

**GERMANTOWN SCHOOL DISTRICT**

**Notice of Finance Committee Meeting**

January 25, 2021

**6:15 P.M.**

**Germantown School District PAC**

N180 N11501 River Lane

Germantown, WI 53022

**AGENDA**

**I. Meeting Called to Order**

**II. Roll Call**

**III. Agenda Revisions and Approval**

**IV. Approve Minutes**

A. December 21, 2020 Meeting Date

**V. Consent - Review & Discuss**

A. January Vouchers

**VI. New Business – Discussion with Appropriate Action**

A. Monthly Purchase Requests Exceeding \$15,000 & Purchasing/Project Bid Results

B. Sale of Property

**VII. Unfinished Business – Discussion with Appropriate Action**

A. 2021-2022 Budget

**VIII. Reports**

A. December Variance Report

**IX. Adjourn**

***Note:*** School Board members who are not members of the Finance Committee may be present at this Finance Committee meeting.

**GERMANTOWN SCHOOL DISTRICT  
MINUTES OF THE FINANCE COMMITTEE MEETING  
December 21, 2020**

1. The meeting of the Finance Committee was called to order by Michael Loth at 6:00 p.m. in the District's Performing Arts Center at Germantown High School.
2. Finance Committee Members Present: Michael Loth, Tom Barney, and Ray Borden. Director of Business Brittany Altendorf was also present.
3. Motion by Barney, second by Borden, to approve the agenda. Motion carried.
4. Motion by Borden, second by Barney, to approve the November 23, 2020 Finance Committee minutes. Motion carried.
5. Motion by Borden, second by Barney, to approve the December 2020 vouchers. Motion carried.
6. BakerTilly representative Wendy Unger presented the 2019-2020 District Financial Audit Report to the Committee.
7. Brittany Altendorf presented the November Variance Report.
8. Brittany Altendorf informed the Committee that a four-year plan is being developed to close the financial gap. The plan is not ready for Board approval yet but will be presented to the Finance Committee in January 2021. The annual goal will be to balance the budget with a long term goal of increasing the fund balance to align with Board Policy and decrease cash flow needs. The plan will use a staggered approach and focus on Amy Belle and Rockfield debt. Superintendent Brett Stousland informed the Committee that ideas to add to revenue in the future include a possible 4K program, virtual learning or possible charter school, and increase open enrollment opportunities.
9. Motion by Borden, second by Barney to adjourn. Motion carried.
10. The Finance Committee adjourned at 6:4 p.m.

Jayne Borst  
Recording Secretary

## **GERMANTOWN SCHOOL DISTRICT**

**TO:** Finance Committee

**FROM:** Brittany Altendorf, Director of Business & Auxiliary Services

**AGENDA ITEM:** V.A. – Consent of Vouchers: **Review & Discuss**

### **Vouchers List(s) & Board Governance**

Review monthly bills and voucher payments.

Only the FC needs to consent and approve monthly vouchers. Based on policy, it does not go to the full Board of Education.

The report has been posted at the district's web site Finance Committee link.

**ATTACHEMENT(S):** None – Posted on District Website

**RECOMMENDATION:** Consent to Payment Vouchers as presented & reviewed.

## **GERMANTOWN SCHOOL DISTRICT**

**TO:** Finance Committee

**FROM:** Brittany Altendorf, Director of Business & Auxiliary Services

**AGENDA ITEM:** VI.B. – Sale of District Property

### **BACKGROUND:**

During the 2020-2021 school year, administration and the Board of Education have discussed the option to sell the district office in closed session multiple times. If the district office would be sold the staff would move into current school sites or rent space to conduct business. The two options discussed are to sell the building out right or engage in a sale leaseback option. Both options would net an estimated revenue of \$800,000 - \$1,000,000 minus fees and commission.

**ATTACHEMENT(S):** None

### **RECOMMENDATION:**

Motion to approve administration to start the process to sell the district office located at N104 W13840 Donges Bay Road, Germantown, WI 53022.

This will go to full board for final approval on January 25, 2021

## GERMANTOWN SCHOOL DISTRICT

**TO:** Finance Committee

**FROM:** Brittany Altendorf, Director of Business & Auxiliary Services

**AGENDA ITEM:** VII.A. – 2021-2022 Budget

### BACKGROUND:

The process of building the 2021-2022 budget starts in January of 2021 and concludes in October 2021 at the Annual Meeting. This is a biennial budget year and there are many unknowns at the state level. During a biennial budget year district's use many assumptions during the planning stages of the budget and run scenarios when presenting to the stakeholders. This budget is very fluid and will change many times throughout the process. I will present to the Finance Committee monthly and give updates on the budget process. Below are the assumptions used in the 2021-2022 budget that is being presented to the committee this evening.

