

ENNIS PUBLIC SCHOOLS
*******THURSDAY, APRIL 18, 2013*******

SPECIAL BOARD MEETING
FINAL AGENDA
5:00 P.M. - ROOM #3

PLEDGE

- I. VISITORS AND PATRONS**
- II. PUBLIC COMMENT**
- III. NEW BUSINESS**
 - A. Exit Conference with Ross Stalcup Concerning 2011-2012 Audit via Telephone
 - B. Approve Payment to Ross Stalcup

**SCHOOL DISTRICT 52
ENNIS, MADISON COUNTY, MONTANA
THURSDAY, APRIL 18, 2013**

SPECIAL BOARD MEETING - 5:00 P.M.

Lisa Frye	Chairperson
Craig George	Vice-Chair
Jim McNally	Trustee
Mike McKittrick	Trustee
Bill Clark	Trustee
John Overstreet	Superintendent
Ginger Martello	District Clerk

Chairperson Frye called the meeting to order. The pledge to the flag was recited.

VISITORS

Maria Lake	Community Member
Marlene Martin	Bus Driver
Cindy McKittrick	Community Member

NEW BUSINESS

Exit Conference with Ross Stalcup Concerning 2011-2012 Audit via Telephone

Ross Stalcup reviewed the 2011-2012 audit with the board via telephone. Mr. Stalcup felt there were three contingencies that needed to be addressed. The TRS claim against the district in the amount of approximately \$180,000 was undetermined until mediation was complete. The second was the health insurance for Doug Walsh over the next ten years. This amount can't be measured because of premium increases but should be included in the district's liability under GASB 34. The final contingency was the liability to the district if the school district boundaries were adjusted and did not include Big Sky. This would affect the taxable value for the school district substantially. There were two prior period adjustments. The first adjustment was a payment for JGA was double counted from 2008 and \$80,000 in equipment during construction. The second adjustment was showing the full 100% of vacation/sick leave liabilities instead of 30%.

Trustee George asked if the purpose of the audit was to show deficiencies and begin the next year addressing and correcting them.

Mr. Stalcup said small districts complete the Trustees' Financial Statement (TFS) and the auditor takes it from there. This is a finding every class "C" school gets, because they don't have the ability to prepare the financial statements on a GAAP basis. The other prior period finding was the district did not receive the second transportation payment from the county. It was sent in October and was corrected. This year segregation of duties was addressed. This is hard for small schools but the district has good measures in place.

Trustee George asked why the adult education and transportation expenses were not reported? He felt they should be reported as a deficiency. He asked how to report the deficiency errors?

Mr. Stalcup informed the board no one in Montana has a cost allocation. The final budget approved by the board is the allocation plan. The only place this is required is with federal money. He said transportation is used to supplement budgets throughout the state. He said the district will send a letter to the Department of Administration addressing how the district plans to correct the deficiencies. The Department of Administration will decide if the corrections are adequate and notify the district. He said sometimes the district doesn't agree with the findings. A public notice is also placed in the paper.

Superintendent Overstreet said the Denning and Downing audit was different and he didn't think it was sent to the Department of Administration.

Mr. Stalcup agreed and said the audit with Denning and Downing was actually an Agreed Upon Procedure between the district and the firm in which the board selected the procedures. The opinion at the end is disclaimed and unless the district decides to send it to the Department of Administration it is not required for Denning and Downing to send.

Trustee George asked if the district and staff cooperated to get the audit done?

Mr. Stalcup said everyone cooperated. He explained the last few years the audit is done in September. This year we started April 2012 and planned to complete by August. Once the Agreed Upon Procedures started the audit was put on hold. He told the board if they had any other questions to email him. The board thanked him for his time.

Trustee McNally reminded the board the insurance for Mr. Walsh was actually for seven years and not ten. Ms. Martello explained the liability for health insurance will be reflected on the TFS report, according to GASB 34.

Approve Payment to Ross Stalcup


Ms. Martello reported to the board the balance of Mr. Stalcup's payment was around \$6,300. Trustee McKitrick said this was under his contract and needed to be paid. Superintendent Overstreet explained we were not able to notice the committee meeting because we did not know enough in advance as to the time from the auditor. Chairperson Frye felt this was the best way to clean up the confusion, since the board agreed to have a committee meet with the auditor. Trustee McKitrick made a motion to approve the payment for Ross Stalcup. Trustee McNally seconded the motion. All members present were in approval.

As there was no other business for the attention of the board, the meeting was adjourned at 5:27 p.m.

Attest


Ginger R. Martello, District Clerk

5-13-13
Date Approved


Lisa Frye, Chairperson
