



# Denver Public Schools EL16- Financial Administration Monitoring Report

December 2022

Board policy is indicated in **bold** typeface throughout.

I hereby present my monitoring report on your Executive Limitation policy EL-16, "Financial Administration" according to the schedule set out. I certify that the information contained in this report is true, and represents compliance with all aspects of the policy unless specifically stated otherwise.

Signed *Alex Nunn*, Superintendent

Date 12/30/2022

## Policy Statement:

**With respect to the actual, ongoing condition of the district's financial health, the Superintendent will take reasonable steps to avoid causing or allowing any fiscal condition that is inconsistent with achieving the Board's Ends policies, disregards the Board's ultimate authority to determine financial matters of the district, places the long-term financial health of the district in jeopardy, or causes a material deviation in spending from the annual budget or budget policy adopted by the Board.**

Accordingly, the Superintendent will:

1. Expend only those funds that have been received in the fiscal year to date, unless the Board authorizes additional expenditures through the use of reserves or other revenues are made available through legal means, including the state's free management loan fund program;
2. Expend fund amounts set forth in the budget unless the Board approves additional expenditures;
3. Follow state law and district policy with regard to incurring the organization, special elections for bonded indebtedness, expending contingency reserves, and transferring unencumbered moneys from one fund to another;
4. Settle payroll and debts in a timely manner;
5. File reports or filings required by any state or federal agency in a timely and accurate manner;
6. Arrange for the annual audit of all district funds and accounts following the close of the fiscal year in accordance with law;
7. Aggressively pursue receivables after a reasonable grace period;
8. Keep complete and accurate financial records by funds and accounts in accordance with generally recognized principles of governmental accounting;
9. Make quarterly financial reports and year-end reconciliation reports available to the Board as required by law;
10. Comply with district-wide goals and objectives for MWBE contracting resulting from periodic disparity studies.
11. Publish and post financial condition statements, notices, and information required by law;
12. Seek all federal and state funds to which the district is or may be entitled, with the caveat that the district is not required to pursue all competitive grants when they are not in best interest of the district to pursue or not aligned with the Board's Ends;
13. Seek, after completing a cost/benefit analysis and obtaining Board approval, all non-public funds which may benefit the district; and
14. Seek appropriate loans with approval of the Board.

**Adopted: [October 21, 2021]**

**LEGAL REFS.:**

**Constitution of Colorado, Article X, Section 20**

**C.R.S. 22-2-113.8 (annual report required regarding additional local property tax revenues received and the amount distributed directly to the district's schools)**

**C.R.S. 22-44-105 (1.5)(b) (itemized reconciliation)**

**C.R.S. 22-44-301 et seq. (Public School Financial Transparency Act)**

**C.R.S. 22-45-102 (1)(b) (quarterly financial reports)**

**Monitoring Method:**

**Monitoring Data:**

**Monitoring Frequency: Annually**

**Definitions:**

1. **Understandable by Lay person:** plain language that the average person can understand
2. **Fiscal Year:** 12-month accounting period that the school district uses for financial and tax reporting purposes
3. **Fiscal Jeopardy:** placing the district in a financial position that poses a risk to its ability to meet its fiscal obligations
4. **Collaborative School Committee:** a school-based committee made up of families, staff and community members
5. **Credible Projection:** future financial information prepared on the basis of realistic assumptions that reflect possible courses of action for the reporting period concerned as of the date the information is prepared
6. **Cash Reserves:** funds that the district has set aside in case of emergency, and can include short-term investments like a money market fund
7. **Annual Audit:** an independent review by a certified public accountant of the financial information and internal controls of the district
8. **MWBE:** Minority and/or Women-owned Business Enterprise certification received by a business entity

**EL-16 Financial Administration**

As the leader of DPS, I take my fiscal responsibility seriously. After all, if DPS does not make fiscally sound decisions toward achieving the Ends policies, student success will become elusive and much more difficult to achieve. I will not make any financial decisions that will jeopardize DPS' ability to pay its bills, deplete resources, disregard the Board's authority or place the long term financial health of the district at risk. In addition, all expenditures will be aligned to achieving the Ends policies and will not deviate from the annual budget appropriation or budget policies set forth by the Board of Education. I also commit to complying with all state and federal laws with regard to indebteding the organization, special elections for bonded indebtedness, expending contingency reserves, and transferring unencumbered moneys from one fund to another.

As the leader of this great district, I must be mindful of the appropriate use of funds as an equitable tool in addressing the needs of our most marginalized students.

