



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 2016 (July 1, 2015 – June 30, 2016). The FY16 budget was amended in January 2016 due to adjustments in student count and several resource adjustments to account for the \$16.6 million reduction in funding created by the negative factor (13.08%) 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 16,384, compared to October 1, 2014 funded pupil count, a decrease of 47 full time pupils, inclusive of an increase of 60 full time pupils in district approved charter schools. The District's enrollment projection was adjusted at Amended Budget to reflect the decrease of 449 pupils as compared to the FY16 Adopted Budget. During the Amended Budget process the District allocated over \$1.7 million of unspent, one time funds from FY16 to absorb the deficit in funding from the state due to lower enrollment.

Although the FY16 financial audit has not yet been completed, the estimated General Fund ending fund balance is \$20.9 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 \$5.8 million in required Board and TABOR reserves and \$2 million in assigned reserves for capital, technical education and insurance. The fund balance from FY16 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 FY17 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 FY16 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.

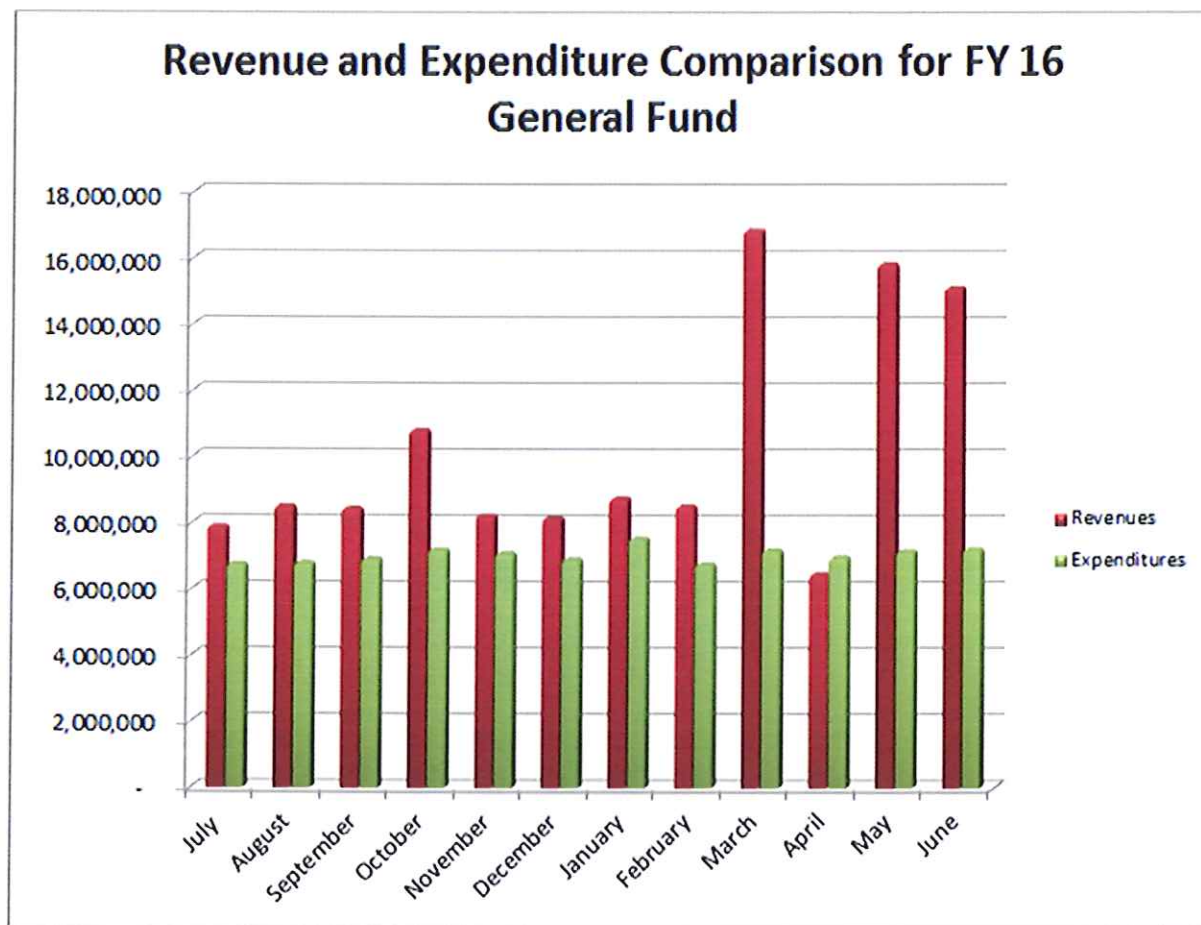
A review of beginning fund balance, revenue received, and expenditures paid during FY16 shows that General Fund revenue exceeded the budget by \$4.2 million mostly due to higher than projected specific ownership tax revenue and local tax revenue. Actual expenditures were \$1.1 million lower than planned primarily due to reduced transfers to support other funds.

