

**DEVELOPMENTAL PATHWAYS, INC.**  
**Board of Directors Meeting Minutes**  
**Tuesday, December 11, 2018**

**Members Present:**

Tim Batz, Kristin Hoover, Adam Horney, Beth Klein, Dr. Michaela McDonnell, Tim Moore, Commissioner Nancy Sharpe, JoAnne Zboyan

**Members Absent:**

Excused: Chris Becze, Commissioner Diane Holbert, Beth Klein, Mayre Lynn Schmit, Monique Peyton

**Others Present:**

Melanie Worley, Matt VanAuken, Lloyd Sweet, Ed Bowditch, Deidra Tjerandsen, Casey Garcia, Malinda Anderson, Karen Flores, Board Nominee Daniel Sampson, and Eide Bailly Auditor, Ksenia Popke

The meeting of the Developmental Pathways, Inc. Board of Directors was called to order by the Board President, Mr. Batz at 5:39 p.m. A quorum was established by Ms. Myers.

**Guests:** Darlene Beals, Cindy Stevens

**Conflict of Interest**

None.

**Public Comment**

Ms. Beals and Ms. Stevens introduced themselves separately indicating they each have a child receiving services. Ms. Beals came to learn more about Developmental Pathways and Ms. Stevens would like to receive more insight into the legislative audit that was just released.

Mr. Batz closed public comments.

**Consent Agenda**

**a. Approval of Regular Board Minutes – November 13, 2018**

**MOTION: Mr. Horney moved for the approval of Consent Agenda items as presented, the motion was seconded by Mr. Moore. It was approved by unanimous voice vote.**

**Executive Committee** – Mr. Batz

Mr. Batz announced that Mr. Daniel Sampson, Board Nominee, was present this evening and would be formerly introduced later in the agenda.

Ms. Myers and Ms. Zboyan provided a brief introduction of Mr. Sampson, Board Nominee, and shared some of his background which included his career in leading and educating at-risk adults, working with the Boys and Girls Club, and an assistant director of communications for the Washington Redskins. Mr. Sampson's brother has been in service with Developmental Pathways for many years.

**Legislative Update** – Mr. Bowditch

Mr. Bowditch attended the SMART Government Act Briefing for the Department of Health Care Policy and Finance that was held this morning and provided a brief summary. The focus of the briefing was the CCB Audit that was released last week. The Legislative Audit Committee summarized the audit, and, in all cases, the Department agreed with the recommendations. Some matters discussed included the I/DD waitlist, case management functions, processes, and better business practices. One issue the auditors spent the most time on was the 15-minute increment timesheet for billing more than 24 hour a day and the Department will decide if whether to continue this method of billing. There was a lot of interest from the members of the audit committee to move away from the 15-minute time increment indicating when oversight changed from Human Services to Health Care Policy and Finance, rates might not be needed here; audit committee asked for a follow-up regarding this matter.

Mr. Bowditch further indicated that the presentation today was primarily the audit committee providing an abbreviated presentation to the house and senate committees. The audit committee will continue to work with all the CCBs to address recommendations and areas for potential change.

**Finance Committee** – Mr. Batz and Mr. Sweet

The October 2018 YTD financials were reviewed. Below is a summary of the Developmental Pathways Consolidated October 2018 Financials:

**Balance Sheet:**

Assets	\$35,842,957
Liabilities	\$ 4,854,123
Fund Balance	\$30,988,834

**Statement of Operations:**

	<b>Actual</b>	<b>Budgeted</b>
Revenues	\$ 13,523,901	\$14,280,544
Expenses	(\$ 14,076,434)	(\$15,013,658)
Excess of Revenues Over Expenses	(\$ 552,533)	(\$ 733,114)

In accordance with SB16-38, we are required to review and approve financial statements at least quarterly. With that said, we will not present financials at every Board meeting, but rather on a quarterly basis. Financial reports are posted on the Board portal approximately 1-week prior to Board meetings. Mr. Batz provided a brief overview of the October 2018 YTD Financials.

Ms. Batz asked for a motion to approve the October 2018 YTD financials.

**MOTION: Dr. McDonnell moved for the approval of the October 2018 YTD financials; the motion was seconded by Ms. Hoover. It was approved by unanimous voice vote.**

**Presentation and vote of the 6/30/18 Financial Statements – Eide Bailly, Auditors**

The Consolidated Financial Statements of Developmental Pathways, Inc. and Affiliates, specifically, Housing Corp I, II, and III, and SUN Foundation were presented and reviewed by auditor, Ms. Popke of Eide Bailly, for the year ended June 30, 2018. Ms. Popke gave the Board an overview of the audit process and then walked them through the Consolidated Financial Statements step by step. The auditors communicated that there were no corrections to the financial statements and that this is an indication that management is diligent and careful and good oversight was conducted during the year.

