



# MONITORING REPORT

**POLICY 2.4**                      **FINANCIAL CONDITIONS AND ACTIVITIES**

**POLICY CATEGORY**        **EXECUTIVE LIMITATIONS**

**Period Monitored**            **Internal: Quarterly (November, February, May, August)**

**GLOBAL POLICY PROHIBITION:**

*With respect to the actual, ongoing financial condition and activities, the Superintendent will not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from board priorities established in Ends policies.*

**INTERPRETATION:** [1] *Fiscal jeopardy:* Inadequate cash flow or insolvency for the school district as a whole. [2] *Material deviation:* Any amount that causes the budget of any fund to increase or decrease.

*Further, without limiting the scope of the foregoing by this enumeration, he or she will not:*

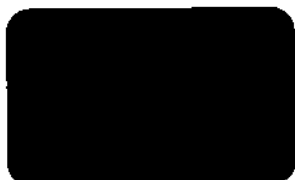
1. *Determine borrowing levels.*

**INTERPRETATION:** [1] *Borrowing levels:* Incur Debt

**DATA REPORTED:**

We did not incur debt except for the following board approved items:

1. A SPLOST Short-Term Loan in the amount of \$110,000,000 was obtained on January 28, 2004. The maturity date of loan is December 31, 2004. Board approval was obtained on January 14, 2004.
2. Refinancing of 1995 General Obligation School Bonds in the principal amount of \$127,665,000 was completed on September 15, 2004. The final maturity date of the loan is February 1, 2007. Board approval was obtained on August 26, 2004.
3. Loan through the Georgia Municipal Association (GMA) Certificate of Participation (COP) Program for the 2004 fiscal year is in the amount of \$12,377,419 to acquire new school buses for the District, to be repaid over 42 months. Board approval was obtained on June 9, 2004.
4. There are three capital leases being paid with SPLOST funds for various office equipment as follows:
  - a. Total lease of \$307,994 to Southeast Office Systems for 101 Gestetner Duplicators. Lease period of January, 2003 to December, 2005, with option to purchase at lease expiration for 20% of fair market value. Outstanding lease payments at September 30, 2004 total \$128,331.00.
  - b. Total lease of \$552,751 to Canon Financial Services Inc. for 20 Canon Copier/Printers. Lease period of July, 2002 to June, 2007, with option to purchase at lease expiration for \$1. Outstanding lease payments as of September 30, 2004 total \$342,810.60.



- c. Total lease of \$557,189 to IOS Capital for 20 Ikon Copier/Printers. Lease period of July, 2002 through June, 2007, with option to purchase at lease expiration for \$1. Outstanding lease payments as of September 30, 2004 total \$346,929.00.
  - d. Two board agenda items were approved in June, 2001, authorizing the above capital leases.
5. A capital lease totaling \$2,427,025 to Key Government Municipal Finance for exercise equipment at ten schools. Board approval on October 23, 2003. The exercise equipment was acquired in connection with a grant from the National School Fitness Foundation which pledged to reimburse the District's lease payments from Foundation contributions. After receiving reimbursement for three lease payments, totaling \$208,030.74, the Foundation subsequently filed for bankruptcy protection under Chapter 11 of the U. S. Bankruptcy Code. We have filed an unsecured claim through our attorneys in the amount of \$2,404,494.56 with the Bankruptcy Court and await the distribution of the Court from the remaining assets of the Foundation. Current lease obligations are funded through the General Fund. Outstanding lease payments as of September 30, 2004 total \$1,802,933.08.

**I report compliance.**

- 2. *Allow recurring expenses to reduce unrestricted fund balance from one fiscal year end to next fiscal year.*

**INTERPRETATION:** [1] *Recurring expenses:* continuing costs [2] *Unrestricted fund balance:* uncommitted and unencumbered fund balance

**DATA REPORTED:**

This information will be available when the FY2004 Comprehensive Annual Financial Report (CAFR) is issued. Preliminary data indicates the General Fund balance will increase by approximately \$1 million. The FY04 CAFR will be presented with the Monitoring Reports due in January, 2005.

