NORTH THURSTON PUBLIC SCHOOLS

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EXECUTIVE LIMITATIONS MONITORING REPORT

EL -2 FINANCIAL PLANNING AND BUDGETING POLICY

FROM: Dr. Debra Clemens, Superintendent
DATE: January 9, 2024

The Financial Planning and Budgeting Policy focuses on achieving the Board priorities established in the district Ends Policies and in the Superintendent's aligned Ends Policy Interpretation and resulting district Strategic Plan and not place the long-term financial health of the district in jeopardy.

Financial and Budget Planning:
Accordingly, the Superintendent will not present to the Board a recommended budget which fails to include:

Policy Criteria 4: Evidence-based projections of revenues and expenses for each major fund category, based on past performance.

Superintendent/CEO Interpretation:
Throughout the year we track and analyze the current revenues and expenditures of the district to ensure they are in-line with the approved budget. We use these numbers to also project the next years budget while also using 2 to 3 years of historical data as a trend analysis. With this information and the tools provided by OSPI, ForeCast5 and the ESD we can present an accurate budget to the Board that is based on past performance and district trends for each major fund category.

Policy Criteria 5: Expenditure in any fiscal year of more funds than are projected to be received or appropriated during the year unless otherwise approved by the Board.

Superintendent/CEO Interpretation:
Through the budget process we provide the Board with updates in an understandable format. If at any time during the year, we expect expenditures to exceed funds available, it will be presented to the Board for approval. We share all information known regarding state/federal

funding changes. We follow budget guidance provided by the legislature and OSPI in developing and maintaining our budget. We would file a budget extension if at any time the Board approved an increase of expenditures above projection.

Superintendent/CEO Evidence Report:
We believe we have met the expectations outlined in Executive Limitations Policy EL-2, Criteria 4 & 5. The budget provides projections of revenues and expenses for each major fund category. Further, expenditures planned in the proposed budget are aligned to revenues and includes estimated carry-over grant dollars from the previous budget year. We have met all deadlines established by RCW/WAC for budget. We use historical data, trend analysis and guidance from multiple sources to prepare our budgets. We have developed a budget that will allow the district to continue to implement and maintain the strategic plan goals. Also, noteworthy - our budget meets the Board's requirement in EL-3 of 6% reserves. The assumptions upon which this budget has been based have been presented to the Board of Directors. Changes in the assumptions will be provided to the Board through monthly financial updates. We have also provided a four-year projection as required by OSPI.

Conclusion:
The budget presented to the Board of Directors demonstrates that we are in compliance with this Executive Limitations Policy.