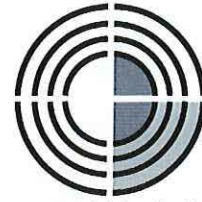




COLORADO SCHOOL DISTRICT 27J  
GOVERNING POLICY OF  
THE BOARD OF EDUCATION



**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 2018 (July 1, 2017– June 30, 2018). The FY18 budget was amended in January 2018 due to an increase to local tax revenue based on higher assessed valuation. 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 17,169 as compared to October 1, 2016 (prior year) funded pupil count, an increase of 643 full time pupils. District managed schools increased by 608 students and charter schools increased 35 full time pupils.

The District's enrollment projection was adjusted at Amended Budget in January 2018 to reflect the increase of 365 pupils as compared to the FY18 Adopted Budget estimates.

Although the FY18 financial audit has not yet been completed, the estimated General Fund ending fund balance is \$27.1 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 \$6 million in required Board and TABOR reserves and \$2.5 million in assigned reserves for new school openings. The fund balance from FY18 will afford the District to fund a negotiated increase to compensation of 3.93% district wide.

**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 FY18 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.

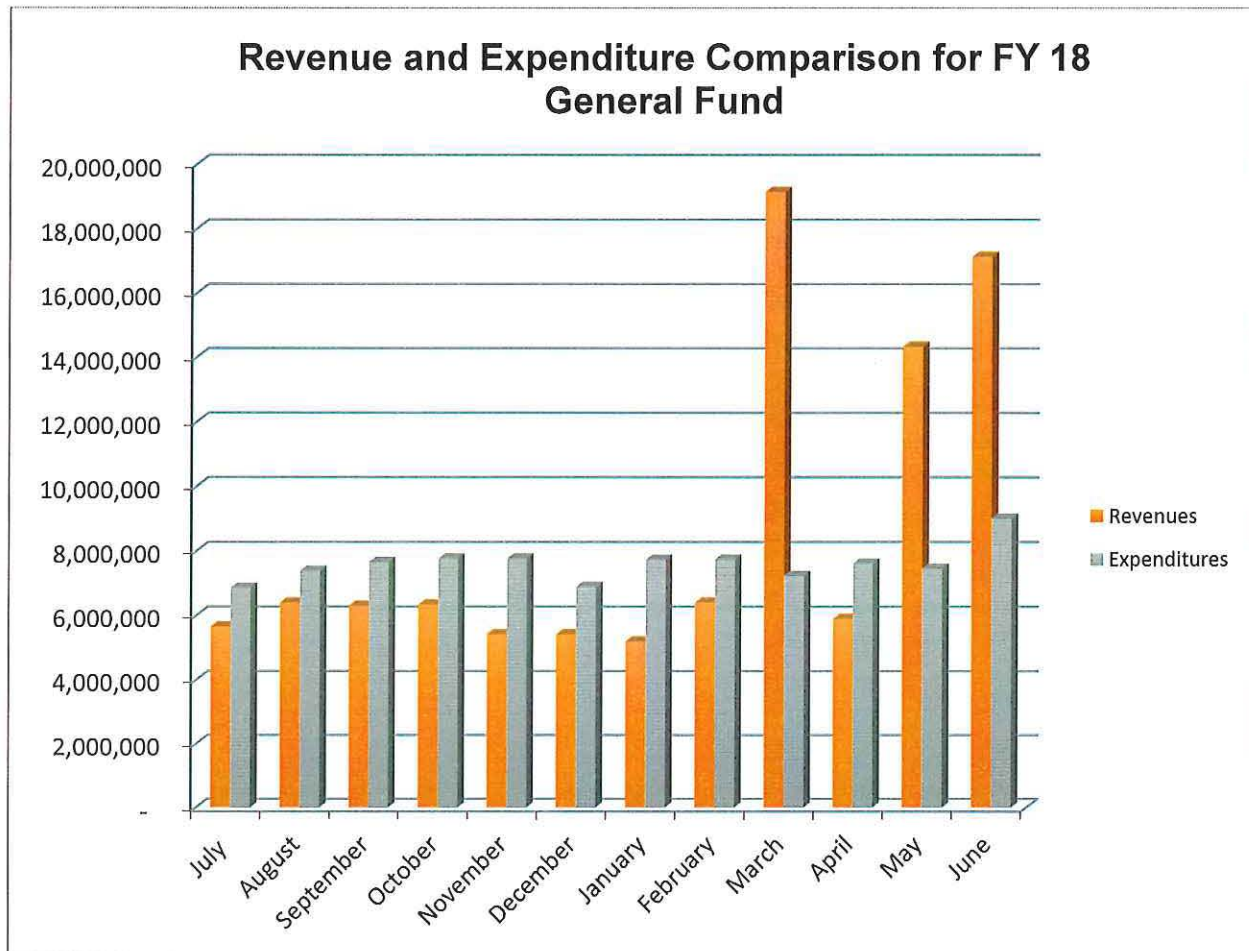
A review of beginning fund balance, revenue received, and expenditures paid during FY18 shows that General Fund revenue exceeded the budget by \$3.6 million due to higher than projected state equalization and local tax revenue.

