AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, July 25, 2019
6 p.m.

1. Minutes – Action needed

2. Financials
   - Starpoint general – Information
   - EHS –
   - Presentation by Zenk and Assoc. our auditing firm

3. Public comment

4. EHS
   - Policy Council and Board report – Information

5. State/Legislative Updates – Information

5. Other Business
   - Remove signers from Bank of the San Juans Account – Action needed
     Jeff Corron
     Claudia Stevens
     Angie Dutton

   - Kathleen Kennedy letter of interest Foundation Board – Action needed

   - Revised Personnel Policies and Employee Handbook – Action needed

7. Reports from Directors

STARPOINT
BOARD OF DIRECTORS MEETING
Thursday, May 30, 2019

Chairperson Annette Nimmo called meeting to order at 6 p.m.

Fremont County board members present: Annette Nimmo, Linda Bay, Jake Francis. Chaffee County board members present via teleconference: Terry Prewitt, Mike Dowdy, and Danielle Frost.

Others present: Bob Arnold, Jami Roy, Mary Yang, Brenda Aguirre, Yvonne Bustos, Bryanna Marsicano, Bob Gardner, legal counsel to the board via teleconference, and Bill Davis via teleconference from Salida.

MINUTES OF THE PREVIOUS MEETING
Minutes of the previous meeting were approved on a motion by Jake Francis and a second by Linda Bay.

FINANCIALS
There were no financials presented due to Jeff Corron's resignation. We have hired his replacement Julie Watts who will be starting Monday 6/3/19. Bob Arnold reported that we are still waiting on the audit to be completed.

PUBLIC COMMENT
There were no public comments.

EARLY HEAD START
Brenda Aguirre reviewed the EHS Grant #08CH010644 application for Baseline funding for 2018-2019. She explained that this was the second year of a five year grant. There eight sections of information needed for the grant process and Brenda reviewed each of them with the board.

1. Update of the Community Assessment
2. Self-Assessment
3. Training Plan
4. Training and Technical Assistance Plan
5. Program Goals, Objectives and Program Impact
6. Cost Allocation Plan
7. Selection Criteria List
8. Annual Report to the Public

The board approved the EHS Grant proposal with a motion by Danielle Frost and a second by Terry Prewitt.

STATE/LEGISLATIVE UPDATES
Bob Arnold reviewed the state legislative session that just wrapped up. All IDD services including, services on the DD, SLS, and CES waivers, as well as EI rates will receive a 1% across-the-board provider rate increase, which will be back-dated to be effective July 1, 2019. These increases are in addition to the HB18-1407 increases of 6.5% in March. The amended version of State Bill SB19-238 requires HCPF to

increase HCBS homemaker, homemaker enhanced, and personal care services by 8.1%. The increased funds must be 100% used to increase DSP wages and benefits. There are 399 new DD Waiver Resources and 150 emergency waivers. Additional decisions included in the Long Bill are that Early Intervention will received additional funding. The Joint Budget Committee included funding to eliminate the State SLS waitlist. The JBC also included funding to enroll 272 individuals from the FSSP waitlist and funding to create the Office of Employment First. Bills that we followed closely are HB19-1045 Office of Public Guardianship Operation Consideration. Bob explained that we followed House Bill HB19-1210 which allows a unit of local government to enact laws establishing a minimum wage within its jurisdiction. Bob explained that there have been meetings with State folks regarding Conflict Free Case Management. Conflict Free Case Management (CFCM) prohibits the delivery of Case Management Support and Home and Community Based Direct Services by the same agency or entity.

OTHER BUSINESS

Bob Arnold presented examples from other CCBs succession planning to replace their Chief Executive Officers. Bob is planning on retiring in July 2020. Jake Francis wanted to be sure we would encourage in house applicants for the CEO Positon. Annette Nimmo liked parts of the three different plans. Bob Arnold will develop a formal succession plan for his replacement with Jake Francis's assistance. Bob will also put together a compensation package for the new hire so that the board can approve.

Bob Arnold also presented the board with a resolution to give Jami Roy and Julie Watts the authorization to sign checks, contracts and all other necessary business documents. The resolution was approved on a motion by Jake Francis and a second by Danielle Frost.

REPORTS

- Brenda Aguirre reported that the application for the STEAM Fair was approved and will be at SPIN on Elm 6/15/19. The will have 15 vendors with STEAM activities.

- Jody Berg attended the state wide Early Intervention Conference in Glenwood Springs. EI staff have been trained on Tele Health which will prove beneficial in the upcoming winter months. Jody reported that the Salida School District reached out and asked if we would perform pre-school evaluations during the summer. We agreed to the evaluations.

