



CHARTER OF THE BUDGET AND FINANCE COMMITTEE DC RANCH ASSOCIATION, INC.

As appointed and approved by the DC Ranch Association (Association) Board of Directors (Board), the Budget and Finance Committee (Committee) of the Board is hereby ratified with the following:

MISSION: The Mission of the Committee is to ensure that the Association is adequately budgeted, and that financial records and reporting processes meet expectations set by the Committee, as well as associated policy requirements.

GUIDELINES: The Committee will:

- Be chaired by the Treasurer of the Board who will facilitate communications between the Committee and Board
- Serve at the pleasure of the Board
- Assure that all financial policy decisions recommended by the Committee are presented to the Board for consideration
- Decide to hold closed meetings to discuss confidential or privileged information that should be shared only with the Committee and the Board when deemed necessary

CHAIR GUIDELINES: The Budget and Finance Committee Chair will:

- Preside over Committee proceedings
- Coordinate meeting schedules, set agendas and assign tasks to subcommittees
- Fully share information with the Committee and the Board

AUTHORITY: The Committee is authorized to review and obtain information relevant to all fiscal matters of the Ranch Association. This includes copies of all current contracts. The Committee may make comments and recommendations to Ranch Management and the Board.

PURPOSE: The Committee should be familiar with the financial operations of the Association to help provide timely and understandable financial information to the Board. In the event there are significant financial concerns, the Committee will work with the Director of Financial Operations and the Executive Director to recommend potential solutions.

GOALS:

1. Review the Association's financial operations, including the annual budgets, monthly and quarterly financial statements reserve spending and cash flows. Review the Annual Audit Report and Auditors Management Letter prepared by the independent accountants.
2. Evaluate Reserve Fund balances to ensure they appear reasonable and have been reviewed annually as part of the budget development process. Ensure that reserve funds are appropriately invested in accordance with the Board's approved Investment Policy.
3. Work with the Director of Financial Operations and Executive Director in preparing any financial analyses requested by the Board.
4. Review investment results on a quarterly basis with third-party consultant make recommendations as needed to Management or the Board.
5. Report significant financial concerns to the Board and help to develop corrective actions.
6. Develop and maintain a professional working relationship with the Director of Financial Operations and the Executive Director, as well as the Association members of DC Ranch Association.
7. Review the annual budget during the preparation process and discuss with the Director of Financial Operations and the Executive Director areas and line items that do not appear reasonable or require further evaluation before presenting to the Board.
8. Review the impact to Association Neighborhood assessments as part of budgeting process.
9. Review the Association Accounts Receivable balances and aging report.

GENERAL: Committee meetings are open to any DC Ranch resident except for periods when confidential or privileged information will be discussed. The meeting schedule will be published on the DC Ranch web site. Financial review meetings will be held as the Chair deems necessary and appropriate, but at minimum, on a quarterly basis.

COMPOSITION of the COMMITTEE: The committee will consist of the Board Treasurer (the Chair of the committee) and may also include one additional Board member (Vice Chair), and up to five resident members. Having representatives from each of the four Ranch Villages is highly desirable. The Board will review and approve the committee charter and membership annually (typically during the first or second Board meeting after an election of new Board members).

COMMITTEE PRODUCTS: The Committee will report to the Board, as necessary and when requested. The Committee will work on the annual budget process and make recommendations and priorities for the annual budget. The Committee will also review the DC Ranch Reserve Report to ensure that all reserves are adequate.

Approved by the DC Ranch Association Board of Directors on June 1, 2020.