

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

Policy 3.D – FINANCIAL CONDITION & ACTIVITIES

Date Adopted/Last Revised: January 27, 2009



Period Monitored: July 1, 2018 – June 30, 2019

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 2019. The FY19 budget was amended in January 2019 due to an increase to local tax revenue based on higher assessed valuation and an increase to state funding due to an increase in in-district enrollment at October 2018 count. 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 18,025 as compared to October 1, 2017 (prior year) funded pupil count, an increase of 856 full time pupils. District managed schools increased by 815 students and charter schools increased 41 full time pupils.

The District's enrollment projection was adjusted at Amended Budget in January 2019 to reflect the increase of 253 pupils as compared to the FY19 Adopted Budget estimates.

Although the FY19 financial audit has not yet been completed, the estimated General Fund ending fund balance is \$30.3 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 \$7.2 million in required Board and TABOR reserves and assigned reserves for new school openings and the High School Initiative. \$2 million of one-time monies reserved for opening Quist Middle School in fiscal year 2020 and Elementary School #13 in

fiscal year 2021. \$3 million of recurring expenditures for the High School Initiative will be added to budgeted salaries and benefits in fiscal year 2020. The fund balance from FY19 will also afford the District to fund a negotiated increase to compensation of 4% district wide, or approximately \$4 million recurring.

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 FY19 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.

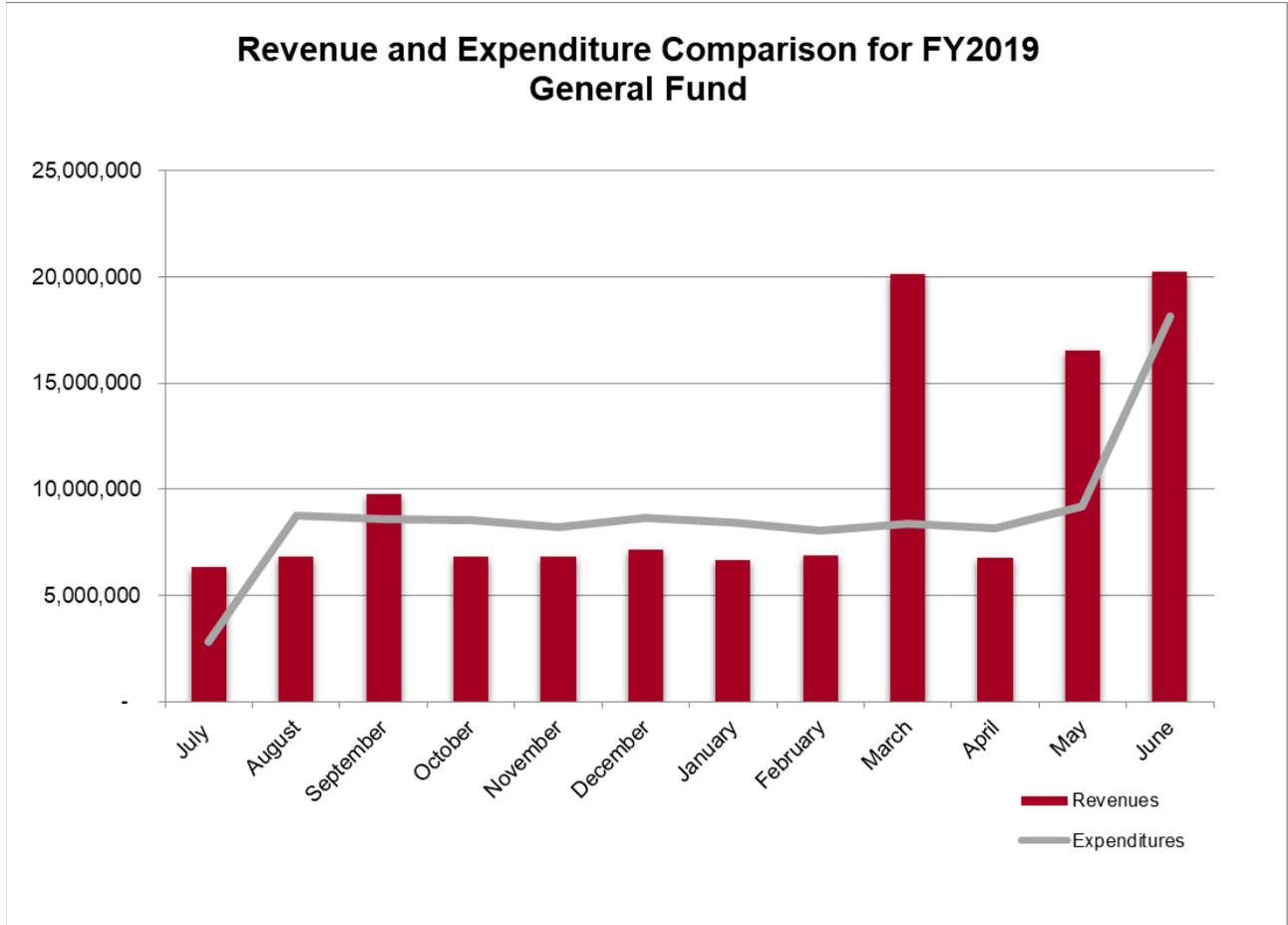
The below schedule of beginning fund balance, revenue received, and expenditures net of transfers paid during the FY19 provides information to support the above interpretation.