**I report compliance.**

- 3. *Fail to settle payroll and debts in a timely manner.*

**INTERPRETATION:** [1] *Settle:* to meet an undisputed financial obligation [2] *Timely:* In regard to payroll, timely would be in accordance with established district schedules, and federal and state guidelines. In regard to accounts payable, timely would be payment per agreed upon terms and receipt of an invoice and goods/service.

**DATA REPORTED:**

In relation to payroll, all payrolls were settled in a timely manner as referenced on the following schedule:

DESCRIPTION	SCHEDULED PAY DAY		ATTENDANCE PERIOD		CHECKS ISSUED ON SCHEDULE
			BEGINS	ENDS	
Payroll Checks-Biweekly	Friday	9/10/2004	8/19/2004	9/1/2004	Yes
Payroll Checks-Biweekly	Friday	9/24/2004	9/2/2004	9/15/2004	Yes
Payroll Checks-Monthly	Thursday	9/30/2004	8/16/2004	9/12/2004	Yes

In relation to debts other than payroll, our current Accounts Payables (A/P) were settled in a timely manner as referenced on the following schedule:

DESCRIPTION	SCHEDULED PAY DAY		CHECKS ISSUED ON SCHEDULE	COMMENTS
Accounts Payable Checks	Wednesday	9/1/2004	Yes	
Accounts Payable Checks	Friday	9/3/2004	Yes	Checks did not print. Thirty checks due on this date were prepared and issued manually.
Accounts Payable Checks	Wednesday	9/8/2004	Yes	
Accounts Payable Checks	Friday	9/10/2004	Yes	
Accounts Payable Checks	Wednesday	9/15/2004	Yes	
Accounts Payable Checks	Friday	9/17/2004	No	Schools closed due to inclement weather. Checks were issued on Monday, 9/20/2004. No checks were past due.
Accounts Payable Checks	Wednesday	9/22/2004	Yes	
Accounts Payable Checks	Friday	9/24/2004	Yes	
Accounts Payable Checks	Wednesday	9/29/2004	Yes	

I report compliance.

4. *Allow tax payments or other government ordered payments or financial filings to be overdue or inaccurately filed.*

**INTERPRETATION:** [1] *Government ordered payments or financial filings:* Reports, documents and other information submitted to governmental and other organizations in connection with the district's financial activities.

**DATA REPORTED:**

Please refer to Attachment A. There are 28 financially related reports with due dates. Of these, 12 reports were due during the month of September, 2004, and 10 were accurately filed on time.

Interest in the amount of \$1,234.89 resulted from one of the late filings.

I report noncompliance.

**5. *Make a purchase of greater than \$500,000 or that is inconsistent with the purchasing principles of maximization of competition, equal and fair competition, and legal/regulatory compliance.***

**INTERPRETATION:** [1] My interpretation of this policy exempts purchases which are part of the Board approved annual budget, are annual acquisitions and utilize the lowest bidder with at least three bidders participating. [2] *Make a purchase:* A commitment to acquire an asset or service. [3] *Inconsistent:* not in compliance

**DATA REPORTED:**

Please reference the attached report (Attachment B) of disbursements over \$500,000 which are all Board approved or non-purchases for payroll withholding/staff deductions.

**I report compliance.**

**6. *Acquire real property for investment purposes.***

**INTERPRETATION:** [1] *Acquire:* to come in to possession of by purchase, gift, or bequest [2] *Real property:* land, buildings and permanent improvements [3] *Investment:* outlay of money for income or profit

**DATA REPORTED:**

No expenditures were made for investment purposes. Expenditures in the amount of \$10,477,912 were reported during the month of September for buildings/building improvements and site improvements.

