



SUMMARY OF COMPLIANCE STATUS
DECEMBER 2024

SUPERINTENDENT CERTIFICATION

With respect to OE-6 *Financial Administration* taken as a whole, the superintendent certifies that the proceeding information is accurate and complete, and the district is:

☒ In Compliance
☐ In Compliance, with Exception
☐ Not in Compliance

Summary Statement by Administration

Monitoring of operational expectation policies is part of the ongoing process of district performance evaluation and superintendent evaluation. This report includes an Areas of Focus for Continuous Improvement outlining new practices or protocols to be utilized for the next reporting timeframe and recommendations for suggested changes to Operational Expectations policies and/or indicators and interpretations. A Data Analysis on page 4 presents an administrative summary of the data. This report addresses 22 indicators of the superintendent's responsibility regarding Financial Administration.

Progress Reporting Summary

In Compliance

- 6.1.1, 6.1.2, 6.1.3, 6.1.4
- 6.2.1
- 6.3.1
- 6.4.1
- 6.5.1, 6.5.2, 6.5.3, 6.5.4
- 6.6.1
- 6.7.1, 6.7.2, 6.7.3
- 6.8.1
- 6.9.1
- 6.10.1
- 6.11.1
- 6.12.1
- 6.13.1, 6.13.2

In Compliance with Exception

- N/A

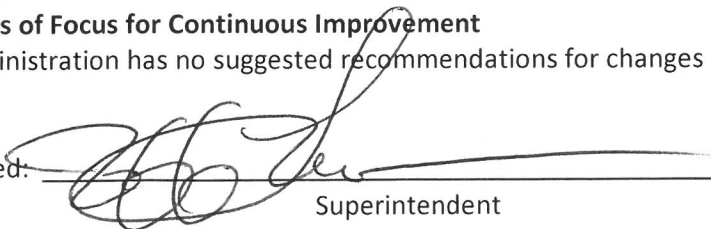
Not In Compliance

- N/A

Areas of Focus for Continuous Improvement

Administration has no suggested recommendations for changes at this time.

Signed: _____



Superintendent

Date: 12/9/2024



SCHOOL BOARD ACTION

With respect to OE-6 *Financial Administration*, the Board:

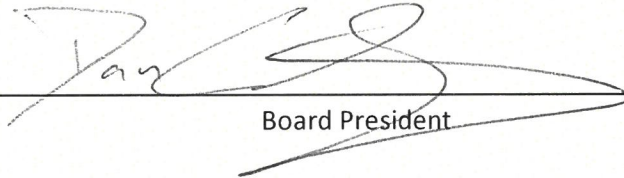
- ☒ Accepts the report as fully compliant.
- ☐ Accepts the report as compliant with noted exceptions.
- ☐ Finds the district to be noncompliant.

Summary Statement/Motion of the Board

No questions or comments regarding OE-6 *Financial Administration* from Board Members.

It was moved by Mr. Lee and seconded by Mrs. Peterson to accept the monitoring report for Policy OE-6 *Financial Administration* as In Compliance. Motion carried.

Signed: _____


Board President

Date: 12/9/2025

Data Analysis

The District has appropriate procedures and controls in place related to Financial Administration.

Revenues

All revenues were collected from Local, State, and Federal programs.

Expenditures

All payroll debts were paid in a timely manner. The board approved all required bids that are non-exempt under policy or ND Century Code.

Reporting

All mandatory reporting was completed. Many financial resources to the stakeholders are available on the district website.

OE-6 – Financial Administration

The Superintendent shall not cause or allow any financial activity or condition that materially deviates from the budget adopted by the Board; cause or allow any fiscal condition that is inconsistent with achieving the Board's Results priorities or meeting any Operational Expectations goals; or places the long-term financial health of the district in jeopardy.

Monitoring Report

The Superintendent Shall:

| | |
|--|----------------------|
| 6.1 Assure that payroll and legitimate debts of the district are promptly paid when due. | In Compliance |
| Interpretation: The school district has a very large payroll, by any business standard. For such a large, publicly visible business, with many employees and many vendors, an important part of good stewardship of taxpayer dollars is the prompt and accurate payment of payroll, bond and interest debt, and vendor bills. | |

| Indicator | Finding |
|---|----------------------|
| Indicator 1: All payrolls will be over 99% accurate. | In Compliance |
| Evidence: The district processes payroll every 2 weeks for support staff. Professional staff, administrators, and teachers are paid monthly. 99.87% of payrolls were deemed to be accurate for the 2023-2024 school year. | |
| Indicator 2: 100% of payroll liabilities are accurately paid within the timeframes established by the IRS and federal and state laws. | In Compliance |
| Evidence: 100% of payroll liabilities were accurately paid within the timeframes established by the IRS and federal and state laws. | |
| Indicator 3: 100% of invoices are reviewed by 2 separate individuals for completeness and appropriateness before a vendor is paid. | In Compliance |
| Evidence: 100% of invoices paid included proof of receipt of materials or service. All invoices are reviewed by two separate staff. | |
| Indicator 4: No vendor action is taken against the district for late payments. | In Compliance |
| Evidence: No vendor action has been taken against the district for late payments. | |

