fund balance, revenue received, and expenditures paid during FY 2015 shows that General Fund revenue exceeded the budget by \$.5 million mostly due to increased specific ownership tax revenue (\$.4 million) associated with an increase in vehicle registrations, as well as \$.1 million in vocational education categorical revenue. Actual expenditures were \$3.8 million lower than planned due to increase salary vacancy savings and reduced school and department supply expenditures, and reduced transfers to support other funds.

The below schedule of beginning fund balance, revenue received, and expenditures net of transfers paid during the Fiscal Year 2015 provides information to support the above interpretation. The General Fund expenditures are inclusive of transfers to preschool, pupil activity, capital reserve, transportation, print shop and the risk management insurance fund totaling \$10.7 million. Note: These are pre-audited ending fund balances.

Fund	Beginning Fund Balance	Revenues	Expenditures/ Transfers/ Allocations	Ending Fund Balance and Reserves
General	14,445,359	118,446,028	117,809,303	15,082,084
Capital Reserve	1,580,711	3,775	118,285	1,466,201
Risk Management	905,571	(201,129)	113,658	590,784
Colorado Preschool Program	120,585	0	0	120,585
Nutrition Services	1,284,573	5,167,459	4,899,199	1,552,833
Government Designated Purpose Grants	623,267	7,443,728	7,011,456	1,055,539
Pupil Activity	1,008,396	2,865,015	2,744,128	1,129,283
Transportation	371,539	1,731,532	1,933,298	169,773
Growth Impact	39,779	38,317	7,619	70,477
Child Care/Extended Day Kindergarten	262,288	1,066,059	863,305	465,042
Other Special Programs	526,863	1,466,519	1,526,476	466,906
Debt Service	13,575,545	16,968,800	13,580,657	16,963,688
Capital Projects	264,051	323	62,030	202,344
Print Shop	0	145,732	145,732	0
Risk Management / Dental Insurance	475,591	801,341	752,621	524,311
Private Purpose Trust	48,987	54	9,000	40,041
Pupil Activities Agency	201,035	335,009	378,602	157,442

The following chart compares revenues vs. expenditures over the course of the fiscal year for the General Fund only. As is illustrated below, the District's revenue for the General Fund varies according to the cycle of the receipt of property taxes.



- b. The Superintendent will not borrow funds (with the exception of credit cards used for normal business purposes that are paid in full each month)

*I interpret this to mean:*

*The District will not borrow funds through a bond issue, Certificates of Participation (COPs) or capital lease without express approval by the Board of Education. Interfund borrowing can take place for cash flow purposes as long as the funds are replenished not later than three months after the beginning of the following budget year.*

**Data Reported:**

In FY 2015 the District closed on a lease for school buses and school computers with JPMorgan Chase and SunTrust Equipment Finance & Leasing Corp. The lease schedule was presented and approved by the Board on June 10, 2014 and September 23, 2014. The District also had expenditures in FY 2015 for outstanding Board approved debt in the form of bonds, certificates of participation (COPs), and capital leases. The District's total outstanding long term debt is \$180.6 million as detailed out below, which is \$3.0 million less than the Expectations of the Board report issued on January 27, 2015.

<b>Type of Borrowing</b>	<b>FY 2014/15 Debt Payment</b>	<b>Outstanding Balance (P+I)</b>	<b>Year Debt Retires</b>
2012B Refunding Bonds	2,291,777.50	2,372,545.00	2016
Capital Bus Lease	350,000.00	315,384.80	2016
Bus/Computer Lease	159,843.70	159,843.70	2016
Bus/Computers	371,521.75	727,833.25	2017
Computer Lease	48,352.09	50,638.36	2017
2011 Refunding Bonds	124,255.00	1,156,292.00	2018
Water Augmentation Note	85,437.50	256,314.00	2018
2006A Refunding Bonds	1,494,618.75	32,431,084.00	2025
2012 Refunding Bonds	1,366,150.00	38,769,975.00	2025
2005 COPs	276,593.50	3,050,947.00	2026
2006C GO Bonds	4,140,712.20	5,716,900.00	2027
2014 GO and Refunding Bonds	1,010,941.96	69,386,063.00	2027
2008 GO and Refunding Bonds	1,123,290.00	26,205,782.00	2028

