

# Monitoring Report: Financial Well Being

*Report Date: February 2024*

## I. Overview

### Financial Well-Being

- The Board of Education and all district employees are good stewards of the financial resources belonging to the district on behalf of students and taxpayers.
- All district funds and expenditures are handled equitably, efficiently, transparently, responsibly, and purposefully to maximize the benefit for all students.
- All district fiscal transactions are legal, ethical, and appropriate in keeping with district regulations and goals.
- Long-term financial stability and accountability has been established, maintained, and actively monitored in order to accomplish Board of Education End Goals.

### Associated Executive Limitations:

- EL-14: Budgeting
- EL-15: Financial Administration
- EL-16: Asset Protection

## II. Board of Education Ends Monitoring

**Policy End: (V-A)** - The Board of Education and all district employees are good stewards of the financial resources belonging to the district on behalf of students and taxpayers

**Interpretation:** *Compliance will be demonstrated when the District operates under policies and procedures that provide strong internal controls to protect taxpayer assets, when funds are allocated and spent transparently and in alignment with the Board's Ends and district priorities, and the district is operating efficiently.*

### Evidence -

- a. **Adopted Budget** - District has adopted a budget for the current fiscal year in alignment with Board policy and state law.  
[District Adopted Budget](#)
  - [SY 2023-2024 Adopted Financial Plan and Budget](#)
  - [SY 2023-2024 Adopted Budget Appropriation Resolution](#)
  - [SY 2023-2024 Adopted Budget Use of Fund Balance Resolution](#)
  - [FOC SY 2023-2024 Budget Memo](#)
  - [Combined General Fund Expenditure Breakdown](#)
- b. [DCSD Financial Transparency page](#) - The purpose of this page is to provide free public access to district financial information on-line, in a downloadable format. This page is in compliance with Colorado's Public School Financial Transparency Act.
- c. [Detailed Expenditures](#) - The purpose of this page is to provide public access to district expenditures.

**Policy End: (V-B)** - All district funds and expenditures are handled equitably, efficiently, transparently, responsibly, and purposefully to maximize the benefit for all students.

**Interpretation:** *Compliance will be demonstrated when timely, understandable and informative data is provided to the Board, its applicable Board Committees, and the public. Compliance will additionally be demonstrated when resources are allocated and spent in alignment with the Board's Ends and district priorities, and budget allocations to schools are handled through a formula generated by a cohort of principals and district leaders with supporting documentation for all allocations for the purpose of serving the*

*unique needs of each student in alignment with the district's Mission and Vision. Finally, compliance will be demonstrated when the district is operating efficiently.*

#### **Evidence -**

- a. [Fiscal Oversight Committee \(FOC\)](#) - The primary function of the FOC is to assist the Board of Education in fulfilling its fiscal oversight responsibilities with integrity and reliability. The FOC is intended to facilitate communication between the District and all concerned parties.
- b. [District Accountability Committee \(DAC\)](#) - One of the responsibilities of the DAC is to recommend to the Board priorities for spending school district moneys. When given as an area of focus, the DAC recommends spending priorities to the Board prior to the adoption of the budget.
- c. [DCSD Quarterly Financial Statements](#) - The purpose of these statements is to provide quarterly updates on the status of DCSD finances. These statements are presented to the Fiscal Oversight Committee (FOC) and voted on as part of the BOE consent agenda. These statements are also posted on the district website.
- d. Board of Education Presentations - DCSD Staff provides frequent updates to the BOE via memos, emails and presentations.
  - [January 24, 2023](#)
  - [April 25, 2023](#)
  - [May 23, 2023](#)
  - [June 20, 2023](#)
- e. [Site Based Budgets](#) - Beginning in FY 2008-2009, Douglas County School District (DCSD) instituted Site Based Budgeting (SBB) on a district-wide basis. Believing that the best and most informed decisions can be made closest to the end user, DCSD moved to eliminate the central allocation of resources to schools and instead moved to a site-level decision making process. DCSD made the change to Site Based Budgeting in order to create a more effective, transparent, and equitable funding system across the district.
- f. [DCSD Financial Transparency page](#) - The purpose of this page is to provide free public access to district financial information on-line, in a downloadable format. This page is in compliance with Colorado's Public School Financial Transparency Act.
- g. [Detailed Expenditures](#) - The purpose of this page is to provide public access to district expenditures.

