

SCHOOL BOARD FINANCIAL WORKSHOP

GADSDEN COUNTY SCHOOL BOARD
MAX D. WALKER ADMINISTRATION BUILDING
35 MARTIN LUTHER KING, JR. BLVD.
QUINCY, FLORIDA

July 22, 2025

4:30 P.M.

The workshop was open to the public and electronically recorded.

The following Board members were present: Mr. Leroy McMillan, Chairman, via zoom; Ms. Cathy S. Johnson, Ms. Stacey S. Hannigon, Mr. Steve Scott and Mr. Charlie D. Frost. Also present were Mr. Elijah Key, Superintendent and Secretary to the Board, Mrs. Deborah Minnis, Attorney for the Board; and others.

1. Call To Order

The workshop was called to order by the Vice Chair, Ms. Cathy S. Johnson, at 4:30 p.m.

2. Financial Information

• 2025 – 06 Board Revenue Summary Report

Mrs. Bruner shared updated information with the Board on the revenue and expense summary reports. She stated that the first part of the annual financial report is the ESE 348. She stated that there are rows of numbers that looks very similar to the summary budget that will be presented for approval in September 2025. She stated that all of the information will be presented from the 23 – 24 year. She stated that the financial highlights explains everything at the end of the fiscal year. She stated that the general fund unassigned fund balance was \$2.8 million or 6.7% of the total general fund revenues. She stated that was the district's fund balance at the end of 23 - 24. She stated that the district was able to mathematically make some adjustment. She stated that the 24 - 25 year is about the start. She stated that there was an increase due to the utilization of ESSER funds. She stated that there are other things that can impact the fund balance, such as purchase orders. She stated that this is going to be our starting point for 24 – 25. She stated that the AFR has been completed. She stated that the indirect cost plan and the reconciliation has to be completed. She stated that once that third step is completed, then the district will be able to begin the 24 – 25 AFR, which must be completed by September 11, 2025. Ms. Johnson stated that basically what we're looking at right now is the AFR numbers for 23 – 24. Mrs. Bruner stated yes, that's what we're looking at this time. She stated that on the ESE 145 is where the verbiage and paragraphs show where the meat of the information that tells about the activities of the district, our debt service. She stated that the district had a loan that was taken out several years ago and is nearing completion. She stated that the finance department would be working with DOE. She wanted to know how the Board wanted to receive their information. She stated that the information will be provided to the auditors. She stated that the auditors anticipate it will take them approximately 4 to 8 weeks to review and submit their findings. She stated that the district's final audit report will be submitted with the Auditor General's office and the U.S. Department of Education.

Ms. Hannigon stated that Mrs. Bruner made mention that a part of the reason the increase is due to ESSER funds. Mrs. Bruner stated that the utilization of ESSER funds. She stated that when the ESSER funds were given to the district, districts were told how to utilize and use those funds. She stated that the ESSER funds were used and not the general funds, which helped the district's fund balance. She stated that now the grant is done, we have to see what our general fund balance will be. Ms. Hannigon asked Mrs. Bruner to repeat what she said about the additional time frame for the auditors. Mrs. Bruner stated that the Auditor General

office will take this information that's before you and they may have questions or edits. She stated that sometimes they may uncover something that we didn't notice. She stated that changes may have to be made. She stated that when the district received the final Auditor General's report, there may be some differences from what's presented before the Board. Ms. Hannigon stated that just having an understanding that this is prepared by district staff and part of their day-to-day operation, as far as the Board is concerned what responsibility we have in the submission of the annual financial report. Mrs. Bruner stated that the Auditor General office comes back and says that there needs to be a correction or edit, maybe funds need to be returned, or funds need to be transferred from a different type. She stated that staff will make those corrections. She stated that the district has the ability in its financial system to make prior year adjustments. She stated that whatever correction is needed will be made and sent back to the State. Ms. Hannigon stated that subsequently will anything come before the Board be considered a budget amendment or will anything come back to the Board. Mrs. Bruner stated that depending on the dollar threshold, the Board will see the final Auditor General report. Ms. Hannigon stated that there would be no need for the Board to entertain budget amendments if that was the scenario. Mrs. Bruner stated that she was not positive but will double check the policy. Mr. Frost asked which AFR was due by September 11th, and if there were any extensions, Mrs. Bruner stated that the 24 – 25 and that she was hoping not to file an extension this year.

