



Financial Oversight Committee Meeting

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

Meeting Minutes

October 2, 2018 – 10:00 a.m.

Financial Oversight Committee (FOC)

Members Present:

Mike Bestor
Brian Ballard
Gordon Calahan
Mary Everson
Scott Tarbox
Bob West

Staff Present:

Kathleen Askelson, Chief Financial Officer
Steve Bell, Chief Operating Officer
Nicole Stewart, Director, Budget and Treasury
Stephanie Corbo, Director, Finance

Committee Members and Staff Absent:

Dr. Jason Glass, Superintendent

Independent Auditor and Other:

Paul Niedermuller, CliftonLarsonAllen, LLP

Approval of the Minutes: Bob West moved to approve the minutes from August 7, 2018, and the meeting notes from September 4, 2018. Mary Everson seconded. The minutes were approved as presented.

Fourth Quarter Financial Report: Stephanie Corbo reported on the Fourth Quarter Financial Report. Highlights of the presentation included an overview of the district's cash position and confirmation that the district will not need a line of credit to cover expenditures prior to receipt of property tax revenue in the spring; general fund expenditures and revenue on target; debt service payment update; and capital reserve expenditures lower than anticipated due to invoice timing; grants operating as planned but with revenue down slightly due to grants that ended and the planned spend down of carryforward; campus activity fund operating per plan; transportation operating better than plan.

Corbo advised that Food Services, which moved from an enterprise fund to special revenue fund, continued the trend of declining revenue due to shift from reimbursable meals to a la carte items, expenditure for new software, phased increase in hourly wage to \$12, and increased supply costs. She noted that the fund has an adequate reserve balance and that the fund will continue to be monitored for spending against reserves for FY 2019.

Corbo noted that tuition increases, schedule adjustments and additional classroom resulted in increased revenue to turnaround the Child Care Fund. Other key areas included anticipated increase in building use for FY 2019 after a decline in FY 2018 for the Property Management Fund; overall expenses down for the Employee Benefits Fund with spend down of reserves leveling; a net loss for the Insurance Reserve Fund as a result of the claims timing that do not always occur in same period as recoveries; and a net loss for the Technology Fund with spending in line with plan but lower than budgeted revenue due to E-Rate funds withheld and under review.

Corbo reported on the charter schools noting that all ended with positive balances. Schools being monitored with yellow flag status include Rocky Mountain Academy Evergreen that ended the year better than planned but working toward a balanced budget and Great Work Montessori School that

ended the year with net income but tracking to overspend with lower than planned FTE. She confirmed that Free Horizon Montessori moved into the Pleasant View site in August and Golden View Classical Academy's application was approved to move under the Charter School Institute thus FY 2018 is the final year for the school to be reported by Jeffco. For FY 2019, the total number of charter schools for the district declines from 18 to 16. There was discussion regarding the purpose of the Charter School Institute (CSI) and how schools are funded once they become part of CSI.

Corbo discussed content for quarterly financial reports beginning with FY 2019. The committee provided input on recommended revisions to eliminate some appendix reports that were no longer pertinent.

There was discussion regarding the status of school carryforward, how the carryforward is monitored, how schools use the carryforward, and clarification, evaluation, adjustments and messaging around recommended carryforward as a percentage of budget to ensure schools are comfortable with and understand the intent for use of funds.

Budget Update: Askelson advised that fourth quarter results will be presented to the Board of Education on October 10 and noted that the external audit is underway with the field work portion complete. Upcoming highlights for FY 2018 include the official student membership count on October 3 and the Governor's budget request to be released on November 1.

Student Based Budgeting – Overview of Factors: Nicole Stewart reported on 2018/2019 factors for allocating student based budgeting (SBB) dollars to schools. The presentation included an overview of the base factor, equity/risk factors and building factors that are used to calculate funding for each school. Stewart also reviewed the combination of factors used to allocate the \$2.2 million approved by the Board for a School Improvement Fund that provides equity funding for struggling schools. The factors cover schools with a School Performance Framework (SPF) of 55 percent or less and free and reduced lunch percentage higher than 35 percent. She noted school leadership works to determine how best to focus the funding on a school-by-school basis for the most impact to improve SPF with the goal for schools to raise their SPF and fall off the list. Funds would then be redirected to struggling schools or used for other purposes as the list of struggling schools declines.

Discussion covered how the factors were determined and background as to why the SPF rating, which is set by Colorado Department of Education after analyzing student performance data, provides a reliable, consistent and measurable number.

FOC Conclusions/Recommendations:

There were no committee conclusions/recommendations to be communicated to the Board at this time.

Wrap Up and Next Meetings: Askelson confirmed upcoming dates for FOC and BOE meetings. Bob West confirmed he will attend the October 10 Board of Education meeting for the fourth quarter financial review. Askelson and Steve Bell provided clarification on questions related to ballot issues with factual information regarding the calculation of repayment costs for \$997.64 million, questions on the list of proposed projects per articulation area and percentage of the Mill Levy Override funds that would go toward PERA. Bell also provided clarification on differences in project scope between an early proposal for a \$647 million bond and the \$567 million bond initiative on the 2018 ballot.

The meeting adjourned at 11:15 a.m.