NORTH THURSTON PUBLIC SCHOOLS

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EXECUTIVE LIMITATIONS MONITORING REPORT

EL -2 FINANCIAL PLANNING AND BUDGETING

FROM: Troy Oliver, Superintendent
DATE: January 21, 2025

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

Budget Execution

Accordingly, the Superintendent will not allow a material deviation from the annual budget or budget policy which fails to:

Policy Criteria 5: Arrange for or support the annual audit of all district funds and accounts.

Superintendent/CEO Interpretation:

Each year the district will work with the state auditor's office for the annual financial statement audit.

Superintendent/CEO Evidence Report:

We believe we have met the expectations outlined in Executive Limitations Policy EL-2, Criteria 5.

- Each year the district reaches out to the auditor's office to schedule the annual audit of all funds and accounts.
- The district provides access to the financial software so that the auditors office can review all transactions within all funds at the account code level.
- The district assigns an audit liaison to be the point of contact for the auditors during the audit process. This allows a smooth and quick process of the annual audit.

Accordingly, the Superintendent will not allow a material deviation from the annual budget or budget policy which fails to:

Policy Criteria 6: Keep complete and accurate financial records by fund categories and accounts in accordance with established fiscal accounting procedures as reflected in generally accepted accounting principles.

Superintendent/CEO Interpretation:
The district keeps complete and accurate financial records that follow the generally accepted accounting principles.

Superintendent/CEO Evidence Report:
We believe we have met the expectations outlined in Executive Limitations Policy EL-2, Criteria 6.

- The district follows generally accepted accounting principles that are prescribed and required by the OSPI's accounting manual.
- Each month the financial records are reviewed and reconciled for accuracy.
- Once reviewed and reconciled the financials for each month are presented to the Board.
- The district's financial records are audited each year by the state auditor's office. The district has been in compliance each year.

Accordingly, the Superintendent will not allow a material deviation from the annual budget or budget policy which fails to:

Policy Criteria 7: Publish a financial condition statement annually as part of the district's annual report to the public.

Superintendent/CEO Interpretation:
The district will prepare and submit the year-end financials to the state each year and report to the Board upon completion.

Superintendent/CEO Evidence Report:
We believe we have met the expectations outlined in Executive Limitations Policy EL-2, Criteria 7.

- At the end of each fiscal year, the district provides year-end financials to the State known as the F196 which includes the details of revenue and expenses in each fund.
- Once the F196 is prepared and submitted to state, the district provides a year-end financial update to the Board.
- The district also prepares notes to the financials each year that are also audited by the state auditor's office.

- After the audit each year, the auditor's office releases the audit results along with copies of the year-end financials and the notes to the financials.

Conclusion:
The annual financial audit performed by the state auditor's office and release of the audit results confirms that we are in compliance EL 2 Financial Planning and Budgeting | Budget Execution, policy criteria 5, 6 and 7.