

**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, 2019 – June 30, 2020

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 2020. The FY20 budget was amended in January 2020 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 2019 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 18,532 as compared to October 1, 2018 (prior year) funded pupil count, an increase of 507 full time pupils. District managed schools increased by 566 students and charter schools decreased 59 full time pupils.

Although the FY20 financial audit has not yet been completed, the estimated General Fund ending fund balance is \$28.4 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 \$7.3 million in required Board and TABOR reserves and assigned reserves for new school openings and the Middle School Model Initiative. \$1 million of one-time monies reserved for opening Padilla Elementary School in fiscal year 2021. The fund balance from FY20 will also afford the District to fund a negotiated increase to compensation of 3.5% 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 FY20 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.

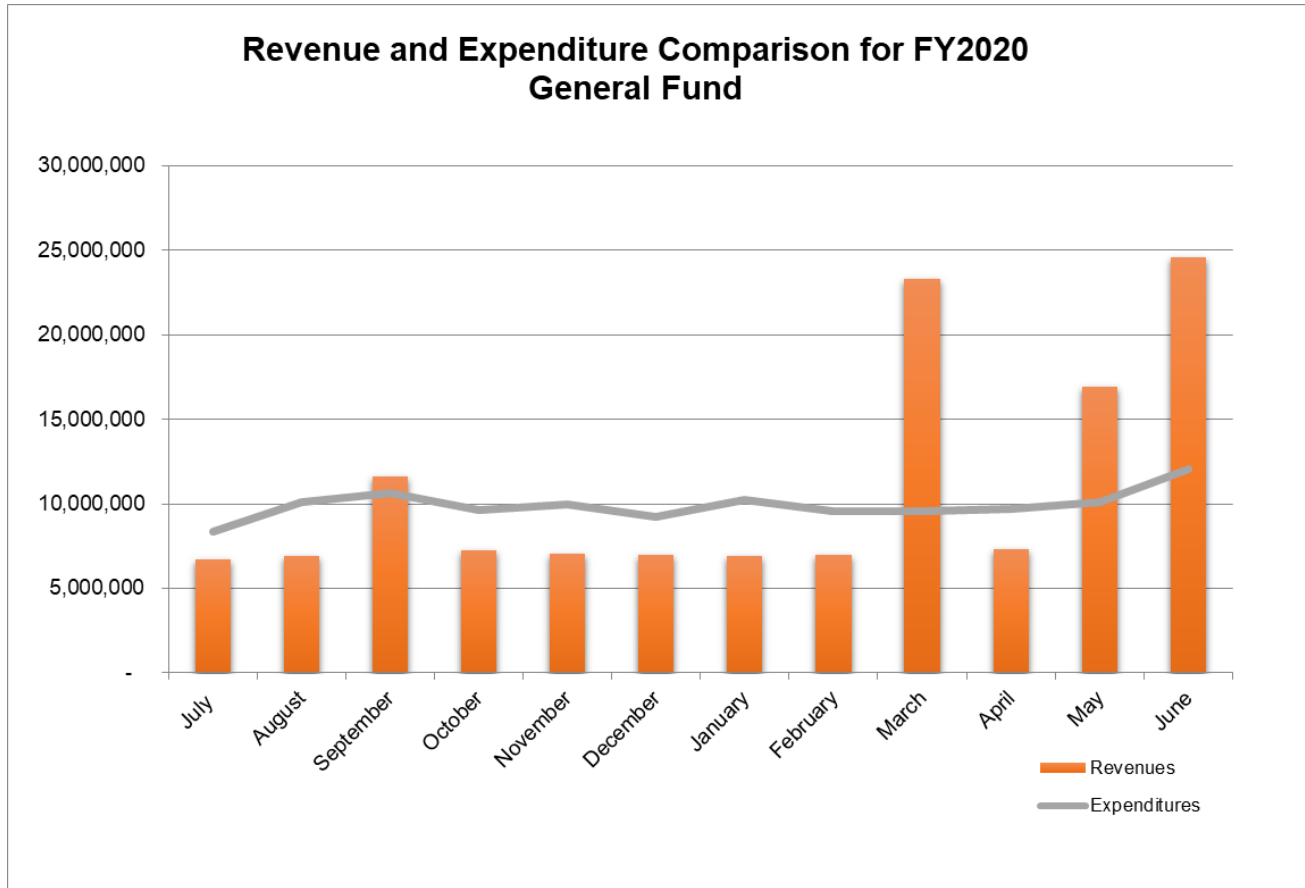
The below schedule of beginning fund balance, revenue received, and expenditures net of transfers paid during the FY20 provides information to support the above interpretation.