Mrs. Bruner stated that in the Board packet was the contract for Ms. Kathy Sneads. She stated that Ms. Sneads did the work on the AFR along with some other duties. She stated that the contract amount is presented with the same amount because of all the things that she has done that the finance department had hoped to do initially. She stated that next year we'll be focusing on continuing to clean up our records, continuing to make sure that we're putting ourselves on good footing up front. She stated that the finance department has been working with the individual departments reviewing their contracts, and making sure everything's coded correctly. She stated that finance will continue to work on developing procedures per audit request.

Ms. Johnson stated that she was concerned about a timeline for the contract with Ms. Sneads. She stated that she wanted to see the different things the Board could look forward to. Mrs. Bruner stated that the finance department is handling the tasks of the day-to-day operation. She stated that work still is needed on the reconciliations on a monthly basis. She stated that work is still needed with the office managers at each school to make sure that information is being reconciled regularly. She stated that would make the annual reports go so much easier and faster. She stated that she still has to figure out the drawdown process with the grants. She stated that there are different ways that grants can be drawn down between the flag system for state grants, and some that have-to-have certain reports filled out. She stated that the funds are drawn down based on what you use the funds for. She stated that some funds are quarterly releases, so you have to know how much is being released. She stated that you have to know whether you've got enough funds to pay bills on time. She stated that there are funds that come directly from DOE or from the government. She stated that each of those within the government are all different platforms. She stated that it's just finding all of this information and getting it cohesively put down in writing. She stated that she still has a stack on her desk that she has to work through. She stated that State reporting has to be done constantly. She stated that sometimes there are new reports that need to be completed. She stated that there are no procedures already written down, which takes longer to complete because you have to figure out what it is, what it's asking for, who's supposed to get it, and who you might need to get information from. She stated that yes, there's a lot that still needs to be put down in writing and everyone knows exactly how it's supposed to run and who's supposed to do it. Ms. Johnson asked what was the timeline for having procedures and processes written out, and getting everybody on board so they understand their duties. Mrs. Bruner stated that it is hard to say a specific timeline because, even with this budget process, we're supposed to have our meeting on Thursday. She stated that she just received the State certification on Friday, which was not a workday, and then the forms for the State were just released today. She stated that it is very hard to give a timeline. She stated that things happen at the last minute with a small window. She stated that everything has to be dropped and those high priority projects have to be done. She stated that the contract with Ms. Sneads need to be continued to help with tasks that we did not accomplish last year. She stated that there is a vast amount of corrections to be made and a lot of work that needs to be completed. Mr. Frost stated that he did not agree with continuing the contract with Ms. Sneads because eventually we're going to have to be able to clean up these things ourselves. He stated that we cannot continue