- Bryanna Marsicano explained that they are watching the Conflict Free Case Management situation waiting to see how it all works out. We have moved six families to the CDASS program. Looking forward to the CHIRP waiver.

- Yvonne Bustos told the board that the plan of correction has been accepted for the Class B license. She has also obtained a person to do QMAP classes so that our RN can spend more time focusing on our consumer care than staff training. Adult Services currently has 35 job openings.

- Jami Roy reported that the personnel policy review is making good progress. The plan is to wrap up the new policies in June. Once the policies are completed they will be sent to Laura Gardner for review. The plan is to present the new policies at the July board meeting.

- Bob Arnold pointed out that we have received a letter from the state designating us as a CCB for the period of July 1, 2019 to June 30, 2020.

- Mary Yang informed the board that the Torch Run on 5/23/19 was a huge success. The event raised $3,000 and had 100 participants. Bocce Ball will be starting the week of 6/10/19 for our consumers. The consumers had a successful bowling season with a banquet at the end. Mary reported that she is very busy planning the Rim to Rim and Forks, Corks, and Farms event planned for September 7, 2019.

- Bill Davis told the board that the Salida Starpoint consumers and staff were selected to provide the Table Centerpieces for the Colorado Creative Industries Summit held at the Salida Steamplant. The annual ATV ride was 5/19/19. The weather was good and they had a lot of participants.

Next meeting will be July 25, 2019.

Janet E. Trujillo

Janet Trujillo, Board Vice Chairperson

Bank account balances as of July 25, 2019

BSJ	MM-1458	127,145.68
BSJ	Rep Pay-4399	55,667.80
Legacy	MM-3705	1,224,627.20
Legacy	Payroll-3692	2,375.73

DEVELOPMENTAL OPPORTUNITIES, INC.

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STARPOINT

STATEMENT OF FINANCIAL POSITION
June 30, 2018

ASSETS

Current assets	
Cash and cash equivalents	$ 1,534,815
Cash set-aside	184,614
Accounts receivable	
Fees and grants due from governmental agencies	1,374,022
Other accounts receivable	82,800
Prepaid expenses and other	141,275
Total current assets	3,317,526
Property and equipment, net	4,460,910
Total assets	**$ 7,778,436**

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable and accrued expenses	$ 584,815
Overpayments due to the State	184,614
Total liabilities	769,429
Net assets	
Without donor restrictions	
Undesignated	2,548,097
Net investment in property and equipment	4,460,910
Total net assets without donor restrictions	7,009,007
Total liabilities and net assets	**$ 7,778,436**

See accompanying notes to financial statements and Independent Auditor's Report

DEVELOPMENTAL OPPORTUNITIES, INC.
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STATEMENTS OF ACTIVITIES - Continued
For the Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restriction	Total
Expenses			
Program services			
Medicaid comprehensive services	$ 9,708,898		$ 9,708,898
State adult supported living services	16,989		16,989
Medicaid adult supported living services	120,487		120,487
Early intervention	366,336		366,336
Family support services program	87,923		87,923
Case management	394,145		394,145
Early Head Start	707,055		707,055
Children and family services	1,490,982		1,490,982
Total program services	12,892,815	-	12,892,815
Supporting services			
Management and general	814,288		814,288
Development and fundraising	93,046		93,046
Total supporting services	907,334	-	907,334
Total expenses	13,800,149	-	13,800,149
Change in net assets	**(546,104)**	**-**	**(546,104)**
Net assets, beginning of year	7,555,111	-	7,555,111
Net assets, end of year	**$ 7,009,007**	**$ -**	**$ 7,009,007**

See accompanying notes to financial statements and Independent Auditor's Report

Early Head Start	Children and family services	Total	Supporting Services Management and general	Supporting Services Development and Fundraising	Supporting Services Total	Total Expenses
$ 578,007	$ 1,217,904	$ 9,542,758	$ 574,697	$ 55,532	$ 630,229	$ 10,172,987
16,201	2,413	1,412,878	61,331	137	61,468	1,474,346
21,258	23,391	267,322	26,486	1,799	28,285	295,607
26,103	32,351	270,777	4,651	5,490	10,141	280,918
1,060	37,245	227,341	48,740	1,170	49,910	277,251
2,055	84,670	228,299	-	-	-	228,299
3,591	21,705	164,466	36,740	25,246	61,986	226,452
10,127	18,327	191,659	4,421	455	4,876	196,535
28,811	15,322	185,503	7,108	1,222	8,330	193,833
8,981	11,088	104,927	16,583	199	16,782	121,709
8,367	5,526	92,013	8,506	1,125	9,631	101,644
-	4,449	90,042	-	-	-	90,042
2,311	16,591	52,590	24,959	671	25,630	78,220
183	-	62,240	66	-	66	62,306
$ 707,055	$ 1,490,982	$ 12,892,815	$ 814,288	$ 93,046	$ 907,334	$ 13,800,149

DEVELOPMENTAL OPPORTUNITIES, INC.
dba
STARPOINT

NOTES TO FINANCIAL STATEMENTS
Error! Unknown **switch argument.**

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Developmental Opportunities, Inc., dba Starpoint (the Center) was incorporated under the laws of the State of Colorado in 1972 for the purpose of providing a community center board to coordinate programs through interagency cooperation and local agencies to provide services to persons with developmental disabilities in Fremont, Chaffee and Custer counties. In 2001, the Center expanded its operations to include Jefferson County, and in 2002 it expanded again, this time to Denver County. The Center is currently operating under the trade name of Starpoint. In September 2003, the Developmental Opportunities Foundation (the Foundation) was incorporated for the purpose of supporting and benefiting the Center. The Center's board of directors has the power to appoint a majority of the directors of the Foundation and, accordingly, the Center is required to consolidate the financial activity of the Foundation in the Center's financial statements. The Center's revenue comes primarily from the State of Colorado.

Program Services

Comprehensive Services (Medicaid funded) provide a full day (24 hours) of services and/or supports for adults which are designed to ensure the health, safety and welfare of the individual, and to assist in the acquisition, retention and/or improvement in skills necessary to support individuals to live and participate successfully in their community. These services are individually planned and coordinated through the person's Individual Plan. Additionally, services are provided to give individuals opportunities to experience and actively participate in valued roles in the community. These services may include a combination of life-long or extended duration supervision, training, and/or support such as Day Habilitation Services and Supported Employment.

Adult Supported Living Services (State and Medicaid funded) augment already available supports for those adults who either can live independently with limited support or who, if they need extensive support, are getting that support from other sources, such as family. Services provided may include a combination of life-long or extended duration supervision, training, and/or support such as Day Habilitation Services and Supported Employment. The Center has no responsibility for the living arrangement in the community.

Early Intervention is a program for children from birth through age two offering infants, toddlers and their families services and supports to enhance child development in the areas of cognition, speech, communication, physical, motor, vision, hearing, social-emotional developmental, and self help skills, parent-child or family interactions; and early identification, screening and assessment services.

Early Head Start is an income eligible program designed to meet the individual needs of families by helping parents to give their children the best possible start. The comprehensive programs combine home visits with Center activities. Services offered include playgroups, development checkups, fun learning activities, family clubs, home visits, access to the Toymobile van, family meals, and help getting access to other community services. Children served are between the ages of 0-3 years.

Family Support Services Program provides an array of supportive services to the person with a developmental disability and his/her family when the person remains within the family home, thereby preventing or delaying the need for out-of-home placement that is unwanted by the person or the family.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Accounts receivable
The majority of the Center's accounts receivable are due from the State of Colorado through Medicaid funding. Other receivables are primarily due from consumers for room and board. Accounts are due according to contractual terms and are stated at the amount management expects to collect from outstanding balances. The Center believes all receivables are collectible and that no allowance for doubtful accounts is necessary. However, if necessary, management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance. Such a determination is based on management's assessment of the current status of individual accounts considering a number of factors, including the length of time accounts receivables are past due and the Center's previous collection history. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge against the allowance or directly to bad debt expense.

Fair value measurements
Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Center groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Unobservable inputs that cannot be corroborated by observable market data.

Cash and cash equivalents are excluded from the fair value hierarchy as cash is generally measured at cost.

Property and equipment
Property and equipment are stated at cost at date of acquisition or estimated fair value at date of donation. The Center capitalizes property and equipment acquisitions of $5,000 or more that have a useful life of more than one year. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets. Lives are estimated at ten to forty years for buildings and improvements, and three to five years for equipment.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Income taxes
The Center is exempt from income tax as provided under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Center has adopted accounting requirements that prescribe when to recognize and how to measure the financial statement effects of income tax positions taken or expected to be taken on its income tax returns, including the position that the Center continues to qualify to be treated as a tax-exempt organization for both federal and state income tax purposes. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained.

Based on that evaluation, if it were more than 50% probable that a material amount of income tax would be imposed at the entity level upon examination by the relevant taxing authorities, a liability would be recognized in the accompanying statement of financial position along with any interest and penalties that would result from that assessment. When the Center has unrelated business income, the federal Exempt Organization Business Income Tax Return (Form 990T) would be subject to examination by the Internal Revenue Service for three years after filing. Should any penalties and interest be incurred, they would be recognized as management and general expenses.

Use of estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Adopted accounting pronouncements
In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic* 958): *Presentation of Financial Statements of Not-for-Profit Entities.* The amendments in this ASU make improvements to the information provided in financial statements and accompanying notes of not-for-profit entities. The amendments set forth the FASB's improvements to net asset classification requirements and the information presented about a not-for-profit organization's liquidity, financial performance and cash flows. The ASU will be effective for fiscal years beginning after December 15, 2017. The changes in this ASU should generally be applied on a retrospective basis in the year that the ASU is first applied.

Recent accounting pronouncements
In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606),* requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018. The Center has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.

NOTE 3 - FEES AND GRANTS DUE FROM GOVERNMENTAL AGENCIES

Accounts receivable due from governmental agencies at June 30, 2018 were as follows:

	2018
State of Colorado	
General Fund	$ 130,501
Medicaid	1,822,218
Part C	-
U.S. Department of Health and Human Services	58,764
School districts	23,245
Other	90,807
Due from governmental agencies	$ 2,125,535

NOTE 4 - PROPERTY AND EQUIPMENT

The cost of property and equipment and related accumulated depreciation at June 30, 2018 follows:

	2018
Land	$ 872,042
Buildings and improvements	5,914,081
Program and administrative equipment	226,585
Transportation equipment	1,176,744
Total property and equipment	8,189,452
Accumulated depreciation	(3,728,542)
Net property and equipment	$ 4,460,910

Depreciation expense for the year ended June 30, 2018 was $277,251.

NOTE 5 - DEFERRED REVENUE

Deferred revenue of $71,624 at June 30, 2018 represents amounts received but not yet earned by performance of services. The balance consisted of $52,927 of State adult supported living services funds and onboarding funds of $18,697.

NOTE 6 - LINE OF CREDIT

The Center has an $875,000 revolving line of credit arrangement with Legacy Bank which expired in April 2021. The line is secured by a deed of trust on two properties with a carrying value of $930,049. Interest will accrue on the unpaid principal balance of the loan at the rate of 5.5% until April 25, 2019, after which it changes to a variable rate equal to the Wall Street Journal prime plus 1.0%. There were no borrowings on the line of credit during the year ended June 30, 2018.

NOTE 11 - OVERPAYMENTS RECEIVED FROM THE STATE

During the year ended June 30, 2018, the State of Colorado changed its billing system. As a result of the changes, the Center received cash payments in excess of amounts billed of $830,912. As of June 30, 2018 the State has not requested reimbursement for the overpayments, however, the Center has elected to set aside the cash and recognize a related liability on the statement of financial position.

NOTE 12 - SUBSEQUENT EVENTS

NOTE 13 – LIQUIDITY AND AVAILABILITY

The Center operates on a balanced budget, and regularly monitors liquidity to meet its operating needs and other contractual commitments while also striving to maximize its available funds. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	$
Accounts receivable governmental agencies	
Accounts receivable other	
Prepaid expenses	
	$

The Center's primary sources of revenue and support are through fees through Medicaid. All of that support is available to be used at the Center's discretion. The Center receives grants and contributions representing approximately % of revenue and support, of which % is donor restricted support required to be used in accordance with the purpose restrictions imposed by the donors. The Center's objective is to maintain liquid financial assets without donor restrictions sufficient to cover 90 days of program expenditures.

EHS Board of Directors and PC Monthly Report

Month: March 2019

1) **EHS Enrollment:**

Enrollment: 75___Center-Based 10 Home-Based 57___ Waiting List —this includes some from 101-130% Category__9___

Pregnant Women: 8

2) **Number of EHS children receiving EI services: 11**

3) **Attendance for Center-based Option**: 93%

4) **(CACFP) Food program reimbursement**: $7.12

5) **Socialization-- Physical:**

March 5, 2019 socialization was held at the Family Center. Food was provided by Spin we had 0 EHS children, 0 siblings and 0 Adults.

March 26, 2019 socialization was held at the Family Center. Food was provided by Spin we had 2 EHS children, 0 siblings and 2 Adults.