Note: These are pre-audited ending fund balances.

Fund Balances

Fund	Beginning Fund Balance	Revenues	Transfers	Expenditures	06/30/20 Ending Fund Balance
General	27,932,369	162,264,810	(42,702,098)	119,131,700	28,363,381
Capital Reserve	1,455,927	6,100,875	1,979,360	7,844,896	1,691,266
Risk Mgmt Insurance	791,642	889,970	1,421,376	1,741,958	1,361,030
Preschool	287,197	228,737	2,387,377	2,594,981	308,330
Nutrition Services	1,880,206	5,573,234	-	5,826,165	1,627,275
Gov't Designated Grants	2,699,415	8,766,105	-	9,975,622	1,489,898
Pupil Activity	1,825,898	2,704,120	691,833	2,740,884	2,480,967
Transportation	-	1,888,172	5,044,751	6,932,923	-
Growth Impact	95,823	1,094	-	28,553	68,364
Child Care	726,009	863,700	-	1,468,645	121,064
Special Programs	883,452	1,075,619	(117,292)	779,000	1,062,779
Bond Redemption	24,494,347	36,240,800	-	24,858,541	35,876,606
Building	72,935,723	986,816	-	41,187,741	32,734,798
Print Shop	-	44,392	91,842	136,234	-
Dental	595,586	907,020	-	836,961	665,645
Trust	25,912	715	-	-	26,627
Pupil Activity Agency	-	-	-	-	-

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 FY20 the District entered into Certificates of Participation (COPs) to purchase space within the Brighton Learning and Resource Center on September 30, 2019. The interest rate was locked in at 2.33% for the 13 year and 10-month period. The COPs included the roll-over of the existing COPs on the ESC Administrative Building and the new purchase at \$3 million totaling \$4,768,184 with interest of \$729,817 over the life of the debt retiring in 2033.

Type of Borrowing	FY 2019/20 Debt Payment (P+I)	Outstanding Balance (P+I)	Year Debt Retires
ChromeBooks/Computers Lease	704,245	564,476	2021
2019 COPs	392,714	5,105,287	2033
2012A Refunding Bonds	3,317,875	19,576,250	2025
2014 GO and Refunding Bonds	3,238,188	51,598,875	2027
2015 Refunding Bonds	9,236,125	263,938,600	2041
2016A Refunding Bonds	4,520,625	30,428,013	2028
2016B Refunding Bonds	139,429	3,490,306	2028
2017 GO and Refunding Bonds	4,400,000	169,279,000	2043
	\$ 25,949,201	\$ 543,980,807	

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.

