

School Board Workshop:

October 26, 2015

Subject:

2014-15 Financial Audit

Presenter:

Gary Kawlewski

SUGGESTED SCHOOL BOARD ACTION:

For Board Approval.

DESCRIPTION:

Attached are the audited financial statements and management letters for the year ending June 30, 2015. Matt Mayer from BerganKDV will attend the board meeting to give a formal presentation. The financial statement attachment is 101 pages long and only financial highlights will be covered during the presentation. For the audit presentation, I recommend reviewing the following pages of the financial statements: 5-19 which starts with Management's Discussion and Analysis, 22-29, 76-83, and all pages of the communications letter.

Overall, the District's financial position continues to be balanced, and expenditures were controlled with lower than expected fuel and utility expenditures and lower than expected salary and benefit costs. The General Fund's final revenues slightly exceeded budget and expenditures were under budget. General Fund revenues came in 0.49% higher than budgeted (\$287,865), and expenditures were 3.23% under budget (\$1,915,094). The Business Office has three Dashboard Indicators for our department and all are in the area of Fiscal Responsibility/Accountability. The first is that the district will have an unqualified opinion and the results of the audit are that the district has received an unqualified opinion. The second category is that the district will spend at least 75% of the General Fund expenditures on instructional costs. The district met this target at 75.11% of all costs going into instruction. The third Dashboard Indicator category is to have the final General Fund budget for revenues and expenditures be within 2% of the final results. The combined budget variance for revenues and expenditures is 2.85% and just outside the Dashboard target.

With total revenues and other financing sources ending at \$58,443,408 and total expenditures and other financing uses at \$55,968,551, the General Fund's overall fund balance increased \$1,102,395 to \$16,611,591 as of June 30, 2015. The unassigned/nonspendable fund balance ended the 2014-2015 school year at \$10,274,898 or 17.92% of the General Fund's expenditures. The fund balance percentage is slightly above the range of our fund balance policy of 8-12% and will buy the district some time before future action is needed if the State continues the same level of funding to school districts.

The Food Service fund balance was self-supporting for 2014-15 and added slightly to its fund balance. The Community Service fund balance went down and will need to be reviewed for 2015-16.

Attachments:

Attachment 1: Buffalo FS 2015 – Audited Financial Statements

Attachment 2: Buffalo CL 2015 – Communications Letter

Attachment 3: Buffalo SA FS 2015 – Student Activity Financial Statements

Attachment 4: Buffalo SA CL 2015 – Student Activity Communications Letter