

COMPREHENSIVE ANNUAL FINANCE REPORT HIGHLIGHTS

The District received a clean unqualified opinion from the auditors. The auditors made no adjusting entries or corrections to the final general ledger.

Below is a recap of key elements in the report:

Pages 3 – 14	The auditors stated that the comprehensive Management Discussion and Analysis (MD&A) Section of the report is an excellent overview of the District’s finances.
Pages 8 & 9	Data on these two pages specifically focuses on the net assets and a comparison of the related expenses with the prior year. The narrative provides an overview of events that resulted in the \$23.7M increase in net assets.
Page 24 & 25	Exhibit C-3, Statement of Revenues, Expenditures, and Changes in Fund Balance reflect an increase in fund balance for the General Fund of \$9.1M, a decrease in Debt Service of <\$623,553> and an increase in the Capital Projects Fund of \$13.9M. Out of the combined fund balances, \$114,198,936 constitutes unreserved and undesignated fund balance available for the general operations of the District. The increase in the combined fund balance is primarily attributable to increases in local, state, and federal revenue along with the receipt of bond proceeds.
Page 58	The Food Service Fund (240) had an increase in fund balance of \$1,025,724. The Food Service Fund saw a decrease in expenses due to no charges for custodial support, which combined with increased federal revenue, resulted in an increase to fund balance.
Page 62	Plan changes and premium adjustments have stabilized the Health Benefits Fund resulting in a positive change in Net Assets for the year of \$3.3M.
Page 63	The Workers’ Compensation Fund continues to have a strong Net Assets ending balance of \$7M. The District budgeted to draw down this fund and supplement the General Operating budget with a \$2M transfer in 2005-2006, however; the transfer was not needed.
Page 75	TEA requires the calculation of the Fund Balance and Cash Flow Calculation Worksheet. For TEA purposes, the District ending General Fund Balance is not excessive. However, the amount indicated on line 4 indicates the level of funds required to ensure the District has sufficient cash flow for operating purposes prior to receipt of current year property taxes.
Page 85-86	As part of the required Single Audit of federal programs, the Schedule of Findings and Questioned Costs in sections II and III indicate no questioned cost.