Accordingly, I agree to:

1. Expend only those funds that have been received in the fiscal year to date, unless the Board authorizes additional expenditures through the use of reserves or other revenues are made available through legal means, including the state's free management loan fund program;
2. Expend fund amounts set forth in the budget unless the Board approves additional expenditures;
3. Follow state law and district policy with regard to indebteding the organization, special elections for bonded indebtedness, expending contingency reserves, and transferring unencumbered moneys from one fund to another;
4. Settle payroll and debts in a timely manner;
5. File reports or filings required by any state or federal agency in a timely and accurate manner;

6. Arrange for the annual audit of all district funds and accounts following the close of the fiscal year in accordance with law;
7. Aggressively pursue receivables after a reasonable grace period and with consideration of the other values and goals of the Denver Public Schools;
8. Keep complete and accurate financial records by funds and accounts in accordance with generally recognized principles of governmental accounting;
9. Make quarterly financial reports and year-end reconciliation reports available to the Board as required by law;
10. Comply with district-wide goals and objectives for MWBE contracting resulting from periodic disparity studies.
11. Publish and post financial condition statements, notices, and information required by law;
12. Seek all federal and state funds to which the district is or may be entitled, with the caveat that the district is not required to pursue all competitive grants when they are not in best interest of the district to pursue or not aligned with the Board's Ends;
13. Seek, after completing a cost/benefit analysis and obtaining Board approval, all non-public funds which may benefit the district including private grants and other non-public funding sources; and
14. Seek appropriate loans with approval of the Board.

### Standard - RI Must-haves

- The standard of measurement for one or more parts of the policy
- The level of achievement on the standard for one or more parts of the policy
- The rationale for the standard of measurement for one or more parts of the policy
- The rationale for the level of achievement on the standard for one or more parts of the policy
- Is the interpretation reasonable?
- Is the data sufficient to support compliance?

### Outcome

Compliance with this Executive Limitation 16 will be achieved for 22/23 when the following measures are in the affirmative and has evidence of such:

Measure	Family of Schools/District Run	Timing	Justification
1. Expend only those funds that have been received in the fiscal year to date, unless the Board authorizes additional expenditures through the use of reserves or other revenues are made available through legal means, including the state's free management loan fund program;	Family of Schools (all schools)	December	Demonstrates compliance with Executive Limitation
2. Expend fund amounts set forth in the budget unless the Board approves additional expenditures;	Family of Schools (all schools)	December	Demonstrates compliance with Executive Limitation
3. Follow state law and district policy with regard to indebteding the organization, special elections for bonded indebtedness, expending contingency reserves, and transferring unencumbered moneys from one fund to another;	Family of Schools (all schools)	December	Demonstrates compliance with Executive Limitation
4. Settle payroll and debts in a timely manner;	Family of Schools	December	Demonstrates compliance with

	(all schools)		Executive Limitation
5. File reports or filings required by any state or federal agency in a timely and accurate manner;	Family of Schools (all schools)	December	Demonstrates compliance with Executive Limitation
6. Arrange for the annual audit of all district funds and accounts following the close of the fiscal year in accordance with law;	Family of Schools (all schools)	December	Demonstrates compliance with Executive Limitation
7. Aggressively pursue receivables after a reasonable grace period and with consideration of the other values and goals of the Denver Public Schools;	Family of Schools (all schools)	December	Demonstrates compliance with Executive Limitation
8. Keep complete and accurate financial records by funds and accounts in accordance with generally recognized principles of governmental accounting;	Family of Schools (all schools)	December	Demonstrates compliance with Executive Limitation
9. Make quarterly financial reports and year-end reconciliation reports available to the Board as required by law;	Family of Schools (all schools)	December	Demonstrates compliance with Executive Limitation
10. Comply with district-wide goals and objectives for MWBE contracting resulting from periodic disparity studies.	Family of Schools (all schools)	December	Demonstrates compliance with Executive Limitation
11. Publish and post financial condition statements, notices, and information required by law;	Family of Schools (all schools)	December	Demonstrates compliance with Executive Limitation
12. Seek all federal and state funds to which the district is or may be entitled, with the caveat that the district is not required to pursue all competitive grants when they are not in best interest of the district to pursue or not aligned with the Board's Ends;	Family of Schools (all schools)	December	Demonstrates compliance with Executive Limitation
13. Seek, after completing a cost/benefit analysis and obtaining Board approval, all non-public funds which may benefit the district including private grants and other non-public funding sources; and	Family of Schools (all schools)	August	Demonstrates compliance with Executive Limitation
14. Seek appropriate loans with approval of the Board.	Family of Schools (all schools)	August	Demonstrates compliance with Executive Limitation

### Aggregation Methodology

I will be successful if I meet 75% of the weighted targets above.