The Superintendent Shall:

| | |
|---|----------------------|
| 6.2 Assure that all purchases are based upon comparative prices of items of similar value, including consideration of both cost and long-term quality. | In Compliance |
| Interpretation: The board expects that the district will purchase competitively. | |

| Indicator | Finding |
|---|----------------------|
| Indicator 1: All purchases shall follow administrative policy related to purchasing. | In Compliance |
| Evidence: Purchases follow both ND Century Code and district policies. | |

The Superintendent Shall:

| | |
|--|----------------------|
| 6.3 Use a competitive bidding procedure for the purchase of supplies, materials and equipment, and any contracted services except professional services, for all transactions in excess of \$50,000, except as otherwise provided by law. | In Compliance |
| <p>Interpretation: State statute requires that purchases or projects costing more than \$50,000 must be bid. Professional services may be excluded from the bid requirement based on direction from the board. However, 6.2 and 6.3 create an expectation that even for professional services, competitive shipping through requests for proposals and including cost as one element should be considered. This section does not apply to contracts for:</p> <ul style="list-style-type: none"> • The personal services of district employees. • Textbooks and reference books. • Articles not sold on the open market. • Patented, copyrighted, or exclusively sold devices or features required to match articles already in use. • Patented, copyrighted, or exclusively sold articles so distinctive that only one brand can be purchased. • Building construction projects under chapter 48-01.2. • School transportation services purchased under section 15.1-30-11. • Vehicle fuel purchased under section 15.1-09-34.1. • Heating fuel purchased under section 15.1-09-34.1. • The purchase of a used motor vehicle, including a school bus, motorbus, or van, intended primarily for the transportation of students. • Cooperative purchases with the office of management and budget under chapter 54-44.4. • The purchase of products from prison industries under chapter 12-48. • The purchase of products from work activity centers under chapter 25-16.2. • Cooperative purchases made pursuant to a joint-powers agreement under chapter 54-40.3. | |

| Indicator | Finding |
|---|----------------------|
| Indicator 1: The board approves 100% of purchases over \$50,000 that are subject to bid under NDCC 15.1-09-34. | In Compliance |
| Evidence: In 2023-2024, all items that exceeded \$50,000 that were not exempt purchasing items under NDCC 15.1-09-34 were advertised and approved by the board. | |

The Superintendent Shall:

| | |
|---|----------------------|
| 6.4 Coordinate and cooperate with the Board's appointed financial auditor for an annual audit of all district funds and accounts. | In Compliance |
| <p>Interpretation: The statutorily required audit is an opportunity to be transparent, and to allow for examination of public resources to be affirmed continuously.</p> | |

| Indicator | Finding |
|--|----------------------|
| Indicator 1: The annual audit will be presented and reviewed at a public board meeting. | In Compliance |
| Evidence: The annual audit report for the period ending June 30, 2024, was presented to the board on December 9, 2024. | |

The Superintendent Shall:

| | |
|--|----------------------|
| 6.5 Make all reasonable efforts to collect any funds due the district from any source. | In Compliance |
| Interpretation: The board expects that the administration will be diligent in the collection of funds due the district by all sources of revenue. | |

| Indicator | Finding |
|---|----------------------|
| Indicator 1: All state aid is collected. | In Compliance |
| Evidence: For the fiscal year 2023-2024, all state aid was collected. | |
| Indicator 2: All local property taxes are collected. | In Compliance |
| Evidence: For the fiscal year 2023-2024, all local property taxes were collected. | |
| Indicator 3: All federal aid is collected. | In Compliance |
| Evidence: For the fiscal year 2023-2024, all federal aid was collected. | |
| Indicator 4: All child nutrition payments for meals served are collected. Any unpaid meal balances shall not exceed 1% of total meal payments. | In Compliance |
| Evidence: The unpaid meal balance was \$13,793.15. This is 0.38% of total meal payments. | |

The Superintendent Shall:

| | |
|--|----------------------|
| 6.6 Keep complete and accurate financial records by funds and accounts in accordance with Generally Accepted Accounting Principles. | In Compliance |
| Interpretation: The School District shall account for all revenues and expenditures per the North Dakota School District Financial Accounting and Reporting Manual (FARM) and use Generally Accepted Accounting Principles. | |

| Indicator | Finding |
|--|----------------------|
| Indicator 1: The annual audit indicates compliance with accounting principles. | In Compliance |
| Evidence: The annual audit presented to the Board on December 9, 2024, indicates compliance with accounting principles generally accepted in the United States of America. | |