to depend on someone else to handle these things. He stated that he understands that the whole finance department has new staff. Mr. Scott stated to the Superintendent that the district has had consultants for years. Mr. Key stated that was correct, this is not anything new. He stated that consultants have played a major role with helping the district. Mr. Scott stated that he agree with having a consultant. Ms. Hannigon stated that she understands what the finance department is going through from the higher ups and making sure that the daily processes are handled correctly. She stated that she does not mind making the investment for us to get to where we need to be. She stated that by no means that's not a blank check to say take as long as it takes. She stated that a timeline is important. She stated that she has been on the other side. Ms. Johnson inquired about the officer managers being trained. Mrs. Bruner stated that we have not done a global training, here is your manual, and here is your full training. She stated that hasn't occurred. She stated that we do need to refresh, or we need to update because there are some statutory changes. She stated that there are some districts where financial records for each school are reconciled monthly and submitted to the district finance office. She stated that the schools have audits and have to clean up records as well. She stated that it's getting to the point where we say that yes, this is how we want to operate, this is what we're going to do. Ms. Johnson asked Mrs. Bruner if she was still not comfortable with drawing down funds? Mrs. Bruner stated that there are a couple more areas where we need to make sure that we're understanding the process, understanding what forms are supposed to be filled out, and who is supposed to fill out those forms. She stated that some departments fill out their form and send it up to finance for verification, signature and submission. She stated that she submits some of the forms once the numbers are verified, and there are some where the departments do the submitting and I never get copied. She stated that we are just trying to figure it out. She stated that right now, our accounts payable position has a very good desktop procedure and our payroll has a very good one, but we still need to advance on to the rest of the office to start developing and getting procedures in place. Ms. Johnson stated that every month the invoices are very detailed. She stated that the consultant should be there to consult. Mrs. Bruner stated that the work that the consultant is doing is not covered on that sheet. The consultant is there and is helping mainly with our annual financial report. She stated that the AFR is vast. She stated that a separate consultant was hired for the cost report. She stated that other counties outsource their AFR and the cost report because they are so time consuming. She stated that literally that's all that Ms. Sneads has done for weeks is gather information, and make corrections. Ms. Johnson stated to the Superintendent, that once we get an assistant finance director that things should settle down and calm down and that we wouldn't need our consultant. Mr. Key stated that Ms. Sneads has been doing a lot of things. He stated that there are things that Mrs. Bruner should not be touching on because she's the director. He stated that Mrs. Bruner has had to touch things but at the same time have somebody to watch to ensure that she is not doing anything wrong. He stated that the goal is have the consultant work until somebody is hired within the next week, month or so. He stated that he understands that Ms. Sneads do not want a full-time job. He stated that the new person is not going to have the knowledge that Ms. Sneads has. He stated that as far as a timeline of making sure that the assistant, whoever that may be, is up to par with what they need to do, so we can start moving forward. He stated that this is just one of those things where we actually have to just continue to bring the contract before the Board to help us out. Ms. Johnson asked how long are we going to have Ms. Sneads around, and what are we doing to ensure that our employees are trained and they know how to draw money down? Mr. Frost stated that he believes that whenever you're not able to do something, once you learn how to do it, you should be good to go from that point on. Ms. Hannigon asked for clarity on section, 2D under scope of work, with all the duties listed in section 2D, are those individualized duties one time slash temporary duties; or are they ongoing duties, and if they are ongoing duties, which of your listed positions would assume those duties moving forward once the contract is ended with the consultant. Mrs. Bruner began with #1, assistance with preparation of financial statements, that would be the AFR. She stated that would be something that she would entertain. She stated that would be continuing because that report is so massive and detailed. She stated that typically big corporations and companies outsource that to an accountant, they do not do that internally. So that's one of those where she would not recommend that we ever do that internally. She stated that financial experience is needed for an outside entity. She stated that would help us give ourselves a layer of fraud prevention and protection; #2 assisting with the completion of bank and other account reconciliations which would be the assistant director position and the comptroller functions, which would eventually want to phase out those duties and have as a monthly check; #3 FDOE deadline and requirements, those were a lot of the reporting