#### 1/21/2021 Assumptions:

Student Enrollment	Increase of 48 students (3,850)
State Aid	Flat
Revenue Limit Per Member Adj	Flat
Fund balance	Increase of \$250,000
Capital Projects Fund	Increase of \$400,000
Property Valuations	Increase of 2%
CPI	1.23%
Open Enrollment/Vouchers	Flat
Categorical Aid	Flat

**ATTACHEMENT(S):** 2021-2022 Current Budget Assumption and Deficit

**RECOMMENDATION:** None – Report Only

**2021-2022 PRELIMINARY BUDGET ASSUMPTIONS**  
**JANUARY 21, 2021**

DESCRIPTION	AMOUNT
2019-2020 Ending Fund Balance	4,778,503.47
2020-2021 budgeted deficit	(1,395,400.00)
2020-2021 Projected Ending Fund Balance	3,383,103.47

**REVENUE 2021-2022 ASSUMPTIONS**

Decrease in State Aid - based on 2020-2021 student enrollment	(1,845,000.00)
Decrease in Revenue Limit Authority - based on enrollment and allocating funds to F38 and F41	(221,500.00)
Miscellaneous	13,000.00
<b>TOTAL CHANGE IN REVENUE OVER 2019-2020</b>	<b>(2,053,500.00)</b>

**EXPENDITURE 2021-2022 ASSUMPTIONS**

CPI at 1.23% (current staff)	345,000.00
WRS increase	38,000.00
Student Transportation Contract (March CPI + 3.8%) - used 1.6%CPI + 38.% = 5.4%	130,000.00
Increase Health expense by 4.5% - 6 months (projected calendar year increase is 8.9%	186,500.00
Eliminated F10 transfer to pay debt payments - moved exp and revenue to F38	(1,845,000.00)
<b>TOTAL CHANGE IN EXPENSES OVER 2019-2020</b>	<b>(1,145,500.00)</b>

Annual Fund Balance Deposit	250,000.00
<b>2021-2022 PROJECTED FINANCIAL GAP</b>	<b>(2,553,400.00)</b>

**OTHER ASSUMPTIONS**

Increased Property Values by 2%	76,192,533.00
Increase Capital Budget - decreases F10 revenue	400,000.00
3rd Friday membership counts increase by 48 students	3,850
Open Enrollment IN and OUT	Flat

**REVENUE SOLUTIONS**

GRANTS AND DONATIONS	50,000.00
FACILITY USAGE	125,000.00
STUDENT FEES	20,000.00
REBATES	4,000.00
<b>TOTAL REVENUE SOLUTIONS</b>	<b>199,000.00</b>

**EXPENDITURE SOLUTIONS**

STAFF AND RETIREE BENEFITS	(336,880.00)
VENDOR CONTRACT NEGOTIATIONS	(566,000.00)
STAFF REDUCTION/RESTRUCTURE	(908,836.00)
MISC	(9,700.00)
<b>TOTAL EXPENDITURE SOLUTIONS</b>	<b>(1,821,416.00)</b>

<b>2021-2022 CLOSING THE GAP SOLUTIONS</b>	<b>(2,020,416.00)</b>
<b>SURPLUS/DEFICIT</b>	<b>(532,984.00)</b>

<b>2021-2022 Projected Ending Fund Balance WITHOUT Solutions</b>	<b>1,079,703.47</b>
<b>2022-2022 Projected Ending Fund Balance WITH Solutions</b>	<b>3,100,119.47</b>

## **GERMANTOWN SCHOOL DISTRICT**

**TO:** Finance Committee

**FROM:** Brittany Altendorf, Director of Business & Auxiliary Services

**AGENDA ITEM:** VIII.A. – December Variance Report

### **BACKGROUND:**

This report will be brought to the Finance Committee monthly to show the District spending and revenue compared to last year at this time. A detailed report breaking down the expenses and revenues by WUFAR categories will be provide monthly as well as a summary sheet pointing out any variances.

