



# Financial Oversight Committee Meeting

1829 Denver West Dr., Building 27  
Golden, CO 80401

## Meeting Minutes November 2, 2016

### Financial Oversight Committee

#### Members Present:

Mike Bestor  
Gordon Calahan  
Mary Everson  
Chris Johnson  
Scott Tarbox  
Bob West

#### Committee Members and Staff Absent:

Dan McMinimee, Superintendent  
Brian Ballard

#### Staff Present:

Kathleen Askelson, Chief Financial Officer  
Stephanie Corbo, Finance Director  
Steve Bell, Chief Operating Officer  
Nicole Stewart, Budget & Analysis Manager  
Suzi Thompson, Treasury & Analysis Manager

#### Independent Auditor and Other:

Paul Niedermuller CliftonLarsonAllen, LLP  
Mary Donovan, Insight Investment

**Approval of October 5, 2016, Minutes:** Scott Tarbox moved to approve the minutes from October 5, 2016, as revised. Mike Bestor seconded. The motion carried unanimously.

**Insight Investment–Investment Management Program Review:** Mary Donovan, Senior Portfolio Manager with Insight Investment conducted an investment review. Highlights included market environment and strategies, economic indicators, comparison annualized yields, portfolio size and duration, performance versus benchmark, portfolio diversification, maturity distribution and yields. Donovan also presented proposed updates to district policy DFA/DFAA-E, Investment Policy. Following review of the redlined policy and discussion, the committee recommended that staff move forward with the policy revisions as presented.

**2016/2017 First Quarter Financial Report:** Paul Niedermuller reviewed the auditor’s report on applying agreed-upon procedures for first quarter. The report noted three funds that may require a supplemental appropriation if spending continues at the same rate throughout the year and a drop in enrollment for Rocky Mountain Academy of Evergreen that is being closely monitored.

Stephanie Corbo reviewed the first quarter financial report. Key areas included an overview of operating cash, general fund revenues and expenditures, capital reserves and project timing, food services staffing changes, technology fund expenditure timing and unfilled vacancies, charter school cash balance and debt status. There was additional discussion regarding Rocky Mountain Academy of Evergreen with regard to enrollment and Board and leadership changes. Corbo and Kathleen Askelson also discussed issues on the radar including facilities with regarding to project timing and lead testing, hiring and staffing challenges, health care reform programming refinements, 2017/2018 Budget Development update for student-based budgeting and Budgeting for Outcomes for departments, and a budget update for clinic air hours, mental health support and hard to staff schools.

Askelson commented on the status of the comprehensive annual financial report (CAFR) and noted that information is still outstanding from Golden View Classical Academy that is needed for the district to finalize its audit.

**2016/2017 Cash Flow Update:** Suzi Thompson commented on the cash status of the district and advised that based on current projections, the district will not require additional cash resources to bridge the gap until property tax revenue is received in the spring; thus, no line of credit will be necessary.

**2017/2018 Budget Development Update:** Askelson updated the committee on the Alliance Conference that budget staff and Terry Elliott attended in Chicago for additional training after being selected by the Government Finance Officers Association to participate in the Alliance budgeting program. She noted that the governor's proposed budget was released late on November 1, and although there were no rescissions, the amount to be funded is for inflation and growth plus an increase in the negative factor. A budget update including information on the governor's proposal will be presented to the Board of Education on November 17. Askelson noted that budget staff is working with the Budget Subcommittee of the District's Accountability Committee to direct school accountability committee engagement.

Other key areas included an update on the status of student based budgeting with regard to adjustments based on October count and evaluation of changes to the factors for the 2017/2018 SBB model and an update on compilation of department budget requests as part of Budgeting for Outcomes for evaluation by district leadership and the Board of Education. There was discussion regarding SBB, enrollment fluctuations, and strategies for increasing enrollment.

**Wrap Up and Next Meetings:** Askelson reminded the committee about the opportunity for the committee to have a dialogue with the Board as part of the first quarter financial report presentation at the Board of Education study session on November 17. The CAFR is scheduled for presentation to the committee at the next FOC meeting on December 7, 2016. There was additional discussion regarding the defeat of 3A and 3B.

The meeting was adjourned at 1:10 p.m.