CRS 22-44-113 does allow internal borrowing from all funds except the bond redemption fund as long as the funds are repaid not later than three months after the beginning of the following budget year. The District combines cash from nine funds in a ColoTrust account to maximize investments. Cash from Pupil Activity, Growth Impact, Bond Redemption, Building and Trust funds are excluded due to the restricted use each fund. During the first eight months of the fiscal year when property tax collections are minimal, the cash from other funds in the ColoTrust account is available to supplement General Fund obligations if needed. Moneys are repaid in March of the same fiscal year when larger property tax collections are received from the counties of Adams, Weld and Broomfield. This practice allows the District to meet obligations without having to borrow money from the State of Colorado's Interest Free Loan Program or from local banks.

- c. The Superintendent will not allow cash to fall below a safety reserve of 6% of the General Fund.

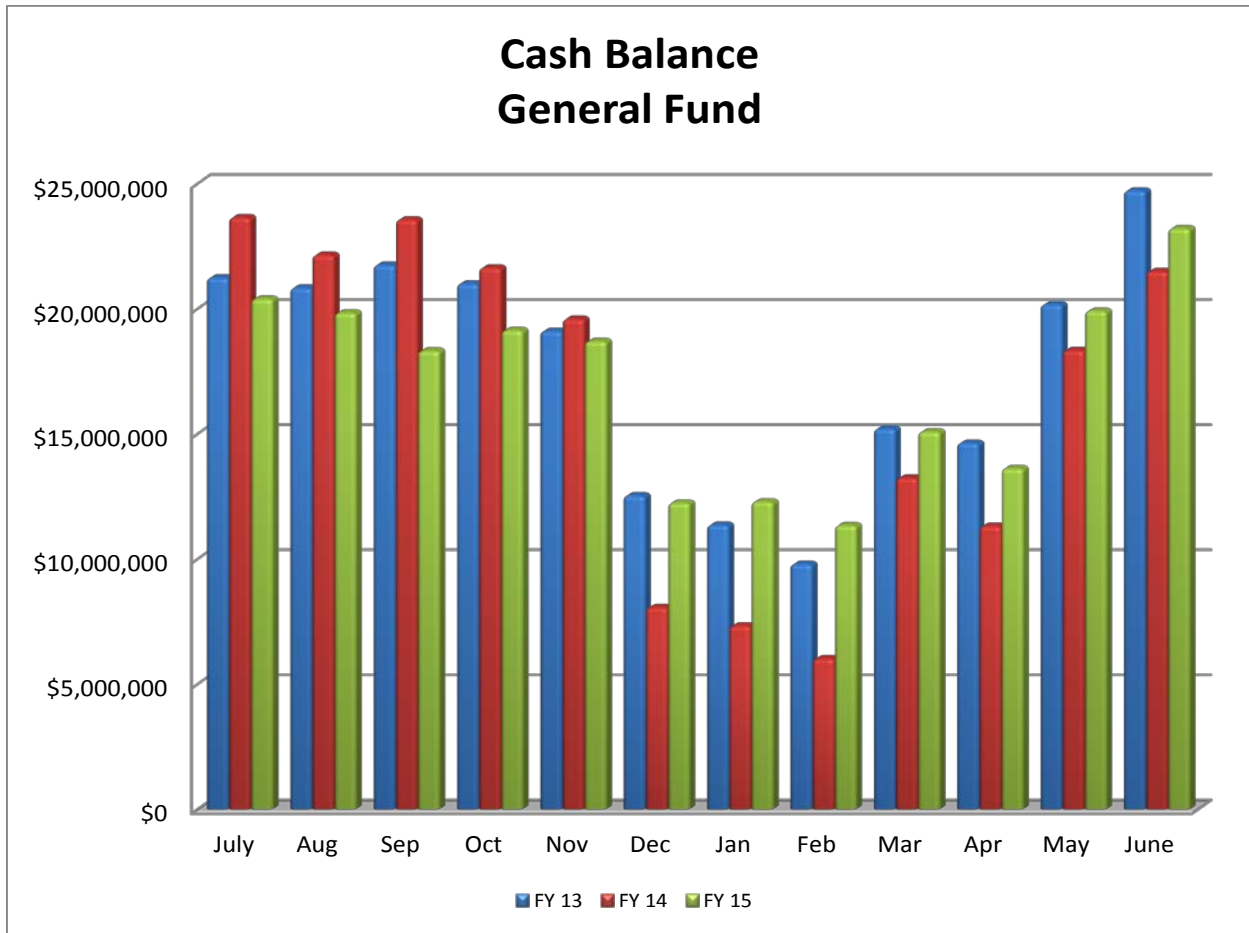
*I interpret this to mean:*

*The general fund reserves will not be less than 6% of general fund expenditures for the previous twelve months.*

**Data Reported:**

In FY 2015 the total unaudited expenditures in the General Fund (not including transfers which are presented in the schedule on page 3) were \$83.3 million with 6% equating to \$5.0 million. The total reserves planned in the general fund in the FY 2014 Revised Budget were \$5.8 million.

The following chart tracks the cash balance over the course of the fiscal year for the General Fund only. As is illustrated below, the District's cash balance never falls below the combined restricted reserve balance of \$5.0 million in FY 2015.



**Conclusion: I report compliance.**

2. Use Board-designated long-term reserves/endowment funds.

*I interpret this to mean:*

*The District expends designated funds for allowed purposes only throughout the identified monitoring period.*

**Data Reported:**

The District spent all funds consistent with the FY 2015 budget. The anticipated undesignated ending fund balance in the General Fund is \$5.0 million. The anticipated General Fund total ending fund balance in the FY 15 Adopted Budget is \$12.4 million, inclusive of TABOR and Board reserves. The current unaudited General Fund ending fund balance is \$15.1 million, inclusive of TABOR and Board reserves.