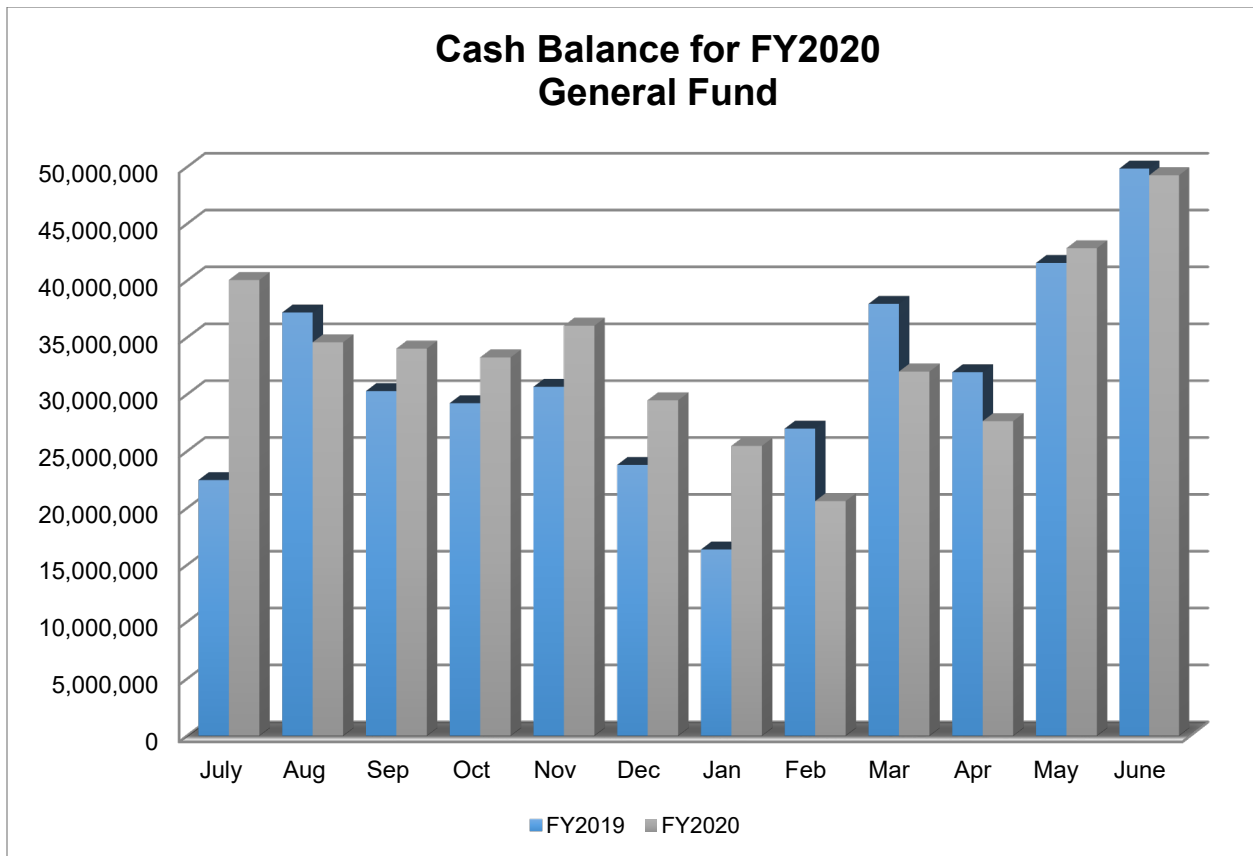
I interpret this to mean:

The General Fund reserves will not be less than 6% of General Fund expenditures for the previous twelve months.

Data Reported:

In FY20 the total unaudited expenditures in the General Fund (not including transfers which are presented in the schedule on page 3) were \$131 million with 6% equating to \$7.9 million. The total reserves planned in the General Fund in the FY20 Amended Budget were \$15.8 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 \$7.9 million in FY20.



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 FY20 Amended 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 FY20 Amended Budget is \$15.8 million, inclusive of TABOR and Board reserves.

The current **unaudited** General Fund ending fund balance is \$31.9 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 FY20 the District transferred \$11.5 million from the General Fund to: Preschool Program Fund, Capital Reserve Fund, the Risk Management Fund, Transportation Fund, Print Shop, Detention Center 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.

<u>Payroll Year</u>	<u>Average Number of Employees Paid per Month</u>	<u>Gross Payroll Amount</u>	<u>Employee Paid Deductions</u>	<u>Employer Paid Deductions</u>
FY20	2,063	\$90,857,115	\$23,488,667	\$31,103,596

Accounts Payable: Checks are issued each Thursday afternoon. Below is a summary of checks issued for FY20. 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.

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
5,415	4,761	415	152	87
Percentage of checks issued	88%	8%	3%	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.

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 202 checks, 35 purchasing card transactions and 5 wires for \$25,000 or greater in FY20 totaling over \$25.7 million. All transactions listed were within the District's FY20 Board approved appropriations. A summary of transactions \$25,000 or greater is below.