Note: These are pre-audited ending fund balances.

Fund Balances

Fund	Beginning Fund Balance	Revenues	Transfers	Expenditures	06/30/19 Ending Fund Balance
General	24,603,818	148,627,102	(41,059,076)	104,240,079	27,931,765
Capital Reserve	1,841,461	363,676	1,574,585	2,323,795	1,455,927
Risk Mgmt Insurance	977,756	65,731	1,182,065	1,591,205	634,347
Preschool	163,359	-	3,960,887	3,837,049	287,197
Nutrition Services	2,330,977	5,418,203	-	5,868,973	1,880,207
Gov't Designated Grants	1,468,452	9,188,667	3,269	7,960,972	2,699,416
Pupil Activity	1,228,760	2,826,912	580,704	3,114,244	1,522,132
Transportation	-	1,999,521	4,174,877	6,174,398	-
Growth Impact	103,281	24,264	-	31,722	95,823
Child Care	728,398	1,543,167	-	1,545,556	726,009
Special Programs	891,017	1,439,359	337,915	1,784,839	883,452
Bond Redemption	19,614,504	29,009,991	-	24,130,148	24,494,347
Building	126,637,263	2,890,915	-	56,592,455	72,935,723
Print Shop	-	53,174	79,285	132,459	-
Dental	551,846	835,231	-	791,491	595,586
Trust	24,899	1,013	-	-	25,912
Pupil Activity Agency	225,616	378,454	-	299,700	304,370

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 FY19 the District entered into no new debt.

Type of Borrowing	FY 2018/19 Debt Payment (P+I)	Outstanding Balance (P+I)	Year Debt Retires
ChromeBooks/Computers Lease	844,738	1,268,721	2021
2005 COPs	231,895	1,849,514	2026
2008 GO and Refunding Bonds	45,900	-	2019
2012A Refunding Bonds	3,330,050	22,894,125	2025
2014 GO and Refunding Bonds	3,226,501	54,837,063	2027
2015 Refunding Bonds	8,498,125	273,174,725	2041
2016A Refunding Bonds	4,490,526	34,948,638	2028
2016B Refunding Bonds	130,248	3,629,735	2028
2017 GO and Refunding Bonds	4,400,000	173,679,000	2043
	\$ 25,197,983	\$ 566,281,521	

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.