The \$2.7 million variance in budgeted compared to actual ending fund balance is due to increase salary vacancy savings and reduced school and department supply expenditures, and reduced transfers to support other funds.

In FY 2015 94% of the recurring General Fund resources were used directly in schools or in direct support of schools. The FY2016 budget plans for 94% of the recurring General Fund resources to be used directly in schools or in direct support of schools.

School District 27J invested \$55.7 million in direct instructional professionals during the fiscal year, which is \$2.5 million greater than FY 2014. Of the \$55.7 million invested in direct instruction, \$6.2 million (11.2%) was invested in paraprofessionals, leaving \$49.5 million (88.8%) invested in licensed teachers. Of this total amount (\$49.5 million) invested in 751 licensed teachers, \$31.9 million (64.6%) was invested in 493 licensed teachers in core instruction. The remaining \$17.6 million (35.4%) was invested in 258 licensed teachers in non-core instruction.

**Conclusion: I report compliance.**

3. Conduct interfund shifting.

*I interpret this to mean:*

*The District shall not comingle funds that, by strict statutory law, are prohibited from being moved.*

**Data Reported:**

CRS 22-44-112 - Transfer of moneys states that “a board of education shall not transfer moneys from one fund to another, except as authorized.” In FY 2015 the District transferred \$10.7 million from the general operating fund to: preschool program fund, capital reserve fund, the risk management fund, transportation fund, print shop, and pupil activity fund.

**Conclusion: I report compliance**

4. Fail to settle payroll obligations and payables in a timely manner.

*I interpret this to mean:*

*Payroll obligations are all compensation, both salary and benefits, paid to district employees through the district’s payroll system. Payables are all district bills that are not employee compensation which are processed through the District’s check request process or purchasing card. 95% of payables should be paid within 90 days.*

**Data Reported:**

**Payroll:** Human Resources and the Finance Department work together to pay employees on a monthly basis on the last working day of each month. The pay period ends the 12<sup>th</sup> of each month for payment at the end of that month and internal control is very strict with segregation of duties between the two departments. Pay remittances or checks are issued to employees the last working day of the month.

