



## **Financial Oversight Committee Meeting**

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

### **Meeting Minutes**

**November 5, 2019 – 10:00 a.m.**

#### **Financial Oversight Committee (FOC)**

##### **Members Present:**

Brian Ballard  
Mike Bestor  
Gordon Calahan  
Leanne Emm  
Mary Everson  
Kyla Jones

##### **Committee Members and Staff Absent:**

Scott Tarbox  
Steve Bell, Chief Operating Officer  
Dr. Jason Glass, Superintendent

##### **Staff Present:**

Kathleen Askelson, Chief Financial Officer  
Nicole Stewart, Director, Budget and Treasury  
Stephanie Corbo, Director, Finance  
Debbie Ranguet, Exec. Assist. to CFO

##### **Independent Auditor and Other:**

Allison Slife, CliftonLarsonAllen, LLP

**Welcome and Introductions:** A quorum was declared.

**Approval of the Minutes:** Gordon Calahan moved to approve the minutes for October 1, 2019. Kyla Jones seconded. The motion carried unanimously.

**2019/2020 First Quarter Financial Report:** Allison Slife, an independent auditor with CliftonLarsonAllen, reviewed the scope of work performed for applying agreed-upon procedures for the first quarter 2019/2020 ending September 30, 2019. She confirmed there were no findings and nothing of note. Slife identified the Employee Benefits Fund as possibly needing a supplemental appropriation in the future if the trend continues but noted that higher spending for this fund typically occurs during the summer months. Slife acknowledged that the Food Service Fund and Central Services Fund are yellow flagged based on the district's monitoring system.

Stephanie Corbo stepped through a presentation on the financial report for first quarter 2019/2020. Highlights included confirmation that district cash flow at the end of first quarter is adequate to sustain the district until receipt of property taxes in the spring and that all but two funds are operating per plan. Nicole Stewart clarified that the first quarter report reflects the budget adopted in June and that it does not yet reflect the additional 1 percent COLA adopted as part of the Revised Adopted Budget in October.

Corbo discussed the yellow flag status of the Food Services Fund and Central Services Fund. She noted that staff is working with both funds to assure a plan is in place that demonstrates the funds will be sustainable into the future. There was discussion regarding expenditures, anticipated spend down of fund reserves, how new program expenditures are projected and evaluated, and steps each fund is taking to align revenues and expenditures. Other highlights included the addition of a new slide for the Building Fund to monitor percentage spent to date; changes to the Grant Fund; changes in the Campus Activity due to majority of 1:1 device purchase costs shifting to the General Fund; impacts in the Transportation Fund due to driver shortages, fuel rates and bus availability for school activities; increased booking activity in the Property Management Fund and loss of two church renters; increased revenue in the Technology Fund due to receipt of E-Rate funds; and positive cash balances for all charter schools.

Staff will follow up on the miles per gallon for a propane bus versus a diesel bus. Issues “On the Radar” include facilities work, changes to the 2019/2020 budget, and planning for development of the 2020/2021 budget.

There was discussion regarding final numbers for the October count which the Colorado Department of Education will release in November, clarification on 581 Conference Place which was the former Free Horizon building that the district purchased, and changes to the 5A Mill Levy Override Funding Summary in Appendix C of the quarterly reports that was revised to include budget to actuals.

**Budget Update – November Governor’s Budget Request, Budget Development Process and Timeline:**

Askelson stepped through the budget update that included a timeline, district objectives for developing the budget, and an overview of current budget assumptions and forecast based on the governor’s proposal. Highlights included current assumptions for a planned 250 student decrease and estimated \$6M from retirement/turnover savings and statewide assumptions per the governor’s budget for 1.7 percent inflation, a \$40M decrease in the budget stabilization factor and enrollment growth to be determined. Based on these numbers, Jeffco would receive an estimated \$15M in new funding less \$2M pass through to charters for a net estimated \$13M for the district. Askelson noted that for comparison, it would cost \$17M for compensation to cover steps and levels which could mean the district may need to look at reductions.

There was discussion regarding the reasons the district anticipates a drop in enrollment, the approach for identifying potential reductions, limitations of funding from 5A due to ballot language, potential impacts to schools, monitoring of revenue estimates for specific ownership tax and interest, and the status and plan for school carryforwards.

**Audit Committee Meeting Recap from October 9:** Corbo and Emm reported on the October 9 Audit Committee meeting. Highlights included the banking change for the main operating account from U.S. Bank to J.P. Morgan, status of the changeover to a new armored car service following a request for proposal process, an overview of the internal audit history and activity reports, and a deep dive on the Fourth Quarter 2018/2019 Financial Report and audit review. Corbo noted that the committee also discussed the addition of an internal online funding platform to support donations and fundraising and action plans and training opportunities to address internal audit findings.

**FOC Conclusions/Recommendations:** Following discussion, the committee did not have any recommendations to communicate at this time.

**Wrap Up and Next Meetings:** Askelson advised that the committee would have an opportunity for a dialogue with the Board of Education as part of the 2018/2019 Fourth Quarter Financial Report presentation on November 13. Emm volunteered to represent the committee at the meeting. The next FOC meeting is scheduled for December 3.

The meeting adjourned at 11:35 a.m.