that typically would be my responsibility, but because of the workload of having to pick up the assistant director position being vacant. She stated that eventually, yes, that one would fall off and then that would be primarily me or and the assistant doing those reports; #4 skyward data input would be various areas. She stated that as Mr. Key pointed out, because of the checks and balance system in finance, there are certain things I cannot enter, and in the absence of an assistant director the consultant has been doing those duties. She stated that there may be a point and time where one or two will fall off or have to be done by a consultant or by someone else because of the checks and balance system; #5 balancing financial records, again, that would be depended on what type of records between either the budget manager, which we've not had a chance to train on that, or the assistant director; #6 indirect cost plan that would be one that we would hope to be able to pick up. She stated that the consultant worked on today, but would be able to walk me through it and assist me and by next year doing it on my own with just having her check in; #7 assisting with federal projects, fiscal monitoring and closeout, that would be one that would eventually we would hope to have come off and be between the budget manager and myself; #8 assistance with generating the required board of financial reports that one is on here still but I'm pretty fluent with that one now; #9 the staff training that was the biggest one that we were hoping to have been able to do in the first year but now two possible three years; #10 assistance with the development of policies and procedures, we have been able to develop a few as we have gone through the audit with the auditor. She stated that once we get their final report back, we'll have more to go through. She stated that making sure that if we're developing a good procedure that it has screenshots to follow step by step. She stated that one will probably take us more time to wrap up. She stated that then after that it would just be updating them with the Auditor General's office and would eventually fall off. Ms. Hannigon stated that some options were presented in reference to the insurance. Mrs. Bruner stated that our insurance representatives, Mr. John Pat Thomas and Mrs. Angie Pitts are here tonight to answer any questions that you may have in reference to insurance. She stated that the renewal rates and the comparison are presented. She stated that there was an increase of 7.4% with CHP. She stated that comes out to a \$13.25 impact for employee-only coverage, \$30.12 for employees and spouses, \$25.60 for employees and children, and \$43.66 for employees and family. She stated that there was an 17% increase to dental. She stated that the next tab the recommendation for the Board to pick up that increase on the dental. She stated that previously the Board has picked up 78% of the cost for CHP. She stated that the different options would be: 1) the insurance committee is recommending the Board maintain the 78%. She stated that the Board would pick up a portion of the increase and the employee would pick up a portion of the increase for both the capital selection and the value selection; option #2 if the Board absorbed the entire cost, how much the impact would be. She stated that would be nearly \$30,000 a month impact, so almost 360,000 yearly impact if the Board pick up the whole increase; and option #3 if the Board pick up the minimum for CHP of at least 75%, which would be a greater impact to the employee. She stated that the committee is recommending holding at the 78%. Mr. Frost wanted to know if it was just CHP for the district. Mrs. Bruner stated yes. Mr. Thomas stated that it is 7.4% based upon the company. He stated that across the board they're in average 9% increase on all their renewals. He stated that 7.4% is a heck of an increase. He stated that in comparison to other companies it could have been worse. Mr. McMillian stated that he was of the mindset that with the way things are as far as the economy is concerned and employees having to spend more buy groceries and things like that, he suggested that the Board absorb the entire amount. He stated that this would help our employees and it's a recruiting tool for the Board to take care of their people in Gadsden County. Mr. Frost wanted to know if there was a timeline for approval. Mrs. Bruner stated yes, the new rates needed to be added before open enrollment to get into the system, run the tests and make sure that everything is going to work right when we release open enrollment. Mr. Scott asked Mr. Thomas to explain about how rates are different for different companies, different counties and what it is based on. Mr. Thomas stated that it is based off your group, the demographic in your group. He stated that unfortunately, this school district has an older demographic. He stated that if there was a younger group, the numbers would be very different, but the demographic in your group are older people. He stated that the cost of prescription drugs and the cost of everything else is higher due to you having an older demographic in your group. He stated that it is an unfortunate situation but it is the way that the charges are made. Ms. Hannigon wanted to know what information was needed for the district to move forward with open enrollment. Mrs. Bruner stated that without a hitch, they wanted it by today and I told them that it was going before the board tonight. She stated that we're hoping that we can get approval tonight so that we can stay on

