

School Administrative District No. 53

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Excellence in Education

Michael A. Gallagher
Superintendent of Schools

Budget/Finance Committee

10/20/09

Minutes

Members in attendance: B. Poirier, M. Hodgins, J. Laux, Business Manager L. Glidden, and Superintendent Gallagher

Guest: Charemon Davis, Auditor

Item 1. Review of FY2009 Audit Report – Charemon Davis provided everyone with a draft copy of the MSAD #53 audit financial statements for the year ending June 30, 2009. She pointed out that the district's total fund equity had decreased by approximately \$70,000 from the fund balance equity on June 30, 2008. The fund balance as of the end of June 30, 2009 was \$918,135 of which \$189,542 is in a designated capital reserve fund. She also informed the group that there were no recommendations regarding the audit and that it was a clean report. However, she indicated that her firm is recommending that school districts develop a policy regarding fund balances that would help guide the use and accounting for fund balances. She recognized that the district has been managing the fund balances in a proactive fashion. However, she indicated that a board policy regarding fund balances would be prudent, and would provide guidance if per chance the citizens in attendance at a district budget meeting recommended the expenditure of the total amount of fund balance in any budget year. The policy would also address the creation of other designated reserve funds out of the fund equity balance.

Ms. Davis also drew the committee's attention to the amount of grant revenues received by the district which totaled \$1.1 million dollars. It was recognized that this total was significant for FY 2009, but will be even more significant with the receipt of the ARRA (Recovery) funds during fiscal year 2010.

Item 2. Review of September Expenditure Report – Business Manager L. Glidden distributed the monthly budget calculations chart, which indicated that 20.65% of the budget had been expended through the end of September. This is slightly higher than last year and higher than any of the last three budget years. Superintendent Gallagher provided what he considered to be a possibility for the increased expenditure at this point in time. Given the fact that there was a budget freeze placed on the FY09 budget early in

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the fiscal year, it created a mentality that the budget needed to be expended as early as possible in order to get items purchased before a budget freeze was placed on this current year's budget. Mrs. Glidden then distributed a handout with notes regarding over expenditure through the month of September. No additional over expenditures occurred during the month of September. The only over expenditures this year were in the area of package insurance as was reported from the August budget review.

Being no further business the committee adjourned at 6:00 P.M.

Respectfully submitted,

Michael A. Gallagher