

BOARD POLICY EXPECTATION

With respect to execution of the budget and the actual, ongoing condition of the district's financial health, the Superintendent shall not cause or allow a material deviation from the annual budget or budget policy adopted by the Board, cause or allow any fiscal condition that is inconsistent with achieving the Board's Ends, or places the long-term financial health of the district in jeopardy.

CERTIFICATION

I hereby present my monitoring report on Executive Limitations Policy EL-8 "Budget Execution" in accordance with the monitoring schedule set forth in board policy. I certify that the information contained in this report is true as of August 26th, 2008.

Mark Mansell, Superintendent

SUPERINTENDENT'S INTERPRETATION OF POLICY

I interpret budget execution to mean the board expects me to follow the approved budget, protect the fiscal stability of the district, ensure the district adheres to sound fiscal practices and verify through independent audits that the public's trust in its fiscal oversight is well founded.

REPORT

There are nine specific areas described in this policy. The following will address each specific area of EL-8 as best as possible. At the time of this report, I believe that the district is in compliance with the Board's expectations.

- 1. The superintendent may not expend more funds than are anticipated to be received in the fiscal year unless authorized by the Board through utilization of available reserves or unless resources are made available through other legal means. **IN COMPLIANCE***

Once again, as in past years, the district has enjoyed good fiscal discipline. Our expenditures were within our projected budget parameters and less than actual revenues. This resulted in a slight increase in the district's ending fund balance.

2. *The superintendent shall not fail to maintain and protect the minimum maintenance of year-end general fund balance as budgeted. IN COMPLIANCE*

As called for in policy, the ending fund balance shall be no less than 5% of the budgeted amount. For fiscal year 2007/2008, the ending fund balance is projected to be approximately 7.8% of budget.

3. *The superintendent shall not fail to settle payroll and debts in a timely manner. IN COMPLIANCE*

Through the efforts of our accounts payable and payroll departments, along with the County Treasurer's office, the district has completed all payments in a timely manner. Last year the district reviewed its protocol for procurement of materials in an effort to more efficiently process the documents needed to obtain and track expenditures. This effort has resulted in a more streamlined process that allows us to handle our payment of debts quicker because we can obtain the necessary documents needed for proper oversight quicker.

4. *The superintendent shall not allow reports or filings required by any state or federal agency to be overdue or inaccurately filed. IN COMPLIANCE*

Almost all of the reports required of the district are monitored by OSPI and/or the ESD. District staff work hard to keep track of the wide variety of reports and filings that are expected from outside agencies. The few times we have been notified by OSPI that we missed a report, almost always we have submitted them appropriately and their own internal systems for tracking similar reports from the other 294 districts in the state were found to be the cause. The ultimate point is the system does work in an effort to double check that all required reports and filings are submitted in a complete and timely manner.

5. *The superintendent shall not fail to arrange for the bi-annual audit of all district funds and accounts. IN COMPLIANCE*

Because of the solid and consistent record of clean audits, the district could choose to be on a three-year audit cycle. However, every two years the district undergoes an independent external audit that is monitored and scheduled by the State Accounting Office (SAO). The SAO is also responsible for ensuring the audits are completed and fully disclosed to the public. Our next audit will occur during the spring of 2009.

6. *The superintendent shall not fail to aggressively pursue receivables after a reasonable grace period. IN COMPLIANCE*

The district has very little receivables, but those reimbursable expenses and grants that we do have, we diligently bill and pursue payment within a reasonable grace period.

7. *The superintendent shall not fail to keep complete and accurate financial records by funds and accounts in accordance with established fiscal accounting procedures as reflected in generally accepted accounting principles. IN COMPLIANCE*

Between the state audits, state and federal consolidated program reviews, monthly fiscal reports included in each board packet, and the oversight of the ESD fiscal department, it is fairly easy to see why we have such a solid track record of fiscal responsibility.

8. *The superintendent shall not fail to publish a financial condition statement annually as a part of the district's annual report to the public. IN COMPLIANCE*

The state mandated, designed and published F-196 is the key document to verify to the public that the district is faithfully managing and overseeing their money. This document will be made available to stakeholders via the district website.

9. *The superintendent shall not allow commercial entities to advertise or imply the endorsement of any product without board approval. IN COMPLIANCE*

The district has received no requests that were pursued to promote a commercial entity for advertisement or seek endorsement of the district over the past year.