**I report compliance.**

**7. *Fail to aggressively pursue receivables after a reasonable grace period.***

**INTERPRETATION:** A timely attempt is made to collect monies owed to the District that are older than thirty days, or other period of time deemed reasonable within the normal course of business as follows:

**Major Categories of Receivables:**

- Taxes Receivable – The balance of property taxes billed by Cobb County but not paid as of 6/30/04.
- Federal and State Aid Receivables – Due within 60 days following the submission of reports or other required information.
- External Accounts Receivables – Due within 60 days of billing.
- Internal Accounts Receivables – Due within one year of billing. (Note – Schools have the option of reducing their school allotment for the following year rather than paying internal billings for the current year.)
- Accrued Interest Receivable – Due within 60 days of interest being earned.

**DATA REPORTED:**

Please refer to the following list of receivables.

Item	Receivables as of 9/30/04	Description	Amount past Due
Taxes	* \$6,272,965  *Data as of 6/30/04	The taxes receivable account is the amount of property taxes that are billed, but not collected. The County collects property taxes on behalf of the District	\$0
Federal and State Aid	\$6,637,527	The State acts as an agent in the payment of Federal grants. State grants are paid within a few weeks of requisition. State QBE payments are received monthly.	\$0
Accounts	\$599,526	This account includes internal and external receivables.	\$0
Accrued Interest	\$103,080	Georgia Fund One and Main Street Bank interest is paid within 30 days.	\$0

\*The taxes receivable balance is as of 6/30/04 per the Cobb County Tax Commissioner's Office. With their current system, the Cobb County Tax Commissioner's office is unable to report property taxes receivable to the Cobb County School District on a monthly basis.

**I report compliance.**

SUBMITTED 11/10/04  
APPROVED 12/9/04

  
SUPERINTENDENT

**Listing of State/Federal Reporting Requirements – Cobb County School District**

**2.4 Attachment A**

Name of Report Description	Federal/State Agency Requiring Report	Responsible Division	Contact Person	Data Source	Reporting Method	Filing Frequency	Due Date	Was Report Filed on Time
<b>Payroll Withholding for Federal Income &amp; FICA tax</b>	Internal Revenue Service	Financial Services	Mike Mullis 770-426-3515 <a href="mailto:mike.mullis@cobbk12.org">mike.mullis@cobbk12.org</a>	Payroll Reports	Wire Transfer	1) Monthly 2) Semi-monthly 3) Bi-weekly 4) Semi-monthly 5) Bi-weekly	1) Sept 1 2) Sept 1 3) Sept 15 4) Sept 22 5) Sept 29	Yes Yes Yes Yes Yes
<b>Payroll Withholding for State Income Tax</b>	Georgia Dept of Revenue	Financial Services	Mike Mullis 770-426-3515 <a href="mailto:mike.mullis@cobbk12.org">mike.mullis@cobbk12.org</a>	Payroll Reports	Wire Transfer	1) Monthly 2) Semi-monthly 3) Bi-weekly 4) Semi-monthly 5) Bi-weekly	1) Sept 1 2) Sept 1 3) Sept 15 4) Sept 22 5) Sept 29	Yes Yes Yes Yes Yes
<b>Supplemental Retirement for PSERS Employees</b>	Variable Annuity Life Insurance Company	Financial Services	Mike Mullis 770-426-3515 <a href="mailto:mike.mullis@cobbk12.org">mike.mullis@cobbk12.org</a>	Payroll Reports	Wire Transfer File Transfer Checks	Monthly	Sept 1	Yes
<b>Court-Ordered Garnishments</b>	State Courts Magistrate Courts	Financial Division	Mike Mullis 770-426-3515 <a href="mailto:mike.mullis@cobbk12.org">mike.mullis@cobbk12.org</a>	Payroll Reports	Checks Paper Report	Paid within 45 days of receipt of order	Sept 3 Sept 15 Sept 22 Sept 27	Yes Yes Yes Yes
<b>Annual State Audit Report (CS-1 Report – Detail of salary and travel expense payments)</b>	State Dept of Audits	Financial Division	Mike Mullis 770-426-3515 <a href="mailto:mike.mullis@cobbk12.org">mike.mullis@cobbk12.org</a>	Payroll Reports	File Transfer	Annually	Sept 5	No (No penalties incurred)
<b>Teacher Retirement System of Georgia</b>	Teacher's Retirement System of Georgia	Financial Services	Mike Mullis 770-426-3515 <a href="mailto:mike.mullis@cobbk12.org">mike.mullis@cobbk12.org</a>	Payroll Reports	Wire Transfer	Monthly	Sept 9	Yes

