



CHELSEA

SCHOOL DISTRICT

BUSINESS OFFICE

500 Washington Street
Chelsea, MI 48118
P: 734.433.2208
F: 734.433.2218
www.chelsea.k12.mi.us

To: Board of Education

From: Nicole Lechner

Re: April Board Report

Date: March 27, 2025

The purchase order cutoff date for this month is fast approaching, and we anticipate an increased volume of requests coming in before the month's end. The cutoff date plays a crucial role in our ability to effectively plan and finalize our year-end budgets. To ensure items are accounted for in the current fiscal year, all of the items ordered must be received before June 30th. Additionally, closing out any unused or remaining balances on open purchase orders is vital for accurate year-end planning. Our team greatly appreciates the efforts of each department in managing their purchase orders and ensuring they are closed out when necessary.

As part of our debt retirement schedules, we are required to set up payments in October and April of each year. Specifically, the payments for April will cover both principal and interest for our 2016, 2018, 2020, and 2022 Debt Funds. These payments are funded through tax collections, which are then deposited into separate accounts designated for each Debt Fund. The total amount for these payments exceeds \$7.7 million, and will be processed prior to May 1st. It is important to note that the April payments will also mark the final principal and interest payments for the 2016 and 2018 Debt Funds. Any remaining funds in those accounts will rollover into the 2020 Debt Fund.

We are in the process of finalizing the 2024/25 budgets and refining estimates for the 2025/26 budgets. A key update in the 2025/26 budget is the adjustment for the published retirement rates. The rate, based on the highest plan, will be 44.93% for the upcoming year. This consists of a 29.91% defined pension plan benefit rate and a 15.02% allocation for the unfunded actuarial accrued liability (UAAL), which is reflected as an expense in our budget. We continue to watch the trends in retirement rates for future budgetary impacts.

Please let me know if you have any questions.

Respectfully,
Nicole Lechner, Chief Financial Officer
Chelsea School District