

**Issaquah School District
Executive Limitations Monitoring Report**

**EL-5 Actual Financial Condition and Activities
External Annual Audit Report – March 14, 2024**

The Superintendent certifies that the District is in compliance with EL-5 with exceptions, as underlined below.

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

Interpretation:

I interpret this to mean that we will manage the District’s program and budget to avoid any risk of fiscal jeopardy or material deviation of budgeted expenditures.

Evidence of Compliance:

I certify that the District is not at risk of financial jeopardy as demonstrated by periodic financial reports.

The Board has been previously provided electronic copies of the 2021-22 Financial Statement and Single Audit Report. This report states that the District is accountable for public resources and has complied with applicable state laws, regulations and its own policies, and provided adequate controls over the safeguarding of public assets with exception.

The District received a Federal audit finding related to the Emergency Connectivity Fund grant. We do not concur with the audit finding and provide further explanation in the formal audit response [HERE](#).

The 2021-22 Accountability Audit Report was released on February 20, 2024 and contained an audit finding. Based on self-reported information from the district, the Auditor’s Office found that some projects from 2012 and 2016 bond issues were out of compliance with the project scope descriptions of the related board of directors’ bond resolutions. All funds are accounted for, were spent on district capital projects, and no funds were misappropriated or used for non-capital purposes. The district has put measures in place to ensure compliance with board resolutions, including: staffing changes, enhanced reporting, improved checks and balances, ongoing training, and establishment of a bond oversight committee for future bond issues. Answers to frequently asked questions regarding the audit can be found [HERE](#).

Audit standards (SAS 114) require that audit results be directly communicated by the State Auditor’s Office to all members of the governing body of the entity. This audit standard adds another line of communication to all members of the governing body, ensuring timely receipt of the annual audit reports.

Board acceptance: