



BC-04 Exhibit B

1. Name of board committee: **FINANCE ADVISORY COMMITTEE**

In accordance with the Government Finance Officers Association (GFOA) as well as recommendations made in past Durango School District 9-R financial audit management letters, the Durango School District 9-R Board of Education herein establishes a Finance Advisory Committee. The Board of Education recognizes the need for a Finance Advisory Committee as an external monitoring committee to help ensure continued financial safety and soundness in the district, and this committee is appropriately appointed under BC-04 Board Committees. The Finance Advisory Committee shall serve as an external monitoring body for the following Operational Expectations: OE-07 Financial Planning, OE-08 Financial Administration, OE-09 Asset Protection and shall recognize the limitations on its authority as described in BC-04 Board Committees.

2. MEMBERSHIP

Qualifications

The members of the Finance Advisory Committee shall be impartial observers of the district's finances. The members of the Finance Advisory Committee, excluding ex-officio members, shall not hold any other office in the district or be an employee of the district.

The Board of Education shall ensure that the members collectively possess the expertise and experience in accounting, auditing, and financial reporting needed to understand and address financial issues within the district.

Number of Members and Appointment

The committee shall consist of a minimum of five members and a maximum of seven members appointed by the Durango School District 9-R Board of Education.

The district's finance officer shall be an ex-officio member of the Finance Advisory Committee. Other ad hoc ex-officio members may be appointed by the Board of Education.

Term of Office

The term of office shall be for a period of two years beginning on July 1, XX and ending on June 30, X2. A member appointed to fill an opening will serve until the end of that term. No more than four (4) terms will expire in any one year. Members shall be eligible for reappointment for additional terms.

Removal from Committee

The Board of Education may remove any committee member who fails to attend three consecutive scheduled committee meetings. Any vacancies created by removal from the committee shall be filled by appointment by the Board of Education and the person or persons so appointed shall serve during the un-expired term of the member whose removal or resignation created the vacancy.

Compensation

Committee members shall serve without compensation.

Officers

The committee shall select from its membership a chairman and vice-chairman and such other officers as may be determined to be necessary or appropriate. A secretary shall also be appointed, but need not be a member of the committee.

3. FUNCTIONS AND DUTIES OF FINANCE ADVISORY COMMITTEE

- a. The Finance Advisory Committee shall provide input to the Durango School District 9-R Board of Education on various indicators of compliance for OE-07 Financial Planning, OE-08 Financial Administration and OE-09 Asset Protection. The committee shall meet on a monthly basis or otherwise as necessary.
- b. In accordance with Colorado law, all meetings of the Finance Advisory Committee shall be open to the public. All minutes of said meetings shall be published in an appropriate manner.
- c. The committee shall report on the results of its work to the Durango School District 9-R Board of Education twice annually or as otherwise requested.
- d. The committee shall review the work of the District Accountability Advisory Committee (DAAC) as appropriate to clarify the DAAC priorities relative to funding and instruction.

4. CHARGES FOR THE SCHOOL YEAR

- a. Budget. The Finance Advisory Committee shall review the district's budget for the following purposes:
 - i. The Finance Advisory Committee will review the finance director's budget for compliance with OE-07 Financial Planning indicators. The FAC will prepare a written or oral summary report to the board regarding the finance director's preliminary budget prior to the board's adoption of the preliminary budget. This report will identify issues that have engaged the attention of the committee, and will bring forth issues of relevance and concern raised by the committee members.
 - ii. The Finance Advisory Committee will receive and review monthly financial statements from the district. The committee will review revenues and expenses for compliance with the budget as adopted.
 - iii. The Finance Advisory Committee will review mill levy allocation to provide an opinion on alignment with ballot language as documented in the approved budget.
- b. The Audit. The Finance Advisory Committee will review the district's annual audit, and if appropriate, meet with the district's auditors. The Finance Advisory Committee will provide comments to the superintendent and the board, which supplement the audit. In addition, the Finance Advisory Committee will monitor the district's responses to recommendations made by the auditor. In conjunction with the auditors, the Finance Advisory Committee will provide input on indicators of compliance for OE-07 Financial Planning and OE-09 Asset Protection.

c. **Additional Charges.** The Finance Advisory Committee will work with the school board members on an annual basis to agree on any additional charges that may be required of the committee members each year. These additional charges will be listed in this section of this document each year when final approval is received from the Board of Education. The charges specific to the 2018-2019 fiscal year are:

- i. The Finance Advisory Committee (FAC) will review the district's budget for long-term financial viability and ensure that it is a balanced budget (defined as having sufficient current year revenues and approved fund balance equal to, or in excess of, current year expenditures).
- ii. Review the current health insurance fund and make recommendations for long term sustainability.
- iii. Continue with interaction and communication between FAC and DAAC.
- iv. Maintain communication with the Board of Education, Superintendent, Director of Finance, and Deputy Superintendent.
- v. Through the annual public budget meeting, review public input into district finances.
- vi. Share FAC recommendations with the Durango community
- vii. FAC will conduct interviews for members whose terms are expiring June 2018 and make their recommendation to the Board for candidates to fill those vacancies.
- viii. Review and comment on the district's financial policies.

Name of Committee Member	Current Terms
Art Chase	March 2007 – 2009; March 2009 – 2011; March 2011 – June 2013; June 2013 – June 2015; June 2015 – June 2017; June 2017 – June 2019
John Gillam	April 2011 – June 2013; May 2013 – June 2015; June 2015 – June 2017; June 2017 – June 2019
Stan Johnson	June 2015 – June 2016; June 2016 – June 2018; June 2018 – June 2020
John Reiter	June 2013 – June 2015; June 2015 – June 2017; June 2017 – June 2019
Liane Jollon	November 2018 – June 2020
Cheryl Wiescamp	June 2017 – June 2019
Tim Zink	September 2017 – June 2018; June 2018 – June 2020
Mick Souder	Ex Officio Board Member

Approved: June 8, 1999

Revised: February 2008; March 2009; June 2010; August 2010; October 2010; March 2011; April 2011; May 2012; June 2012; June 2013; June 2014; June 2015; June 2016 ; September 2017; January 2018; June 2018; August 2018; November 2018