

School Board Workshop:

October 22, 2012

Subject:

2011-12 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, 2012. 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. For the audit presentation, I recommend reviewing pages 5-19, 28-29, 56, 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 lower than expected fuel and utility expenditures through lower costs and conservation measures. We also had lower than anticipated expenditures for transportation. We were able to avoid cash flow borrowing for this year as well. The General Fund's final revenues and expenditures were close to budget. General Fund revenues came in 0.01% less than budgeted (\$6,026), and expenditures were 2.77% under budget (\$1,490,526). 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 76% 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 2.76% and slightly outside the dashboard target.

With total revenues and other financing sources ending at \$54,459,512 plus other funding sources at \$109,046 and total expenditures at \$52,254,658, the General Fund's overall fund balance increased \$2,313,900 to \$14,373,265 as of June 30, 2012. The unassigned/nonspendable fund balance ended the 2011-2012 school year at \$8,136,874 or 15.6% 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 went down for 2011-12 and will need to be reviewed for 2012-13. The Community Service fund continues to be a self-supporting fund.

Attachments:

Attachment 1: Buffalo FS 2012 – Audited Financial Statements

Attachment 2: Buffalo ML 2012 – Management Letter

Attachment 3: Buffalo SA FS 2012 – Student Activity Financial Statements

Attachment 4: Buffalo SA ML 2012 – Student Activity Management Letter