As of December 31, 2020, the district has spent a total of \$20,183,704.90 which is greater than this time last year due to the fact that the district allocated funds to debt payments in November instead of at the payment date as stated last month. The expenses as of December 2019 were \$19,309,530.52, a difference of \$874,174.38. August – November student transportation payments will be reflected on the January report. Revenues are slightly increased at \$6,095,780.90 compared to December 2019 of \$5,551,226.30. This is due to a combination of an increase in state aid, the timing of student fee deposits, and the increase borrowing for technology leases.

**ATTACHEMENT(S):** December Variance Report

**RECOMMENDATION:** None – Report Only



# MONTHLY VARIANCE REPORT

December 31, 2020

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This report outlines the Germantown School District's financial position through December 31, 2020

## OPERATING EXPENDITURES

The report is comparing the district's expenses from December 2019 to December 2020 for the General Fund and the Special Education Fund. Taking into consideration the transfers completed in November 2020 the district is currently spending less as of December 2020 compared to the previous year. Student transportation invoices for August 2020 - November 2021 were being discussed between the district and GoRiteway. These invoices were paid on January 8, 2021 and will be reflected on the January Variance Report to the Finance Committee. The Special education fund expenditures are slightly less than the previous year. With the above information included the district is spending approximately \$200,000 less than the previous year. Expenses will continue to be closely monitored and report out monthly.

## OPERATING REVENUES

The report is comparing the district's revenue from December 2019 to December 2020 for the General Fund and the Special Education Fund. The majority of our revenue is received from state aid and property taxes which has scheduled payments that are consistent year over year. The district will receive the first property tax payment in January 2021. The revenue budget has decreased by \$500,000 compared to 2019 to better reflect the actual expected income. As of this report the district's general revenue has increased by approximately \$380,000 due to state revenue and the technology lease borrowing that increased \$400,000 over the previous year. The Special Education Fund has increased compared to this time last year due to a deposit of state dollars

## OPERATING FUND BALANCE

At the beginning of the 2020-21 school year (July 1, 2020) the district had \$4,778,503 in the operating fund balance. The fund balance is very fluid and constantly changing. It is a snapshot in time of our financial system and is not related to the amount in the district's bank account. Included in the December 31, 2020 balance is encumbered amounts as well as revenues and expenses.



## GERMANTOWN SCHOOL DISTRICT

## MONTHLY VARIANCE REPORT

12/31/2020

	2020-21 FYTD Revised Bdgt	2020-21 FYTD Activity	Encumbered Amount	2020-21 FYTD Unencumbered Bal	2020-21 FYTD %	2019-20 FYTD Revised Bdgt	2019-20 FYTD Activity	Encumbered Amount	2019-20 FYTD Unencumbered Bal	2019-20 FYTD %
<b>GENERAL FUND</b>										
10 SALARIES	22,203,266.00	8,188,951.39	0.00	14,014,314.61	36.88%	22,899,165.00	8,217,311.47	0.00	14,681,853.53	35.88%
10 EMPLOYEE BENEFITS	7,994,744.00	3,264,248.60	0.00	4,730,495.40	40.83%	8,110,497.00	3,196,426.11	0.00	4,914,070.89	39.41%
10 PURCHASED SERVICES	7,400,622.00	1,387,621.47	425,233.68	5,587,766.85	24.50%	6,567,340.00	2,448,223.78	293,119.60	3,825,996.62	41.74%
10 NON-CAPITAL PURCHASES	1,853,372.00	821,528.07	173,655.70	858,188.23	53.70%	2,082,807.00	1,146,970.85	201,461.29	734,374.86	64.74%
10 CAPITAL PURCHASES	696,647.00	723,077.15	9,397.50	-35,827.65	105.14%	482,546.00	313,658.09	154,697.68	14,190.23	97.06%
10 DEBT RETIREMENT	537,750.00	486,882.97	0.00	50,867.03	90.54%	569,102.00	432,736.64	0.00	136,365.36	76.04%
10 RISK INSURANCE & JUDGEMENTS	381,741.00	348,516.24	53,432.00	-20,207.24	105.29%	393,796.00	279,028.80	0.00	114,767.20	70.86%
10 TRANSFERS BETWEEN FUNDS	7,587,567.00	1,875,059.08	0.00	5,712,507.92	24.71%	7,867,927.00	0.00	0.00	7,867,927.00	0.00%
10 OTHER OBJECTS	165,770.00	43,702.13	718.95	121,348.92	26.80%	145,804.00	69,255.60	0.00	76,548.40	47.50%
10 GENERAL FUND	48,821,479.00	17,139,587.10	662,437.83	31,019,454.07	36.46%	49,118,984.00	16,103,611.34	649,278.57	32,366,094.09	34.11%
<b>SPECIAL EDUCATION FUND</b>										
27 SALARIES	5,582,705.00	1,958,878.33	0.00	3,623,826.67	35.09%	5,748,173.00	2,055,588.42	0.00	3,692,584.58	35.76%
27 EMPLOYEE BENEFITS	1,741,569.00	672,978.62	0.00	1,068,590.38	38.64%	1,736,926.00	675,515.39	0.00	1,061,410.61	38.89%
27 PURCHASED SERVICES	1,161,545.00	353,528.77	5,708.70	802,307.53	30.93%	1,134,637.00	417,951.89	14,472.06	702,213.05	38.11%
27 NON-CAPITAL PURCHASES	65,773.00	56,751.08	717.48	8,304.44	87.37%	91,341.00	54,741.48	1,712.01	34,887.51	61.81%
27 OTHER OBJECTS	3,650.00	1,981.00	0.00	1,669.00	54.27%	4,750.00	2,122.00	0.00	2,628.00	44.67%
27 SPECIAL EDUCATION FUND	8,555,242.00	3,044,117.80	6,426.18	5,504,698.02	35.66%	8,715,827.00	3,205,919.18	16,184.07	5,493,723.75	36.97%