- h. [FY 2023-2024 Proposed Budget and Publication Requirement](#) - Legal Notice is given for Douglas and Elbert Counties regarding the FY 2023-2024 Proposed Budget.

**Policy End: (V-C)** - All district fiscal transactions are legal, ethical, and appropriate in keeping with district regulations and goals.

**Interpretation:** *Compliance will be demonstrated when the District files unmodified audit reports, including the federally mandated “single audit” and other required reports, to regulatory agencies in a timely manner. Any reported findings are addressed, corrected and reviewed by the Fiscal Oversight Committee and reported to the Board of Education when appropriate.*

**Evidence -**

- a. [District Financial Audit](#) - The purpose of Comprehensive Annual Financial Reports is to provide accurate and meaningful information concerning the District's financial condition and performance. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.
- [FY 2023 CDE Audit Accreditation Report](#)
  - [Fiscal Health Calcs 2022-2023](#)
  - [2023 Annual Comprehensive Financial Report Draft](#)
  - [FOC Audit Acceptance Memo](#)
- b. [Fiscal Oversight Committee \(FOC\)](#) - The primary function of the FOC is to assist the Board of Education in fulfilling its fiscal oversight responsibilities with integrity and reliability. The FOC is intended to facilitate communication between the District and all concerned parties.
- c. **Investment Monitoring** - District actively monitors investment portfolio and includes updates as part of the [quarterly financial reports](#). (These updates can be found in the appendix of each report.)

**Policy End: (V-D)** - Long-term financial stability and accountability has been established, maintained, and actively monitored in order to accomplish Board of Education End Goals.

**Interpretation:** *Compliance will be demonstrated when fund balances are maintained in a responsible manner as required by law and board policy and that expenditures are spent in accordance with the approved budget set to further the Mission and Vision of*

*the District. Compliance will be further demonstrated when the District's overall credit ratings and ratios set by the State Auditor reflect best practices set by the school finance community and recommended by the Colorado Department of Education.*

#### **Evidence -**

- a. [District Financial Audit](#) - The purpose of Comprehensive Annual Financial Reports is to provide accurate and meaningful information concerning the District's financial condition and performance. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.
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  - [Fiscal Health Calcs 2022-2023](#)
  - [2023 Annual Comprehensive Financial Report Draft](#)
  - [FOC Audit Acceptance Memo](#)
  
- b. **Investment Monitoring** - District actively monitors investment portfolio and includes updates as part of the [quarterly financial reports](#). (These updates can be found in the appendix of each report.)
  
- c. **Master Capital Plan** - District developed and updated a [Master Capital Plan](#) in collaboration with the Long Range Planning Committee. The Douglas County School District Master Capital Plan encompasses a five-year period and represents an important tool in the district's planning decisions. It is used to identify and prioritize school sites for future schools in order to satisfy student enrollment needs. It is also used to prioritize funding for capital reinvestment and new construction. Recognizing that school facilities must adapt to fluid educational requirements and the district exists in a dynamic community, it is imperative that planning for future educational and facility needs of the district is ongoing. This document is updated on an annual basis in coordination with the Long Range Planning Committee.
  
- d. **Mill and Bond Oversight** - District partners with the Mill and Bond Oversight Committee to provide frequent updates on mill and bond spending in alignment with the ballot language
  - [Mill and Bond updates](#) - The purpose of this page is to provide updates to bond projects.
  - [Bond Construction and Improvement Reports](#) - The purpose of these reports is to provide monthly Bond updates for each school.
  - [Mill and Bond Oversight Committee](#) - The charge of the MBOC is to become familiar with the Mill Levy Override (MLO) and bond (Bond) program and project list, monitor the progress of the improvements and

programs being implemented, ensure MLO/Bond expenditures are in alignment with ballot language approved by voters.