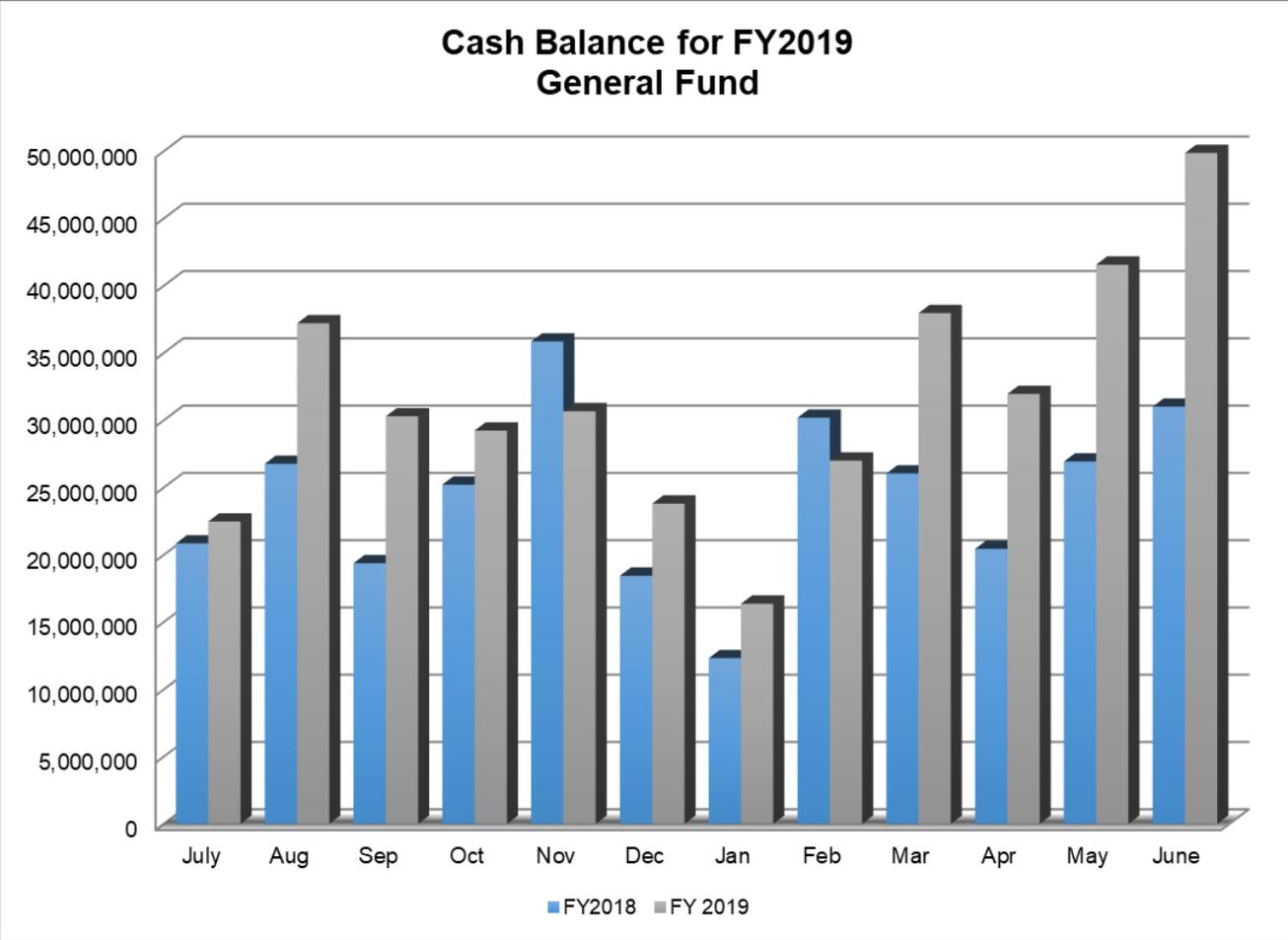
- c. The Superintendent will not allow cash to fall below a safety reserve of 6% of the General Fund.

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 FY19 the total unaudited expenditures in the General Fund (not including transfers which are presented in the schedule on page 3) were \$112 million with 6% equating to \$6.8 million. The total reserves planned in the General Fund in the FY19 Amended Budget were \$14.2 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 \$6.8 million in FY19.



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 FY19 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 FY19 Amended Budget is \$17.1 million, inclusive of TABOR and Board reserves.

The current **unaudited** General Fund ending fund balance is \$30.3 million, inclusive of TABOR and Board Reserves.

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 FY19 the District transferred \$11.9 million from the General Fund to: Preschool Program Fund, Capital Reserve Fund, the Risk Management Fund, Transportation Fund, Print Shop, Detention Center, Wellness Program 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
FY19	1,929	\$80,042,431	\$20,197,758	\$27,285,847

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 FY19. 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
5,498	4,809	347	116	226
Percentage of checks issued	88%	6%	2%	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 200 checks, 40 purchasing card transactions and 2 wires for \$25,000 or greater in FY19 totaling over \$23.3 million. All transactions listed were within the District's FY19 Board approved appropriations. A summary of transactions \$25,000 or greater is below.

