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# SUPERINTENDENT OF PUBLIC INSTRUCTION

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DR. TERRY BERGESON OLD CAPITOL BUILDING • PO BOX 47200 • OLYMPIA WA 98504-7200 • <http://www.k12.wa.us>

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October 5, 2007

Dr. Sue Walker, Superintendent  
Shoreline School District No. 412  
18560 1<sup>st</sup> Ave. N.E.  
Shoreline, WA 98155-2148

Dear Dr. Walker:

As we have communicated in the past, we are pleased with your district's progress toward financial health. However, the general financial condition of the district has not fully stabilized and monitoring by the Education Service District (ESD) and Office of Superintendent of Public Instruction (OSPI) remains necessary.

This letter is to serve as formal notification of the continuation of the binding conditions pursuant to our August 3, 2006 letter. Binding conditions will remain in place until the restoration of a reasonable and prudent fund balance pursuant to the Board of Director's adopted reserve level/policy and until OSPI provides a written release from binding conditions to the school district.

The district's original plan for financial improvement, developed in mid-2006, was for a 2007-08 school year positive ending funding balance and further improvement until the reserve reached the board-adopted reserve level/policy. While the district has submitted a 2007-08 school year budget with a positive ending balance, it is only by a tiny margin of about \$8,000.

In summary, we a) extend the binding conditions as stated above, b) conditionally accept the school districts' budget in accordance with RCW 28A.505.140 and c) reserve the right to request a revised General Fund budget as prescribed in WAC 392-123-078 based upon Shoreline's 2006-07 F-196 Annual Financial Statement filed this December.

The responsibilities for administering the binding conditions will continue to be assigned to Mr. Stephen Nielsen, Fiscal Officer, Puget Sound Educational Service District [121], or his successor. To enforce this authority, if Mr. Nielsen

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reports that the school districts is not fulfilling any of the conditions, OSPI reserves the right to withhold apportionment payments until such conditions are satisfactorily addressed.

Sincerely,



Jennifer Priddy  
Assistant Superintendent  
Financial Resources

cc: Mike Jacobs, Chair  
Shoreline School District Board of Directors

Marcia Harris, Deputy Superintendent  
Shoreline School District

Sandra Nagli, Director of Finance and Business Services  
Shoreline School District

Monte Bridges, Superintendent  
Puget Sound Educational Service District

Stephen Nielsen, Assistant Superintendent, Finance  
Puget Sound Educational Service District

Mike Dooley, Supervisor, School District/ESD Budgeting  
Office of Superintendent of Public Instruction