

**SCHOOL DISTRICT OF HOLMEN
SCHOOL BOARD COMMITTEE MEETING NOTES
FINANCE COMMITTEE
Monday, September 23, 2024 5:00 p.m.
Frederic D. Frick Administrative Center
Boardroom
1019 McHugh Road
Holmen, Wisconsin 54636**

01. CALL TO ORDER - by B Wuensch at 5:00 pm.

02. ROLL CALL & NOTICE OF QUORUM

X Barb Wuensch, X Jennifer Dieck, X Julie Holman, X Katie Curtis, EXC Thanh Duquette,
X Krystal Matt, X Matt Meyers, X Dr. Kristin Mueller, X Wayne Sackett,
Guest: Joe Haas

03. APPROVAL OF AGENDA - Consensus by committee to approve agenda as published.

04. PUBLIC PARTICIPATION - None.

05. INTRODUCTIONS - Committee members introduced themselves.

06. 2023-24 FINANCIAL STATEMENTS PRESENTATION - J Haas reviewed the audit results and draft financial statements. An audit consists of a financial statement audit, a federal single audit (for federal awards greater than \$750,000) and a state single audit (for state awards greater than \$1,000,000, was previously \$250,000). Not only does an audit test the numbers, but also the process and internal controls. Holmen received about \$4.1M in Federal assistance, of which \$2.1M was ESSER grants, \$1.3M Nutrition aid, and \$700K IDEA. State assistance was roughly \$41M, with \$34M equalization or general aid based on DPI calculation, \$3M Special Education aid, and \$3M per pupil aid. M Meyers questioned what comprised Nutrition aid, and the revenue is primarily based on free/reduced meal reimbursement.

J Haas then moved into the audit results for the District. The District received an ‘unmodified opinion’, which is the desired result, as well as no findings in the various sections, qualifying as a low risk auditee. An Auditor is required to issue a management letter. Governmental accounting uses funds, including general fund, debt service, capital, and non-major (these are considered major funds). The District’s ending cash balance is \$60M, spending down capital balance, and also spending down debt service. The District’s total assets are \$68M, where assets minus liabilities equals fund equity or fund balance. The District’s fund balance is \$18M (up slightly from the previous year), and may reflect as restricted so that the resources will be used for that designated purpose. These restrictions are classified as nonspendable, restricted, committed, assigned and unassigned (which are any funds left over and not designated for any purpose). J Dieck asked about the accrued payroll liability, which primarily accounts for the funds of those educators who elected to receive pay in July and August from their contract that ended in June. M Meyers asked if those funds are paid out even if staff resign/retire, and that is correct. Looking at fund balance as a percentage, the District ended the year at almost 30% (calculated by taking the \$18M fund balance divided by the \$60M cash balance), where the unassigned amount totals about 13%. Districts use these numbers to benchmark fund balance.

J Haas continued with revenue, which is a source of funding for the District, including taxes, interdistrict sources (open enrollment in), and other sources, such as \$1.2M from deferred bond revenue. For expenditures, non-program transactions include open enrollment out and choice school expenditures. J Holman shared choice school is the private school voucher program and special education expenses. Non major funds are further reported on, and include trust (Fund 21 gift accounts and scholarship accounts), food service (Fund 50), community service (Fund 80), and long-term capital trust (Fund 46).

J Haas ended with the comparison of budget to actual. Special Education funds are accounted for separately by the District, but are combined in the final reporting, and are comprised of figures reported on other pages. Positive numbers in the variance are “better”. In order for the Special Education fund to end the year at zero (cannot end the year in a deficit), \$6.8M was transferred from Fund 10 to Fund 27. Ultimately, the District ended the year with a net positive budget of \$1.4M. J Holman shared that ESSER grant funding was intended to be used on HVAC expenses totaling \$1.3M, but numbers for the approved referendum costs came in lower, so the HVAC expense was shifted to the referendum project, allowing the District to supplant \$1.3M in other expenses. Additionally, interest earnings were positive and resulted in increased earnings as well. The District has \$60M of outstanding debt, with a limit of 10% of equalized property value. The District limit calculates to \$310M, or about 19%. The District will be bonding in the spring for the remaining balance. There were no other questions regarding the financial statements and audit results.

- 07. COMMITTEE MEETING DATES FOR 2024-25** - J Holman proposed meeting dates for the year. For the November meeting, if timing works, the Finance Committee would be reviewing referendum survey results and recommendations. This would continue into future meetings as needed. J Dieck asked about referendum committee members.
- 08. COMMITTEE PURPOSE** - J Holman reviewed the committee purpose.
- 09. COMMITTEE NORMS** - J Holman reviewed the committee norms. They are the same norms used in the other board committees. Consensus by committee to approve norms.
- 10. CLARIFY/REVIEW ACTIONS & DISCUSSION** - B Wuensch asked for any other questions or understanding needed from the committee - none.
- 11. ADJOURNMENT** - Meeting is adjourned at 5:45 by committee consensus.