Douglas County School District Re.1

OPERATIONAL PROCEDURES OF FISCAL OVERSIGHT COMMITTEE
ADOPTED BY FOC (April 10, 2025)

Name

The name of the Douglas County School District Re.1's ("DCSD" or "District") fiscal oversight committee shall be the "Fiscal Oversight Committee," hereinafter referred to in these Operational Procedures as the "FOC".

Purpose of the Fiscal Oversight Committee

The primary function of the FOC is to assist the Board of Education in fulfilling its fiscal oversight responsibilities with integrity and reliability. The FOC does not assume the ultimate fiscal responsibilities of the Board of Education (the "Board" or "BOE"). The Board and Superintendent retain the ultimate responsibility for the District's financial condition and for decision-making in all matters of policy and operation. In all matters related to the District's fiscal health, the FOC shall foster adherence to: (i) all applicable laws and recommended policies, procedures, and practices; and (ii) promoting attainment of best-in-class performance.

The scope of the FOC's responsibilities includes information gathering, fact-finding, and making recommendations in the areas of:

- Budget (Operating and Capital);
- Accounting, Audit, and Financial Reporting (Internal and External);
- Internal Controls over Financial Report;
- Banking (Commercial and Investment); and
- Other fiscal matters as assigned by the Board. For example, the activities of the FOC may also include an assessment of federal and state legislation, policies, and regulations in respect of the fiscal operations of the District.

At least annually, the FOC is to issue to the Board and Superintendent a report assessing work done since the date of the last report and a proposed work plan for the period ahead. It is the express intent of the Board that the FOC facilitate communication between the District and all concerned parties. The work of the FOC shall be complementary to and not compromise or infringe upon the work of the Board's Long Range Planning Committee or District Advisory Committee.

Duties and Responsibilities

In order to continuously improve upon the overall fiscal health of the District, the FOC in the performance of its duties and responsibilities shall develop a:

1) High Level understanding of DCSD's learning programs, development programs, support programs, and strategic plans through the inclusion of periodic scheduled guests and subject-matter experts at FOC meetings;

2) Working knowledge of school finance in Colorado including the District's participation in the state's Interest Free Loan Program; and

3) Working knowledge of the District's current and projected operating and capital budgets.

Accordingly, the FOC shall develop recommendations to maintain and/or improve upon the District's current and long-term strategies and budget plans. The FOC shall also review and comment on:

4) The Accounting, Audit, and Financial Reporting functions within the District through an evaluation of the financial reports and other financial information used internally and provided by the District to any governmental body or the public. The FOC shall promote the highest standards of accounting, auditing, and financial reporting as represented by generally accepted accounting principles (GAAP), generally accepted auditing standards (GAAS), and Government Auditing Standards (GAS). Particular attention is to be given:

a) The annual Budget, as may be amended;

b) Quarterly financial reports focused upon revenues, expenses, and investment returns;

c) The annual comprehensive financial report (ACFR) and related documents, e.g. Management
Letter;

d) Offering documents executed in conjunction with any marketing, sales plan and refunding plans; and

e) Other multi year debt obligations of the district

The FOC's duties and responsibilities also include:

5) A periodic review of the cash management practices of the District. Periodically, the FOC shall review and have a cursory knowledge of:

a) Commercial Banking
    i) Day-to-day banking relations and practices; and
    ii) Letters of Credit or other specialized banking products.
b) Investment Practices
    i) Investment Policy; and

ii) Investment Returns.

c) Investment Banking

i) Debt Policy;

ii) Issuance of Authorized Debt or other borrowing strategies;

iii) Management of Outstanding Debt or other outstanding obligations;

iv) Continuing Disclosure Responsibilities; and

v) Rating Agency Relations.

6) Prior to the Board asking for voter support for a mill levy override(s) – for consideration by the Board and Superintendent – the FOC is to opine in writing upon the need for such electoral question(s). The work of the FOC shall be to assess, but is not limited to the timing, amount, and purpose(s) of such override question(s).

7) Prior to the Board asking for voter support for the authorization to incur a multi-year debt obligation(s) – for consideration by the Board and Superintendent – the FOC is to opine in writing upon the need for such electoral question(s). The work of the FOC shall be to assess, but is not limited to the timing, amount, and purpose(s) of such bond question(s).

8) Other fiscal duties and responsibilities as requested by the Board.

9) The FOC shall periodically review and suggest as warranted modifications to these Operational Procedures.

In the performance of its duties and responsibilities, the FOC may participate in evaluating, and recommending the selection of professional services secured through formal solicitation processes. Possible examples could include solicitations for commercial banking services, underwriter, or the services of an independent, external auditor.

Membership

A. Establishment and Composition: The Committee shall determine the specific representative makeup of Voting Members and shall aspire to have a minimum of nine (9) and not more than fifteen (15) individuals serving as Voting Members each school year which runs from July 1 through June 30.

B. Qualifications and Limitations: The non-Board members of the FOC shall be impartial observers of the District's finances. Any community member considered for the FOC shall be independent from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the committee. The Board shall ensure the FOC possesses recognized expertise and experience necessary to competently fulfill the duties and responsibilities outlined above.
Membership is granted to Douglas County residents.

Meetings

A. Regular Meetings: Regular meetings of the FOC shall be held no fewer than nine times per year.

a. A meeting schedule for the next twelve months is expected to be established during the last annual meeting of the FOC.

b. Given it is the express intent of the Board to facilitate communication between the District and all concerned, it is expected all meetings of the FOC will be open to the public.

c. Subcommittees with no less than three members may be established to meet outside of the FOC regular meeting times; e.g. break-out study sessions; endeavors requisite to secure professional services; or otherwise fulfill the duties and responsibilities of the FOC. Subcommittee membership may include FOC members, but may also be expanded to include community volunteers. Monthly updates from these subcommittees are to be included on each month's agenda.