



ROSELLE SCHOOL DISTRICT 12

Administration Office

100 East Walnut Street · Roselle, IL 60172
Phone: (630) 529-2091 · Fax: (630) 529-2467

www.sd12.org

Dr. Mary Henderson, Superintendent

Roselle Middle School
500 South Park
Roselle, IL 60172
Phone: (630) 529-201

Spring Hills Elementary
560 Pinecroft
Roselle, IL 60172
Phone: (630) 529-1883

To: Dr. Mary Henderson, Superintendent
Board of Education

From: Dr. Gregory Harris, Assistant Superintendent of Finance & Operations/CSBO

Re: Monthly Treasurer's Report

Date: April 19th, 2022

The projections for a surplus at the end of this fiscal year indicate a significant increase over last month's report. This is because the district has received \$150,000 in eRate funds to offset the cost of student devices that were purchased last summer. ERate is a federal program that provides funds to schools for the purpose of purchasing telecommunications equipment and internet access. Prior to the pandemic, student devices were never considered eRate-eligible. But the Emergency Connectivity Fund (ECF), which was created by Congress with the American Rescue Plan in March of 2021, made available these funds to schools to support their remote learning efforts. The district's eligibility for these funds was not certain when the budget was proposed to the Board in the summer of 2021, thus this \$150,000 in revenue was never a part of the FY 2022 budget. As these student devices were meant to be leased over a three-year period, this revenue has an impact on the next two fiscal years as well.

(Note: this revenue is coded as "local" revenue per instructions from our auditor and is reflected as such on the documents attached to the board agenda. As I've been describing this as a federal program, it might be confusing to see that our federal revenue variance is only \$18,990).

Generally speaking, on the expenditures side of the equation, the past couple of months have been predictable with no large unexpected costs needing to be factored into this year's budget. Before the end of the year, however, the Board will be asked to approve nearly \$300,000 in expenses related to the solar project. This too was not a consideration made at the time of the approval of the budget in September (nor were the proceeds from the sale of the bonds). Many of these large amounts of unbudgeted revenues and expenditures speak to the need of passing an amended budget at the June meeting, which will be discussed in greater detail at the May meetings of the Finance Committee and the full Board of Education.

One other bright spot that I would like to share with the Board is revenue coming from our investments. As the Board has heard in the news, the Federal Reserve has announced that it will deal with inflation by raising interest rates. A 25-basis points hike in the key benchmark rate was

announced in March with additional—possibly more aggressive—adjustments expected this year. Of note, the district’s investment revenue in March was more than the prior four months combined. With investment revenue shrinking for the past two fiscal years to but a small fraction of what it was before the pandemic, this important source of income could once again become significant in FY 23 and beyond.