

Briefing Document: Chardon Local School District Financial Reports - February 2025

Date: Prepared By: Gemini AI Assistant **Subject:** Review of February 2025 Financial Summary Reports for Chardon Local School District

This briefing document summarizes the key financial activities and positions of the Chardon Local School District for the month of February 2025, based on the provided financial report excerpts.

Overall Financial Position (as of February 28, 2025):

Total All Funds Balance (Bank Reconciliation): The bank reconciliation as of February 28, 2025, shows a total adjusted bank balance and book balance of **\$30,217,569.50**. This indicates the total cash available across all the district's bank accounts.

General Fund Performance:

Revenue vs. Expenditure (Month of February 2025): **Revenue:** \$7,936,066, which is **\$2,480,560 higher** than the prior year (February 2024) revenue of \$5,455,507. This represents a significant positive variance.

Expenditures: \$3,050,805, which is **\$136,690 higher** than the prior year (February 2024) expenditure of \$2,914,115.

Revenue vs. Expenditure (Fiscal Year-to-Date - July 2024 to February 2025): **Revenue:** \$28,359,897, which is **\$990,659 higher** than the prior year-to-date revenue of \$27,369,251.

Expenditures: \$25,788,476, which is **\$723,355 higher** than the prior year-to-date expenditure of \$25,065,121.

Comparison to Forecast: As compared to the November 2024 forecast:

Revenue: Trending unfavorably by **\$210,849**.

Expenditure: Trending favorably by **\$499,007**.

Net Potential: A favorable impact of **\$288,158** on the cash balance.

Cash Balance Projections: The June 30 actual cash balance at the end of the previous fiscal year was **\$23,696,999**.

The June 30 cash balance is estimated to be **\$18,414,936** at the end of the current fiscal year. This indicates a projected decrease in the general fund cash balance.

Days of Cash:The General Fund balance is **\$26,268,420** and **\$22,140,819** after open encumbrances.

The average monthly expenditure estimate is \$3,741,907, and the average daily expenditure estimate is \$187,095.

This translates to **140.40** true days of cash before encumbrances and **118.34** true days of cash after encumbrances. The note indicates a target of 75 days of operating expenses.

Salary Information (February 2025):

Monthly salaries totaled **\$1,733,447**.

Total fiscal year-to-date salaries (July-February) amounted to **\$14,332,875** (17 out of 26 pays).

The annual estimate for salaries is **\$22,759,243**.

Key Observations:"Staff adjustments for declining enrollment" are noted.
"Retirement buyout has stabilized salaries."

Food Service Report (Fund 006):

Deficit Month-to-Date (MTD): \$(55,799.79)\$.

Ending Fund Balance: \$755,879.82.

The revenue and expenditure graphs show fluctuations throughout the fiscal year, with February 2025 revenue appearing lower than the previous February, and expenditures showing a significant peak earlier in the fiscal year.

Permanent Improvement Fund (February 2025):

Revenue (Actual):Monthly: \$576,487.

Fiscal Year-to-Date (FYTD): \$1,797,760.

The primary source of revenue in February 2025 appears to be from "1100 Taxes," followed by "350.000 - 2nd Tax Advance Received" (inferred from the arrow and title of the subsequent slide).

Expenditures (Actual):Monthly: \$14,804.

Fiscal Year-to-Date (FYTD): \$2,695,030.

February expenditures were relatively low compared to earlier months in the fiscal year. Categories of expenditure include "100 Personal services - employee salaries and wages," "500 Supplies and materials," "600 capital outlay," and "900 other uses of funds." Specific examples noted are "Touchscreen Thermostat," "Remote Sensors," "Instrument Repairs (Bundy Clarinet)," and "Comdoc Copier/Maintenance Fees."

Self-Insurance Fund Report (February 2025):

Total Revenue (Fiscal Year-to-Date): \$4,346,570.

Board Contributions: \$3,751,466.

Employee Contributions: \$595,105.

Total Expenditures (Fiscal Year-to-Date): \$4,815,184 (primarily Claims).

Excess Rev & Oth Fin Sources Over/(Under) Exp & Other Fin Uses (Fiscal Year-to-Date): \$(468,613)\$.

Reserve/Ending Cash Balance: \$2,069,378.

The Self-Insurance Fund Balance chart shows a fluctuating balance throughout the current fiscal year, generally trending downwards compared to the previous year. The reserve amount appears to be stable.

Key Themes and Important Ideas:

Strong Revenue Performance in February: The General Fund experienced a significant increase in revenue compared to the same month in the prior year.

Favorable Expenditure Trend Compared to Forecast: The General Fund is currently spending less than forecasted, resulting in a positive impact on the cash balance.

Projected Decrease in General Fund Cash Balance: Despite the positive monthly performance and favorable expenditure trend, the year-end cash balance in the General Fund is projected to be lower than the previous year. This warrants further investigation into the drivers of this decrease.

Salary Stabilization: Staffing adjustments due to declining enrollment and retirement buyouts appear to have had a stabilizing effect on overall salary costs.

Food Service Fund Deficit: The Food Service Fund reported a deficit for February, although the ending fund balance remains positive. Ongoing monitoring of this fund's performance is advisable.

Permanent Improvement Fund Activity: The Permanent Improvement Fund saw significant revenue in February, likely due to the second tax advance. Expenditures were relatively low during the month, with spending occurring across various project-related categories.

Self-Insurance Fund Under Pressure: The Self-Insurance Fund is currently experiencing an excess of expenditures over revenues year-to-date, leading to a decrease in the ending cash balance compared to the beginning balance. This trend should be closely monitored to ensure the long-term sustainability of the fund.

Quotes from Original Sources:

(Slide 7 regarding salaries): "Staff adjustments for declining enrollment" and "Retirement buyout has stabilized our salaries."

(Slide 8 regarding days of cash): "PO 6210 - 75 days of Operating Expenses" (This indicates a policy goal for cash reserves).

Further Considerations:

A deeper analysis of the unfavorable revenue trend in the General Fund compared to the forecast is needed to understand the underlying reasons. The drivers of the projected decrease in the General Fund's year-end cash balance should be examined.

The performance of the Food Service Fund should be monitored to understand the drivers of the monthly deficit.

The trends in the Self-Insurance Fund, particularly the increasing claims expenditures, require close attention and potential mitigation strategies.

This briefing provides a high-level overview of the February 2025 financial reports. Further detailed analysis of specific funds and line items may be necessary for a more comprehensive understanding of the district's financial health.