



OFFICE OF THE STATE AUDITOR



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Contact: Stelios Pavlou (303) 869-2833
stelios.pavlou@state.co.us

DIANNE E. RAY, CPA
STATE AUDITOR

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DECLINING ENROLLMENT AND REDUCED PROPERTY TAXES STILL AFFECT COLORADO SCHOOL DISTRICT FISCAL HEALTH

DENVER—The Office of the State Auditor (OSA) has released its annual Fiscal Health Analysis of all 178 Colorado school districts and found 29 school districts missed financial benchmarks this year. This was down from 34 last year and 36 districts from the year before.

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, 2015, 2016, and 2017 and uses five ratios to assess a school district's financial health. , For example, one of the ratios indicates whether the district has enough revenue to cover debt service payments, and another ratio indicates whether there has been an increase or decrease to the reserves in the general fund.

This year, auditors found that one school district missed four benchmark, while eight districts missed two, and 20 missed one. The most commonly missed ratios were the Operating Margin Ratio, which identifies growth or decline in a school district's reserves over a 3-year period, and the ratio calculating the change in general fund balance from previous to current years.

OFFICE OF THE STATE AUDITOR
1525 SHERMAN STREET
7TH FLOOR
DENVER, 80203
COLORADO

303.869.2800

Declining school enrollment, school remodeling and technology expenses, and reduced property taxes were the most commonly cited reasons for the missed benchmarks.

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.