



INTERNAL MONITORING REPORT

To: WSD Board President and Board of Trustees
From: Wilmer Chavarria, WSD Superintendent
Re: **Annual Monitoring Report on Executive Limitations
Policy Title 2.3: Financial Condition and Activities**
Date: 11/08/2024

Dear Members of The Board,

Below please find my Annual Monitoring Report on your Executive Limitations Policy 2.3 "Financial Conditions and Activities," presented in accordance with your monitoring schedule. I certify that the information contained in this report is true.

Thank you for your work in advancing our Ends Statement in forming students who will "lead healthy, productive and successful lives and engage with their local and global community."

Respectfully Submitted,



Wilmer A. Chavarria, NBCT
Superintendent of Schools
Winooski School District
wchavarria@wsdvt.org

POLICY WORDING

Policy Title: 2.3 Financial Condition and Activities

With respect to the actual, ongoing financial condition and activities, the superintendent shall not cause or allow the development of financial jeopardy or material deviation of actual expenditures from board priorities established in Ends policies. Further, without limiting the scope of the foregoing by this enumeration, the superintendent shall not:

1. Expend more funds than have been received in the fiscal year to date.
2. Expend more funds than have been budgeted.
3. Spend any surplus revenues.
4. Use any long-term reserves.
5. Allow for practices that do not comply with Generally Accepted Accounting Procedures.
6. Receive, process, or disburse the organization's assets under internal controls that are insufficient to prevent and detect significant deficiencies or material weaknesses.
7. Operate without internal controls that prevent and ensure against tardy, inaccurate, specious, or misleading financial reporting.
8. Incur debt in an amount greater than can be repaid by certain otherwise unencumbered revenues within sixty days.
9. Conduct interfund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain otherwise unencumbered revenues within thirty days.
10. Allow debts to be settled in an untimely manner.
11. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
12. Allow receivables to be unpursued after a reasonable grace period.
13. Operate without internal procedures that detect, deter, and prevent fraud.
14. Accept 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.

1. INTERPRETATION (NO CHANGE)

1. Expending more funds than have been received in the fiscal year to date would entail making payments without having ensured that our assets are first materialized.
2. Expending more funds that have been budgeted entails making payments or promises of payment, or otherwise allowing funds to be used, that commit the WSD to financial liabilities beyond what is allowed under Board and voter-approved budgets.
3. Spending any surplus revenues is interpreted as making use of incoming revenue that was not planned prior to budget approval and for which the owners and the Board have not had a say in.
4. Using any long-term reserves means tapping into the fund balance by administrative discretion without explicit authorization from the owners through the Board.
5. Allowing for practices that do not comply with Generally Accepted Accounting Procedures means knowingly or deliberately endorsing, promoting, or not immediately intervening for actions within the business office that are not fully informed by the GAAP.
6. To receive, process, or disburse the organization's assets under internal controls that are insufficient to prevent and detect significant deficiencies or materials weakness means establishing grossly inadequate oversight structures for asset protection and administration leading to issues that threaten the financial stability of the WSD and its overall ability to operate and fulfill its obligations.
7. Operating without internal controls that prevent and ensure against tardy, inaccurate, specious, or misleading financial reporting means not establishing, reviewing, or regularly monitoring protocols, processes, and tools to maintain financial reporting that is timely and accurate.
8. To incur debt in an amount greater than can be repaid by certain otherwise unencumbered revenues within sixty days means committing assets that are not realistically materialized within that timeframe when this scenario can be prevented by following the established budget plans.
9. To conduct interfund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain otherwise unencumbered revenues within thirty days means that interfund shifting will not happen
 - a. unless by advance Board approval and
 - b. when used in situations of substantial need or
 - c. when other measures are not feasible or more costly and
 - d. when the other limited unencumbered revenues allow for this shifting to happen temporarily and no longer than thirty days.

2. INTERPRETATION (CONTINUED)

10. Allowing debts to be settled in an untimely manner means violating both legal and ethical payment responsibilities to financial institutions, vendors, and employees by failing to make agreed-upon payments within the agreed-upon timeframe.
11. Allowing tax payments or other government-ordered payments or filings to be overdue or inaccurately filed is interpreted as failing to submit tax filings and all other local, state, and federal payments past due dates.
12. allowing receivables to be unpursued after a reasonable grace period means not maintaining clear structures and expectations of timely and efficient receivables processes.
13. Operating without internal procedures that detect, deter, and prevent fraud means that the WSD would not incorporate preventative measures in a given fiscal year to bring the possibility of fraud to zero.
14. Accepting non-resident students would mean allowing the enrollment of students outside of the legal discretion of the Superintendent and failing to obtain prior Board approval.

3. EVIDENCE OF COMPLIANCE (NO CHANGE)

External audited statements, monthly and quarterly Financial Reports, Superintendent Board reports, Clerk and Secretary oversight, and multiple layers of internal accountability evidence the following for FY24:

1. No funds have been expended than have been received in the fiscal year to date.
2. No funds have been expended than have been budgeted.
3. Surplus revenues are not spent without Board approval.
4. Long-term reserves are used responsibly, transparently and by approval of the Board.
5. All accounting practices comply with Generally Accepted Accounting Procedures.
6. The WSD receives, processes, and disburses the organization's assets under internal controls that are sufficient to prevent and detect significant deficiencies or material weaknesses.
7. The WSD operates under internal controls that prevent and ensure against tardy, inaccurate, specious, or misleading financial reporting.
8. The WSD does not incur in debt in an amount greater than can be repaid by certain otherwise unencumbered revenues within sixty days without Board approval.
9. Interfund shifting does not occur in amounts greater than can be restored to a condition of discrete fund balances by certain otherwise unencumbered revenues within thirty days without prior Board approval.
10. Debts are settled in a timely manner.
11. Tax payments or other government-ordered payments or filings are filed accurately and before their respective due dates.
12. Receivables are consistently pursued after a reasonable grace period.
13. The WSD operates under internal procedures that detect, deter and prevent fraud.
14. The WSD does not accept 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.

4. COMPLIANCE STATUS

I report **compliance**.



WINOOSKI SCHOOLS

We are the future.

Date: November 6, 2024
To: Wilmer Chavarria, Superintendent
From: Sarah Haven, Director of Finance & Operations
Re: Policy 2.3 Financial Conditions & Activities

As the Winooski Director of Finance and Operations, I confirm the following Evidence for sections 1 through 14 for fiscal year 2024:

- WSD ended the 2023-2024 (unaudited) fiscal years with a favorable fund balance.
- The superintendent did not permit the expenditure of surplus revenues without Board approval.
- The superintendent did not permit the expenditure of long-term reserves without Board approval.
- The superintendent did not allow for practices that do not comply with Generally Accepted Accounting Procedures.
- The superintendent did not encumber debt on behalf of WSD without Board approval.
- The superintendent did not permit inter-fund shifting without Board approval.
- All debts of the districts were settled in a timely manner.
- All payments (tax, government or other) were filed in a timely manner.
- Receivables are pursued effectively and efficiently in a timely manner.
- Internal controls and procedures have been in place and improved in coordination with guidance from the auditor and financial institutions.
- All tuition monies were received from sending school districts and/or the Agency of Education.