**Listing of State/Federal Reporting Requirements – Cobb County School District**

**2.4 Attachment A**

Name of Report Description	Federal/State Agency Requiring Report	Responsible Division	Contact Person	Data Source	Reporting Method	Filing Frequency	Due Date	Was Report Filed on Time
Employees Retirement System (ERS)	Employee's Retirement System of Georgia	Financial Services	Mike Mullis 770-426-3515 mike.mullis@cobbk12.org	Payroll Reports	Check and Paper Report	Monthly	Sept 9	Yes
Public School Retirement System (PSERS)	Public Schools Retirement System of Georgia	Financial Services	Mike Mullis 770-426-3515 mike.mullis@cobbk12.org	Payroll Reports	Check	Monthly	Sept 9	Yes
Government-Ordered Chapter 13, Levy Loans Sept 10 Biweekly Payroll Sept 24 Biweekly Payroll Sept 30 Monthly Payroll	a) Internal Revenue Service b) Chapter 13 Trustees c) U.S. Dept of Education d) Child Support Recovery	Financial Division	Mike Mullis 770-426-3515 mike.mullis@cobbk12.org	Payroll Reports	Checks Paper Report	Biweekly and monthly	Sept 10 Sept 24 Sept 30	Yes Yes Yes
DE0147 – Monthly Report of Expenditures and Estimated Requirements for Grant Funds (Request reimbursement of grant expenditures)	Georgia Dept of Education	Financial Services	Steve Powell 770-590-4538 steve.powell@cobbk12.org	Accounting System	Internet Submission	Monthly	Sept 30	Yes
Grant Completion Reports (Report total funds received and total expenditures of each grant. Report generates a final requisition or check request.)	Georgia Dept of Education	Financial Services	Steve Powell 770-590-4538 steve.powell@cobbk12.org	Accounting System	Internet Submission	Annually	Sept 30	Yes
DOL-620R – Employer Quarterly Statement of Benefit Charges (Unemployment reimbursement)	Georgia Dept of Labor	Human Resources	Sandy Elliott 770-426-3357 sandy.elliott@cobbk12.org	Invoice from Georgia Dept of Labor	Check	Quarterly	Sept 30 Dec 30 March 30 June 30	No (Incurred \$1,234.89 in interest)

COBB COUNTY SCHOOL DISTRICT  
FINANCIAL SERVICES  
CHECK PAYMENTS AND WIRE TRANSFERS  
\$500,000.00 AND ABOVE  
FROM 09/01/2004 THROUGH 09/30/2004