## Evidence of Outcomes Achieved

**Goal:** Demonstrate Compliance with this Executive Limitation

### December Measures

Measure	Family of Schools/District Run Schools	Compliant? YES/NO
1.Expend only those funds that have been received in the fiscal year to date, unless the Board authorizes additional expenditures through the use of reserves or other revenues are made available through legal means, including the state's free management loan fund program;	Family of Schools (all schools)	Yes
2.Expend fund amounts set forth in the budget unless the Board approves additional expenditures;	Family of Schools (all schools)	Yes
3.Follow state law and district policy with regard to inebting the organization, special elections for bonded indebtedness, expending contingency reserves, and transferring unencumbered moneys from one fund to another;	Family of Schools (all schools)	Yes
4.Settle payroll and debts in a timely manner;	Family of Schools (all schools)	Yes
5.File reports or filings required by any state or federal agency in a timely and accurate manner;	Family of Schools (all schools)	Yes
6.Arrange for the annual audit of all district funds and accounts following the close of the fiscal year in accordance with law;	Family of Schools (all schools)	Yes
7. Aggressively pursue receivables after a reasonable grace period and with consideration of the other values and goals of the Denver Public Schools;	Family of Schools (all schools)	Yes
8.Keep complete and accurate financial records by funds and accounts in accordance with generally recognized principles of governmental accounting;	Family of Schools (all schools)	Yes
9.Make quarterly financial reports and year-end reconciliation reports available to the Board as required by law;	Family of Schools (all schools)	Yes
10.Comply with district-wide goals and objectives for MWBE contracting resulting from periodic disparity studies.	Family of Schools (all schools)	Yes
11.Publish and post financial condition statements, notices, and information required by law;	Family of Schools (all schools)	Yes
12.Seek all federal and state funds to which the district is or may be entitled, with the caveat that the district is not required to pursue all	Family of Schools (all schools)	Yes

competitive grants when they are not in best interest of the district to pursue or not aligned with the Board's Ends;		
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## Summary

**The district is compliant with all aspects of EL-16 within this monitoring report.**

1. **Expend funds received to date:** The Superintendent recommended the use of the Colorado Interest Free Loan Program and the DPS Board of Education approved use of that program in the 2022-23 Budget Adopted Budget. Participation in the Interest Free Loan Program was approved June 9, 2022 and documented [here](#).
2. **Budget:** The Board approved appropriation levels during budget adoption and spending levels are aligned to those appropriations. All spending is within these appropriations This approval was on June 9, 2022 and documented [here](#).
3. **Follow state and district policy regarding indebtedness:** The district retains external and internal counsel to ensure compliance with all bond indebtedness requirements. The annual audit reviews the district expenditures to ensure legal compliance with all applicable laws pertaining to contingency requirements and transfers between funds. [Administration Policy DFB](#) governs our debt and [Admin policy DFC](#) governs Derivatives.
4. **Settling Payroll and Debts:** Denver Public Schools pays employees twice per month. In the instance that a mistake is identified, the mistake is corrected on the next pay cycle or sooner.
  - a. Payments to contractors are made on a weekly basis following all district policies; failure to follow district procurement policies procedures for approval of expenses is the primary result in delayed payment to contractors
5. **Filings:** DPS responds to all required filings to state and federal agencies in a timely manner.
6. **Annual Audit:** DPS performs an annual audit each year, and the process to select an auditor is detailed in [administrative policy BDFB-E](#): Finance and Audit Committee Charter. All annual audited financial reports are available [here](#) for public review as required by the Colorado Financial Transparency Law
7. **Receivables:** DPS pursues receivables; in some cases, when it is determined some receivables are unlikely to be received, those may be written off as unrecoverable.
8. **Complete and Accurate Financial Records:** DPS is in compliance with this EL through its completion of the annual audit. Additionally, financial records are maintained in compliance with state law
9. **Quarterly Financial Reports:** DPS posts reports on the [financial transparency page](#) and discloses the documents during the Finance and Audit Committee.
10. **Minority-, Women-owned Business Enterprises Goals:** MWBE goals are monitored and reported to the public and the Board of Education. The most recent update was provided to the Board of Education in September 2022. That update can be found [here](#).
11. **Financial Condition Statements:** DPS posts financial statements on the [financial transparency page](#) as required by state law
12. **Federal and State Funds:** DPS is in compliance with this EL and is actively pursuing federal funds that can support the Board of Education's Ends Policies

## Additional Resources

None

## Explanatory notes for preparing a monitoring report

### Non-compliance:

N/A