Type	Count	Total Paid	Vendor	Description
Check	2	98,646	ADAMS 12 FIVE STAR SCHOOLS	Out of District Tuition
Check	1	25,200	ASO INC.	BHS League Officials
Check	1	49,427	AVID CENTER	AVID Membership
Check	1	31,428	BC INTERIORS, INC	Furniture
Check	6	282,179	BELLE CREEK CHARTER SCHOOL	ECEA, ELPA, Read Act and IDEA B Payments
Check	6	234,961	BP ENERGY COMPANY	Utilities - Gas Multiple Locations
Check	12	597,132	BRIGHTON EDUCATION ASSOCIATION	Montly Union Fees
Check	16	765,297	BROMLEY EAST CHARTER SCHOOL	ECEA, ELPA, Read Act and IDEA B Payments
Check	1	47,993	BUILDING TECHNOLOGY SYSTEMS INC	Compressor for PVMS
Check	1	30,348	CAPITAL FACILITY FEE FOUNDATION	CFFF Fee
Check	8	484,680	CHILDREN'S HOSPITAL	District Nurses Services
Check	3	284,396	CITY OF BRIGHTON	School Resource Officers
Check	1	81,205	CITY OF BRIGHTON POLICE DEPARTMENT	School Resource Officers
Check	3	193,425	COLORADO STATE TREASURER	Quarterly Unemployment Benefits
Check	1	29,301	COMMUNITY REACH CENTER	Out of District Excess Costs
Check	6	249,328	COMMUNITY REACH CTR FOUNDATION ATTN BLLR	BLARC Rental Fees
Check	1	223,001	COMPUTER INFORMATION CONCEPTS INC.	Annual Agreement 7/1/19-06/30/20
Check	1	33,995	CONVERGINT TECHNOLOGIES LLC	Fire Systems and Extinguisher Testing
Check	1	39,932	DAKTRONICS INC	ESC Marquee
Check	1	129,666	DIRSEC INC	Software iBoss
Check	1	33,341	EAGLE RIDGE ACADEMY	Capital Construction & Title Payments
Check	2	76,988	EQUAL OPPORTUNITY SCHOOLS	EOS Service Fees
Check	17	924,879	FOOD SERVICE OF AMERICA	Nutrition Services Supplies
Check	1	35,752	FOOTHILLS IMPROVEMENT, INC	PVHS-Bathrooms Repairs
Check	7	353,010	FOUNDATIONS ACADEMY	ELPA, ECEA, Read Act, IDEA & Capital Construction Payments
Check	1	35,614	FRONT RANGE COMMUNITY COLLEGE ATTN: CAS	Concurrent Enrollment Spring 2020 Sem.
Check	1	74,737	G-FORCE POWERSPORTS	Snow Machines Multiple Locations
Check	1	89,047	H & A SECURITY SOLUTIONS	SIEM Cloud SATA/SSD Storage
Check	1	38,500	HERFF JONES YEARBOOKS	18/19 Yearbooks-BHS
Check	1	284,064	ILLUMINATE EDUCATION INC.	Annual Fee & Software Licenses
Check	1	126,230	IMAGINE LEARNING INC	2 Year Licenses - 1000 Licenses K-12
Check	1	218,000	INSPIRED SOLUTIONS LLC	Title I Supplemental Education Support
Check	12	8,095,902	KAISER PERMANENTE	Health Care Premiums
Check	1	43,723	KEYSTONE SCIENCE SCHOOL	6th Grade Outdoor Ed
Check	8	424,176	LANDMARK ACADEMY AT REUNION	ELPA, ECEA, Read Act, IDEA & Capital Construction Payments
Check	9	424,320	LARADON HALL SOCIETY FOR EXCEPTIONAL CHI	Out of District Tuition
Check	3	520,280	MOTOROLA SOLUTIONS	Radio Software-SAFER Grant
Check	1	28,237	PUEBLO HOTEL SUPPLY DBA GRADY'S	Yearly Smallwares Order
Check	1	27,500	RUBINBROWN	Financial Single Audit
Check	3	335,091	SANITY SOLUTIONS, INC	Technology Support/Maintenance Agreement & Supplies
Check	1	118,885	SAVIO MANAGEMENT GROUP	Certified Teacher Employment Costs
Check	1	47,600	SCHOOLGY, INC.	Enterprise Subscription 7/1/19-6/30/20
Check	1	256,797	SCHOOLSAFE	Digital Radios, additonal equipment and warranty
Check	2	121,092	SOF-TECH MAINTENANCE COMPANY	Annual Maintenance 7/1/19-6/30/20
Check	1	100,000	STEP, LLC	Licensing Fee for Step Program
Check	2	456,939	SUMMIT PARTNERS - COLORADO LLC	Software Maintenance Support
Check	1	111,176	THE COLLEGE BOARD ADVANCED PLACEMENT	AP Tests for BHS & PVHS
Check	5	176,265	THE JOSHUA SCHOOL	Out of District Tuition
Check	1	42,000	THE NEUROSEQUENTIAL NETWORK	Enrollment in NME Trainers Program
Check	4	486,203	TIAA COMMERCIAL FINANCE, INC.	Copy Machines Rental/Lease Agreement
Check	15	2,080,213	UNITED POWER INC	Utilities - Electricity Multiple Locations
Check	2	52,622	UNITED RESTAURANT SUPPLY	BHS & BLARC Equipment
Check	15	822,930	US FOODS, INC	Nutrition Services Supplies
Check	1	47,031	VIRCO MANUFACTURING CORP	Preschool Furniture and Supplies
Check	2	114,000	VISIONARY EDUCATIONAL CONSULTING, LLC	Holistic Reviews OTMS, Vikan and Stuart
Check	1	74,380	WEIDENHAMMER SYSTEMS	ALIO Maintenance Renewal 5/1/20-4/30/21
Check	1	36,629	ZANER BLOSER	Core Reading Curriculum
Checks	202	\$ 21,245,690		