The below schedule of beginning fund balance, revenue received, and expenditures net of transfers paid during the FY18 provides information to support the above interpretation.

***Note: These are pre-audited ending fund balances.***

Fund	Beginning Fund Balance	Revenues	Expenditures and Transfers	Ending Fund Balance and Reserves
General	19,918,108	134,117,176	129,761,443	24,273,841
Capital Reserve	1,038,709	1,552,399	833,050	1,758,058
Risk Management	882,738	1,305,597	1,299,001	889,334
Colorado Preschool Program	355,594	3,063,229	3,255,464	163,359
Nutrition Services	2,220,050	5,215,160	5,172,020	2,263,190
Government Designated Purpose Grants	1,058,167	8,083,380	8,765,857	375,690
Pupil Activity	1,598,824	2,799,268	3,052,572	1,345,520
Transporation	-	6,716,452	6,092,920	623,532
Growth Impact	104,556	23,863	25,138	103,281
Child Care/Extended Day Kingergarten	709,268	1,343,014	1,323,883	728,399
Other Special Programs	751,596	2,358,404	2,212,247	897,753
Debt Service	18,631,384	26,121,772	25,118,018	19,635,138
Capital Projects	92,862,781	107,620,465	72,356,986	128,126,260
Risk Management/Dental Insurance	528,430	870,556	829,051	569,935
Print Shop	-	152,702	118,535	34,167
Private Purpose Trust	24,231	667	-	24,898

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, majority between March and May of each year.



- 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 FY18 the District executed the issuance of 2017 General Obligation Bonds, the remaining \$88 million from the 2015 election. The resolution was presented and approved by the Board on August 22, 2017. The District entered into a lease agreement with JP Morgan Chase to purchase technology hardware in July 2017. The Board approved the lease purchase on June 06, 2017. The amount financed of \$409,257 at an interest rate of 2.48% will term in FY20. On May 22, 2018 the Board approved a lease purchase for chromebooks to implement one to web technology. The amount financed of \$1,640,468 at an interest rate of 2.97% will term in FY21, with the first debt payment not due until July 2018, or fiscal year 2019.

Type of Borrowing	FY 2017/18 Debt Payment (P+I)	Outstanding Balance (P+I)	Year Debt Retires
Chromebooks/Carts/Computers	140,493	140,493	2019
Chromeboxes/Monitors/Licenses	139,769	279,538	2020
Water Augmentation Note	102,135	-	2018
2005 COPs	230,803	2,081,409	2026
2008 GO and Refunding Bonds	2,097,900	45,900	2019
2011 Refunding Bonds	899,345	-	2018
2012A Refunding Bonds	3,339,550	26,224,175	2025
2014 GO and Refunding Bonds	3,233,401	58,063,562	2027
2015 Refunding Bonds	11,008,000	281,672,850	2041
2016A Refunding Bonds	1,266,326	39,439,163	2028
2016B Refunding Bonds	125,826	3,759,983	2028
2017 GO Bonds	3,141,111	178,079,000	2043

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.