Type	Count	Total Paid	Vendor	Description
Check	1	\$ 89,421	27J EDUCATION FOUNDATION	Adams County Scholarship
Check	4	203,350	ADAMS 12 FIVE STAR SCHOOLS	Out of District Tuition
Check	1	25,200	ASO INC.	Sports Officials Assignment Fees
Check	4	236,335	BELLE CREEK CHARTER SCHOOL	ELPA and ECEA 1st Allocation
Check	2	70,704	BLACKBOARD CONNNECT INC	WCM Essential 7/1/18-6/30/19
Check	6	312,393	BP ENERGY COMPANY	Utilities - Gas Multiple Locations
Check	12	528,430	BRIGHTON EDUCATION ASSOCIATION	Monthly Union Dues
Check	1	36,053	BRIGHTON FORD, INC.	Grounds Vehicle
Check	12	682,893	BROMLEY EAST CHARTER SCHOOL	Monthly Capital Construction Payments
Check	10	541,236	CHILDREN'S HOSPITAL	District Nurse Services
Check	1	40,264	CINTAS CORPORATION NO 2	Fire Suppression and Alarm Testing
Check	3	232,690	CITY OF BRIGHTON	Utilities/Resource Officers
Check	1	69,190	CITY OF BRIGHTON POLICE DEPARTMENT	Security for multiple events
Check	3	109,072	CITY OF THORNTON	Utilities - Water and Sewer for RRHS
Check	2	86,529	COLLEGE BOARD AP EXAMS	AP Exams Fees
Check	1	41,980	COLORADO STATE TREASURER	Quarterly - Unemployment Benefits
Check	1	26,000	COMMUNITY REACH CENTER	Monthly Contract Services
Check	2	83,264	COMMUNITY REACH CTR FOUNDATION	BLRC Rental Fees
Check	1	189,629	COMPUTER INFORMATION CONCEPTS INC.	Annual Agreement 7/1/18-06/30/19
Check	2	202,898	DELL USA LP	Chromebooks/Licenses
Check	1	25,200	DISCOVERY EDUCATION	Science Techbooks
Check	1	25,866	EDULINK SYSTEMS	Intouch Parent Notification 7/1/18-6/30/19
Check	2	54,000	EQUAL OPPORTUNITY SCHOOLS	EOS Grant
Check	1	31,070	FMH MATERIAL HANDLING SOLUTIONS	Forklift for Grounds
Check	36	1,702,044	FOOD SERVICE OF AMERICA	Nutrition Supplies
Check	6	322,668	FOUNDATIONS ACADEMY	Capital Construction/ECEA/Read Act
Check	2	174,109	FRONT RANGE COMMUNITY COLLEGE	Concurrent Enrollment Fall 2018/Spring 2019
Check	1	32,000	HERFF JONES INC	BHS Yearbooks
Check	1	26,400	HOUGHTON MIFFLIN HARCOURT	Cognitive Abilities Test
Check	2	231,911	ILLUMINATE EDUCATION INC.	FastBridge/DNA Licenses
Check	1	80,000	IMAGINE LEARNING INC	Language,Literacy, Imagine Student Lic.
Check	12	7,020,084	KAISER PERMANENTE	Health Care Premiums
Check	1	36,700	L L JOHNSON DISTRIBUTING CO INC.	Facilities Steer Mower
Check	5	284,771	LANDMARK ACADEMY AT REUNION	Capital Construction/ECEA/Read Act
Check	7	203,021	LARADON HALL SOCIETY	Out of District Tuition
Check	1	398,000	MCCANDLESS TRUCK CENTER LLC	6 School Buses
Check	3	602,279	PEARSON EDUCATION	Enrollment Licenses
Check	1	48,500	RUBINBROWN	Financial Single Audit
Check	4	231,310	RUSH TRUCK CENTER OF COLORADO	Trucks for Facilities
Check	2	175,462	SANITY SOLUTIONS, INC	Technology Support/Maintenance Agreement
Check	2	106,600	SCHOOLGY, INC.	Enterprise Subscription/Onsite Training
Check	5	685,409	SOF-TECH MAINTENANCE COMPANY	Annual Maintenance 7/1/18-06/30/19
Check	1	30,363	STEP, LLC	Step Youth Reports
Check	1	68,067	STURGEON ELECTRIC	Installation to Projectors
Check	3	176,529	SUMMIT PARTNERS - COLORADO LLC	Wireless Access Points and Access Mgmt System
Check	2	86,015	SYMMETRY BUILDERS INC	BLARC Community/Board Room
Check	2	67,840	TEMPUS NOVA, LLC	AO Docs Folders/Renewal 7/7/19-7/6/20
Check	3	93,133	THE JOSHUA SCHOOL	Out of District Tuition
Check	3	478,310	THE MATH LEARNING CENTER	Elementary Math Curriculum
Check	2	414,109	TIAA COMMERCIAL FINANCE, INC.	Copy Machine Rental/Lease Agreement
Check	8	1,958,443	UNITED POWER INC	Utilities - Electricity for Multiple Locations
Check	4	261,245	UNITED RESTAURANT SUPPLY	Convection Ovens, Serving Counters/Countertops
Check	2	152,757	WAYNE'S ELECTRIC INC	Field Lighting/Board Room Renovation
Check	1	53,322	WEIDENHAMMER SYSTEMS	Alio Maintenance Renewal
Check	1	28,815	ZANER BLOSER	Core Reading Curriculum Pre K
Checks	200	\$ 20,173,880		

