Monitoring Report - Executive Limitations Policy
EL-4, Business and Finance

## 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 EL-4 "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 27th, 2014.

Dr. Mark Mansell, 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 a positive and supportive learning culture will be developed for students and therefore maximize the opportunity students will 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. At the time of this report, I believe that the district is in compliance with the Board's expectations.

1. ***Fail to develop a budget that is targeted to achieve the Board's Ends policies and meets all Board Executive Limitations polices.*** **IN COMPLIANCE**
   The Board has consistently been presented a budget that is student focused even in challenging economic conditions. There are many examples that could serve as reference points for this statement. In past years we have built budgets that protect and even expanded student opportunities in all areas. This includes advanced courses, technology enhancements, expanded learning opportunities (four-day a week kindergarten, Hawks Landing, Home School Academy, music and drama offerings, Phoenix Program, etc.) as well as many extra curricular experiences at all levels.

This upcoming year's budget will continue these offerings for students to meet the Board's expectations as well as add even more. We will be adding more math and technology learning experiences in the middle school, increasing summer school choices and a brand new opportunity for high school age students who are struggling with our new LINX program. All these opportunities and many more are part of the new budget (currently in development) for the 2014/15 school year.

2. ***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 nine years relative to meeting or exceeding budget expectations is very strong. As stated in #1 above, we have been able to expand services to students at the same time maintain the solid fiscal position the district is in. This has been accomplished by being consistent and proactive in developing and following a student focused budget. In each of the past nine years, our fiscal position, regardless of the economy or state/federal cutbacks, the district's fund balance has been maintained in a very stable condition.

3. ***Fail to ensure that adequate fiscal controls and procedures are in place to meet appropriate financial safe guards and auditor requirements.*** **IN COMPLIANCE**
   This is another area where the district has done an excellent job over the years. We just recently passed another state audit with flying colors. The district has received clean audits for the past sixteen years. This is a very positive example of having adequate fiscal controls and procedures in place to oversee the entrusted funds provided to the district by patrons.

4. ***Fail to provide adequate and timely financial reports to the Board.*** **IN COMPLIANCE**
   The Board is provided regular financial reports on a monthly basis. In addition to the normally provided documents, over my time as superintendent the Board has been provided additional detailed financial information in the form of a cashflow analysis. This analysis is provided from January of each fiscal year through August when the new budget year is about to commence. This allows the Board to see both current as well as anticipated expenditures. The cashflow also shows the Board the ending fund balance prediction that can be compared to the budget provided at the beginning of the fiscal year.

5. ***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 faced over the years. This is especially true since 2008 when the economy had a sharp downturn. Over the past six years, the upheaval in local, state and federal governments budgets and the financial consequences that resulted has consistently put the district in very uncertain fiscal situations. Throughout these years as the situation called for, the Board was well

informed of the variables that existed and timely recommendations were provided so informed decisions could be made.

6. ***Fail to maintain school facilities and adequately plan for future facility needs to achieve the mission of the district.*** **IN COMPLIANCE**
We have worked hard to maintain the facilities the community entrusts us with. Beyond our normal maintenance responsibilities, over the past years there have been many projects initiated to preserve the life span of our facilities. This includes roofing, siding and exterior painting of portables and permanent facilities. This summer we will update and repair two more portables (one on the K-8 campus and one on the HS campus). Additionally, we will be replacing the carpeting within the 1993 classrooms in the high school. These and many more are examples of maintaining our school facilities to the highest possible standards.

   Furthermore, the district maintains a long-term facilities plan that looks into the future in anticipation of student growth. Part of this plan includes expansion of our athletic facilities at the high school, which this project is currently underway. The district's capital facilities plan is set to be updated by the end of next year as the county begins their work to develop their new Growth Management Plan.

7. ***Fail to pursue alternative funding in pursuit of the district's mission.*** **IN COMPLIANCE**
The district has consistently sought and regularly found funding to support the efforts of staff to achieve the district's mission. Some examples of this is how the athletic fields at the high school were funded with approximately $2.5 dollars in cash, donations or in-kind contributions coming from non-school sources for every $1 of direct expenditure of district funds.

   Another example of this alternative funding goal is the completion of the new KWRL transportation facility at the La Center junction. To complete this project the district paid ¢20 on the dollar to be able to move all our buses off of the K-8 campus rather than paying for the entire project on our own. In both cases, the district's share for these facilities did not require any new taxes to our voters. This creative thinking has allowed the district to preserve it's available bonding capacity for the future new elementary school that is currently next on the facility needs list.

   Beyond facilities, we have worked with community partners, organizations and grant providers to fund CISPUS, bicycle program, Jump Start Backpack program, the new sound system and lighting for HS drama program and so much more. We have been very fortunate to have such wonderful, caring and supportive community members and partners that provide resources, time and expertise to provide expanded opportunities for our students.

8. ***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**

   Growing up in a family with three other siblings, I often heard the saying "fair does not mean equal". To me this means that allocating resources will most likely be uneven because the expenditures are based on the specific needs that take the highest priority. The anchors to measuring the unevenness in our efforts to support the students we serve are the Board Ends and EL policies. We focus our resources on those areas that will give the greatest return on investment for student learning relative to the Ends policies.

   Some students simply have a greater need for supports so they should receive a relatively greater share of the available resources. A couple of examples of extra expenditures to support those with the greatest needs include starting up the Home School Academy, enhancements to our digital network, adoption and purchase of math instructional materials and the maintenance of smaller class sizes across the district. All these expenditures were initiated to get closer to meeting the district's mission. Therefore, I can say with confidence that the allocation of resources was fair relative to the need to achieve the mission through providing equality of opportunity for students.

9. ***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. From building security to ensuring that the Board knows when assets need put into surplus; from overseeing financial safeguards to receiving another clean fiscal audit, there are many fine examples of responsible and appropriate protection of district assets that gives me confidence I am in compliance with this Board expectation.