



**FINANCIAL POLICIES AND PROCEDURES COMMITTEE MINUTES**  
**June 8, 2018**

Members Present

Anthony Whiteley, St. Vrain Valley Re-1J  
Brook Quint, Briggsdale Re-10  
Chloe Flam, Northwest Colorado BOCES  
Erich Dorn, Centennial BOCES  
Janell Wood, Swink 33  
Jonathan Levesque, Littleton 6  
Kristine Githara, Cherry Creek 5  
Lana Niehans, Pueblo City Schools 60  
Laura Hronik, Colorado Springs 11

Lisa Clark, Weld RE-3J  
Michael Everest, Mapleton 1  
Mike Hodgson, Archuleta County 50JT  
Mike Thomas, Fowler R-4J  
Mimi Livermore, Adams 12  
Sarah Colazio, Windsor Charter  
Stephanie Corbo, Jefferson County R-1  
Steven Clawson, Denver 1

Ex-Officio Members Present

Aaron Oberg, CDE  
Adam Williams, CDE  
Amada Karger, Charter School Institute  
Cassie Walgren, Charter School Institute  
Crystal Dorsey, OSA

Jennifer Okes, CDE  
Kirk Weber, CDE  
Scott Lee, CDE  
Yolanda Lucero, CDE

Members, Ex-Officio Members and Alternates Absent

Cara Golden, Mesa County Valley 51  
Jana Schleuser, Douglas County RE-1  
Justin Petrone, Boulder Valley RE-2J  
Kera Badalamenti, Poudre R-1  
Matthew Scoggins, Rangely RE-4  
Richard Stettler, Ellicott 22

Ron Whitling, Aurora 28J  
Shelley Becker, Harrison 2  
Terry Kimber, Widefield 3  
Tiffany Kallerik, CO League of Charter  
Schools

Guests Present

Allison Slite, Clifton Larson Allen  
Amber Valencia, Pueblo City Schools 60  
Angialea Goode, Kim Reorganized 88  
Becky Samborski, Weld RE-1  
Brian Lund, Estes Park R-3  
Carla Herman, Hi-Plains R-23  
Chelsey Gerard, Eagle RE-50  
Cheryl Wallace, Rubin Brown LLP  
Christy Hamrick, Garfield Re-2  
Colleen Love, Ridgeway  
Deb County, Valley Re-1  
Gordon Jones, Thompson R2J  
Jane Frederick, St. Vrain Valley Re-1J

Jnl Linsacum, Hayden Re-1  
Kara Drake, Summit Re-1  
Leona Hollond, Monte Vista C-8  
Linda Hawthorne, Frenchman RE-3  
Mark Rydberg, Steamboat Springs  
Mike Lee, Ft Morgan RE-3  
Nicole Stewart, Jefferson County R-1  
Nikki Schmidt, Windsor RE-4  
Patty Venem, Rocky Ford R-2  
Samantha Gallagher, Durango 9R  
Sherry Dennis Murphy, Yuma 1  
Staci Turner, San Luis Valley BOCES  
Stephanie Juneau, Gunnison RE-1J

Guests Present (continued)

Sue McKnight, School District 27J

Tammy Hohn, Englewood 1

Terry Buswell, Centennial BOCES

Tina Wallace, Northern Colorado Academy  
of Arts and Knowledge

Wendy Everett, Telluride R-1

Willie Leslie, Clear Creek RE-1

Mona Larsen, Woodland Park RE-2

Joshua Shoemaker, Jefferson County R-1

Amber Valencia, Pueblo City Schools 60

Danielle Duke, Harrison 2

Sandy Woods, Aurora 28J

Samuel Pugl, Mesa County Valley 51

Jeff Zwolenski, Denver 1

Ashlee Stephen, Platte Canyon R-1

Sherrie LaChance, Jefferson County R-1

Cara-Lene Farmer, Pueblo City Schools 60

Kim Swindle, Pueblo City Schools

## MEETING MINUTES

### FINANCIAL POLICIES AND PROCEDURES COMMITTEE

June 8, 2018

1. Call to Order

Adam Williams called the meeting to order at 9:30 am.  
Those in attendance were asked to introduce themselves and their district.

