

School Board Meeting:

November 24, 2025

Subject:

2024-2025 Financial Audit

Presenter:

**Ryan L. Tangen, Director
Finance and Operations**

SUGGESTED SCHOOL BOARD ACTION:

Recommend Board Approval.

DESCRIPTION:

Attached are the Audited Financial Statements and Communications Letter for the year ended June 30, 2025. Janel Bitzan from BerganKDV will attend the board meeting to deliver a formal presentation. The financial statement attachment is 109 pages long, so only the financial highlights will be covered during the presentation.

In preparation for the audit presentation, the following sections of the Audited Financial Statements are recommended for review:

1. Pages 3-23 starting with the Independent Auditor's Report and concluding with the Management's Discussion and Analysis
2. Pages 26-33 Government-wide Financial Statements
3. Pages 94-101 Fund Financial Statements

Reviewing the Communications Letter is also recommended.

The district's primary operating fund, the General Fund, ended the year with revenues exceeding budget by \$1,496,947 or 1.86%, and expenditures coming in \$1,550,251 or 1.90% below budget. Overall, the General Fund balance increased by \$1,881,613. The non-spendable and unassigned fund balance increased by \$834,505, ending at \$13,459,426 which represents 16.81% of the General Fund's annual expenditures. Restricted, committed, and assigned fund balances collectively increased by \$1,047,108.

The Business Office monitors three fiscal responsibility and accountability dashboard indicators:

1. The district aims for an unmodified opinion in its audit. Preliminary results indicate the district will receive an unmodified opinion.

2. The district aims to allocate at least 75% of the General Fund expenditures to instructional costs. This target was met with 75% of costs allocated to instruction.
3. The district aims for final revenue and expenditures results to be within 2% of the General Fund budget. The combined variance was 1.88%, within the target range.

The federal Uniform Guidance (UG) for fiscal year 2024–25 has not yet been finalized by the federal government. As a result, the Report on Compliance in Accordance with the Uniform Guidance has been issued as a preliminary, stand-alone report. At this time, no significant changes to the guidelines are anticipated. If the federal government confirms the existing guidance without modification, approval of the preliminary report will stand as final, and no further board action will be required.

Attachments:

- 2025.0877.01.Buffalo.FinStm.District (Audited Financial Statements)
- 2025.0877.01.Buffalo.ComLtr.District (Communications Letter)
- UG Report – 2025 Buffalo – Prelim (Federal Report)
- BergankDV – BHM Schools Audit Presentation