Payroll Year	Average Number of Employees Paid per Month	Gross Payroll Amount	Employee Paid Deductions	Employer Paid Deductions
FY 2015	1,674	\$67,823,547	\$18,598,773	\$20,458,319

Types of Employee Paid Deductions	Types of Employer Paid Deductions
Taxes	Taxes
Medical	Medical, Dental, Vision
PERA	PERA
Garnishments	Life Insurance
Voluntary (Life, 401K, 403b, Dues, and HSA)	Health Savings Accounts
Credit Union	
125 Dependent Care/Health Care	

Accounts Payable: Checks are issued each Thursday afternoon. Below is a summary of checks issued for FY 2015. The chart lists the total number of checks issued and shows the length of time from the date of the invoice to the date of the check being issued 99% of all payables were paid within 90 days of invoice date.

A review of accounts payable processes with our external auditor provided a few possible procedure modifications that improved this percentage compared to FY 2014. The District will continue these practices to maintain this percentage.

Number of Checks Issued	Paid within 30 days or less of Invoice Date	Paid within 31 – 60 days of Invoice Date	Paid within 61 – 90 days of Invoice Date	Paid in excess of 90 days of Invoice Date
3,586	3,252	247	35	52
Percentage of checks issued	91%	7%	1%	1%

**Conclusion: I report compliance**

5. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.

**Data Reported:**



Each time payroll is processed mandatory deductions are made along with the accompanying checks or wire transfers to the appropriate vendors.

<b>Mandatory Deduction</b>	<b>How Paid</b>
Federal/Medicare Taxes-IRS	Wire transfer and taxes called in and completion of Form 941 quarterly
Public Employees Retirement Association	Wire transfer of both employees and District contribution
State Taxes	Wire transfer and taxes called in for contribution
Garnishments	Mailed to the appropriate authority after deducted from payroll
If Full-Time Employee Deductions made for Health, Dental, Vision, Life Insurances	Check/Wire issued to appropriate vendor
OMNI (403b), HSA and 401K	Wire transferred and report sent via secured web link

All deductions have been paid in a timely manner.

**Conclusion: I report compliance**

- Execute a check or purchase commitment of greater than \$25,000 unless such purchase was explicitly itemized in budget monitoring data previously disclosed to the Board or subsequently disclosed at the next regular meeting of the Board. Splitting orders to avoid this limit is not acceptable.

*I interpret this to mean:*

*The causation of a fiscal encumbrance which has not been disclosed to, or previously approved by the Board of Education either through an appropriations resolution, supplemental budget, or budgeted for this purpose in the annually approved budget.*

**Data Reported:**

There were 90 checks and 9 purchasing card transactions for \$25,000 or greater in FY 2015 totaling over \$8.1 million. All transactions listed were within the District’s FY 2015 Board approved appropriations. A summary of all transactions of \$25,000 or greater is below.