- e. [Office of the State Auditor](#) - Office of the State publishes school fiscal health analysis showing state-wide financial trends and analysis for each school district over several years

### III. Executive Limitations Monitoring

<b>EL - 14: Budgeting</b>	
EL-14: Financial planning for any fiscal year will comply with district policy, including the Board's Ends policies, ensures a positive sustainable financial condition, and be derived from a three-year plan for the General Fund.	
Interpretation: <i>Compliance will be demonstrated when a financial plan, including a minimum three year outlook, has been presented and approved by the board in compliance with state law and board policy and is reflective of a balanced operational budget combined with responsible (purposeful) fund balance allocation.</i>	
<b>Measure</b>	<b>Status</b>
<b>Adopted Budget</b> - District has adopted a budget for the current fiscal year in alignment with Board policy and state law. <a href="#">District Adopted Budget</a> <ul style="list-style-type: none"> <li>• <a href="#">FY 2023-2024 - Final Revised Budget</a></li> <li>• <a href="#">FY 2023-2024 - Adopted Executive Summary</a></li> <li>• <a href="#">FY 2023-2024 - Uniform Budget Summary</a></li> </ul>	<b>Compliant</b>
<a href="#">DCSD Financial Transparency page</a> - The purpose of this page is to provide free public access to district financial information on-line, in a downloadable format. This page is in compliance with Colorado's Public School Financial Transparency Act.	<b>Compliant</b>
<a href="#">Detailed Expenditures</a> - The purpose of this page is to provide public access to district expenditures.	<b>Compliant</b>
	<b>Compliant</b>

<b>EL - 15: Financial Administration</b>
EL-15: With respect to the actual, ongoing condition of the district's financial health, the Superintendent will administer efforts to assure fiscal conditions that are consistent with achieving the Board's Ends policies, respecting the Board's ultimate authority to determine financial matters of the district, furthering the long-term financial health of the district, and maintaining accuracy of spending from the annual budget or budget policy adopted by the Board.

Interpretation: *Compliance will be demonstrated when a budget is developed that assures fiscal conditions that are consistent with achieving the Board's Ends policies, and the five-year outlook reflects continued fiscal health. Compliance will be further demonstrated when the district is in compliance with state law and board policy with respect to seeking board approval over financial matters and the annual audit reflects no material misstatements.*

Measure	Status
<a href="#">District Financial Audit</a> - The purpose of Comprehensive Annual Financial Reports is to provide accurate and meaningful information concerning the District's financial condition and performance.	<b>Compliant</b>
<a href="#">DCSD Quarterly Financial Statements</a> - The purpose of these statements is to provide quarterly updates on the status of DCSD finances.	<b>Compliant</b>
<a href="#">FY 2023 CDE Audit Accreditation Report</a>	<b>Compliant</b>
	<b>Compliant</b>

**EL - 16: Asset Protection**

EL-16: The Superintendent administers efforts to assure that district assets are reasonably protected, adequately maintained, and appropriately used by the school community.

Interpretation: *Compliance will be demonstrated when the District operates under policies and procedures that provide strong internal controls to protect taxpayer assets.*

Measure	Status
<a href="#">District Financial Audit</a> - The purpose of Comprehensive Annual Financial Reports is to provide accurate and meaningful information concerning the District's financial condition and performance.	<b>Compliant</b>
<b>Investment Monitoring</b> - District actively monitors investment portfolio and provides <a href="#">Investment Performance Reports or Statements</a> . (The purpose of these reports is to provide updates on the performance of district investments.)	<b>Compliant</b>

<p>Policy DJ - District Purchasing Supplier Spend Threshold Agenda Items</p> <ul style="list-style-type: none"> <li>● <a href="#">October 10, 2023</a></li> <li>● <a href="#">August 22, 2023</a></li> <li>● <a href="#">August 22, 2023</a></li> <li>● <a href="#">June 20, 2023</a></li> <li>● <a href="#">June 20, 2023</a></li> <li>● <a href="#">April 25, 2023</a></li> <li>● <a href="#">March 28, 2023</a></li> <li>● <a href="#">February 28, 2023</a></li> </ul>	<p><b>Compliant</b></p>
	<p><b>Compliant</b></p>