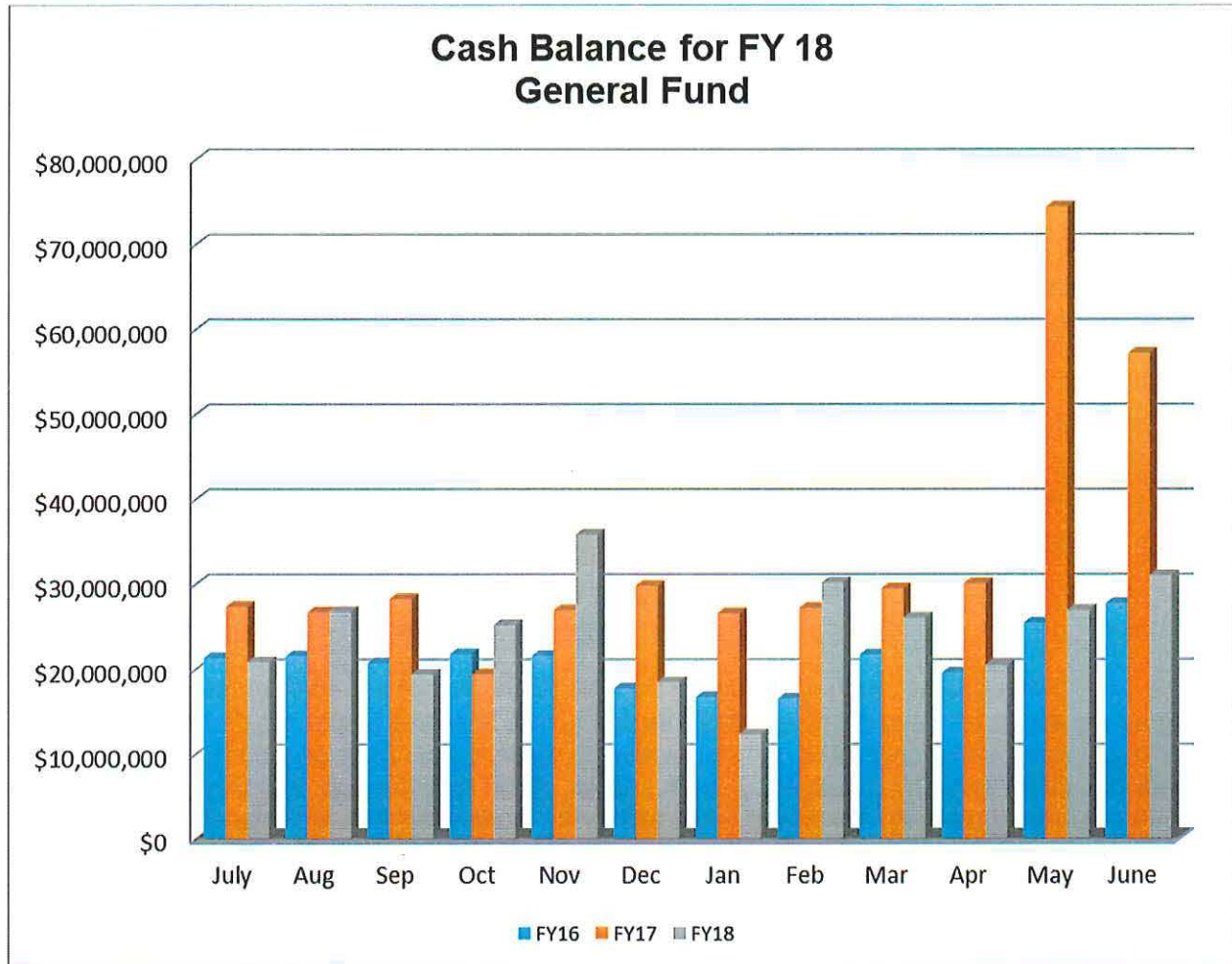
- c. The Superintendent will not allow cash to fall below a safety reserve of 6% of the General Fund.

*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 FY18 the total unaudited expenditures in the General Fund (not including transfers which are presented in the schedule on page 3) were \$96.5 million with 6% equating to \$5.8 million. The total reserves planned in the General Fund in the FY18 Amended Budget were \$11.5 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 \$5.8 million in FY18.



**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 FY18 Budget. The projected unappropriated ending fund balance in the General Fund is \$2.9 million. The budgeted General Fund total ending fund balance in the FY18 Amended Budget is \$14.9 million, inclusive of TABOR and Board reserves.

