

School Board Workshop:

October 26, 2009

Subject:

2008-09 Financial Audit

Presenter:

Tina Burkholder

SUGGESTED SCHOOL BOARD ACTION:

For Board Approval.

DESCRIPTION:

Attached are the audited financial statements and management letters for the year ending June 30, 2009. Matt Mayer from Kern, DeWenter, Viere will attend the board meeting to give a formal presentation. The financial statement attachment is 87 pages long and only financial highlights will be covered during the presentation. If you like to have a paper copy to look at during the presentation, I recommend printing the following [Board Book](#) pages: 24-38, 41-43, 45, and 47.

Overall, the District's financial position continues to be balanced, and expenditures were controlled with the first round of budget reductions. The General Fund's final revenues and expenditures came in more favorable than budget. Revenues and expenditures were close to budget on a line item basis in substantially all areas.

The District was able to maintain its financial position with the first round of budget reductions in 2008-2009 and cost containment measures in 2007-2008. The unreserved/ undesignated fund balance increased slightly by \$22,624 to \$4,255,850 as of June 30, 2009 or 8.44% of expenditures, which is comparable to 2007-2008's unreserved/ undesignated fund balance of 8.50% of expenditures. Even though the fund balance percentage is better than planned, it is still at the lowest acceptable level of our fund balance policy of 8-12%.

Funds designated for carryover doubled last year's balance with school buildings spending less and budgeting more conservatively for future years. The District received a new actuarial study as of July 1, 2008, and the designation for severance insurance premiums is back on an upward trend with the current employee demographics. The School Board approved an operating capital transfer at the September school board meeting. The funds will be designated as capital until the next legislative session comes to an end. Because the District received additional third party billing revenue, a new designation was created to help offset unreimbursed costs associated with special education and alleviate the General Fund with the cross subsidy.

The Food Service and Community Service funds continue to be self-supporting funds. The Building Construction funds are winding down and will close at the end of the 2009-2010 school year after the roof and track projects are completed at Buffalo Community Middle School and the tennis court project at the Buffalo High School.

Attachments:

Attachment 1: Buffalo FS 2009 – Audited Financial Statements

Attachment 2: Buffalo ML 2009 – Management Letter

Attachment 3: Buffalo SA 2009 – Student Activity Financial Statements

Attachment 4: Buffalo SA ML 2009 – Student Activity Management Letter