## Appendix A - Snapshot of DCSD Budget

### SUMMARY OF COMBINED GENERAL FUNDS

	General Fund (10)	Outdoor Education Fund (13)	Capital Projects Fund (14)	Full Day Kindergarten Fund (15)	Transportation Fund (25)
Beginning Fund Balance	\$ 145,532,507	\$ 89,826	\$ 16,947,424	\$ -	\$ 2,095,782
Revenues					
Property Taxes	\$ 367,118,887	\$ -	\$ -	\$ -	\$ -
Specific Ownership Taxes	32,999,240	-	-	-	-
Other Local Income	32,785,149	1,522,580	496,370	-	1,890,000
Intergovernmental	374,476,010	10,521	-	-	4,748,388
Other	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 807,379,286</b>	<b>\$ 1,533,101</b>	<b>\$ 496,370</b>	<b>\$ -</b>	<b>\$ 6,638,388</b>
Expenditures					
Salaries	361,337,424	882,547	-	-	14,702,507
Benefits	132,645,803	293,518	-	-	6,311,322
Purchased Services	42,123,300	141,085	-	-	8,298,391
Contracts w/ Charter Schools	186,003,157	-	-	-	-
Supplies	43,006,190	176,293	-	-	3,468,177
Equipment	-	-	5,883,360	-	1,200,000
Other	1,738,732	39,658	-	-	(817,443)
<b>Total Expenditures</b>	<b>\$ 766,854,606</b>	<b>\$ 1,533,101</b>	<b>\$ 5,883,360</b>	<b>\$ -</b>	<b>\$ 33,162,954</b>
BOE Contingency	\$ 6,827,000	\$ -	\$ -	\$ -	\$ -
<b>Net Income/(Loss)</b>	<b>\$ 33,697,680</b>	<b>\$ -</b>	<b>\$ (5,386,990)</b>	<b>\$ -</b>	<b>\$ (26,524,566)</b>
Transfers In/(Out)	(34,865,132)	23,084	59,923	-	25,207,437
<b>Net Change in Fund Balance</b>	<b>\$ (1,167,452)</b>	<b>\$ 23,084</b>	<b>\$ (5,327,067)</b>	<b>\$ -</b>	<b>\$ (1,317,129)</b>
<b>Ending Fund Balance</b>	<b>\$ 144,365,055</b>	<b>\$ 112,910</b>	<b>\$ 11,620,357</b>	<b>\$ -</b>	<b>\$ 778,653</b>
TABOR Reserve	20,480,000	-	-	-	-
BOE Reserve	20,480,000	-	-	-	-
School Carry Over Reserve	20,006,096	-	3,001,945	-	-
Medicaid Carry Over Reserve	1,009,719	-	-	-	-
Assignment of 2018 Mill Levy Override	6,918,453	-	-	-	-
Mental Health and Security Grant	15,526	-	-	-	-
Enrollment Reserve	2,432,000	-	-	-	-
Multi-Year Lease Reserve	3,218,115	-	-	-	-
SPED/Mental Health Reserve	662,504	-	-	-	-
<b>Ending Fund Balance - after reserves</b>	<b>\$ 69,142,642</b>	<b>\$ 112,910</b>	<b>\$ 8,618,412</b>	<b>\$ -</b>	<b>\$ 778,653</b>

- *General Fund 10 - accounts for 77% of all the financial activity in the District inclusive of teacher salary and benefits as well as supplies and services*
- *Outdoor Education Fund 13 - accounts for the financial activity associated with Stone Canyon Outdoor Adventures, a District program providing outdoor educational experiences to 5th and 6th grade students*
- *Capital Projects Fund 14 - accounts for the financial activity associated with building remodels, equipment purchases and technology devices with a value of \$5,000 or more*
- *Full Day Kindergarten Fund (FDK) 15 - accounted for the financial activity associated with the FDK tuition based program at many of the District elementary schools. This fund was discontinued with implementation of state-funded FDK.*
- *Transportation Fund 25 - accounts for the financial activity associated with transporting students to and from school as well as field trips and athletic events*