



OFFICE OF THE STATE AUDITOR



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COLORADO SCHOOL DISTRICTS SHOW IMPROVEMENT IN FISCAL HEALTH FOR SECOND YEAR IN A ROW

DENVER—The Colorado Office of the State Auditor (OSA) has released its annual Fiscal Health Analysis of all 178 Colorado school districts and has found 34 school districts missing financial benchmarks. This is a decrease from last year when 36 districts missed benchmarks.

The OSA's Fiscal Health Analysis provides a set of ratios, together with the associated benchmarks, to evaluate financial indicators for each school district. This analysis examines the most current rolling 3-year period for which audited financial statements are available; this year covers the Fiscal Years Ending June 30, 2014, 2015, and 2016 and uses five ratios to assess a school district's financial health, for example, whether the district has enough revenue to cover debt service payments, or whether there has been an increase or decrease to the reserves in the general fund.

In this year's analysis, auditors found that 27 school districts missed one benchmark, and seven districts missed two benchmarks. No school district missed more than two benchmarks this year.

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Of the seven school districts that missed two benchmarks, Crystal Dorsey, Local Government Audit Manager, said, “The most common explanations we found from school districts were that they were feeling the effects of reductions in state finance funding. Some also mentioned that they spent down fund balance for upgrades to facilities and technology, and teacher benefits.”

The full report is available @ www.state.co.us/auditor.

Under the direction of the state auditor, the OSA is the state’s nonpartisan, independent external auditor with broad authority to audit state agencies, departments, institutions of higher education, and the Judicial and Legislative Branches. The OSA’s professional staff serve the people of Colorado by addressing relevant public issues through high-quality, objective audits and reviews that promote accountability and positive change in government. Performance audits address whether programs operate in compliance with laws and regulations and in a manner that accomplishes intended program goals. Financial audits include annual audits of the state’s basic financial statements and federal grants on a statewide level. IT audits review procedures and technology to ensure the confidentiality, integrity and availability of the state’s critical computer systems and taxpayer data. The OSA also tracks about 4,000 Colorado local governments for compliance with the Local Government Audit Law.