The below schedule of beginning fund balance, revenue received, and expenditures net of transfers paid during the FY16 provides information to support the above interpretation.

Note: These are pre-audited ending fund balances.

Fund	Beginning Fund Balance	Revenues	Expenditures/Transfers/Allocations	Ending Fund Balance
General	15,078,352	123,709,697	119,655,185	19,132,864
Capital Reserve	1,466,201	6,900	384,282	1,088,819
Risk Management	590,784	(38,817)	3,689	548,278
Colorado Preschool Program	120,585	-	(106,821)	227,406
Nutrition Services	1,552,832	4,367,647	5,054,778	865,701
Government Designated Purpose Grants	1,055,541	7,987,429	7,753,139	1,289,831
Pupil Activity	1,129,284	2,625,704	2,584,032	1,170,956
Transportation	169,773	1,865,486	2,035,259	-
Growth Impact	70,477	40,153	35,212	75,418
Child Care/Extended Day Kindergarten	465,041	1,052,124	946,723	570,442
Other Special Programs	466,906	1,342,273	1,316,095	493,084
Debt Service	16,963,689	22,468,773	21,634,688	17,797,774
Capital Projects	202,344	631,681	(169,658,775)	170,492,800
Print Shop	-	194,462	133,134	61,328
Risk Management/Dental Insurance	524,311	812,460	761,412	575,359
Private Purpose Trust	40,041	148	12,875	27,314
Pupil Activities Agency	157,442	343,018	304,113	196,347

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. Inter-fund 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 FY16 the District executed a refunding of the 2005 COPs with JPMorgan Chase which reduced our interest to a fixed rate of 2.01%. The resolution was presented and approved by the Board on November 10, 2015. On that same date, the Board approved a resolution authorizing the issuance of General Obligation Bonds in December 2015 of \$160 million resulting from the passing of the \$248 million bond during the election of 2015. The next series of bonds to be issued of \$88 million is projected for 2018.

Type of Borrowing	FY 2015/16 Debt Payment	Outstanding Balance (P+I)	Year Debt Retires
Capital Bus Lease	315,385	-	2016
Bus/Computer Lease	159,844	-	2016
Bus/Computers	371,522	371,522	2017
Computer Lease	48,352	48,352	2017
Water Augmentation Note	85,438	170,876	2018
2005 COPs	252,226	2,540,466	2026
2006A Refunding Bonds	1,491,825	30,939,259	2025
2006C GO Bonds	2,804,900	2,856,000	2017
2008 GO and Refunding Bonds	1,114,009	25,091,773	2028
2011 Refunding Bonds	127,103	1,039,690	2018
2012A Refunding Bonds	3,391,600	35,378,375	2025
2012B Refunding Bonds	2,372,545	-	2016
2014 GO and Refunding Bonds	5,486,875	63,899,188	2027
2015A Refunding Bonds	3,482,176	301,156,250	2041
2016 GO Refunding Bonds	No payment until Dec 2016 (FY17)		

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.

