



**Audit Report and
Allocation of Deferred Revenue
January 20, 2010, Board of Directors Meeting
ACTION ITEMS: Agenda Item 3B and 3C**

AUDIT REPORT, Item 3B

BACKGROUND: The Audit Report of DLBA's FY 2008-09 Financials, as prepared by Windes and McClaughry, was first presented to the Audit Committee on December 8, 2009, for review and comments. A revised draft was subsequently presented to the Executive Committee on January 7, 2010, which recommended Board approval of the report as presented. It was noted that DLBA had satisfied all recommendations noted in the FY2007-08 Audit Report, and that the FY2008-09 Audit Report noted only one minor additional recommendation—for the accounting firm (Analytical Accounting Control Systems) to document the review practices already in place with a supervisor's signature.

RECOMMENDED ACTION:

Approve Annual Audit report as recommended by the Executive Committee.

DEFERRED REVENUE, Item 3C

BACKGROUND: The Audit Report of DLBA's FY 2008-09 Financials determined that the DLBA has approximately \$16,000 of deferred revenue. As this revenue is outside the scope of the FY 2009-10 Budget, the Board is asked to allocate the revenue.

After consideration of the initial revenue collections below budget projections, the Executive Committee voted on January 7, 2010, to allocate the deferred revenue to reserves pending additional revenue collection.

RECOMMENDED ACTION:

Approve or amend Executive Committee's recommendation to allocate \$16,000 of FY 2008-09 deferred revenue to reserves.