<u>Date</u>	<u>Ref. Trans</u>	<u>Comments</u>	<u>Ref.Amount</u>
<b>EVERGREEN CONSTRUCTION INC</b>			
Check # 299790			
09/24/2004	SC04284NEW03	Construction of new McCall ES - 36 instructional units. Board approved 05/12/04	\$688,037.00
09/24/2004	SC04428NEWMS2	Construction of new 71 instructional unit Northwest MS. Board approved 06/24/04	\$485,891.00
09/24/2004	SC04430NEW02	Construction of new Barber MS - 71 instructional units. Board approved 10/23/03	\$980,725.00
<b>CHECK TOTAL</b>			<b>\$2,154,653.00</b>
<b>VENDOR TOTAL</b>			<b>\$2,154,653.00</b>
<b>FED &amp; FICA W/H</b>			
Wire Transfer JWWT0500101			
09/01/2004	JVWT0500101	Payroll Federal Income, Social Security and Medicare tax withholding for the August monthly payroll.	\$10,040,135.13
<b>WIRE TRANSFER TOTAL</b>			<b>\$10,040,135.13</b>
<b>VENDOR TOTAL</b>			<b>\$10,040,135.13</b>
<b>FOSTER &amp; COMPANY, INC.</b>			
Check # 299520			
09/17/2004	SC04507ADDN02	Addition of 18 total instructional units, new media center, modification and renovations of existing media center and existing administrative offices, addition of 2 tennis courts for Osborne HS. Board approved 02/26/04	\$801,641.00
<b>CHECK TOTAL</b>			<b>\$801,641.00</b>
<b>VENDOR TOTAL</b>			<b>\$801,641.00</b>
<b>GA. STATE TAX</b>			
Wire Transfer JWWT0500102			
09/01/2004	JVWT0500102	Payroll State Income Tax withheld for August Monthly Payroll	\$1,733,359.03
<b>WIRE TRANSFER TOTAL</b>			<b>\$1,733,359.03</b>
<b>VENDOR TOTAL</b>			<b>\$1,733,359.03</b>
<b>HARCOURT BRACE &amp; CO (HRW)96448</b>			
Check # 299565			
09/22/2004	PD04201100275	Payment of invoices received for Grammar Books. Board approved 06/24/04.	\$547,182.48
09/22/2004	PD04201100279		\$62,321.54
<b>CHECK TOTAL</b>			<b>\$609,504.02</b>
<b>VENDOR TOTAL</b>			<b>\$609,504.02</b>
<b>MACO</b>			
Wire Transfer JWWT0500181			
09/29/2004	JVWT0500181	Payroll withholding for employee deposits to MACO Federal Credit Union.	\$1,099,235.96
<b>WIRE TRANSFER TOTAL</b>			<b>\$1,099,235.96</b>
<b>VENDOR TOTAL</b>			<b>\$1,099,235.96</b>
<b>NIX-FOWLER CONSTRUCTORS INC</b>			
Check # 299754			

COBB COUNTY SCHOOL DISTRICT  
FINANCIAL SERVICES  
CHECK PAYMENTS AND WIRE TRANSFERS  
\$500,000.00 AND ABOVE  
FROM 09/01/2004 THROUGH 09/30/2004

<u>Date</u>	<u>Ref. Trans</u>	<u>Comments</u>	<u>Ref.Amount</u>
09/24/2004	SC04414ADDN01	Addition of 23 instructional units, new administration and pupil personnel areas, new kitchen and cafeteria areas and moficiation and renovations at Dodgen MS. Board approved 03/24/04	\$581,085.73
<b>CHECK TOTAL</b>			<b>\$581,085.73</b>
<b>VENDOR TOTAL</b>			<b>\$581,085.73</b>
<b>R. K. REDDING CONSTRUCTION CO</b>			
Check # 300699			
09/30/2004	SC04282NEW01	Construction of new Riverside Primary - 36 instructional units. Board approved 11/12/03	\$859,421.00
<b>CHECK TOTAL</b>			<b>\$859,421.00</b>
<b>VENDOR TOTAL</b>			<b>\$859,421.00</b>
<b>STATE HEALTH BENEFIT PLN</b>			
Check # 169408			
09/20/2004	MW00000169408	Payroll withholding for certified employee and employer health insurance premiums for the month of August, 2004.	\$4,360,617.39
<b>CHECK TOTAL</b>			<b>\$4,360,617.39</b>
Check # 169415			
09/22/2004	MW00000169415	Payroll withholding for classified employee and employer health insurance premiums for the month of August, 2004.	\$1,233,729.84
<b>CHECK TOTAL</b>			<b>\$1,233,729.84</b>
<b>VENDOR TOTAL</b>			<b>\$5,594,347.23</b>
<b>SWOFFORD CONSTRUCTION INC</b>			
Check # 300557			
09/30/2004	SC04409ADDN01	Addition of 19 instructional units, new media center, new food service areas at Floyd MS. Board approved 03/24/04	\$643,076.00
<b>CHECK TOTAL</b>			<b>\$643,076.00</b>
<b>VENDOR TOTAL</b>			<b>\$643,076.00</b>
<b>T.R.S. WIRE TRANSFER</b>			
Wire Transfer JVWT0500116			
09/07/2004	JVWT0500116	Payroll withholding for employee and employer contributions to the Teachers Retirement System of Georgia for the month of August, 2004.	\$5,717,671.31
<b>WIRE TRANSFER TOTAL</b>			<b>\$5,717,671.31</b>
<b>VENDOR TOTAL</b>			<b>\$5,717,671.31</b>
<b>TSA, PNTAX (C)</b>			
Wire Transfer JVWT0500184			
09/30/2004	JVWT0500184	Payroll withholding sent to the Variable Annuity Life Insurance Company for employee tax shelter/deferred compensation/supplemental retirement contributions and employer supplemental retirement contributions for the month of September, 2004.	\$714,621.92