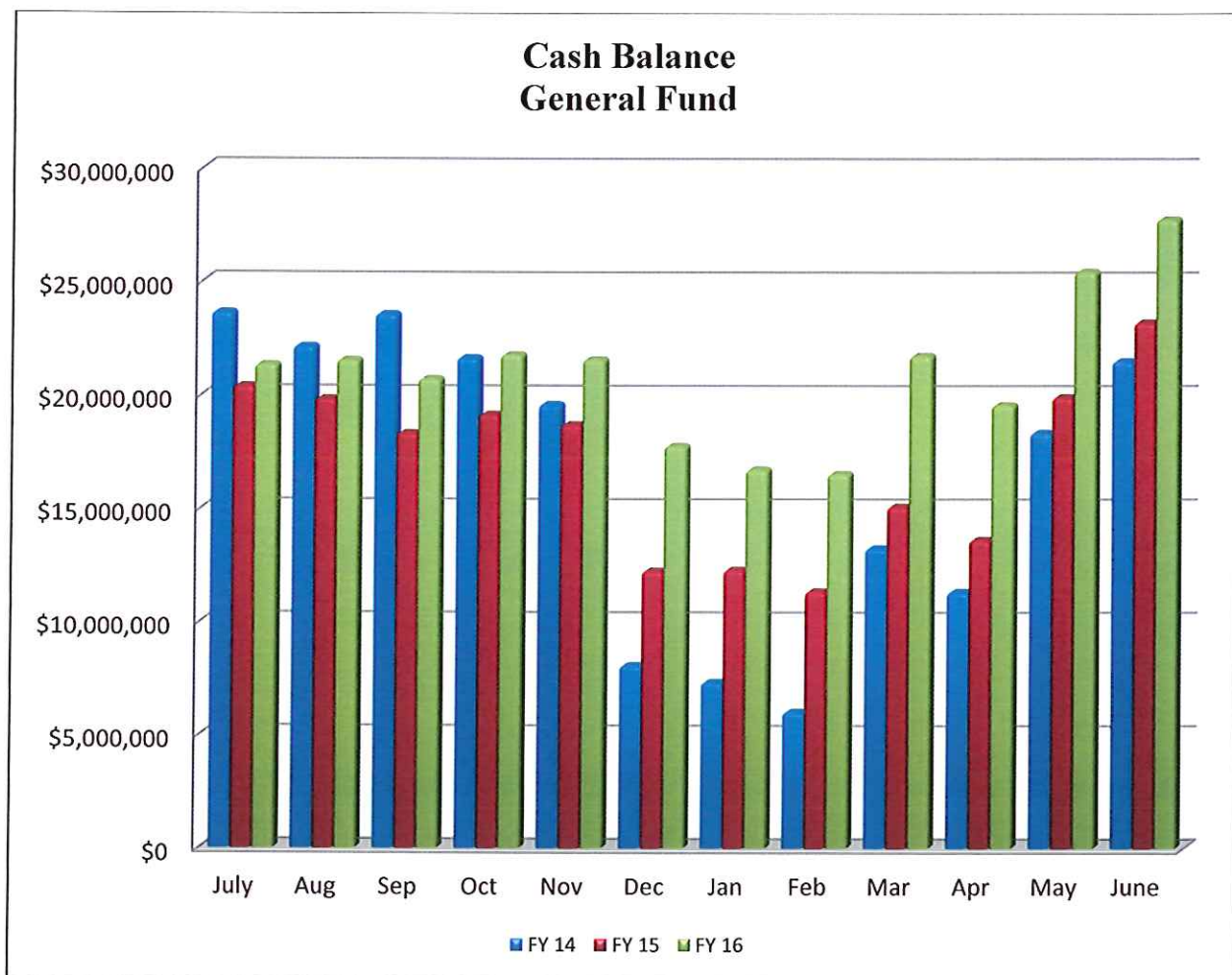
- c. The Superintendent will not allow cash to fall below a safety reserve of 6% of the General Fund.

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 FY16 the total unaudited expenditures in the General Fund (not including transfers which are presented in the schedule on page 3) were \$85 million with 6% equating to \$5.1 million. The total reserves planned in the general fund in the FY16 Amended Budget were \$6.2 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 \$5.1 million in FY16.



