Barberton City School District

Treasurer's Report

June 25, 2026

As we approach the June 30 fiscal year-end, I would like to highlight several areas where the district has made significant progress during the past several months.

First, all negative balances on the district cash summary have been corrected. This was a substantial undertaking, as more than 100 accounts were reviewed, analyzed, and adjusted. The transfers included on tonight's agenda are permanent transfers from the General Fund to properly align fund balances and correct historical issues.

The advances included on the agenda are temporary in nature and are expected to be repaid in July. The majority of these advances are related to pending grant reimbursement requests with the State of Ohio. Once those reimbursements are received, the advances will be returned to the General Fund.

Moving forward, the cash summary will be reviewed in detail each month as part of our standard financial processes. Any negative balances will be identified and addressed immediately. There may be limited circumstances where a temporary negative balance occurs during the normal course of business. For example, a student activity account such as yearbook may incur expenditures before all receipts have been collected. In those cases, the situation would be temporary and resolved within the fiscal year.

In addition to correcting cash balances, we have implemented additional budgetary controls and accounting procedures to ensure expenditures are recorded in the appropriate account codes and that budgets are properly monitored. Going forward, appropriations will be actively managed, and budgets will not be permitted to be exceeded.

Regarding the financial forecast, actual results continue to trend generally in line with expectations. The March Forecast and Financial Recovery Plan projected Line 6.010, Revenues Over (Under) Expenditures, at a negative $10.8 million. However, that projection included a 13th health insurance payment that was ultimately not made during the fiscal year. After adjusting for that item, the estimated fiscal year-end Line 6.010 balance is approximately negative $8.6 million.

Aside from the health insurance timing difference, revenues exceeded projections by approximately $400,000, or 0.8 percent. The remaining variance is spread across multiple expenditure categories and does not appear attributable to any single significant factor.

It is also important to note that district invoices continue to be paid timely. The district is not delaying or holding payments for cash flow purposes. However, the insurance consortium has indicated that it may require payments to be made earlier in the upcoming fiscal year. As a result, additional analysis and discussions regarding the district's health insurance plan and consortium participation will be necessary.

Looking ahead, our immediate priorities include finalizing a levy recommendation and filing strategy, completing the Fiscal Watch Financial Recovery Plan, and continuing to strengthen budgetary processes and staff training. While significant challenges remain, the district has made meaningful progress in establishing stronger financial controls and improving the accuracy and reliability of its financial reporting.

Respectfully,

Jennifer Sudhoff