COBB COUNTY SCHOOL DISTRICT  
FINANCIAL SERVICES  
CHECK PAYMENTS AND WIRE TRANSFERS  
\$500,000.00 AND ABOVE  
FROM 09/01/2004 THROUGH 09/30/2004

<u>Date</u>	<u>Ref. Trans</u>	<u>Comments</u>	<u>Ref.Amount</u>
		WIRE TRANSFER TOTAL	\$714,621.92
		VENDOR TOTAL	\$714,621.92
		REPORT TOTAL OF ALL CHECKS	\$30,548,751.33



# MONITORING REPORT

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**POLICY 2.4: FINANCIAL CONDITIONS AND ACTIVITIES**

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**POLICY CATEGORY EXECUTIVE LIMITATIONS**

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**Period Monitored Semi-Annually (November and May)**

**GLOBAL POLICY PROHIBITION:**

*With respect to the actual, ongoing financial condition and activities, the Superintendent will not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from board priorities established in Ends policies.*

**INTERPRETATION:** [1] *Fiscal jeopardy:* Inadequate cash flow or insolvency for the school district as a whole. [2] *Material deviation:* Any amount that causes the budget of any fund to increase or decrease.

*Further, without limiting the scope of the foregoing by this enumeration, he or she will not:*

1. *Determine borrowing levels.*

**INTERPRETATION:** [1] *Borrowing levels:* Incur Debt

**DATA REPORTED:**

The only new debt incurred since the last report was for the following Board approved item:

1. A SPLOST Short-Term Loan in the amount of \$100,000,000 was obtained on January 26, 2005. The maturity date of loan is December 31, 2005. Board approval was obtained on January 12, 2005.

**I report compliance.**

2. *Allow a decrease in unreserved fund balance from one fiscal year end to next fiscal year, nor report less than quarterly the financial activities of the District.*

**INTERPRETATION:** [1] *Unreserved fund balance:* uncommitted and unencumbered fund balance.

**DATA REPORTED:**

Page 17 of the FY2004 Comprehensive Annual Financial Report (CAFR) reflects an unreserved fund balance of \$41,832,000. This is an increase of \$1,429,000 over the previous year.

The Quarterly Financial Report was presented in the May 26, 2005 meeting of the Board of Education.

**I report compliance.**

3. *Fail to settle payroll and debts in a timely manner.*

**INTERPRETATION:** [1] *Settle:* to meet an undisputed financial obligation [2] *Timely:* In regard to payroll, timely would be in accordance with established district schedules, and federal and state guidelines. In regard to accounts payable, timely would be payment per agreed upon terms and receipt of an invoice and goods/service. Our A/P system provides for timely payment upon receipt of an invoice and verification that the goods/services have been received by the originator, unless the item is disputed.

**DATA REPORTED:**

All payrolls were settled in a timely manner.

In relation to debts other than payroll, our current Accounts Payables (A/P) were settled in a timely manner with the following exceptions:

DESCRIPTION	SCHEDULED PAY DAY		COMMENTS
Accounts Payable Check	Wednesday	10/27/04	Brock & Clay invoice dated 9/17/04 and received by CCSD on 9/20/04 was paid on 10/27/04, over 30 days after receipt of invoice.
Accounts Payable Check	Tuesday	11/23/04	Early check run prior to holidays. Brock & Clay invoice dated 10/18/04 and received by CCSD on 10/21/04 was paid on 11/23/04, over 30 days after receipt of invoice.