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 FY16 Budget. The anticipated unappropriated ending fund balance in the General Fund is \$3.8 million. The anticipated General Fund total ending fund balance in the FY16 Amended Budget is \$11.5 million, inclusive of TABOR and Board reserves. The current unaudited General Fund ending fund balance is \$20.9 million, inclusive of TABOR and Board Reserves.

The \$9.4 million variance in budgeted compared to actual ending fund balance is primarily due to higher than projected specific ownership tax revenue and local tax revenue as well as lower than planned transfers to support other funds.

In FY16, 94% of the recurring General Fund resources were used directly in schools or in direct support of schools. The FY17 Budget plans for 91% of the recurring General Fund resources to be used directly in schools or in direct support of schools.

Conclusion: I report compliance.

3. Conduct inter-fund 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 FY16 the District transferred \$7 million from the General 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 12th 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
FY16	1,702	\$68,983,635	\$18,921,773	\$20,291,741

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 FY16. 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 96% of all payables were paid within 90 days of invoice date.

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
4,155	3,206	649	128	172
Percentage of checks issued	77%	16%	3%	4%

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.

Mandatory Deduction	How Paid
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

6. 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 162 checks and 12 purchasing card transactions for \$25,000 or greater in FY16 totaling over \$15.4 million. All transactions listed were within the District's FY16 Board approved appropriations. A summary of all transactions of \$25,000 or greater is below.