CHECK (S)	CHECK AMOUNT	VENDOR	DESCRIPTION
106057	\$ 831,819.00	ADAMS COUNTY BOCES	INSURANCE
107825	\$ 27,284.47	ADAMS COUNTY CLERK & RECORD	MAIL BALLOT EXPENSE
8 CHECKS	\$ 53,471.36	ADAMS COUNTY HEAD START	ADAMS COUNTY HEAD START SERVICES
2 CHECKS	\$ 109,820.00	ADAMS 12 FIVE STAR SCHOOLS	DHH PROGRAM
107354	\$ 94,602.90	ALPINE ACHIEVEMENT SYSTEMS	ALPINE ACHIEVEMENT SUBSCRIPTION
13 CHECKS	\$ 607,555.43	ANDREWS FOODSERVICE SYSTEMS	FOOD INVENTORY
107159	\$ 45,672.00	ATS ROCKY MTN, INC	ELEMENTARY UPGRADES
106593	\$ 46,126.25	BC INTERIORS, INC	INTERIOR PRODUCTS
2 CHECKS	\$ 119,858.97	BELLE CREEK CHARTER SCHOOL	ECEA PAYMENTS
2 CHECKS	\$ 212,823.21	BP ENERGY COMPANY	UTILITIES-GAS
8 CHECKS	\$ 293,091.13	BRIGHTON EDUCATION ASSOCIAT	UNION DUES
3 CHECKS	\$ 201,675.77	BROMLEY EAST CHARTER SCHOOL	ECEA PAYMENTS
107045	\$ 31,785.67	BUILDING TECHNOLOGY SYSTEMS	TECHNOLOGY EQUIPMENT
107674	\$ 45,000.00	BUTLER / SNOW	BOND COUNSEL EXPENSES
Pcard	\$ 68,950.00	CDW GOVERNMENT	CHROME BOOKS
5 CHECKS	\$ 266,000.00	CHILDREN'S HOSPITAL	NURSE SERVICES
5 CHECKS	\$ 227,276.07	CITY OF BRIGHTON	SCHOOL RESOURCE OFFICERS
Pcard	\$ 28,731.99	CITY OF BRIGHTON	WATER/SEWER
Pcard	\$ 30,915.00	CITY OF BRIGHTON	WATER/SEWER
Pcard	\$ 33,273.37	CITY OF BRIGHTON	WATER/SEWER
Pcard	\$ 30,915.00	CLA SW-DENVER	AUDIT
107174	\$ 25,096.33	COLORADO STATE TREASURER	QUARTERLY BENEFITS
108073	\$ 54,000.00	COLORADO YOUTH FOR A CHANGE	ANNUAL DUES
106176	\$ 146,173.00	COMPUTER INFORMATION CONCEP	ANNUAL SOFTWARE
106379	\$ 31,610.00	DLR GROUP INC	SCHEMATIC PREDESIGN
106549	\$ 25,866.00	EDULINK SYSTEMS	SCHOOL SYSTEM
2 CHECKS	\$ 390,027.38	EVERBANK COMMERCIAL FINANCE	COPY MACHINE RENTAL CONTRACT
107676	\$ 39,000.00	FIRSTSOUTHWEST	FINANCIAL ADVISING FEES
107932	\$ 70,065.31	FOUNDATIONS ACADEMY	ECEA PAYMENTS
106917	\$ 47,058.25	FRONT RANGE COMMUNITY COLLE	CONCURRENT ENROLLMENT BILLING
2 CHECKS	\$ 327,765.52	GOV CONNECTION, INC.	EQUIPMENT
Pcard	\$ 72,315.00	GOV CONNECTION, INC.	MICROSOFT LICENSING
Pcard	\$ 28,350.00	GOV CONNECTION, INC.	VMWARE ANNUAL RENEWAL
Pcard	\$ 25,375.74	GOV CONNECTION, INC.	SERVERS NETWORK PROJECT
Pcard	\$ 34,693.00	HERITAGE ED FESTIVAL	SAN ANTONIO FESTIVAL
4 CHECKS	\$ 1,967,309.20	KAISER PERMANENTE	HEALTH CARE PREMIUMS
107937	\$ 55,051.31	LANDMARK ACADEMY AT REUNION	ECEA PAYMENTS
3 CHECKS	\$ 89,191.50	LARSON INCITTI ARCHITECTS	ARCHITECT
106184	\$ 26,000.00	LOGISOFT COMPUTER PRODUCTS	SOFTWARE LICENSE RENEWAL
106294	\$ 114,425.00	NORTHWEST EVALUATION ASSN.	WEB BASED MAP ASSESSMENTS SUBSCRIPTION
107636	\$ 33,915.00	PIPER COMMUNICATION SERVICE	FIBER REPAIR
106188	\$ 110,476.00	SANITY SOLUTIONS, INC	ZEBI STORAGE SOLUTION
106190	\$ 27,000.00	SCHOOLWIRES, INC	CENTRICITY 2 ESSENTIAL FY15
2 CHECKS	\$ 158,606.80	SLATERPAULL ARCHITECTS, INC	ARCHITECT
106192	\$ 40,758.51	SOF-TECH MAINTENANCE COMPAN	ANNUAL PHONE SYSTEM
107764	\$ 29,963.80	TEGILE SYSTEMS, INC.	DUAL CONTROLLER SPARE KIT
106199	\$ 98,000.00	UNIDESK CORPORATION	PRODUCT LICENSE
106348	\$ 130,523.66	UNITED RESTAURANT SUPPLY	NUTRITION EQUIPMENT
106087	\$ 87,542.72	VALLEY BANK & TRUST	TEACHER COMPUTERS
106165	\$ 25,396.59	VIRCO MANUFACTURING CORP	STUDENT DESKS (HENDERSON/HERITAGE)
106503	\$ 121,410.68	VLCM	HP CORE SWITCHING BUNDLE
107095	\$ 296,805.27	VLCM	COMPUTER SWITCH
	<b>\$ 8,136,419.16</b>		

