

**FINANCE COMMITTEE
MINUTES
April 19, 2018**

A meeting of the Finance Committee was held on Thursday, April 19, 2018 at 8:35 a.m. at the District Office, 31717 United Avenue, Pueblo, Colorado.

Chairwoman Nichols announced a quorum was present.

COMMITTEE MEMBERS PRESENT:

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

COMMITTEE MEMBERS ABSENT AND EXCUSED:

None

OTHERS PRESENT:

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

APPROVAL OF MINUTES:

Chairwoman Nichols confirmed that members of the Committee received their copy of the March 15 ,2018 minutes, and asked if there were any corrections or additions. Hearing none, Mr. Clayton moved, seconded by Mr. Karney, to approve the March 15, 2018 minutes. Motion unanimously carried.

ACTION ITEMS:

Financial Reports

Mrs. Noga summarized the financial statements for March 2018 revenues and expenditures. Chairwoman Nichols then asked for a motion to accept the financial statements as presented. Mr. Karney moved, seconded by Mr. Clayton to accept the financial statements for March 2018. Motion unanimously carried.

Check Review

Mrs. Noga reviewed checks written and paid in March 2018. Chairwoman Nichols asked for a motion to accept the check register. Mr. Karney moved to accept the check register for March 2018, seconded by Mr. Clayton. Motion unanimously carried.

PRESENTATIONS:

2017 Audit

Mrs. Noga explained that the 2017 Audit was completed and no significant errors were found. She

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commended Mrs. Shipley for the exceptional work that she contributed to the audit process. Mrs. Noga then explained that two adjusting entries were excepted during the audit process:

Adjusting Entry 1: \$5,600

In 2017, the District purchased a vehicle which was added to the depreciation schedule. Staff found that the depreciation total included the trade-in value as well as the purchase of the vehicle. This error was found and corrected after supplying the trial balance reports to Osborne, Parsons & Rosacker, LLP. The timing of the correction of this error required the auditor to record this as an adjusting entry.

Adjusting Entry 2: \$7,013

Osborne, Parsons & Rosacker, LLP found that the accrual of the pre-payment of the Fountain Valley Authority payment was recorded in error. Looking back at previous audits this had also been the case. This item was flagged due to the \$7,013 difference in total. Fountain Valley Authority had additional conveyance in 2017 making a more obvious change in the dollar amount. Management accepted this adjusting entry. Moving forward, staff has revised the directives of the audit process so that this entry is a regular year-end entry.

Mrs. Carlson of Osborne, Parsons & Rosacker summarized the significant audit findings letter dated April 5, 2018. She explained to the Committee the many items that were audited for year end 2017. 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, 2017, also in conformity with accounting principles generally accepted in the United States of America. Mr. Downs and Mrs. Carlson entertained questions.

2016 TABOR & Revenue Limits

Mrs. Noga confirmed to the committee that for the year end December 31, 2017 the District and the Enterprise were in compliance with the Tax Payers Bill of Rights (TABOR) as well as all State of Colorado tax revenue limits.

ACTION ITEMS (ADDITIONAL):

Chairwoman Nichols asked for a motion to accept the 2017 Annual Financial Audit. Mr. Clayton moved to accept the 2017 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 2017 financial statements. Mr. Karney moved to accept the 2017 financial statements, seconded by Mr. Clayton. Motion unanimously carried.

INFORMATION ITEMS:

Mr. Broderick informed the Committee that starting June 2018 we would have additional meetings to

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continue the discussion of the “Framing the Future”. The focus of the meeting will be finances regarding fund balances, reserves accounts, proposed policies, and proposed resolutions.

OTHER BUSINESS:

None

NEXT MEETING:

The next Finance Committee meeting will be May 17, 2018 at 9:00 a.m.

ADJOURN:

Chairwoman Nichols adjourned the meeting at 9:15 a.m.

Respectfully submitted,

Leann Noga
Finance Manager