Check #	Check Amount	Vendor	Description
4 Checks	\$ 238,204.00	ADAMS 12 FIVE STAR SCHOOLS	QUARTLY PROGRAMS
00111203	\$ 25,526.42	ADAMS COUNTY ELECTION OFFICE	2015 ELECTION DUES
00111631	\$ 63,581.20	ADAMS COUNTY HEAD START C/O JOHN REED	CPP
00112147	\$ 124,996.98	ADAMS COUNTY SHERIFF'S OFFICE	Idea B Sped Salaries
00110264	\$ 96,706.80	ALPINE ACHIEVEMENT SYSTEMS INC	ASSESS
40 Checks	\$ 1,883,876.54	ANDREWS FOODSERVICE SYSTEMS	DISTRICTS NUTRITION SUPPLIER
2 Checks	\$ 57,794.60	ASO INC.	EMAC OFFICIALS
2 Checks	\$ 210,602.43	BELLE CREEK CHARTER SCHOOL	ECEA AND IDEA B
1 PCARD TRANSACTION	\$ 37,485.00	BEST BUY 00009720	ELECTRONIC SALES
7 Checks	\$ 388,992.93	BP ENERGY COMPANY	GAS BILL
12 Checks	\$ 459,978.49	BRIGHTON EDUCATION ASSOCIATION	UNION DUES
4 Checks	\$ 349,046.69	BROMLEY EAST CHARTER SCHOOL	IDEA B, ECEA, CAPITAL CONSTRUCTION
2 PCARD TRANSACTIONS	\$ 66,709.00	CDW GOVERNMENT	DIRECT MARKETING-CATALOG MERCHANTS
00109807	\$ 195,510.00	CDW GOVERNMENT INC	HP DESKTOP / IMAGING
00110494	\$ 26,118.68	CENGAGE LEARNING	NATIONAL GEOGRAPHIC BOOKS
11 Checks	\$ 481,901.25	CHILDRENS HOSPITAL	DIST NURSE SERVICES
3 Checks	\$ 149,142.65	CITY OF BRIGHTON	WATER PROMISSORY NOTE/RESOURCE OFFICERS
6 PCARD TRANSACTIONS	\$ 187,355.43	CITY OF BRIGHTON	UTLTS-ELCTRC GAS HEATING OIL SANITARY WATER
2 Checks	\$ 67,863.76	CITY OF BRIGHTON POLICE DEPARTMENT	2ND QUARTER 2016
00112960	\$ 56,780.00	COLLEGE BOARD AP EXAMS	AP TEST
00111414	\$ 26,338.14	COLORADO PERA	EMPLOYER CONTRIBUTIONS
3 Checks	\$ 89,522.68	COLORADO STATE TREASURER	UNEMPLOYMENT BENEFITS
00112473	\$ 58,885.00	COLORADO WEST EQUIPMENT INC	TRANSPORTAION SUPPLIES
00111417	\$ 27,500.00	COLORADO YOUTH FOR A CHANGE	OUTREACH SERVICE
00111709	\$ 53,611.28	COMMUNITY REACH CENTER INC	MONTHLY CONTRACT
00109763	\$ 150,057.00	COMPUTER INFORMATION CONCEPTS INC.	CIC/INFINITE CAMOUS/PEOPLEWARE & SUPPORT
00112701	\$ 37,407.75	DELTA EDUCATION INC.	ROTATION OF BOOKS
00111453	\$ 105,634.90	DIRSEC INC	IBOSS HARDWARE AND MAINTANCE
00113129	\$ 32,911.09	EAGLE RIDGE ACADEMY	CAPITAL CONSTRUCTION
00112202	\$ 25,866.00	EDULINK SYSTEMS	INTOUCH PARENT NOTIFCATION
2 Checks	\$ 394,665.07	EVERBANK COMMERCIAL FINANCE, INC	ANNUAL CONTRACT
4 Checks	\$ 187,406.62	FOUNDATIONS ACADEMY	ECEA, MAY CAPITAL CONSTRUCTION
3 Checks	\$ 249,777.00	FRONT RANGE COMMUNITY COLLEGE ATTN: CAS	CONCURRENT ENROLLMENT STUDENT TUITION
00110159	\$ 66,843.80	GOV CONNECTION, INC.	ELECTRONICS
1 PCARD TRANSACTION	\$ 31,500.00	GOVCNCTN	COMPUTERS COMPUTER PERIPHERAL EQUIPMENT SOFTWARE
00112298	\$ 35,000.00	HERFF JONES INC	YEARBOOK DEPOIST
00111725	\$ 39,103.39	HILLYARD FLOOR CARE SUPPLY	CUSTODIAL SUPPLIES
00110850	\$ 25,512.27	HOUGHTON MIFFLIN HARCOURT	READ MATERIALS 180
5 Checks	\$ 247,440.00	INSPIRED SOLUTIONS LLC	SUMMER SCHOOL PROGRAM / TUTORING SERVICES PROVIDED
12 Checks	\$ 6,192,381.92	KAISER PERMANENTE	HEALTH CARE PREMIUMS
0112383	\$ 85,812.80	L L JOHNSON DISTRIBUTING CO INC.	TRANSPORTAION SUPPLIES
3 Checks	\$ 164,359.84	LANDMARK ACADEMY AT REUNION	ECEA AND IDEA B
3 Checks	\$ 96,478.66	LARADON HALL SOCIETY FOR EXCEPTIONAL CHI	OUT OF DISTRICT TUITION
00110068	\$ 37,907.67	NAVIANCE, INC.	USAGE YEARLY FEE
00110000	\$ 120,175.00	NORTHWEST EVALUATION ASSN.	WEB BASED MEASURES OF ACADEMIC PROGRESS
1 PCARD TRANSACTION	\$ 25,000.00	ONELOGIN	COMPUTER NETWORK-INFORMATION SERVICES
00110075	\$ 31,525.00	PROTECTIVE FINISHES COMPANY	CAULKING AND WATERPROOFING
00110934	\$ 26,185.00	RUBINBROWN LLP	FINANCIAL STATEMENTS/SINGLE AUDIT
3 Checks	\$ 371,400.00	SD 27J CFFF	OPEN BELLCO, DEPOIST
1 PCARD TRANSACTION	\$ 25,253.62	SENTRY FIRE AND SAFETY	MISCELLANEOUS AND SPECIALTY RETAIL STORES
00109791	\$ 41,776.01	SOF-TECH MAINTENANCE COMPANY	ANNUAL PHONE SYSTEM MAINTENANCE/EQUIP
00110401	\$ 28,065.00	SPRADLEY BARR FORD LINCOLN OF GREELEY, I	FORD F250 3/4 TON
00111673	\$ 78,000.00	STANDARD AND POOR'S	ANALYTICAL SERVICES RENDERED
00110085	\$ 48,352.09	SUNTRUST EQUIPMENT FINANCE & LEASING COR	PRINCIPAL AND INTEREST
2 Checks	\$ 75,000.00	TEMPUS NOVA, INC.	AO DOCS SERVER LICENSES
2 Checks	\$ 196,651.88	WEIDENHAMMER SYSTEMS	ALIO
00112678	\$ 247,750.46	ZANER BLOSER	SCHOOL SUPPLIES / WHITEBOARDS ETC..
	\$ 14,945,229.79		

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 FY16.