The Superintendent Shall:

| | |
|--|----------------------|
| 6.7 Publish a financial condition statement annually. | In Compliance |
| Interpretation: The School District shall publish a report which contains fiscal information detailing the financial condition of the district. | |

| Indicator | Finding |
|--|----------------------|
| Indicator 1: The Annual Financial Report is presented to the board for acceptance and submitted to the North Dakota Department of Public Instruction (DPI) each year on or before the due date. | In Compliance |
| Evidence: The Annual Financial Report was approved by the board on September 9, 2024. The report was submitted to DPI on September 10, 2024 (due September 15). | |

| | |
|--|----------------------|
| Indicator 2: The Annual Audit Report is published on the district's website immediately after acceptance of the board. | In Compliance |
| Evidence: The annual audit report was made available on the website after the December 9, 2024 board meeting. | |
| Indicator 3: The district shall publish an annual report with financial summary information included. | In Compliance |
| Evidence: The district published the annual financial summary in the Bismarck Tribune in September. The district also published the annual report (includes a financial summary) in the Bismarck Tribune in September of 2024. | |

The Superintendent Shall Not:

| | |
|--|----------------------|
| 6.8 Expend more funds than have been received in the fiscal year unless revenues are made available through other legal means, including the use of fund balances, the authorized transfer of funds from reserve funds, or from tax anticipation notes. | In Compliance |
| Interpretation: The board expects that the district will not deficit spend. Any deviation from this may be done with board approval. | |

| Indicator | Finding |
|---|----------------------|
| Indicator 1: Any deficit budgets (expenditures greater than revenues) are submitted to approval by the board. | In Compliance |
| Evidence: The board approved the 2023-2024 budget with \$3,001,253 of expenses over revenues. The district ended with an actual of \$902,407 of revenues over expenses. | |

The Superintendent Shall Not:

| | |
|---|----------------------|
| 6.9 Indebt the organization. | In Compliance |
| Interpretation: Only the board may authorize debt except for voter approved bonds. | |

| Indicator | Finding |
|---|----------------------|
| Indicator 1: 100% of new debt issues are board approved except for voter approved bonds. | In Compliance |
| Evidence: The district had no new debt in 2023-2024. | |

The Superintendent Shall Not:

6.13 Receive, process or disburse funds under controls that are sufficient under generally accepted accounting principles.

In Compliance

Interpretation: The board expects that there are sufficient internal controls and procedures, so that an audit will not reveal any material violations in the handling of funds.

| Indicator | Finding |
|--|----------------------|
| Indicator 1: Annual Audit Report will show an unmodified opinion over all aspects of the financial statements and the major federal programs tested. | In Compliance |
| Evidence: The Annual Audit Report presented on December 9, 2024, was an unmodified audit over all aspects of the financial statements and the major federal programs tested. | |
| Indicator 2: Annual Audit Report will show no material weaknesses in internal control over financial reporting that relate to the receiving, processing, or disbursing of funds. | In Compliance |
| Evidence: The Annual Audit Report presented on December 9, 2024, did not show any material weaknesses in internal control over financial reporting that relate to the receiving, processing, or disbursing of funds. | |

The Superintendent Shall Not:

| | |
|--|----------------------|
| 6.10 Expend monies from reserve fund balances as defined in OE-5. | In Compliance |
|--|----------------------|

| |
|---|
| Interpretation: The superintendent must bring a recommendation to the board, which must approve the use of funds from reserve funds. |
|---|

| Indicator | Finding |
|--|----------------------|
| Indicator 1: Any reductions to the fund balance (reserve funds) must be included in the annual budget and subject to approval by the board. | In Compliance |
| Evidence: The 2022-2023 budget that was approved by the board reflects a decrease in the ending fund balance of \$3,001,253. The actual fund increased by \$902,407. | |

The Superintendent Shall Not:

| | |
|--|----------------------|
| 6.11 Permanently transfer money from one fund to another without services rendered. | In Compliance |
|--|----------------------|

| |
|--|
| Interpretation: Only the board may approve transfers between Funds. |
|--|

| Indicator | Finding |
|--|----------------------|
| Indicator 1: Any Fund transfers shall be approved by the board. | In Compliance |
| Evidence: No fund transfers were made. | |

The Superintendent Shall Not:

| | |
|---|----------------------|
| 6.12 Allow any required reports to be overdue or inaccurately filed. | In Compliance |
|---|----------------------|

| |
|---|
| Interpretation: The board expects that the staff will work diligently to file required fiscal reports on time. |
|---|

| Indicator | Finding |
|---|----------------------|
| Indicator 1: 100% of DPI status and due date reports show compliance and accuracy. | In Compliance |
| Evidence: For fiscal year 2023-2024, all required DPI reports are complete and submitted. | |