The current **unaudited** General Fund ending fund balance is \$27.1 million, inclusive of TABOR and Board Reserves.

The \$12.2 million variance in budget compared to actual ending fund balance is due to higher than projected state and local revenue and lower than planned salaries & benefits costs. Annual budgets include contingencies for salary and benefit fluxuations for changes in costs from turnover or replacement of staff and a 2% contingency for negotiated compensation.

**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 FY18 the District transferred \$11.2 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 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
FY18	1,805	\$73,966,192	\$19,596,227	\$25,087,076

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 FY18. 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 98% 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
4846	4,387	307	79	73
Percentage of checks issued	90%	6%	2%	2%

**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 150 checks, 27 purchasing card transactions and 1 wire for \$25,000 or greater in FY18 totaling over \$16.4 million. All transactions listed were within the District's FY18 Board approved appropriations. A summary of transactions \$25,000 or greater is below.

Check #	Check Amount	Vendor	Description
5 Checks	\$ 238,515.00	ADAMS 12 FIVE STAR SCHOOLS	QUARTLY PROGRAMS
00119054	\$ 60,193.79	ADAMS COUNTY ELECTION OFFICE	COORDINATED ELECTION 2017
2 Checks	\$ 83,802.30	ALPINE ACHIEVEMENT SYSTEMS INC	ASSESSMENTS, ELPA GT
00120050	\$ 33,728.00	BEDDER SPREADERS	MULCH REPLACEMENT
4 Checks	\$ 208,732.00	BELLE CREEK CHARTER SCHOOL	ECEA AND IDEA B
00118861	\$ 35,574.00	BERRY COMPANIES, INC.	WARRANTY PLAN
00117455	\$ 38,527.36	BLACKBOARD CONNNECT INC	WIRE MANAGEMENT
13 Checks	\$ 520,575.62	BRIGHTON EDUCATION ASSOCIATION	UNION DUES
15 Checks	\$ 663,923.01	BROMLEY EAST CHARTER SCHOOL	IDEA B, ECEA, CAPITAL CONSTRUCTION
1 PCARD TRANSACTION	\$ 38,421.96	BSN*SPORTS	FOOTBALL GEAR
1 PCARD TRANSACTION	\$ 38,421.96	CB * AP EXAMS	AP EXAMS
00117358	\$ 99,900.00	CDW GOVERNMENT INC	HPE
2 PCARD TRANSACTIONS	\$ 202,560.00	CDW GOVERNMENT INC	COMPUTERS
11 Checks	\$ 518,195.00	CHILDREN'S HOSPITAL	DIST NURSE SERVICES
00118519	\$ 83,354.10	CITY OF BRIGHTON	WATER PROMISSORY NOTE/RESOURCE OFFICERS
12 PCARD TRANSACTIONS	\$ 391,957.26	CITY OF BRIGHTON	UTILITIES