**I report noncompliance.**

**4. Allow tax payments or other government ordered payments or financial filings to be overdue or inaccurately filed.**

**INTERPRETATION:** [1] *Government ordered payments or financial filings:* Reports, documents and other information submitted to governmental and other organizations in connection with the district's financial activities.

**DATA REPORTED:**

There are 142 financially related reports with due dates between October 2004 and March 2005. Of these, 140 were accurately filed on time while two were not:

<b>PAYMENT/REPORTING OF FEDERAL AND FICA TAX WITHHOLDING</b>	<b>DUE</b>	<b>PAID</b>
October 22, 2004 Biweekly Payroll	10/25/04	10/27/04*
February 1, 2005 Third Party Short-Term Disability FICA	1/13/05	2/1/05**

\* We have written the IRS and requested a waiver of interest/penalties resulting from this late payment. Procedures have been developed and strengthened to prevent late payments in the future.

\*\* A 3<sup>rd</sup> party makes short-term disability payments to CCSD. Per IRS regulations, the 3<sup>rd</sup> party is responsible for reporting these payments to CCSD by January 15. CCSD must then pay the employer portion of FICA. CCSD must also report the employer portion of FICA on the 941 for the 4<sup>th</sup> quarter that ended December 31. This IRS process for third-party short-term Disability payments automatically generates a letter from the IRS. CCSD always responds in writing to the IRS to request a waiver of interest/penalties resulting from the third party FICA contributions. Penalties associated with third party contributions are always waived.

**I report noncompliance.**

**5. Make a purchase of greater than \$500,000 or that is inconsistent with the purchasing principles of maximization of competition, equal and fair competition, and legal/regulatory compliance.**

**INTERPRETATION:** [1] My interpretation of this policy exempts purchases which are part of the Board approved annual budget, are annual acquisitions and utilize the lowest bidder with at least three bidders participating. [2] *Make a purchase:* A commitment to acquire an asset or service. [3] *Inconsistent:* not in compliance

**DATA REPORTED:**

Detailed information is provided in the quarterly financial report.

**I report compliance.**

**6. Acquire real property for investment purposes.**

**INTERPRETATION:** [1] *Acquire:* to come in to possession of by purchase, gift, or bequest [2] *Real property:* land, buildings and permanent improvements [3] *Investment:* outlay of money for income or profit

**DATA REPORTED:**

No expenditures were made for investment purposes. Expenditures in the amount of \$57,734,135 were reported during the months of October through March for building improvements, site improvements, and new buildings.

**I report compliance.**

7. *Fail to aggressively pursue receivables after a reasonable grace period.*

**INTERPRETATION:** [1] *Aggressively pursue:* systematically seek payment of monies due to the District [2] *Receivables:* Monies owed the District and/or local schools [3] *Reasonable grace period:* 30 to 60 days

**DATA REPORTED:**

As of March 31, 2005, the District was owed \$2,090,088 of which none is past due.

A timely attempt is made to collect monies owed to the District over thirty days, or other period of time deemed reasonable within the normal course of business as follows:

Major Categories of Receivables:

- Federal and State Aid Receivables – Due within 60 days following the submission of reports or other required information.
- External Accounts Receivables – Due within 60 days of billing.
- Internal Accounts Receivables – Due within one year of billing. (Note – Schools have the option of reducing their school allotment for the following year rather than paying internal billings for the current year.)
- Accrued Interest Receivable – Due within 60 days of interest being earned.

**I report compliance.**

8. *Let the Board be unaware of the following information:*

- a. *Expenditures greater than \$200,000 and*
- b. *Budget line item increases 20% or more and at least \$100,000*

**INTERPRETATION:** [1] *Be unaware of:* fail to receive a written report [2] *Expenditure:* disbursement of funds via an individual check or electronic transfer [3] *Line item:* specific budgeted expenditure account

**DATA REPORTED:**

All disbursements over \$200,000 but less than \$500,000 and all budget line increases 20% or more and at least \$100,000 are detailed in the quarterly financial report.

**I report compliance.**



*Joseph J. Redden*  
 SUPERINTENDENT