

FISCAL OVERSIGHT COMMITTEE (FOC) MEETING
THURSDAY, November 9, 2017 - 6:30 to 8:00pm
MINUTES OF MEETING

In attendance:

Justin Carter	John Groom, Vic Chair
Jack Christensen	Dilpreet Jammu
Judi Dinkel	Katie Knisley, LRPC
Sasha Franger	Vincent Pirrello
Marco Fields, DAC	Kerrie Riker-Keller, Chair
Lisa Geringer	Bonnie Betz
Lisa Gillett	Scott Smith

Absent:

Mario Harding, DAC	Judi Reynolds, BoE Liaison
Ted Stroud	Jana Schleusner
Dave Usechek, Recorder	

Guest:

Jim Burke, RSM US LLC
Brandi Buttica, Chair of the DAC
Andy Jones, DAC

I. Roll Call

II. Announcements:

- Chair, Kerrie Riker-Keller congratulated the Budget team for the meritorious budget award from the Association of School Business Officials International for the FY 2017-2018 budget book.
- Chair, Kerrie Riker-Keller announced that she would be resigning from the FOC immediately.

III. Action Items/Discussion Items

- a) **Adoption of Minutes of October 5, 2017** – John Groom moved and Jack Christensen seconded that the minutes of October 5, 2017 be approved. The motion passed.
- b) **Election of new Chair and Vice-chair** – Jack Christensen moved and Vincent Pirello seconded that the new Chair will be John Groom, Vice-chair Dave Usechek and Recorder Sasha Franger. The motion passed, with Kerrie Riker-Keller abstaining.

IV. Information Item/Reports

- a) **DAC Budget Survey Results** - DAC representative Marco Fields discussed the results of the budget survey given by the DAC. The budget survey will be presented in finer detail at the next DAC meeting on November 16, 2017.
- b) **Financial Audit Update** - Bonnie Betz introduced Jim Burke, Senior Manager from RSM to discuss the audit update. There was a minor internal control issue for year ending June 30, 2017. During the audit of accounts payable, the auditors found several construction in progress invoices that were not recorded in the correct year. This issue has been corrected and the control issue will be reported to management. Mr. Burke shared that this issue is not a significant deficiency nor a material weakness. Mr. Burke announced that the fieldwork is complete, and the audit team is in the process of reviewing the financials in the CAFR.
- c) **Prior Years' Student Count and Transportation Audit:**
 - CDE audits our student count submissions annually but was not able to complete these audits for fiscal years 2014 and 2015. In past years, the District has had a student count

adjustment of between 20 and 40 students primarily in the alternative schools. This year, the District Student Count audit adjustment was 24 students.

- As part of the student count audit, CDE also audits the transportation report, the CDE 40 Report. This audit included the review of data submitted by the District for fiscal years 2014 through fiscal year 2017. The resulting adjustment amounted to about \$40,000.
 - The total dollar amount adjustment for both the student count audit and the transportation audit is \$111,200.09.
- d) **September 21st Student Count Update** - The District is funded for students in school on October 1st but the majority of Douglas County approved calendars include a fall break that encompasses October 1. The District requested that the October count date be September 21st.
- e) **Funding Mechanism Subcommittee Update** - Budget Director, Scott Smith announced that the Funding Mechanism Subcommittee met for the first time this year. Interim Superintendent Kane and Bonnie Betz attended. The subcommittee will consider not only the capital needs for the District but also the operational needs per the Board of Education's request. This Funding Mechanism Subcommittee in collaboration with Budget staff will create a forecast model to include multiple years.
- f) **Role of the FOC/Review of the Bylaws** - Deferred to the next FOC meeting.

V. **District Issues and Concerns**

- a) **Charter School Update (Leman, APEX and Milestone)** – Leman and APEX have both broken ground and have met all their obligations. Milestone did not meet one of their contingency requirements and is no longer recognized as an approved charter school in Douglas County.
- b) Kerrie Riker and Bonnie Betz shared the Federal Tax Reform Proposals that include language regarding the tax-exempt status of refunding bonds as well as other 501C3 General Obligation (G.O.) Bonds. The result of refunding bonds losing tax-exempt status will likely result in local taxpayers paying more taxes for G.O. Bond Debt Service.

VI. **Public Participation:** N/A

VII. **Future Agenda Items**

The committee was asked if they would like any items put on the agenda for future discussion. The following items were listed:

- Cash and Investments
- Continue discussion of the Role of the FOC / Review of the Bylaws
- CART Update – January 2018

Meeting Adjourned: The meeting adjourned at 8:11 p.m.