

### **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, 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 EL4 "Business and Finance" in accordance with the monitoring schedule set forth in board policy. I certify that the information contained in this report is true as of May 12<sup>th</sup>, 2017.

Dave Holmes, Superintendent

### **SUPERINTENDENT'S INTERPRETATION OF POLICY**

I interpret this expectation regarding business and finance to mean the Board believes the district must be an excellent steward of the public's funds, materials, facilities and equipment. In general, the public provides a wide spectrum of resources to the district in order to meet all local, state and federal requirements in support of the students we serve. Using all resources wisely and consistently will increase the likelihood that that same wide spectrum of resources will continue and/or increase. This will give the district the capacity to maximize the opportunity students have to accomplish the expectations set forth in the Board's Ends Policies.

### **REPORT**

There are nine specific areas described in this policy. The following will address each specific area of EL-4 as best as possible. I am writing this report specific to the work and challenges that have been addressed since I began my contract on July 1st. The district has established many processes and policies over the years that have created a pattern of always meeting the expectations of the limitation. Almost all of those processes and procedures remain in place and have only been added to since my arrival. At the time of this report, I believe that the district is in compliance with the Board's expectations.

1. ***The superintendent shall not fail to develop a budget that is targeted to achieve the Board's Ends policies and meets all Board Executive Limitations policies.*** **IN COMPLIANCE**

In this transition year between superintendent leadership styles, philosophies and goals, I have worked hard to develop a budget that is not only targeted at student achievement around E-1 through 4 but is more transparent and accurate in detail.

This transparency should give the board and other stakeholders more confidence in how their tax dollars are being spent. Unfortunately due to delays at the state level, I am not able to complete a budget currently as we wait for legislative decisions that will impact our funding level. I do believe that the current budget that was produced during this limitation time span does meet the expectation of the board.

2. ***The superintendent shall not expend more funds than 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***

The track record over the past many years relative to meeting or exceeding budget expectations is very strong and consistent. Over this current budget year, we are projected to increase our ending fund balance considerably. This would indicate both effective and thrifty decision making around the current budget, but also show a pattern of conservative spending and budgeting. I feel very confident in the three budget related resolutions that the board passed this year that gives further direction in prioritizing both budget expenditures and improving the ending fund balance for the district.

3. ***The superintendent shall not fail to ensure that adequate fiscal controls and procedures are in place to meet appropriate financial safeguards and auditor requirements. IN COMPLIANCE***

This is an area that I have spent an extreme amount of time on over this year to date. Although we haven't received our final audit report for the preceding three year period, the initial feedback from the auditor is that the many changes that we've implemented throughout the year have put us in a position to meet audit requirements currently and in years to come. As part of the process to ensure this limitation is met, we will have the auditor conduct a one year audit next year in order to evaluate the results of our new changes. We will then move back to a standard 2 year audit cycle abandoning the previous 3 year cycle. I would like everyone to know that Laurie Kansanback has stabilized the business manager's position to the point that I can now count on both the timeliness and the accuracy of all the data I need to make good financial decisions.

4. ***The superintendent shall not fail to provide adequate and timely financial reports to the Board. IN COMPLIANCE***

Again, this is an area that I feel very good about the changes in the reports that the board receives every month. The changes, I believe, are an improvement to both the depth and breadth of the data as well as being more meaningful and easier to understand.

5. ***The superintendent shall not fail to keep the Board informed of changes to the financial conditions that will impact the budget. IN COMPLIANCE***

There are many examples of keeping the Board informed about potential changes to the financial conditions the district has faced over the year. In addition to the monthly board packet reports, I have given the board a number of updates both in email reports as well as in person. Those reports have contained updates concerning our accounting practices, our audit, the state budget process, the McCleary lawsuit impacts to our funding, the status of our local levy collections and our bonding capacity as it relates to the ability to pass a new school bond.

6. ***The superintendent shall not fail to maintain school facilities and adequately plan for future facility needs to achieve the mission of the district. IN COMPLIANCE***

We continue to work hard to maintain the facilities the community entrusts us with. This year, we added a maintenance position to improve our ability to move beyond reactionary repair to actual maintenance of facilities and equipment. A lot of our work this past “off season” revolved around the placing of two new portables and the improvements to our play fields. We are currently in the process of creating a “major project facility maintenance and upgrade plan”. This plan would include things like replacement of roofs, gutters, broken concrete, inside and outside painting, upgrades and repairs to aging HVAC units and so on. Once we’ve identified all of the needs, we will associate costs to them and then prioritize based on time frame for completion, cost and available manpower. The board will be presented with the completed plan.

7. ***The superintendent shall not fail to pursue alternative funding in pursuit of the district’s mission. IN COMPLIANCE***

Using a couple of the former superintendent’s favorite sayings, we operate on the premise of “thrifty not cheap” and doing things “the La Center way”. What this means is we continue to think long term not short term and we find ways to utilize donations, volunteers and grants in almost everything we do. This year alone, we obtained a grant to upgrade our kitchen equipment on both campuses. We also received a grant to expand our classified staff professional development opportunities, a grant to help our teachers and administrators work around better evaluations and finally a grant to support our new teachers and their mentors to improve beginning teachers’ success. Lastly, we partnered with the Swinerton Corporation to build a climbing wall on the high school campus. This will supplement our challenge course in our leadership experiences. This represented an \$80,000 donation. These are all examples of grants that we applied for and won based on needs that we saw during the school year or opportunities that presented themselves that filled needs.

8. *The superintendent shall not fail to allocate resources where needed to achieve the Board's Ends policies and meet the expectations of the Board's Executive Limitation policies. **IN COMPLIANCE***

This is an area that I have worked at very hard within a budget that I didn't create to provide resources in areas of need as I saw them develop. I believe I've been very successful in this work and we've met almost all needs and requests that have come up this year. We've been able to complete the personal computing ratio goal for chromebooks that Mark established two years ago. In addition, we were able to upgrade the video surveillance system to HD and complete coverage on both campuses. We improved the food service menu and ingredients in our breakfast and lunch programs. We have completed our literacy adoption purchases and provided teacher training with those materials and many other smaller expenditures that met needs across the district in many areas.

9. *The superintendent shall not fail to take reasonable and prudent actions to secure and protect district assets. **IN COMPLIANCE***

We continued this year to work diligently to protect and secure all district assets. As an example, we only had one incident of vandalism this year on the HS campus. We had the vast majority of the damage cleaned up before staff and students arrived and had the perpetrators caught within the week. This type of swift action sends the message that we value the district assets and we will continue to protect them regardless of the effort involved. I arranged for a safety and security review by the ESD just last month where we toured the entire district looking for situations or conditions that could lead to liability in the future. We've created a plan to address anything that was indicated as a possible problem.