

**FINANCE COMMITTEE
MINUTES
April 18, 2019**

A meeting of the Finance Committee was held on Thursday, April 18, 2019 at 8:30 a.m. at the District Office, 31717 United Avenue, Pueblo, Colorado.

Chairwoman Nichols announced a quorum was present.

COMMITTEE MEMBERS PRESENT:

Ann Nichols-Chairwoman, Kevin Karney-Vice-Chairman, Bill Long, Seth Clayton, and James Broderick

COMMITTEE MEMBERS ABSENT AND EXCUSED:

Greg Felt

OTHERS PRESENT:

Pat Garcia, Board of Directors; Tom Goodwin, Board of Directors; Mitch Downs and Hillary Carlson, Osborne, Parsons & Rosacker; Leann Noga, Finance Manager; and Stephanie Shipley, Accounting Specialist SECWCD.

APPROVAL OF MINUTES:

Chairwoman Nichols confirmed that members of the Committee received their copy of the March 21, 2019 minutes and asked if there were any corrections or additions. Hearing none, Mr. Karney moved, seconded by Mr. Long, to approve the March 21, 2019 minutes. Motion unanimously carried.

ACTION ITEMS:

Financial Reports and Check Review

Mrs. Noga summarized the financial statements and check registers for March 2019. Chairwoman Nichols then asked for a motion to accept the both items. Mr. Clayton moved, seconded by Mr. Karney to accept the financial statements and check registers for March 2019. Motion unanimously carried.

PRESENTATIONS:

2018 Audit

Mr. Downs and Mrs. Carlson of Osborne, Parsons & Rosacker summarized the significant audit findings letter dated April 10, 2019. She explained to the Committee the many items that were audited for year-end 2018. She drew the attention of the Committee to the notes 6 (page 26) and 11 (page 30) of the financial statements. These two notes referred to the many changes as a result of the Amendment 11 of the Fryingpan-Arkansas Contract and the Hydroelectric Power facility ongoing construction. She also noted that these changes were well documented in the Management Discussion and Analysis.

Page 2
Finance Committee Meeting
April 18, 2019

Mrs. Noga explained that the 2018 Audit was completed and no significant errors were found. She commended Mrs. Shipley for the exceptional work that she contributed to the audit process. Mrs. Noga then explained that one adjusting entry was accepted during the audit process:

Adjusting Entry 1: \$100,000

A correction to the Enterprises investment in the amount of \$100,000. This error was found during the audit process and corrected. This correction required the auditor to record this as an adjusting entry.

Mr. Downs added that their opinion of the financial statements were fairly presented, in all material respects for each major fund of the District and Enterprise for December 31, 2018, also in conformity with generally accepted accounting principles in the United States of America. Mr. Downs and Mrs. Carlson entertained questions.

ACTION ITEMS (ADDITIONAL):

Chairwoman Nichols asked for a motion to accept the 2018 Annual Financial Audit. Mr. Clayton moved to accept the 2018 Annual Financial Audit, seconded by Mr. Karney. Motion unanimously carried.

Chairwoman Nichols explained that throughout the year the Finance Committee accepts the monthly financial statements, then after the annual audit the Committee approves the financial reports for the year. Chairwoman Nichols asked for a motion to approve the 2018 financial statements. Mr. Karney moved to accept the 2018 financial statements, seconded by Mr. Clayton. Motion unanimously carried.

INFORMATION ITEMS:

None

OTHER BUSINESS:

2019 Financial Strategy and Sustainability Study Update

Mrs. Noga reminded the committee that the Executive Committee would hold the first workshop regarding the Financial Strategy and Sustainability Study on Tuesday, April 23, 2019 from 10:00 a.m. to 2:00 p.m. at the District office. The subject of Workshop 1 will be *Preparing Long-Term Financial Plan*. The workshop will include a presentation as well as a first look at the draft financial model. She informed the Committee that the Executive Committee agenda and meeting material had been posted on the Board member communication website and emailed to the study advisors. All other meeting attendees will receive a printed copy of the information at the meeting. Mrs. Noga also noted that meeting information would be available to the public on the District web site on April 24 at the following web page <https://secwcd.org/content/finance-strategy-and-sustainability-study>.

Page 3
Finance Committee Meeting
April 18, 2019

NEXT MEETING:

The next Finance Committee meeting will be May 16, 2019 at 9:00 a.m.

ADJOURN:

Chairwoman Nichols adjourned the meeting at 9:22 a.m.

Respectfully submitted,

Leann Noga
Finance Manager