After review of the audited statements, Ms. Popke spoke about an additional letter that was addressed to the Board from Eide Bailly affirming that Eide Bailly (auditors), are required to provide their auditing standards, responsibilities, and internal controls, what they do and what they don't do, in accordance with general auditing standards generally accepted in the United States of America.

Mr. Batz thanked the auditors for their summary and recognized the internal team for all the work they do. Further, Mr. Batz indicated that there is nothing in the audit that should alarm the Board. Further, he thanked the Finance staff for all their effort in assisting with the audit process.

Ms. Flores will be adding individual audits and the consolidated audit to the Board portal.

**MOTION: Mr. Batz moved for the approval of the 6/30/18 Consolidated Audited Financial Statements. The motion was seconded by Mr. Horney. It was approved by unanimous voice vote.**

**New Board Training – Mr. VanAuken**

Mr. VanAuken provided a handout that was prepared by Mr. Harcey, Director of Human Resources & Learning and Organizational Development, regarding *Board of Director's Onboarding* and gave a brief synopsis of the training process.

Mr. VanAuken expressed that the Board share any new training opportunities and/or ideas that they may have. Mr. Batz mentioned that the Colorado Secretary of State offers a 5-module e-learning class for nonprofits that in part covers Board member roles and fiduciary responsibilities. Mr. Moore indicated that he has taken this class.

Mr. Moore complimented Mr. Harcey for consistently fine-tuning this training program.

**Nominating Committee** – Ms. Zboyan & Mr. Batz

In Ms. Schmit's absence, Mr. Batz advised that no Board members are up for renewal at this time. Ms. Zboyan asked Board Nominee, Daniel Sampson, to say a few words. Mr. Sampson expressed his enthusiasm to be on the Developmental Pathways Board and indicated that being the younger brother of a sibling with I/DD has motivated him and inspired him to serve as a Board member with Developmental Pathways.

Ms. Batz asked for a motion to approve the nomination of Mr. Daniel Sampson to the Developmental Pathways Board of Directors.

**MOTION: Ms. Zboyan moved to approve the nomination of Mr. Daniel Sampson to the Developmental Pathways Board of Directors; the motion was seconded by Commissioner Sharpe. It was approved by unanimous voice vote.**

**Development Committee** – Ms. Worley

Ms. Worley reported that there were 229 gifts received totaling \$198,599 from July 1-December 11, 2018. As of to-date, the Sweet Fund has received 44 gifts totaling \$25,470, and for Colorado Gives Day, there were 39 gifts totaling \$5,765 for respite care.

Upcoming Events: Shining Star Gala – May 3, 2019 (Highlands Ranch Mansion)  
- Seeking Host Committee Members and Sponsorships

**New Business**

**CFO Report** – Mr. Sweet

Mr. Sweet provided the following updates:

Douglas and Arapahoe counties have agreed upon the procedures audit. This audit will begin in January 2019 and are expected to be completed by the end of February. The audit will be conducted by Eide Bailly.

Developmental Pathways has executed an additional extension to the lease on the Mississippi building through March 31, 2019 to accommodate construction on the new space leased at Sable and Jewell. The expected move-in date to the Sable and Jewell property has been moved to the end of March 2019. There were some issues related to water in the first-floor concrete that needed to be resolved with the building owner prior to beginning construction on the property. Those issues have been resolved with the building owner. As a part of the resolution to the issue, we were provided an additional free month of rent. We continue to be excited about the opportunities available in the new space. This space will be more efficient, and the overall cost will be less than the Mississippi building.

Mr. Sweet said goodbye to the Board stating the hard part about leaving is the relationships he has built with the Board; "it's hard to leave after seven years". The Board members thanked him for his many years of service to Developmental Pathways.

**CEO Report** – Ms. Worley

Ms. Worley recently attended Colorado Counties, Inc. (CCI) and the Think Tank (Colorado Cooperation) and had a chance to start to talk to government leadership and get involved in the changes that are happening in the state.

**Adjournment:**

There being no further business to come before the Board, the meeting was adjourned at 7:13 p.m. Adjournment motioned by Ms. Zboyan and seconded Mr. Horney. Approved unanimously.