

MONTROSE AREA SCHOOL DISTRICT
FINANCE COMMITTEE MEETING
LOCAL AUDIT REPORT
ADMINISTRATIVE OFFICES
MEETING DATE DECEMBER 8, 2009 7:30 P.M.

Chris Caterson
 Chairman, Finance Committee

Mr. Michael F. Ognosky
 Superintendent of Schools

December 8, 2009 Local Audit Exit Report Meeting began at 7:30 PM in the in the Administrative Offices.

Board Members present included Finance Chairperson Chris Caterson, Mary Homan, Kathy Mordovancey, George Gow, Doug Wilcox and Karl Wimmer. Administrators present included Mike Ognosky and Michelle Lusk.

Audit office representative from the firm of Murphy, Dougherty & Company was Paul Murphy, Jr.

Mr. Murphy began the discussion with the fact that the determination was that the audit conducted for the fiscal year 2008-2009 (ending June 30, 2009) was clear of any findings. The audit found that "the Montrose Area School District has committed itself to financial excellence for many years. In addition, the School District system of financial planning, budgeting and internal controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future." (p. 9 of the report)

Mr. Murphy then outlined the key financial highlights of the audit as follows:

- In total, net assets decreased \$190,101, which represents a 2.5 percent increase from 2008.
- General revenues accounted for \$17,786,590 in revenue or 75 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$5,953,580 or 25 percent of total revenues of \$23,740,170.
- Total assets of governmental activities increased by \$702,504 as current assets decreased \$739,479 and net capital assets increased by \$36,975.
- The School District had \$23,930,271 in expenses; only \$5,953,580 of those expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state revenues) of \$17,786,590 were adequate to provide for these programs.
- The total general fund balance as of June 30, 2009 has been set at \$1,341,383 (5.9 %) and carried over to the June 30, 2010 budget.
- The School District also has \$1,369,755 set aside in its Capital Reserve fund (22 Fund) as of June 30, 2009 as well as a Capital Projects (30 Fund) balance of \$615,254 as of June 30, 2009.

The following table is excerpted from page 16 of the report:

Description	Budget 2008-2009	Actual 2008-2009	Variance Favorable (Unfavorable)
Total Revenues	22,857,088	22,972,944	115,856
Total Expenditures	23,896,490	23,604,833	291,657
Excess Revenue over Expenditures	(1,039,402)	(631,889)	407,513
Fund Balance, Beginning	1,612,812	1,942,566	329,754
Fund Balance, Ending	682,810	1,341,383	658,573

The Food Service Department audit was also reviewed (page 18). Total Revenue from student sales, etc. for the 2008-2009 year was \$383,898. Total Revenue received from government sources, etc. was \$401,523, for a total revenue of \$785,421. Total Operating Expenses for the 2008-2009 year were \$741,038. The final balance in the Food Service Department as of June 2008 was \$186,271, and as of June 2009 was \$230,654, an increase of \$44,383

Mr. Murphy also reviewed the current debt service of the District. The District currently has two long term obligations. The first (2001 Bonds) has three more payment years: 2010 (\$620,000); 2011 (\$645,000); and, 2012 (\$570,000). The second (2006 Bonds) has 7 more payment years: 2010 (\$80,000); 2011 (\$85,000); 2012 (\$95,000); 2013 (\$695,000); 2014 (\$725,000); 2015 (\$750,000); 2016 (\$415,000).

In conclusion, the Board thanked Mr. Murphy and his firm for their diligence and service in the completion of the 2008-09 audit as well as their work on the previous local audits they have conducted for the district.

Finance Committee Meeting adjourned at 8:40 PM

Mike Ognosky
Superintendent