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 June 30, 2016 are the following:

Asset Number	Description	Total Cost	Depreciated Amount
25266	UPS Monitor Infrastructer	\$ 40,345.00	\$ 33,936.87
25820	ARC Mail Appliance	\$ 5,502.48	\$ 4,952.23
25909	Exinda 6760 Packet Shaper	\$ 18,703.45	\$ 9,351.72
25967	V10000 G3 Security Appliance	\$ 15,421.10	\$ 4,626.33
25968	V10000 G3 Security Appliance	\$ 15,421.10	\$ 4,626.33
24891	Cashier Stand	\$ 1,304.00	\$ 1,278.00
24901	Washer/Dryer	\$ 1,029.00	\$ 1,008.00
24917	Cashier Stand	\$ 5,610.00	\$ 5,498.00
24933	Washer/Dryer	\$ 1,040.00	\$ 1,019.00
24937	Cashier Stand	\$ 1,652.00	\$ 1,618.96
24938	Convection Steamer	\$ 7,717.00	\$ 7,563.00

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 FY16. All cash and non-cash donations support the organizational Goals.

Name of Donator	School / Program	Item or Amount	Purpose
Legacy Foundation	BHS	\$1,000.00	Art Program
United Power	VIKAN	\$650.00	Saturday School
Target Field Trips	PVHS	\$700.00	Field Trip to Anschutz
The Colorado Health Foundation	PVHS	\$5,000.00	HOSA PROGRAM
The Colorado Health Foundation	PVHS	\$2,000.00	HOSA PROGRAM
SNAP Fitness	PVHS	\$3,225.53	Pom Pom Program
SNAP Fitness	PVHS	\$3,913.00	Football Program
SNAP Fitness	PVHS	\$5,722.89	Cheer Program
SNAP Fitness	PVHS	\$700.00	Cheer Program
SNAP Fitness	PVHS	\$1,000.00	Cheer Program
Adams County	All Schools	\$5,000.00	Foster Care Education
Northern Hills	North Elementary	\$952.00	Books

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 FY16 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 FY16 as compared to FY15 and transportation remained the same.

Receivable	Invoices Issued	Collected within 30 days	Collected 31-60 days	Collected 61-90 days	Collected 90+ days	Outstanding
	<u>Number</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Property Taxes	N/A	Funds wired monthly				
State Funds	N/A	Funds wired monthly				
Facility Rental	65	94%			-	6.00%
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	2,637	94.00%	1.00%	1.00%	1.30%	2.70%
Class Fees	42,350	60.10%	3.00%	14.10%	8.80%	14.00%
Lost Book/Equipment Fees	1,950	15.30%	5.80%	29.00%	14.20%	35.70%
Print Shop	183	97.00%	3%	-		-
Before & After School Care	4,528	93%	5.00%	1.00%	0.70%	0.30%
Detention Center	23	0.00%	39.00%	35.00%	26.00%	
Full Day Kinder Tuition	2,150	85.10%	2.30%	6.23%	0.90%	5.47%
Transportation	16,140	36.20%	7.00%	26.80%	12.00%	18.00%

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	171,786	31,991	54,912	258,689
Lunch	583,885	132,018	552,394	1,268,297
Total	755,671	164,009	607,306	1,526,986
Percentage	49%	11%	40%	

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 FY16 Audit has not been completed. Staff from the independent CPA firm will present the CAFR to the Board at the December 13, 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 2016, please see the August Expectations of the Board report 3.0 on Global Executive Constraint.