Type	Count	Total Paid	Vendor	Description
Card	1	\$ 46,365	247SECURITY INC.	Servers
Card	1	33,109	CAPLAN AND EARNEST LLC	Legal Services
Card	1	170,214	CDW GOVT	Servers
Card	13	463,574	CITY OF BRIGHTON	Utilities - Water and Sewer Multiple Locations
Card	1	128,544	COUNTERTRADE PRODUCTS	Tera - Epson Powerlite 980w (208)
Card	7	273,401	DELL USA LP ACCT	Chromebooks/Licenses
Card	1	47,760	EGNYTE INC	Annual Renewal
Card	11	1,505,819	GOVCNCTN	Microsoft and Malware Renewals/Chromebooks
Card	1	30,500	LEXIA LEARNING SYS INC	Lexia Learning System Licenses
Card	1	146,701	METROLINE INC	Tera 9608G Avaya Phones
Card	1	26,019	ONELOGIN LLC	Annual Renewal
Card	1	39,107	SOUTH ADAMS COUNTY WAT	Utilities - Water and Sewer Multiple Locations
Card	40	\$ 2,911,112		

Type	Count	Total Paid	Vendor	Description
Wire	2	\$ 255,071	PEARSON EDUCATION	Curriculum
Wire	2	\$ 255,071		

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 FY19.

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.

The following chart lists the additions of fixed assets at June 30, 2019.

Description	School / Program	Capitalized Amount
Convention Oven	BLARC Testing Kitchen	\$ 15,606.95
Steamer with Basket System	BLARC Testing Kitchen	15,434.46
Custodial floor scrubbers (2)	Brighton HS Custodial	12,913.08
Football Sled	Brighton HS Football	5,825.00
Garage Door ESC Facilities Bay #2	Building Maintenance	22,535.00
Mower	Grounds/Maintenance	36,699.58
F-350 Pickup with Add-On Tool Bins/Racks	Grounds/Maintenance	50,894.23
Trailer and hitch	Grounds/Maintenance	6,348.76
Lawn Mower with 52" Deck	Grounds/Maintenance	12,276.33
F-350 with Add-On Tool Bins/Racks	Grounds/Maintenance	54,473.32
F-350 with Add-On Tool Bins/Racks	Grounds/Maintenance	52,026.38
HVAC	Nutrition Services	7,607.88
Serving Counter	Overland Trail MS Food Service	65,470.82
3D Printer	Prairie View HS - Project Lead the Way	5,999.00
40' high cube - Athletics	Prairie View HS Athletics	7,000.00
Athletics Golf Carts (2)	Prairie View HS Athletics	11,850.00
Pro Mesh wind screen	Prairie View HS Athletics	5,076.26
Serving Counter & Accessories	Prairie View HS Food Service	114,712.93
Tray Counters	Prairie View HS Food Service	7,144.00
Espresso Cappuccino Machine	Prairie View HS Food Service	11,786.50
Servers (6)	Technology	170,214.00
Phone System	Technology	598,216.94
Forklift	Transportation	26,450.00
Bus purchase (6)	Transportation	398,000.00
Convention Oven	Vikan MS Food Service	22,103.55
Furniture Initiative Project (Bond)	Northeast	260,568.69
Furniture Initiative Project (Bond)	Overland Trail MS	231,584.06
	Total Additions	\$ 2,228,817.72

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 FY19. All cash and non-cash donations support the organizational Goals.

