

D-29 (DIE) Annual Audit

In accordance with state law, all funds and accounts of the district shall be audited annually, following the close of the fiscal year.

The Board shall issue a request for proposal (RFP) or use some other similar process for selection of an independent auditor licensed to practice in Colorado and knowledgeable in government accounting to conduct the audit. The independent auditor also shall audit the activities accounts of the district for report to the Board of Education.

The audit report shall contain among other information:

1. Financial statements prepared insofar as possible in conformity with generally accepted governmental accounting principles. (The financial statements are the representation of the district whether prepared by the district or by the auditor.)
2. Disclosures in accordance with the *Financial Policies and Procedures Handbook*. The supplemental schedules of receipts and expenditures for each fund shall be in the format prescribed by the State Board of Education and shall be in agreement with the audited financial statements of the district.
3. All funds and activities of the school district.
4. A budget to actual comparison for each fund and activity.
5. The auditor's opinion on the financial statements. If the opinion is anything other than unqualified, the reason must be explained. The opinion shall include general fixed assets.
6. Disclosure of all instances of noncompliance with state law, including the Public School Finance Act of 1994, irrespective of materiality.
7. A supplemental listing of all investments held by the district at the date of the financial statement.
8. A calculation of the school district's fiscal year spending in accordance with the state constitution.

The auditor shall meet with the Board to discuss the audit report, make recommendations to the Board concerning its accounting records, procedures and related activities as may appear necessary or desirable and shall perform such other related services as may be requested by the Board.

The audit report shall be completed and submitted by the auditor to the school district within five months after the close of the fiscal year unless a request for an extension of time is granted by the state auditor. Within 30 days after the Board receives the audit, it shall be submitted to the state auditor and the state commissioner of education.

The Board reserves the right to request an audit at more frequent intervals if desired.

LEGAL REFS.: C.R.S. [22-32-109](#)(1)(k)

C.R.S. [24-75-601.3](#)

C.R.S. [29-1-601](#) et seq.

NOTE: The CDE Financial Policies and Procedures Handbook offers a sample Request for Proposal which districts may utilize to select an auditor. If the district has expenditures of federal financial assistance in excess of \$300,000, the district must complete a Single Audit pursuant to federal law, which requires the district to make "positive efforts to utilize small business, minority-owned firms, and women's business enterprises"; in procuring such audit services.

Revised: October 28, 2015

D-29 (DIE) Annual Audit Guideline

Continuing Disclosure Guideline

1. Purpose of Continuing Disclosure Guideline

The District is required under each of its Continuing Disclosure Undertakings (the “Undertakings”) entered into in connection with an issue of its general obligation bonds or certificates of participation (collectively, the “Securities”) to provide disclosures to investors as described below until such issue of Securities is no longer outstanding. The District entered into each Undertaking in order to assist the underwriter of each issue of its Securities to comply with the United States Securities and Exchange Commission Rule 15c2-12 adopted under the Securities Exchange Act of 1934, as amended (17 C.F.R. §240.15c2-12). In accordance with its Undertakings, the District is required to file certain financial information and operating data (the “Annual Financial Information”) and to file notices of certain listed events (the “Events”) with the Electronic Municipal Market Access (“EMMA”) facility of the Municipal Securities Rulemaking Board (the “MSRB”). Therefore, the Superintendent of Schools of the District hereby directs that the following guideline shall be in effect.

2. Annual EMMA Filings

For each outstanding issue of Securities, the Director of Finance of the District is hereby designated as the District’s “Compliance Officer,” and will review each corresponding Undertaking to determine the financial information and operating data required to be included in the Annual Financial Information (i.e., the District’s audited financial statements and certain other financial information and operating data with respect to the District) required to be filed annually with the MSRB on EMMA with respect to that issue of Securities. In order to facilitate and expedite the EMMA filings, the Compliance Officer will keep a record of each issue of the District’s outstanding Securities, the required contents of the Annual Financial Information, the required filing date, and the CUSIP numbers applicable to each such issue. For each issue of Securities, the Compliance Officer will file the Annual Financial Information or cause the Annual Financial Information to be filed with the MSRB on EMMA on or before the date required in the Undertaking. Unless required otherwise by an Undertaking and as permitted by EMMA filing procedures, the Compliance Officer may file identical Annual Financial Information with respect to each issue of the District’s outstanding Securities or for each base CUSIP number assigned to the District’s Securities.

3. Filings With Respect to Listed Events

For each outstanding issue of Securities, the Compliance Officer will review the corresponding Undertaking to determine the listed Events that require prompt notices to be filed with the MSRB on EMMA. By way of illustration, Securities

Exchange Act Rule 15c2-12 currently enumerates the following as Events that require notice events, if material:

- Principal and interest payment delinquencies;
- Non-payment related defaults;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers or their failure to perform;
- Adverse tax opinions or events affecting the tax-exempt status of the security;
- Modifications to rights of security holders;
- Bond calls;
- Defeasances;
- Release, substitution or sale of property securing repayment of the securities;
and
- Rating changes.

The Compliance Officer will be proactive in monitoring the Securities and their status for occurrences of any such Events. After obtaining actual knowledge of an Event, the Compliance Officer may contact the District's bond counsel to determine whether the District must file notice of the Event with the MSRB under the applicable Undertaking or Undertakings. Upon a determination that the District must file such notice, the Compliance Officer will file the appropriate notice or cause such notice to be filed with the MSRB on EMMA within ten (10) business days after the occurrence of the Event or as the District's bond counsel may otherwise direct.

4. Records of Compliance Officer

The Compliance Officer shall maintain a record of the filing of each Annual Financial Information and of each notice of a listed Event filed with the MSRB on EMMA, together with confirmation from EMMA that it received the filing.

Adopted: November 9, 2016