

**School Board Workshop:**

October 25, 2010

**Subject:**

2009-10 Financial Audit

**Presenter:**

Tina Burkholder

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**SUGGESTED SCHOOL BOARD ACTION:**

For Board Approval.

**DESCRIPTION:**

Attached are the audited financial statements and management letters for the year ending June 30, 2010. Matt Mayer from Kern, DeWenter, Viere will attend the board meeting to give a formal presentation. The financial statement attachment is 92 pages long and only financial highlights will be covered during the presentation. For the audit presentation, I recommend reviewing pages 5-19, 28-29, 55, and 62 of the financial statement attachment and all pages of the management letter\*\*.

Overall, the District's financial position continues to be balanced, and expenditures were controlled with the second round of budget reductions and a district-wide wage freeze. The General Fund's final revenues and expenditures were close to budget. General Fund revenues came in 0.06% more than budgeted (\$31,369), and expenditures were 0.66% over budget (\$401,834) due to Montrose Early Childhood Center capital lease expenditures of \$1.324 million not budgeted. Without the effects of these lease expenditures, actual expenditures were \$922,640 under budget. One of the Dashboard Indicator categories for the School Board on how the school district is performing is called Fiscal Responsibility/Accountability. The Business Office has a target to budget revenues and expenditures within 2% of the final results. The combined budget variance for revenues and expenditures is 0.60% and well within the dashboard target.

With total revenues and other financing sources ending at \$63,425,878 and total expenditures at \$61,145,719, the General Fund's overall fund balance increased \$2,280,159 to \$11,216,560 as of June 30, 2010. The unreserved/undesignated fund balance ended the 2009-2010 school year at \$6,151,513 or 10.06% of the General Fund's expenditures. The fund balance percentage is right in the middle 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 and Community Service funds continue to be self-supporting funds. The Building Construction fund is closed after the completion of the roof and track projects at Buffalo Community Middle School and the tennis project at the Buffalo High School.

**Attachments:**

Attachment 1: Buffalo FS 2010 – Audited Financial Statements \*\*

Attachment 2: Buffalo ML 2010 – Management Letter \*\*

Attachment 3: Buffalo SA FS 2010 – Student Activity Financial Statements

Attachment 4: Buffalo SA ML 2010 – Student Activity Management Letter