2. Approval of Agenda

*Kristine Githara with Cherry Creek 5 made a motion to approve the agenda.  
Stephanie Corbo with Jefferson County made a 2<sup>nd</sup> on the motion, motion carried.*

3. Approval of Prior Meeting Minutes

*Anthony Whiteley with St. Vrain made a motion to approve the prior meeting minutes.  
Mimi Livermore with Adams 12 Five Star made a 2<sup>nd</sup> on the motion, motion carried.*

4. Legislative Update

The School Finance Bill HB 18-1379 included 1,000 additional ECARE slots and appropriated 500 ASCENT slots (compared to the 411.5 that was included in the FY2017-18 district funding calculation worksheet). Initially the ECARE and ASCENT slots will be allocated proportionally to districts based upon FY2017-18 slots. This distribution is ONLY an estimate for projection purposes. Districts should not assume that they will receive these projected slots. The final allocation will be set through the normal process with the CPP unit and the Post-Secondary unit based upon district needs. These distributions will be updated on the district funding calculation worksheet during the January true-ups with the finalized pupil counts.

SB 18-200 PERA Reform: the employee contributions will increase starting in July 2019 by 0.75%, in July 2020 by 0.75% and in July 2021 by 0.5%. The employer contributions will increase in July 2019 by 0.25%. The bill also modifies the definition of includable salary, whereas, unused sick leave converted to cash payments factored into includable salary. Being included as salary would also change the calculation for the Highest Average Salary.

HB18-1306 Ensure Stability for Students in Foster Care (Transportation): the bill includes some provisions related to the transportation of students. The bill removes the need for approval of the governing board of a neighboring district to transport students to/from the neighboring district and allows districts to transport students who reside in another district, regardless if the district is adjacent without the approval of the other district. Additionally this bill also allows reimbursement of parents transporting students that reside in another district. As a result of these provisions, transportation costs in some districts may increase, therefore, impacting the reimbursement allocation among all districts.

## 5. Financial Transparency Updates, BrightBytes

The BrightBytes approval tool has been available for a couple months, at this time 42 districts have used the tool. Of these districts, 10 have 6 levels completed, 17 have 7 levels completed and 15 have completed all 8 levels. It is anticipated that more districts will work through the process after the soft open, which is Monday June 11<sup>th</sup>.

Monday June 11<sup>th</sup> BrightBytes will be hosting a webinar. The webinar is open to all business officials within the district; including superintendents, communications directors, and charter school business officials. Please share this email/invite with the individuals in the district who might like to participate in the webinar, and see the district's website before it goes live for the public. The soft open will also be available on Monday June 11<sup>th</sup>, following the webinar. This will be available through June 23<sup>rd</sup>.

Narratives DO NOT carryover from previous fiscal year, districts are encouraged to ensure the narrative is up to date for the FY2016-17 website. The three big changes to the FY2016-17 website are the Property tax breakdown box, historical data comparisons and district / school level expenditure allocation breakdown. The Property tax breakdown box is based on a spreadsheet provided to BrightBytes from CDE, this information is not included in the districts' data file. The historical data comparisons will include a comparison of FY2015-16 and FY2016-17, next year this will be a three year comparison.

[Supporting Documentation](#)  
[Financial Transparency](#)

## 6. Subcommittee Update – Indirect Cost Rate

The indirect cost rates for use in FY2018-19 are posted on the school finance web page. These rates are based on the data submitted for FY2016-17, these are available in data pipeline as you submitting your financial data.

The communication process has started between CDE and the US DOE for the updated Indirect Cost Rate plan. The next plan will be submitted to US DOE by December 31<sup>st</sup>.

[Supporting Documentation](#)  
[Indirect Cost Rates](#)

## 7. FPP Handbook / Chart of Accounts

### 7.1. Early Adoption of GASB 84/87

GASB Statement No 84 refers to the Fiduciary Activities, which some districts are reporting trust and agency funds. The requirements of this statement are effective FY2019-20, with an option to early adopt in FY2018-19. The assets related to a trust must meet all three requirements:

- (1) administered through a trust agreement or equivalent arrangement in which the government itself is not a beneficiary;
- (2) dedicated to providing benefits to recipients in accordance with the benefit terms; and
- (3) legally protected from the creditors of the government.

Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets the specific criteria. Full accrual basis of accounting is required. Review your policies and procedures in place with regard to the handling of student activity accounts. This statement describes four fiduciary funds that should be reported as pension (and other employee benefit) trust funds, Investment trust funds, private-purpose trust funds and custodial funds. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The concept of a liability for “due to student clubs” for the remaining amount of the assets less liabilities goes away with this new statement. If no such liability, a restricted net position will be reported by the fiduciary fund – full accrual accounting required. The Statement of Changes in Fiduciary Net Position should disaggregate additions by source including, if applicable, separate display of investment earnings, investment costs, net investment earnings. The Statement of Changes in Fiduciary Net Position should disaggregate deductions by type and, if applicable, should separately display administrative costs. If the resources, upon receipt, are normally expected to be held for three months or less, a single aggregate total for additions and or deductions is allowed.