Type	Count	Total Paid	Vendor	Description
Card	1	53,280	BLACKBOARD INC	Annual Renewal
Card	3	117,870	CAPLAN AND EARNEST LLC	Legal Fees
Card	12	433,377	CITY OF BRIGHTON	Utilities - Water and Sewer Multiple Locations
Card	1	78,300	DELL	Computer Software & Equipment
Card	1	47,760	EGNYTE INC	Computer Software Renewals
Card	4	128,716	FRESHWORKS INC	Computer Software Renewals
Card	9	785,421	GOVCNCTN	Computer Software & Equipment
Card	1	25,362	IRECEIVABLES	Software Renewals
Card	1	39,250	ONELOGIN INC	Software Renewals
Card	2	81,828	SOUTH ADAMS COUNTY	Utilities - Water and Sewer Multiple Locations
Card	35	\$ 1,791,164		
Wire	2	989,950	COLORADO WEST EQUIPMENT INC	9 New Buses
Wire	3	1,664,560	ROCKY MOUNTAIN RISK INSURANCE GROUP	Workers Compensation, Combined GLEO& AL & Property
Wire	5	\$ 2,654,510		

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 FY20.

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, 2020.

Description	School / Program	Capitalized Amount
Cappuccino Machine, Fridge	Brighton High School	\$ 10,805
Golf Cart	Brighton High School	\$ 14,235
Equip. for the FACS Classroom	Brighton High School	\$ 13,313
Technology Supplies	Prairie View High School	\$ 5,313
Marquee	ESC	\$ 29,245
Ford F350	Facilities/Grounds	\$ 5,585
Golf cart	Prairie View High School	\$ 8,755
Golf Cart	Brighton High School	\$ 6,500
Breakfast Snack Cart	Brighton High School	\$ 13,131
Polaris Snow Machine	Southeast	\$ 7,396
Polaris Snow Machine	South	\$ 7,396
Polaris Snow Machine	Henderson	\$ 7,396
Polaris Snow Machine	Brantner	\$ 7,396
Polaris Snow Machine	Pennock	\$ 8,173
Polaris Snow Machine	Vikan	\$ 7,396
Polaris Snow Machine	Prairie View Middle School	\$ 7,396
Polaris Snow Machine	Second Creek	\$ 7,396
Polaris Snow Machine	Turnberry	\$ 7,396
Polaris Snow Machine	Northeast	\$ 7,396
New Buses	Transportation	\$ 989,950
Replacement for Bus 19-1	Transportation	\$ 123,274
Dishwasher	Henderson	\$ 12,807
BLARC Dishwashers	BLARC	\$ 16,282
Polaris ATV Snow Machine	Facilities/Grounds	\$ 5,640
Climbing Wall	Preschool	\$ 6,136
Steamer	Brighton High School	\$ 13,463
Custom Competition Wrestling Mat	Overland Trail Middle School	\$ 9,000
Motorola Technology Towers (2)	Technology	\$ 22,271
Turf Solutions	Stuart Middle School	\$ 673,132
	Total Additions	\$ 2,053,574

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 FY20. All cash and non-cash donations support the organizational Goals.