6) **EHS Credit Card Purchases all booked on 3/15/19 :**

3/5/2019	Walmart		socialization	$60.76
3/8/2019	Walmart		Diapers and wipes	$124.69
			TOTAL	**$185.45**

7) **Correspondence from Regional Office& Program Summary**:
Funding guidance letter for Cost of living allowance in the amount of $14,154

EHS Board of Directors and PC Monthly Report

Month: April 2019

1) **EHS Enrollment:**

Enrollment: 74___Center-Based 10 Home-Based 56___ Waiting List —this includes some from 101-130% Category__10___

Pregnant Women: 8

2) **Number of EHS children receiving EI services: 11**

3) **Attendance for Center-based Option**: 93%

4) **(CACFP) Food program reimbursement**: $7.12

5) **Socialization- Language:**

April 4, 2019 socialization was held at the Family Center (Fairy Tale Night). Snacks were provided we had 9 EHS children, 4 siblings and 7 Adults.

April 16, 2019 socialization was held at the Safety Town. Snacks were provided we had 8 EHS children, 5 siblings and 7 Adults.

6) **EHS Credit Card Purchases all booked on 4/15/19 :**

4/3/2019	Quantum media		½ Steam van wrap	$1700.00
4/3/2019	Walmart		Ed. supplies	$124.69
4/15/19	Walmart		Diapers, wipes, supplies	$139.44
			TOTAL	**$1964.13**

7) **Correspondence from Regional Office& Program Summary**:
Not at this time

EHS Board of Directors and PC Monthly Report

Month: May 2019

1) **EHS Enrollment:**

Enrollment: 74___**Center-Based** 10 **Home-Based 54**____ **Waiting List —this includes some from 101-130% Category__9___**

Pregnant Women: 10

2) **Number of EHS children receiving EI services: 11**

3) **Attendance for Center-based Option**: 80% (ill child)

4) **(CACFP) Food program reimbursement**: $42.72

5) **Socialization-Cognitive:**

May 7, 2019 socialization was held at the Family Center. Food was provided by Spin we had 8 EHS children, 0 siblings and 8 Adults.

May 21, 2019 socialization was held at the Family Center. Food was provided by Spin we had 4 EHS children, 1 siblings and 4 Adults

6) **EHS Credit Card Purchases all booked on 5/15/19 :**

5/7/2019	Walmart		Diapers, wipes	$166.90
5/14/2019	Econolodge		Family emergency	$342.02
5/16/19	Walmart		Diapers, wipes, supplies	$107.27
5/28/2019	Parents as teachers		Home Visitor recertification	$240.00
			TOTAL	**$856.19**

7) **Correspondence from Regional Office& Program Summary**:
Not at this time

Kathleen Kennedy – Starpoint Foundation Candidate - A desire to serve.

I have a passion for Starpoint and the programs impact on our communities. As an employee and private citizen, I aim to share stories about the great work we do along with the opportunity for others to invest in the work as well. Being a creative by nature, I see every challenge as an opportunity, every event as another way to engage.

For the past few years I have volunteered my time, talent, and treasure to put the Starpoint message out there. I would like to expand my voice through a position on the Foundation Board. Through this opportunity, I feel I could strengthen and support an already cohesive team while lending my ideas to the overall picture.

Insurance Premium Charge to Employees

Starpoint has never charged employees for a portion of their insurance premium. The pressures of the required increase to the minimum wage has caused us to have a deficit, and we have one more phase of a $.90/ hour increase in January. We need to reduce some expenses but also look to ways to increase revenue. Charging employees for a portion of the insurance premium should be considered. The following examples are for the Board to consider.

All proposals assume a monthly amount based on 24 pay periods. In months with three pay periods no charge would be made to the third check. The figures assume 150 enrolled in the insurance plan.

Open enrollment is in August on the 19th. If we are to implement this we should give notice at the enrollment meetings. Our plan year begins October 1. We may also consider a sliding scale charging those who make more than a certain amount a different rate. I have not done a projection for this method.

Monthly Premium to Cover Employee	Per Month		Per Month		Per Month		Per Month		Per Month	
$ 243.53	20%	Per Check	25%	Per Check	30%	Per Check	40%	Per Check	50%	Per Check
	$ 48.71	$ 24.35	$ 60.88	$ 30.44	$ 73.06	$ 36.53	$ 97.41	$ 48.71	$ 121.77	$ 60.88
The figures assume 150 enrolled 24 pay periods		$ 87,670.80		$ 109,588.50		$ 131,506.20		$ 175,341.60		$ 219,177.00