

Evidence: In October or November of each year, the Board discusses its needs and informs the Superintendent of required resources. Within the written budget parameters, the Board informed the Superintendent of the following prerogatives that were included in adopted budgets:

- Board professional development resources
- Board communications and promotions resources
- Board remuneration
- Board Audit
- Collective Bargaining resources

Compliance: I report compliance.

4. Omit disclosure of anticipated impact(s) of proposed plan/budget on students and taxpayers.

Interpretation:

I interpret this to mean that all anticipated impacts on proposed and adopted budgets will be fully disclosed to the Board and that proposed budgets will reflect all anticipated impacts.

Evidence: I certify that all adopted budgets in, 2017-18, 2018-19 and 2019-20 included these anticipated impacts:

- Monthly financial statements
- Audited financial statements
- Reports on Federal and State legislative activities
- Annual notifications of Health Insurance premium increases from VISBIT
- Annual notifications of the Base Education Amount (BEA) from the Agency of Education (AOE)
- Annual notification of Common Level of Appraisal from AOE
- Annual notification of Tax Rates
- Negotiated agreements
- Act 166 (Prekindergarten), Act 68 (Education Finance), Act 129 (Public School Choice Grades 9-12) Projections

Compliance: I report compliance.

Evidence: I certify the Audited Financial Statements and all budget information documents from July 1, 2015 to June 30, 2018 demonstrated compliance with these requirements. Additional evidence to support these requirements is reflected in Superintendent Monitoring Report- Policy 2.3: *Financial Condition and Activities*.

Compliance: I report compliance.

2. Omit credible [conservative] projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions

Interpretation:

I interpret this to mean that the adopted budget must be based on reliable planning assumptions. Cash flow must be appropriately managed for timely response to District needs and the integrity of capital and operational budgets must be maintained.

Evidence:

- Revenue and expense projections: Detailed revenue and expenditure budget reports are provided to the Board quarterly. The WSD Finance Manager provides a monthly revenue and expenditure budget forecast in the consent agenda via the Superintendent's Board Report. The administration uses these reports to manage fluctuations from projections. Any expenditure or revenue problems would be highlighted for discussion. Recommendations would be made for dealing with severe expense or revenue issues.
- Separation of capital and operational items: The Capital Reserve Fund segregates from our operating account those funds being held in reserve for capital purposes. When the Board approves expenditure of some of those funds for specific projects, money will be transferred to the General Fund, from where it will be expensed.
- Cash Flow: The level of cash flow necessary for District operations is based primarily upon the timing of property tax payments from the City, received in October and April, and the Education Fund payments from the State in September, December, and April. The WSD Finance Manager works with the Superintendent to ensure that appropriate cash flow is in place to meet the needs of District operations.
- Disclosure of planning assumptions: The presentation of the annual budget by the Superintendent to the Board and community includes goals and "budget assumptions", changes in staff and programs to enhance student learning, and the financial implication of the budget. The Board viewed the variables making up the residential tax rate calculation and the values assumed by the District administration.

Compliance: I report compliance.

3. Provide less for board prerogatives during the year than is set forth in the Governance Investment Policy.

Interpretation:

I interpret this to mean that the budget contains the level of resources requested by and necessary to support the Board for its operations and professional development.

MONITORING REPORT

POLICY 2.4: FINANCIAL PLANNING AND BUDGETING

This is my report on your Executive Limitations Policy 2.4: Financial Planning and Budgeting to the Board presented in accordance with your monitoring schedule. I certify that the information contained in this report is true.

Sean McManna
Superintendent

10/16/2019
Date

The superintendent shall not cause or allow financial planning/budgeting for any fiscal year or the remaining part of any fiscal year to deviate materially from the board's Ends priorities, risk financial jeopardy, or fail to be derived from a multi-year plan.

Further, without limiting the scope of the foregoing by this enumeration, there will be no financial plans/budgets that...

1. Risk incurring those situations or conditions described as unacceptable in the board policy "Financial Condition and Activities"

Interpretation:

I interpret this to mean that the adopted budget shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from board priorities established in Ends policies by:

- Expending more funds than have been received in the fiscal year to date.
- Expending more funds than have been budgeted.
- Spending any surplus revenues.
- Use any long-term reserves.
- Allowing for practices that do not comply with Generally Accepted Accounting Procedures.
- Receiving, processing or disbursing the organization's assets under internal controls that are insufficient to prevent and detect significant deficiencies or material weaknesses.
- Operate without internal controls that prevent and ensure against tardy, inaccurate, specious or misleading financial reporting.
- Incurring debt in an amount greater than can be repaid by certain otherwise unencumbered revenues within sixty days.
- Conducting inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain otherwise unencumbered revenues within thirty days.
- Allowing debts to be settled in an untimely manner.
- Allowing tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
- Allowing receivables to be unpursued after a reasonable grace period.
- Operating without internal procedures that detect, deter and prevent fraud.
- Accepting non-resident students unless tuition is being paid by another Vermont school district or the state with the exception of students exercising board approved school choice programs.