Name of Donator	School / Program	Item or Amount	Purpose
Kirk Vanderbeek	Riverdale Ridge HS	\$ 800.00	Cheerleading
Northern Hills Church	North Elementary	\$ 5,000.00	Technology
Project Lead The Way	Riverdale Ridge High School	\$ 15,000.00	Engineering Program
Barbera Hurtado	South Elementary	\$ 1,200.00	General Supplies
Precious Child	South Elementary	\$ 500.00	Attendance Program Supplies
Unlocking Equity LLC	Riverdale Ridge HS	\$ 1,000.00	Boys Basketball
Pam and Josh Hawkins	Riverdale Ridge HS	\$ 2,500.00	Boys Basketball
Stacey and Scott Bushlack	Riverdale Ridge HS	\$ 1,300.00	Girl's Basketball
Dions Pizza	Prairie View HS	\$ 1,000.00	Business Dept.
First Robotics	Prairie View HS	\$ 8,000.00	Team Competition
AGC Construction	Riverdale Ridge HS	\$ 2,370.00	Vocational Education Supplies
JFW Corporation	Prairie View HS	\$ 500.00	Skills USA
Floor Tech	Prairie View HS	\$ 500.00	Skills USA
S&S Striping and Sinage	Prairie View HS	\$ 2,500.00	Skills USA
27J Education Foundation	Second Creek	\$ 2,250.00	Ozbots in the library
27J Education Foundation	I&O	\$ 617.00	Dragon Ambassador
AGC Construction	Riverdale Ridge HS	\$ 5,000.00	Vocational Education
Raven Summer Diamond Club	Riverdale Ridge HS	\$ 1,158.75	Baseball
SCL Health CHIP Grant	District Wide	\$ 15,000.00	Intervention Services
Brighton Housing Authority	Prairie View HS	\$ 6,500.00	Internship program
United Power	South Elementary	\$ 500.00	South T-shirts
Bill Nance Plumbing	South Elementary	\$ 500.00	South T-shirts
Environmental Landworks	Padilla Elementary	\$ 500.00	General Supplies

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 2020.

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	3,530	\$ 298,702	95.9%	1.9%	0.5%	1.6%	0.0%
Course Fees	38,384	\$ 854,689	52.3%	10.3%	4.9%	20.4%	12.2%
Tech / Other Fees	20,905	\$ 454,926	32.3%	5.0%	2.4%	9.8%	50.5%
Lost / Equipment Fees	4,056	\$ 100,981	21.4%	3.7%	2.3%	7.6%	65.0%
Facility Rental	24	\$ 14,263	80.0%	5.0%	5.0%	5.0%	5.0%
Print Shop	19	\$ 11,955	100.0%	0.0%	0.0%	0.0%	0.0%
Transportation	11,091	\$ 346,000	40.3%	5.8%	4.2%	16.3%	33.4%
Child Care	4,639	\$ 828,380	98.0%	1.0%	1.0%	0.0%	0.0%
Detention Center	23	\$ 330,211	32.0%	29.8%	38.0%	0.2%	0.0%

In FY20 and on-going, Finance and Technology send automated reminders and electronic statements 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. This data includes meals through March 12, 2020.

Meals	# of Meals	Free	Reduced	Paid
Breakfast	158,722	97,432	22,819	38,521
Lunch	992,918	397,911	106,066	488,941
Total	1,151,640	495,343	128,885	527,462
%		43.01%	11.19%	45.80%

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 FY20 Audit has **not** been completed. Staff from the independent CPA firm will present the CAFR to the Board at the December 8, 2020 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 FY20, please see the August Expectations of the Board report 3.0 on Global Executive Constraint.