**Conclusion: I report compliance**

7. Acquire, encumber, lease or dispose of real property.

*I interpret “acquire” to mean: gain possession or control of; to get or obtain*

*I interpret “encumber” to mean: a claim or liability that is attached to property or some other right and that may lessen its value, such as a lien; any property right that is not an ownership interest*

*I interpret “lease” to mean: a contract by which a rightful possessor of real property conveys the right to use and occupy the property in exchange for consideration, usually rent*

*I interpret “dispose” to mean: to transfer control to another; to place, distribute, or arrange, especially in an orderly way; to get rid of*

*I interpret “real property” to mean: land, including land improvements, structures and appurtenances thereto, excluding movable machinery and equipment*

**Data Reported:**

There were no real property transactions presented or approved by the Board during FY 2014.

On October 2, 2012, The School District entered into a \$416,771 promissory note with the City of Brighton, Colorado for water augmentation/water rights, which was approved by the Board on August 28, 2012. The principal and interest expense in FY 2015 was \$85,438.

The fixed asset threshold of \$5,000 was approved by the Board in 2004. Items retired or fully depreciated are removed from the list of fixed assets. If replacements are purchased for these items, these are additions to the list. As part of the audit, items on the fixed asset inventory report are removed. Items removed as of 06/30/2015 are the following:

<b>Asset Number</b>	<b>Description</b>	<b>Total Cost</b>	<b>Depreciated Amount</b>
18896	Bus 85-1	41,500.00	40,670.00
25176	Playground Equipment	39,262.98	29,713.56
25218	File Server Power Edge 2850	5,509.53	5,399.34
25219	File Server Power Edge 2850	5,015.40	4,915.10

**Conclusion: I report compliance**

8. Accept revenues from sources not, in fact and appearance, consistent with the mission and values of the organization.

*I interpret “revenues” to mean: fiscal and non-fiscal donated economic resources*

*I interpret “mission and values of the organization” to mean: the organizational Goals that have been identified by the Board of Education*

**Data Reported:** The following donations were received in FY 2015. All cash and non-cash donations support the organizational Goals.

Name of Donator	School / Program	Item or Amount	Purpose
Random Acts of Kindness Foundation	BHS	\$500.00	LINK program
Paula and Russell Redig	North Elementary	\$13,000.00	Technology
Joanna Sakata	North Elementary	\$5,000.00	Technology
Brighton Early Rotary Club	All Schools	\$1,100.00	Families in need support
Urban Lending Solutions	All Schools	Paper	Supply support
Quality Community Foundation	Prairie View HS	\$1,500.00	HOSA program
HTC Hatters	Henderson and Thimmig Elementary	\$1,600.00	Technology
Denver Broncos	Northeast Elementary	Artificial Turf	Field improvement
Peter Padilla	Thimmig Elementary	\$1,000.00	Reading materials
Gilbert Padilla	Thimmig Elementary	\$1,000.00	Reading materials
Rotary Club of Brighton	South Elementary	\$1,000.00	Read To Me project
Colorado Venom 12U Softball	Stuart Middle School	Storage Shed	Sporting equipment storage

**Conclusion: I report compliance**

9. Fail to aggressively pursue material receivables after a reasonable grace period.

*I interpret this to mean:*

*A timely attempt is made to collect monies owed to the District (including charter schools) that are older than thirty days, or other period of time deemed reasonable within the normal course of business as follows: Major Categories of Receivables:*

- *Amounts Due from Other Governments – 30 to 90 days following submission of reports or other required information.*

- *Amounts Due from Board Approved Fees – 30 to 90 days following submission of reports or other required information.*
- *Accrued Investment Earnings – 30 to 180 days as defined by Investment Agreement.*

**Data Reported:**

The following is a chart that shows the type of revenue, the number of invoices issued if applicable, and the percentage of invoices that were collected within 30 days, 31-60 days, 61-90 days, and over 90 days.