## REVENUE

	2020-21 FYTD Revised Bdgt	2020-21 FYTD Activity	Encumbered Amount	2020-21 FYTD Unencumbered Bal	2020-21 FYTD %	2019-20 FYTD Revised Bdgt	2019-20 FYTD Activity	Encumbered Amount	2019-20 FYTD Unencumbered Bal	2019-20 FYTD %
<b>GENERAL FUND</b>										
10 LOCAL SOURCES	31,055,827.00	393,869.85	0.00	30,661,957.15	1.27%	31,983,303.00	668,708.52	0.00	31,314,594.48	2.09%
10 INTER-DISTRICT SOURCES	865,214.00	1,029.02	0.00	864,184.98	0.12%	916,549.00	0.00	0.00	916,549.00	0.00%
10 INTERMEDIATE SOURCES	15,000.00	952.64	0.00	14,047.36	6.35%	21,319.00	0.00	0.00	21,319.00	0.00%
10 STATE SOURCES	14,433,734.00	4,140,313.00	0.00	10,293,421.00	28.68%	13,282,218.00	3,754,402.11	0.00	9,527,815.89	28.27%
10 FEDERAL SOURCES	309,494.00	9,842.84	0.00	299,651.16	3.18%	311,135.00	40,950.00	0.00	270,185.00	13.16%
10 FINANCING SOURCES	616,810.00	599,441.49	0.00	17,368.51	97.18%	347,209.00	260,752.63	0.00	86,456.37	75.10%
10 MISCELLANEOUS SOURCES	130,000.00	39,711.77	0.00	90,288.23	30.55%	978,000.00	81,117.39	0.00	896,882.61	8.29%
10 GENERAL FUND	47,426,079.00	5,185,160.61	0.00	42,240,918.39	10.93%	47,839,733.00	4,805,930.65	0.00	43,033,802.35	10.05%
<b>SPECIAL EDUCATION FUND</b>										
27 INTERFUND TRANSFERS - IN	5,746,143.00	0.00	0.00	5,746,143.00	0.00%	5,967,927.00	0.00	0.00	5,967,927.00	0.00%
27 STATE SOURCES	1,939,665.00	655,139.00	0.00	1,284,526.00	33.78%	1,939,665.00	538,835.00	0.00	1,400,830.00	27.78%
27 FEDERAL SOURCES	869,434.00	255,457.29	0.00	613,976.71	29.38%	519,384.00	206,442.65	0.00	312,941.35	39.75%
27 MISCELLANEOUS SOURCES	0.00	24.00	0.00	-24.00	0.00%	0.00	18.00	0.00	-18.00	0.00%
27 SPECIAL EDUCATION FUND	8,555,242.00	910,620.29	0.00	7,644,621.71	10.64%	8,426,976.00	745,295.65	0.00	7,681,680.35	8.84%

## FUND BALANCE

	July 1, 2020	December 30, 2020	Inc/Dec
GENERAL FUND	4,778,503.47	(7,175,923.02)	(2,397,419.55)
SPECIAL EDUCATION FUND	-	(2,133,497.51)	(2,133,497.51)
	4,778,503.47	(9,309,420.53)	(4,530,917.06)