NORTH THURSTON PUBLIC SCHOOLS

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EXECUTIVE LIMITATIONS 3

FINANCIAL CONDITION POLICY

FROM: Dr. Debra Clemens, Superintendent
DATE: April 20, 2021

The Financial Condition Policy focuses on the actual, ongoing financial condition of North Thurston Public Schools.

Accordingly, the Superintendent shall not cause or allow the development of unreasonable financial risk or a material deviation of actual expenditures from Board priorities.

The Superintendent will not:

1. Expend more funds in a fiscal year than have been budgeted in that fiscal year.
2. Make a single purchase or commitment of greater than current state bid law minimum amount without Board approval.
3. Incur non-voted debt without Board approval.
4. **Operate without maintaining financial resources of at least six (6) percent (%) of total year end expenditures.**
5. Operate without actively pursuing accounts receivable.
6. Allow the untimely payment of payroll and debts.
7. Allow government ordered payments or reports to be overdue or inaccurately filed.
8. Operate without internal controls that prevent tardy, inaccurate, or misleading financial reporting.
9. Acquire, encumber or dispose of land or buildings.

Superintendent/CEO Interpretation:
The Board of Directors approve a comprehensive budget each year, which includes an ending fund balance of at least the required 6% minimum.

Superintendent/CEO Evidence Report:
March 2021 represents seven (7) months into the 2020-2021 school year. We would anticipate having 58.33% of budgeted expenditures spent and revenues collected at this time. Revenues as of March represent 51.43% of budgeted. This is due to lower than expected enrollment. Expenditures are at 51.58% of budget. We have strived to reduce expenditures as revenues were lower. However, we will be receiving ESSER funds to help offset some of the costs of COVID related purchases for PPE, additional learning resources for students and reopening of schools.

The approved budget is interpreted to be the financial limit for this spending policy parameter. We are not anticipating the need to spend over the total approved budget at this time. If there is a need we would bring forth a budget extension for board review and approval prior to expending beyond current budget.

Conclusion:
This data demonstrates that we are in compliance with this Executive Limitations Policy.