4 Checks	\$ 268,744.80	CITY OF BRIGHTON POLICE DEPARTMENT	Quarterly Payments
00120811	\$ 32,931.00	COLLEGE BOARD AP EXAMS	AP TEST
00118708	\$ 29,313.90	COLORADO STATE TREASURER	QUARTELY-UNEMP BENEFITS
2 Checks	\$ 116,149.00	COLORADO WEST EQUIPMENT INC	BUS
2 Checks	\$ 188,471.00	COMPUTER INFORMATION CONCEPTS INC.	CIC/INFINITE CAMOUS/PEOPLEWARE & SUPPORT
00117360	\$ 61,380.26	DELL USA LP ACCT #032-7492	COMPUTERS
4 PCARD TRANSACTIONS	\$ 111,921.46	DELL USA LP ACCT #032-7492	CHROMEBOOKS
00121043	\$ 390,072.00	DISCOVERY EDUCATION	TEXT BOOKS
00121045	\$ 41,916.00	EDUCLIMBER LLC	LICENSES
37 Checks	\$ 1,749,023.29	FOOD SERVICE OF AMERICA	FOOD SERVICE
3 Checks	\$ 198,090.73	FOUNDATIONS ACADEMY	ECEA, CAPITAL CONSTRUCTION
00120307	\$ 91,154.00	FRONT RANGE COMMUNITY COLLEGE	SPRING CONCURRENT ENROLLMENT
00118328	\$ 103,642.35	FRONT RANGE COMMUNITY COLLEGE ATTN: CAS	FULL 2017 CONCURRENT ENROLLMENT
00119125	\$ 66,219.00	GOV CONNECTION, INC.	MICROSOFT ANNUAL RENEWAL
4 PCARD TRANSACTIONS	\$ 284,065.00	GOV CONNECTION, INC.	VMWARE LICENSING
1 PCARD TRANSACTION	\$ 27,671.40	HERFF JONES SCHOOL	YEARBOOKS
00117700	\$ 145,704.00	ILLUMINATE EDUCATION INC.	LICENSES
00119532	\$ 73,500.00	IMAGINE LEARNING INC	LICENSES
12 Checks	\$ 6,777,668.10	KAISER PERMANENTE	HEALTH CARE PREMIUMS
2 Checks	\$ 192,334.01	LANDMARK ACADEMY AT REUNION	ECEA AND IDEA B
6 Checks	\$ 179,059.00	LARADON HALL SOCIETY FOR EXCEPTIONAL CHI	OUT OF DISTRICT TUITIONS
1 PCARD TRANSACTION	\$ 26,019.00	ONELOGIN LLC	ANNUAL RENEWAL
00117367	\$ 168,884.92	PEARSON EDUCATION	MATH NAVIGATOR
WIRE0099	\$ 681,000.09	PEARSON EDUCATION	ENVISION INTEGRATED
00118889	\$ 29,950.00	RUBINBROWN LLP	FINANCIAL STATEMENTS/SINGLE AUDIT
3 Checks	\$ 151,051.00	SANITY SOLUTIONS, INC	MAINTENANCE/RENEWAL
00118729	\$ 76,801.86	SCHOOL SPECIALTY SUPPLY, INC.	FOSS KITS
00117672	\$ 87,568.02	SD 27J CFFF	CFFF FOR GRANT
00117260	\$ 42,773.04	SOF-TECH MAINTENANCE COMPANY	ANNUAL PHONE SYSTEM MAINTENANCE/EQUIP
1 PCARD TRANSACTION	\$ 38,887.24	SOUTH ADAMS COUNTY	WATER/SEWER
00117575	\$ 25,000.00	TEMPUS NOVA, INC.	RENEWAL
00120406	\$ 103,618.00	THE DBQ COMPANY	CURRICULUM
00120855	\$ 38,278.80	THE JOSHUA SCHOOL	ODP TUITION
2 Checks	\$ 410,067.40	TIAA COMMERCIAL FINANCE, INC.	ANNUAL CONTRACT
00117372	\$ 64,920.00	VLCM	FOUNDATION CARE
00118155	\$ 35,000.00	VOX MOBILE INC	SUBSCRIPTION LICENSES
00120016	\$ 55,374.69	WEIDENHAMMER SYSTEMS	ALIO
	\$ 16,420,605.72		