A review of the fee assessment and collection process highlighted several areas of improvement. The first area the finance staff addressed was improved and continuous communication to families. In FY 2015 the District finance staff attended registration at both high schools to support the collection process. In addition, fee statements were sent out to all families prior to registration, and each month families are notified when transportation fees and full day kindergarten tuition has been assessed. The accounts receivable clerk is responsible for all fee collections. The collection rate for full day kindergarten improved in FY2015 as compared to FY 2014 and transportation remained the same.

Receivable	Invoices Issued	Collected within 30 days	Collected 31-60 days	Collected 61-90 days	Collected 90+ days	Outstanding
	Number	%	%	%	%	%
Property Taxes	N/A	Funds wired monthly				
State Funds	N/A	Funds wired monthly				
Facility Rental	90	78%	11.00%	9.00%	-	2.00%
Charter Administration Fees	N/A	Paid monthly and reconciled at year end				
Reimbursements from Granting Agencies	N/A	Collected at various times of the year. Most grants are not billed, funds are paid based on the grantees requirements				
Athletic Fees	2,899	92.00%	0.40%	2.60%	2.00%	3.00%
Class Fees	41,890	58.50%	3.10%	15.70%	9.60%	13.20%
Lost Book/Equipment Fees	2,315	16.40%	5.10%	28.50%	10.90%	39.10%
Print Shop	121	98.00%	2%	-	-	-
Before & After School Care	4,605	88%	7.00%	4.00%	-	1.00%
Detention Center	23	0.00%	36.00%	32.00%	32.00%	
Full Day Kinder Tuition	2,350	87.40%	2.80%	4.20%	0.20%	5.40%
Transportation	15,765	33.60%	6.40%	28.90%	10.50%	20.60%

## Nutrition Services

With the charging policy that the District has in place, no meals are written off.

Meal	Free	Reduced	Paid	Number of Meals
Breakfast	211,075	45,866	68,362	325,303
Lunch	567,571	150,718	547,227	1,265,516
Total	778,646	196,584	615,589	1,590,819
%	49%	12%	39%	

**Conclusion: I report compliance**

10. Operate without adequate internal controls over receipts and disbursements to avoid unauthorized payments or material dissipation of assets.

*I interpret “without adequate internal controls” to mean: not having policies and procedures that are designed to prevent and detect fraud. Inadequate controls may give cause to an external auditor finding that an entity has a “material weakness” which is commonly described as more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.*

*I interpret “material dissipation of assets” to mean: non-compliance with Colorado Revised Statute which requires an entity to properly account for the assets and liabilities as ensured through the annual independent audit.*

**Data Reported:**

The Local Government Audit Law (C.R.S 29-1-601 et seq) requires the District to have an annual audit of their financial statements. The law states that the audit must be performed by an independent Certified Public Accountant (CPA) and be in accordance with generally accepted auditing standards. The Comprehensive Annual Financial Report (CAFR) is published to fulfill that requirement, and according to Section 29-1-606, C.R.S., financial statements must be approved, published, and submitted to the state auditor within six months of the close of each fiscal year. The District management assumes full responsibility for the completeness and reliability of the information contained in the CAFR, based upon a comprehensive framework of internal control that it has established for this purpose. The independent CPA publishes a management letter providing adding information on internal control and providing suggestions for improvement.

**Conclusion:**

As of this report, the FY 2015 Audit has not been completed. Staff from the independent CPA firm will present the CAFR to the Board at the December 8, 2015 Board Meeting for approval and internal control data will be reported in the January 3.D Expectations of the Board report. For information on compliance for FY 2014, please see the August Expectations of the Board report 3.0 on Global Executive Constraint.