

# Lake Washington School District Executive Limitation Monitoring Report

## EL-10 Budgeting/Financial Planning August 8, 2016

**Executive Limitation:** Financial planning for any fiscal year shall align with Board’s *End Results* policies, ensure the district’s financial position is fiscally sound and derived from a multi-year plan.

Accordingly, the CEO shall develop a budget which:

1. Is in a summary format understandable to the Board and community presented in a manner that allows the board to see the relationship between the budget and the End Results priorities for the year.	In Compliance	◀ ▶
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### *Evidence*

The Budget Summary document has been designed to present the budget in an understandable format.

- The 2016-17 document includes information on the district’s strategic goals and objectives. The presentation to the Board provided information on budget enhancements by strategic goal area. In addition, changes to the format and content of the document are being made in accordance with the Association of School Business Officials (ASBO) Meritorious Budget Award, which outlines a prescribed format and content for the budget.

2. Adequately describes revenues and expenditures.	In Compliance	◀ ▶
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### *Evidence*

- The 2016-17 Budget Document presented to the Board details revenues and expenditures for each fund.

3. Shows the amount spent in each budget category for the most recently completed fiscal year, the amount budgeted for each category for the current fiscal year, and the amount recommended for the next fiscal year.	In Compliance	◀ ▶
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### *Evidence*

- The 2016-17 Budget Document details 2014-15 expenditures, 2015-16 budget, and the amount proposed for 2016-17 by account.

4. Discloses budget planning assumptions.	In Compliance	◀ ▶
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### *Evidence*

- Staff presented the budget at the June 20 and August 8 Board meetings. The presentation included the enrollment and state funding assumptions upon which the 2016-17 proposed budget was based.

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5. Plans for the expenditure in any fiscal year to be equal or less than are conservatively projected to be available during the year.	In Compliance	◀ ▶
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***Evidence***

- The expenditures proposed in the 2016-17 budgets are in alignment with anticipated revenues and fund balance resources.

6. Provides necessary information to the Board on matters with a significant budgetary impact, allowing the Board adequate time to consider the information presented.	In Compliance	◀ ▶
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***Evidence***

The Board receives a monthly financial report showing the current financial conditions of the district. These reports are to be completed 30 days after the end of the month, with the exception of year-end closing. Any deviations from the planned budget are noted on the monthly financial report.

Information was provided to the Board regarding the state and federal budget impacts. Throughout the year, financial forecasts are monitored as are impacts from legislative budget actions. The Board was updated as new information was received.

7. Considers feedback from the board.	In Compliance	◀ ▶
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***Evidence***

- The Board provided feedback on budget and strategic work during several study sessions this year including:
  - November 9, 2015 Study Session
  - March 2016 Extended Study Session
  - May 2, 2016 Study Session
  - June 6, 2016 Study Session
- The Board provided feedback and direction on bond planning in order to develop the capital projects fund budget.
- The proposed budget for 2016-17 was presented at the June 20, 2016 Board meeting.

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8. Provides for reasonable contingencies.	In Compliance	◀ ▶
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***Evidence***

The proposed budget includes budget reserves for inventory replacement, potential revenue shortfalls in future years, enrollment contingencies, unknown capital expenses, and emergency reserves.

9. Maintains the projected year-end fund balance is not less than five percent of the projected revenue.	In Compliance	◀ ▶
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***Evidence***

All funds meet or exceed the 5% reserve requirement.

10. Provides adequate and reasonable budget support for Board development and other governance priorities, including the costs of fiscal audits, Board and committee meetings, Board memberships, and district legal fees.	In Compliance	◀ ▶
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***Evidence***

- The 2016-17 Board budget of \$733,626 provides for Board training and memberships, the cost of the annual fiscal audit by the State Auditor, Board election expenses and anticipated legal support fees. This amount is based on past historical trends and anticipated needs. The table below reflects the three-year history:

	<b>2016-17 Budget</b>	<b>2015-16 Budget</b>	<b>2014-15 Actual</b>
State Auditor Fees	60,000	60,000	73,899
Election Expense	0	132,000	68,190
Legal Fees	563,000	563,000	520,683
Staff Salaries/Benefits	51,423	50,652	46,946
Board Association Dues	32,400	32,400	30,023
Board Training, Supplies, Conferences, etc.	26,803	26,803	20,518
<b>Total</b>	<b>\$733,626</b>	<b>\$864,855</b>	<b>\$760,259</b>

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11. Takes into consideration fiscal soundness in future years and builds on the organizational capabilities sufficient to achieve End Results in future years.	In Compliance	◀ ▶
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***Evidence***

The district maintains a multi-year budget forecast. Consideration of long-term financial impacts is part of decision making for any budget adjustments.

The district strategic plan identifies five strategic goals that focus organizational work to accomplish the district’s mission and vision. The resources for the identified work are included in the budget document and are designed to build organizational capabilities toward achieving the End Results.

- The 2016-17 budget includes resources to support work identified in the strategic plan, which help enable accomplishment of the Ends Results.

12. Reflects anticipated changes in employee compensation, including inflationary adjustments, step increases, performance increases, and benefits.	In Compliance	◀ ▶
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***Evidence***

The budget includes the known costs associated with the labor-management agreements with our various bargaining units including the costs for wages, step increases, and district provided benefits in the follow-on years of the contracts. Inflationary adjustments are incorporated based on data provided by the state.

- The 2016-17 budget includes 1.8% state provided cost of living allowance (COLA). Locally bargained increases have been anticipated and included in the district’s budget.

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13. Is based on reasonable consultation with appropriate constituent groups.

In Compliance



**Evidence**

Input on the budget was solicited from District Leadership Team members. Input from staff and parents was solicited via program surveys. Budget addition requests were solicited by, reviewed by, and prioritized by the Strategic Advisory Leadership Team (SALT), which is a representative group of building, central office, and department administrators who advise the superintendent. SALT used survey data to help inform budget recommendations to the superintendent, who created the final proposed budget.

- The district solicited input through a survey from certified staff members on program and strategic plan efforts. A representative group of teachers and administrators met with SALT to review the results of the survey and provide feedback on the strategic plan. A parent program survey also helped inform budget development requests. SALT’s budget recommendation considered this input in the budget process.
- A draft of the budget was presented at the June 20, 2016 regular Board meeting and posted on the district’s webpage to provide an opportunity for feedback. The draft budget document was also made available to interested members of the public.

I certify the above to be correct as of August 8, 2016.

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Traci Pierce, Superintendent