track. She stated that there is a lot on the vendors' end that they have to do to put the information in the system. She stated that when the agent comes and sits down with you, the employee, and you walk through their portal to make sure that everything is there and correct. She stated that Mr. Melvin Collins handles benefits for the district. She stated that we are hoping to have a clean process this year for open enrollment. Ms. Hannigon asked when the district was looking at starting open enrollment and is there a tentative date. Mrs. Bruner stated August 4th to the 8th. She stated that a calendar would be sent out to all employees showing the different dates and site locations for the vendors to come and explain all the different coverages. She stated that there will be several opportunities for the employees to meet with the vendors in person or remotely. Ms. Hannigon asked when the deductions would start coming out of paychecks. Ms. Bruner stated that October 1st. Ms. Hannigon stated that there is a difference between the school district, the city and the county. She stated that she was used to this type of conversation being had in the midst of full budget workshops, budget planning. She stated that she was a bit perplexed about having to consider making a decision tonight regarding something that will have budgetary impact, but we haven't even begun budget discussions. She stated that her intent was to request a workshop to discuss insurance because by no means is insurance a simple matter. She stated that Mr. Thomas mentioned that there are so many variables that impact why we're looking at a 7.4% increase for our district, which is not part of the conversation tonight. She stated that she was not ok with approving and saying yes. She stated that whether it's the Board absorbing 100% of the increase, if it's the 75% split or 78% split without having a conversation to really look at the numbers with CHP, we needed to have more conversation to see where the greatest impact would be. She stated that she was concerned that we haven't even started talking about the budget. She stated that she was also concerned about the enterprise contract being on the agenda and will be a budgetary impact. She stated that the budget meeting was scheduled for this Thursday, July 24th. Mr. Frost stated that he was concerned about the continuous spending and not knowing where we are. He stated that he agrees with Mr. McMillan that the Board consume the cost, but can we really afford it. He stated that usually there would be a workshop for discussion. He wanted to know if changes could be made to your insurance at any time during the year. Mrs. Bruner stated that yes you have to be sure of your selection because no changes could be made during the year, unless you have a life changing event such as a birth, death, marriage, divorce, or adoption. Ms. Hannigon wanted to know if there was any wiggle room to have a more in-depth conversation about insurance. Mr. Key stated that in order for open enrollment to move forward, staff is going to have to have something tonight. He stated that it is going to have to be one of those decisions that we are not absorbing any of the cost and revisit, absorb the entire cost, or keep it at the current rate of 78%. Ms. Hannigon asked if this was done the same way last year as far as the timeline. Mr. Key stated that as we look at the letter it was dated June 10th. He stated that as soon as finance received the information and received everything that was needed, it was presented to the Board tonight.

- 2025 – 06 Board Expenditure Summary Report

3. Facilities Update

Mr. Hudson stated that the district is at the end of the first phase of the new school. He stated that the district should be receiving plans from the architect around September. He stated that the way the schedule currently looks in January we probably would start to execute the second phase. He stated that we are starting to prepare for the start of school. He stated that we are making sure that we comply with everything, for example the fire alarms, and security systems. He stated that we are trying to maintain and upkeep our facilities. He stated that maintenance was able to get some additional help with grounds keeping because of the rain and heat. He stated that we are going to do everything to provide the support that is needed. He stated that we are getting closer to getting a generator for Havana Magnet School through a grant. He stated that the grant has been assigned to a project manager. He stated that in the board packet is a request for the purchase of and install three new 5-ton split AC systems for Gadsden Technical Institute. He stated that also on the board agenda is a request for approval for pest and weed control services for the athletic fields to keep our fields looking good. He shared pictures of West Gadsden Middle School gymnasium.

4. Educational Items by the Superintendent

Mr. Key stated that Mrs. Joannette Thomas was present to speak with the Board about federal dollars. He stated that the district lost some federal funding for the upcoming year. He stated that he would have Mrs. Thomas share with the Board information on federal dollars at the regular board meeting.

5. School Board Requests and Concerns

Ms. Hannigon stated that she wanted to know if there was another option other than leasing for the security weapons detection system, and if that was a purchase that we need to make. Mr. Key stated yes, because we are short. He stated that at this day and time that we are living in, we need the mobile ones because right now we have the ones that are just stationary at the gym. He stated that during football games, we are using wands and things of that nature. He stated that the mobile ones are needed. He stated that this is one of the cheaper systems. He stated that was the going price because everybody is demanding those type metal detectors. He stated that this would help move the process of students going through metal detectors and keep them from standing in long lines on cold mornings and in the rain.

6. The workshop adjourned at 5:55 p.m.