Name of Donator	School / Program	Item or Amount	Purpose
Colorado Carpet Distributors	Riverdale Ridge High School	\$ 1,250.00	Girls Softball
Walmart	West Ridge Elementary	\$ 2,000.00	General Supplies
Adams County Consortium	Prairie View Highschool	\$ 3,500.00	Field Trip Transportation
KIWANIS	South Elementary	\$ 500.00	General Supplies
Byron Gray/Hawkins	Riverdale Ridge High School	\$ 3,000.00	Supplies/Equipment for Boys Basketball Team
Adams County Youth Initiative	Prairie View MS	\$ 5,000.00	Investment for Technical Assistance
Adams County Youth Initiative	Quist	\$ 5,000.00	Investment for Technical Assistance
The Colorado Education Initiative	Prairie View High School	\$ 28,980.00	General Supplies
Coach Franks	Vikan Middle School	\$ 30,000.00	Renovation, New tools and other materials as needed
Champions Christian Community	Riverdale Ridge High School	\$ 1,500.00	Wrestling Supplies
Adams County Youth Initiative	Prairie View MS	\$ 5,000.00	Investment for Technical Assistance
Colorado Siteworks	Riverdale Ridge High School	\$ 1,300.00	Baseball Supplies
Denver Broncos	Riverdale Ridge High School	\$ 2,152.00	Tackling Equipment
ELKS Donation	Prairie View High School	\$ 2,501.00	General Supplies
Sturgeon Electric	Riverdale Ridge High School	\$ 500.00	Girls Soccer Team
Pipefitters & Steel lock	Prairie View High School	\$ 1,000.00	Skills USA National Team

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 2019.

Receivables	Invoices Issued	Amount	Collected				
			0-30 Days	31-60 Days	61-90 Days	90+ Days	O/S
			%	%	%	%	%
Property Taxes	n/a		monthly				
State Equalization	n/a		monthly				
Charter Administration Fees	n/a		monthly				
Reimbursements from Granting Agencies	n/a		funding based on grantees requirements				
Athletic Fees	4,571	\$ 389,591	90%	2%	0%	1%	7%
Course Fees	44,058	\$ 1,004,623	50%	8%	6%	14%	21%
Tech / Other Fees	29,373	\$ 763,993	55%	6%	5%	13%	21%
Lost / Equipment Fees	10,561	\$ 303,869	74%	2%	3%	3%	18%
Facility Rental	20	\$ 11,160	80%	10%	5%	0%	5%
Print Shop	69	\$ 10,706	99%	0%	0%	1%	0%
Transportation	17,937	\$ 412,480	38%	9%	5%	7%	41%
Child Care	6,637	\$ 1,644,479	97%	1%	1%	1%	0%
Detention Center	24	\$ 307,184	18%	44%	38%	0%	0%
Full Day Kinder	2,604	\$ 745,928	25%	8%	6%	56%	5%

In FY19 and on-going, Finance and Technology have worked to automate reminders and electronic statements that are sent to families and parents monthly. We do not currently have a formal collection process in place. The collection rates, specifically for course fees, reflect the absence of a process. In prior years, we were able to collect at least 60% of course fees within 30 days due to in person registration at High Schools. We are now primarily on-line registration and our collection rates reflect that change. The automated reminder/electronic statement was implemented in fiscal year 2019.

Nutrition Services

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

Meals	# of Meals	Free	Reduced	Paid
Breakfast	185,531	111,543	25,778	48,210
Lunch	1,211,535	480,486	131,677	599,372
Total	1,397,066	592,029	157,455	647,582
%		42.38%	11.27%	46.35%

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 FY1 Audit has **not** been completed. Staff from the independent CPA firm will present the CAFR to the Board at the December 10, 2019 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 2019, please see the August Expectations of the Board report 3.0 on Global Executive Constraint.