GASB Statement No 84 refers to the accounting for leases. The requirements of this Statement are effective FY2020-21, with beginning balances July 1 2020 restated. Previously, it is a capital lease if one of the following criteria is met: transfer of ownership at conclusion, bargain purchase option, Lease term  $\geq$  75% of economic life of asset or PV of future minimum lease payments  $\geq$  90% of FMV. If neither of these criteria’s is met the lease is treated as an Operating lease. A Capital lease under full accrual, recognize the capital asset and the long-term debt for PV of future minimum payments. While an operating lease under full accrual, expenses the payments as they are made. You should start the analysis of lease contracts to determine how they will be treated with implementation of 87. The statement defines a lease contract as “conveys control of the right to use another entity’s nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Capital leases (that transfer ownership), would be reported as capital financing activities instead of being called leases. For school districts and Federal reporting requirements, we must continue to isolate the general obligation (GO) voter approved debt from the other debt. For the Lessee Governments the government-wide statements would report an intangible lease asset that represents the lessee’s right to use the leased asset and a long-term liability for the lease. The long-term lease payable would be measured as the present value of the payments under the provisions of the lease. The intangible lease asset would equal the lease liability plus any prepayments and certain initial direct costs. The Lessee Governments note disclosure must include a description of leasing arrangements, the amount of lease assets and a schedule of future lease payments. For the Lessor Governments – they would report on the government-wide statements a receivable for the right to receive payments, initially measured based on the present value of future lease payments to be received. A corresponding deferred inflow of resources, measured at the initial value of the lease receivable, to reflect that the receivable relates to future periods. The Lessor Governments note disclosures must include a description of leasing arrangements and the total amount of lease revenue for current year.

## 7.2. GASB 75, PERA – OPEB

GASB Statement No 75 is now effective with FY2017-18. The accounting, reporting, and disclosures for OPEB will be very similar to the ones that were done for pensions under GASB Statement No 68. Colorado PERA is scheduled to be at the next FPP Committee meeting.

### 7.3. Student worker job class discussion

This discussion was tabled as it was not a global issue among all school districts. CDE will work with the individual districts to provide additional guidance.

#### Supporting Documentation

[Proposed Updates for GASB 84/87](#)  
[Student worker job class discussion](#)

### 8. FPP Membership

Recognition of Retiring Members, this year we had six members that are retiring from the committee, as their terms have ended. Each of these members will receive a certificate of appreciation for the time that they have served on the FPP Committee.

The retiring members are:

Kristine Githara, Cherry Creek 5  
Michael Thomas, Fowler R-4J  
Cara Golden Mesa, County Valley 51  
Anthony Whiteley, St. Vrain Valley  
Ronald Whitling, Adams-Arapahoe 28J  
Chloe Flam, Northwest Colorado BOCES

We are currently in the process of finalizing the replacements of the retiring members. Once the new members are finalized we will send out notification.

### 9. Future Meeting Dates

This week a survey was sent asking “What day of the week would you prefer for future FPP Meetings?” There were 57 responses to the survey. Less than 4 responses were received for Monday, Tuesday and Wednesday. Thursday and Friday received the most responses with 25 and 22. With this information, it seems reasonable to schedule the meetings split between these days.

### 10. Other Topics of Interest

#### 1.1. CASB

<https://www.casb.org/>

- No updates at this time

#### 1.2. CASBO

<http://www.coloradoasbo.org/i4a/pages/index.cfm?pageid=1>

- No updates at this time

#### 1.3. CASE-DBO

<http://www.co-case.org/?815>

- CASE conference in Breckenridge will be July 25<sup>th</sup> to the 26<sup>th</sup>.
  - 4 breakout sessions

- 3 hour summit

1.4. CGFOA

<http://www.cgfoa.org/>

- No updates at this time

1.5. COCPA

<https://www.cocpa.org/>

- The Financial Reporting Model had three approaches; short-term, long-term and near-term. They made a decision to issue preliminary views in February 2020. They will no longer have the long-term approach, so the preliminary views is likely to include the short-term and near-term approach.

1.6. OSA

<https://leg.colorado.gov/agencies/office-state-auditor/local-government>

- May 2<sup>nd</sup> the first round of data was sent to school districts.
- May 9<sup>th</sup> individual emails were sent to school districts with two or more indicators, requiring a response.
- Please review your district's information and contact OSA by Tuesday, May 29th with any questions.
- The analysis will be provided to CDE and the Legislative Audit Committee on October 1, 2018

11. Adjourn: There being no further business to come before the Committee, meeting adjourned.