

## **Exhibit 4**

**FISCAL OVERSIGHT COMMITTEE (FOC) MEETING  
THURSDAY FEBRUARY 10, 2011 3:45pm to 5:15pm  
MINUTES OF MEETING**

<b><u>In attendance:</u></b>	<b>Bonnie Betz</b>	<b>Meghann Silverthorn</b>
	<b>Ken Buckius</b>	<b>Chris Stutler</b>
	<b>Jack Christensen</b>	<b>Stephanie Stanley (by phone)</b>
	<b>Dan Gerken</b>	<b>Rose Ann Barranco</b>
	<b>Dr. Nancy McCallin</b>	<b>Joann Lee</b>

**Adoption of the December 9<sup>th</sup> Minutes of Meeting:**

**Ken Buckius moved and Chris Stutler seconded that the minutes of the last meeting be approved. The motion passed and the minutes were approved. Joann Lee will record minutes and transmit them to the formal recorder, Kevin Larsen, for review.**

**Outstanding Items from Prior Meeting:**

**1.) Status of FY2009-2010 Audit – Significant Deficiencies**

**Accounting staff in conjunction with the external auditors, Bondi LLC, will determine the best process for reconciling the capital asset values in DCSD's general ledger with that of American Appraisal, a third party provider of DCSD. The District's general ledger valuations were not reconciled with American Appraisal at the end of their valuation process in FY 2008, The valuation done by American Appraisal resulted in a Governmental capital asset valuation greater than that recorded in the general ledger and a capital asset valuation in the business-type capital assets that was less than that recorded in the general ledger.**

**The District will soon initiate a District wide inventory process to verify our capital assets. The District is considering instituting a policy that requires a capital asset inventory be done every second year.**

**2.) Auditor RFP**

**The Auditor RFP will be postponed until after the FY2010-2011 audit. The current auditors have a five year contract, with one year remaining; therefore, Bondi will be responsible for the FY2010-2011 audit.**

**Expectations and timelines will be established and communicated ahead of time with the current auditors to ensure a timely completion of the CAFR.**

**3.) Option Certificates**

**The Choice Task Force presented their best information and recommendations to the Board of Education in December. The BOE acknowledged the work of the Choice Task Force and requested DCSD**

Staff to further refine the recommendations and bring back recommendations to the BOE. Presently, staff has had numerous meetings with private schools inquiring about their interest in participating in the DCSD Option Certificate Program. The recommendation includes:

1. provisions that only current existing DCSD students may participate in the lottery to receive these scholarships.
2. a maximum of 500 students in the first year's pilot program.

DCSD Staff will meet with CDE again to confirm that CDE will fund the scholarship students.

At the March 8<sup>th</sup> (now on March 9<sup>th</sup>) Board meeting, Dr Fagen will present staff's recommendations, at which if the Board approves the recommendation, implementations of the Option Certificate Program will go forth. It was requested that FOC members receive the proforma identifying the program costs

#### **Nomination of Vacant Member:**

A subcommittee of the FOC, reviewed the six applicants for the vacant member position. Rose Ann has compiled the rankings and the tabulation has been sent to Meghan and Dan. Rose Ann will contact the top three candidates for interviews.

#### **Master Capital Plan:**

*Presented by Diane Doney, COO*

The DCSD 2010-2011 Master Capital Plan was developed in coordination with the Long Range Planning Committee and was presented to the FOC by Diane Doney, COO. Highlighted points to the Capital Plan include enrollment projections, facility capital needs, technology capital needs and land inventory. Facility Capital needs total \$148.1 M, (new construction totaling \$55.1 M and preventive maintenance items at \$93 M) Technology Capital needs were included at a total cost of \$36.6 M, (computer and server refresh, upgraded financial and human resource system, and CITE).

An elementary school is planned in Parker and Castle Rock areas. Also needed is an additional wing to the Castle View High School. An additional wing in the current Early Childhood Center in Castle Rock is in consideration for the Option Certificate Charter and Home School staff.

The Master Capital Plan has not been advertised to the public. With the support from the Board of Education

#### **Budget Update:**

Bonnie addressed the committee regarding the Budget Update presentation given at the DAC & SAC Forums held on February 8<sup>th</sup> and 9<sup>th</sup>. To date the

total FY2011-2012 Deficit Statewide is \$1.1B, resulting in a K-12 reduction of \$250M - \$400M. The estimated revenue decrease to DCSD is between \$18M to \$30M. DCSD is planning on a \$25M reduction after a study of all the increases in costs.

**Direction of the FOC from the Board of Education**

Board members Dan Gerken and Meghann Silverthorn stated that the responsibilities for the FOC committee are to include financial standing points (oddities), election advice, financial expertise and community perspective.

**Future Agenda Items:**

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

- >Management Letter from the Charters
- >Pro Forma for Options Certificate Program

**Outstanding Items from Prior Meetings**

- >Scope and timeframe on the Budget Reduction Process
- >Results of last year's DAC and SAC's survey on budget reductions
- >Additional options for reductions

**Miscellaneous:**

**Meeting Adjourned:**

The meeting adjourned at 5:47 p.m.