**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 FY18.

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, 2018 are the following:

Asset Number	Description	Total Cost	Depreciated Amount
25124	Dishwasher	\$ 8,433.00	\$ 8,264.00
25132	Oven Rethermalization	\$ 7,885.00	\$ 6,825.00
16184	75 C-60 Dump Truck	\$ 9,000.00	\$ 8,820.00
23633	G-20 '94 F-250 Pickup 4x4	\$ 19,733.00	\$ 19,338.00
25560	10-1 2010 International Bus	\$ 100,987.00	\$ 40,824.00

**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 FY18. All cash and non-cash donations support the organizational Goals.

Name of Donator	School / Program	Item or Amount	Purpose
SCL Health	Brighton High School	50,000.00	School based health clinic - furnishings and equipment
27J Education Foundation	North Elementary	600.00	Fieldtrip to watch the movie Wonder.
Adams County Youth Initiative	North Elementary	5,000.00	For continuous improvement efforts- School purchased Chromebooks
27J Education Foundation	Northeast Elementary	1,100.00	New laminator
Fidelity Charitable	Overland Trail Middle School	8,800.00	Chromebooks and cart for special education students.
The Colorado Education Initiative	Prairie View High School	20,221.90	Salaries for AP teachers, transportation, food, supplies, reimbursement for AP test fees.
Brice and Judy Nichols	Prairie View High School	2,000.00	Equipment for the girls' soccer team.
US Army	Prairie View High School	1,500.00	US Army Sponsorship - 3'x6' Army Banner to be hung in gymnasium. Prairie View will host a Military Night themed event Boys Varsity basketball game.
United States Coast Guard	Prairie View High School	3,000.00	United States Coast Guard Sponsorship.
27J Education Foundation	Prairie View High School	530.00	Supplies for the Thunder Splash Dash.
Project Lead The Way	Riverdale Ridge High School	10,000.00	PLTW Engineering program - salaries & benefits, food, supplies and renovations.
Brighton Education Association	Riverdale Ridge High School	137.60	School supplies.
27J Education Foundation	Second Creek Elementary	1,850.00	New radios for the "School Safe Radios for a Safer and Securer School Community"

27J Education Foundation	Second Creek Elementary	506.01	"Inside Recess" Project - Equipment for an indoor gymnasium for kids to stay active when they are required to stay inside due to weather conditions.
27J Education Foundation	South Elementary	351.00	Travel Expenses.
Green Valley Grange	Transportation Department	1,000.00	To purchase manikins needed by transportation department.
Sampson Construction Co. Inc.	Vikan Middle School	1,000.00	To purchase variety of Vikan Knight apparel and merchandise for the Vikan school store.
27J Education Foundation	West Ridge Elementary School	500.00	Guest speaker Justin Matott for 2 writer's workshop sessions.

**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 for fiscal year 2018.

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	25	80%	5%	10%	5%	0%
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	3,181	96%	1%	1%	1%	1%
Class Fees	38,437	1%	0%	0%	0%	99%
Lost Book/Equipment Fees	2,879	13%	4%	7%	67%	9%
Print Shop	52	98%	2%	0%	0%	0%
Before & After School Care	4,528	93%	5%	1%	0.7%	0.3%
Detention Center	23	0%	39%	35%	26%	0%
Full Day Kinder Tuition	2,150	86%	2%	6%	1%	5%
Transportation	15,627	25%	11%	9%	54%	1%

In FY18 and on-going in FY19, Finance and Technology are working to automate reminders and electronic statements that can be sent to families and parents on a quarterly basis. We do not currently have a formal collection process in place. The collection rates, specifically for Class Fees, reflect the absence of a process. In prior years, we were able to collect at least 60% of class fees within 30 days due to in person registration at High Schools. We are now on an on-line registration process only and our collection rates reflect that change. The automated reminder/electronic statement development is in process and will be implemented in fiscal year 2019.

The charts below show total (all years) outstanding and paid invoices for **class fees** as of October 2018.

### Collected

FY18 for all years : FY18 and prior				
	0-30 Days	31-60 Days	61-90 Days	90 Days +
<b>No. of Invoices</b>				
	52,514	12,866	4,600	3,877
				31,171
<b>Amt Paid</b>				
	\$ 1,125,907	\$ 306,110	\$ 96,209	\$ 89,315
				\$ 634,273
<b>Percentage</b>	<b>27%</b>	<b>9%</b>	<b>8%</b>	<b>56%</b>

### Outstanding

FY18 for all years : FY19 and prior				
<b>No. of Invoices</b>				
	67,998	26,764	2,812	6,335
				32,087
<b>Amt Paid</b>				
	\$ 2,163,765	\$1,246,114	\$ 55,581	\$ 191,869
				\$ 670,201
<b>Percentage</b>	<b>58%</b>	<b>3%</b>	<b>9%</b>	<b>31%</b>

## 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	160,355	45,133	68,677	274,165
Lunch	557,993	157,892	597,899	1,313,784
Total	718,348	203,025	666,576	1,587,949
Percentage	46%	13%	43%	

### **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 information on internal control and providing suggestions for improvement.

**Conclusion:**

As of this report, the FY18 Audit has **not** been completed. Staff from the independent CPA firm will present the CAFR to the Board at the December 11, 2018 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 2018, please see the August Expectations of the Board report 3.0 on Global Executive Constraint.

