Monitoring Report - Executive Limitations Policy
EL-8, Budget Execution

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 28th, 2012.

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**
   We were once again able to meet our fiscal targets with success. No budget extension was called for due to unanticipated changes in revenues or expenditures and we anticipate ending up in a stronger fiscal position than originally anticipated when the 2011/12 budget was approved in July of 2011. The Board did approve a budget extension in order to implement the interfund loan to retire the non-voted debt loans.

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 2011/2012 the ending fund balance is projected to be approximately 7.1% 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.

4. ***The superintendent shall not allow reports or filings required by any state or federal agency to be overdue or inaccurately filed.*** **IN COMPLIANCE**
   Due to our size, either the Office of the Superintendent of Public Instruction (OSPI) or the Educational Service District (ESD) to ensure timely and appropriate submission of necessary information monitors virtually all reports required of the district. Additionally, with our fiscal officer services being contracted through the ESD, we have significant access to the most current information on reporting and documentation requirements.

5. ***The superintendent shall not fail to arrange for the bi-annual audit of all district funds and accounts.*** **IN COMPLIANCE**
   The district once again received a clean audit report from the state's auditor's office through another federal fiscal audit this past spring. The board received a report on these audit results previously.

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. To assist in our record keeping so as to provide the most up-to-date information to patrons owing for fees and fines, the district upgraded to a digital receipting system this past year in all of our buildings.

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**
   As detailed in item #5 above, the district once again received a positive and clean audit by the state auditor's office. This is further evidence that sound fiscal accounting procedures are being adhered to.

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 (linked to the community section).

9. ***The superintendent shall not allow commercial entities to advertise or imply the endorsement of any product without board approval.*** **IN COMPLIANCE**
   The boosters had requested and received approval from the board to place banners up on the fences around the athletic fields a year ago and have done so without any issues. Since this was a board approved action and not one that I approved unilaterally, I believe I am in compliance with this expectation.