



Denver Public Schools  
Professional Compensation System for Teachers

# ProComp

## MEETING MINUTES

### ProComp Trust Board of Directors FY20 Meeting #2

Wednesday, November 13, 2019

4:30 – 6:00 pm

Emily Griffith Campus (EGC)

1860 Lincoln St., Denver, CO 80203

11<sup>th</sup> Floor – Conf. Room 1135A or

720-423-7777, Conf ID: 5031299

**In Attendance:** Kris Bethscheider, Erik Johnson, Scott Murphy, Tom Buescher, Jeff Buck

**In Attendance (phone):** Chuck Carpenter, Lisa Flores, Brian Weaver

**Others:** Emily Marcus, Mark Elmshouser (CLA), Paul Niedermuller (CLA)

**Invited:** Chris Kampe, Kris Bethscheider, Jeff Buck, Cara Sterling, Chuck Carpenter, Lisa Flores, Erik Johnson, Emily Marcus, Scott Murphy, Tom Buescher, Brian Weaver (Waller); Michelle Hix & Ramona Lewis; Mark Elmshouser (CLA)

**Called to order: 4:38pm by Buescher**

#### **Discussion Item: FY19 ProComp Audit**

- Buescher introduces CLA
- Mark Elmshouser is the principal in charge of the ProComp audit engagement. He is retiring at the end of this year, though, and this is his last year with ProComp. Paul Niedermuller will be taking over – he is also a principal in the Denver offices with multiple years of experience.
- Niedermuller reviews the governance letter:
  - Overall the governance letter will walk through any changes or aspects to governance. There were no new changes or governance changes for FY19. There were no findings surrounding governance around the organization
  - Another item to note is that there is information within the financial statements that aren't audited – required supplemental information that is attached, though.
  - One of the supplemental exhibits attached to the governance letter is about any adjustments or changes they found – only found a few minor reclasses and nothing else
  - DPS management also signed a representation letter, which CLA attached to the governance letter
- Elmshouser walked through the financial statements:

- Page 1 is the independent auditor's report – the culmination of the report and explains the relationship of financial statements and auditors, as well as governmental activities and major findings. They also look at management and internal controls of funds.
- The auditors are engaged for an opinion based on their procedures and tests of internal controls, structure, and processes not on the structure of them but on the financial statements. They found that ProComp FY19 is presented in accordance with GAAP and governmental accounting standards.
- Additional required supplemental activity – management discussion and analysis that follows the report and budget-to-actual reports. These are both required.
- Page 2, last paragraph, shows that the final report was audited under governmental auditing standards and assessed internal control structure and compliance with rules and regulations.
- Page 4 – Management discussion and analysis, as well as condensed assets and liabilities with final net position. There was a significant increase in assets, specifically investment in ColoTrust. This is up due to positive operating results of this year – almost by \$3.5M.
  - Liabilities were consistent year over year. Salaries and benefits are the biggest part and what ProComp owes to DPS.
- Overall net position is \$12,272,830.
- Page 5 – Condensed statement of activities with revenue and expenses. Most revenues were from property tax.
  - Expenses saw a significant drop in instructional – almost \$5.2M – expected to see this drop based on structure of benefits, stopping usage of fund balance that we had seen in the past, and looking forward to the new structure.
- Pages 7 and 8 are the same statements but show government wide, thus with more detail.
- Page 9 shows more financial statements, including general fund and governmental fund. The difference of these is due to timing of how property tax revenue is recognized. There is a \$608k difference based on timing
- Page 10 shows operating results with timing of property tax revenue taken into account with a \$383k change.
- Page 11 and following are footnotes, policies, ColoTrust investments, and more. There is nothing new or different for FY19 compared to prior years that needs to be called to attention.
- Murphy asks for clarification on property taxes and how that is recognized, specifically pages 9 and 10.
  - Elmshouser explains: It compares the total levied to the total collected – government wide, recognize everything levied if not there through the end of the year. The government funds statements show only what is collected through 60 days after year end. The \$608k would be collected after the 60 days after FY19 officially ended.
- No further questions for Elmshouser or Niedermuller.
- Buescher asks for a motion to adopt the FY19 ProComp financial statements as presented today.
  - Murphy moves to adopt the ProComp financial statements for period ending 6/20/2019.
  - Flores seconds
  - All members vote in favor – no nays or abstentions.
  - Motion passes
- The Board thanks Elmshouser and Niedermueller, and they depart from the meeting.

### **Action Item: Approve 10/22/2019 Meeting Minutes**

- Buescher asks if any changes to the prior meeting minutes
- Buescher has one correction – page 3, third bullet in bottom section, correct “...all DCTA in positions” to “all DCTA or all District in positions”.
  - Marcus will correct this
- Johnson motions to approve the minutes, with one edit proposed by Buescher
  - Bethscheider seconds
  - No further discussion or comments
  - All members voted in favor; no nays or abstentions
  - Motion passes

### **Discussion Item: Future Agenda Items & General Discussion**

- Next meeting in February or March – exact date will be decided at a later time
- Buescher asks for discussion if 4:30pm start time is too tight for everyone to arrive and proposes starting at 4:45pm instead to ensure people can make it
  - All agree for 4:45pm start time going forward
- Johnson announces that this is his last ProComp Trust Board meeting and that he is leaving the District at the end of the year. Jim Carpenter, current executive director of Choice and Planning with past leadership experiences in municipal and schools abroad, will be assuming the role of CFO on December 1. Johnson will stay on to help transition through the end of the year.
  - Members thank Johnson for his help throughout the years and wish him the best going forward.

**Adjourned: 5:00pm by Buescher**