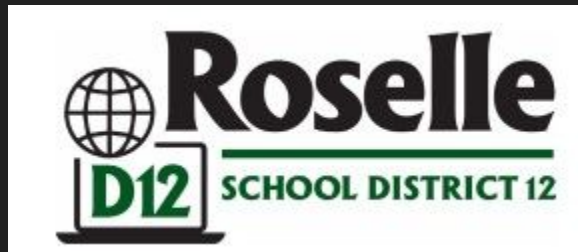


# Roselle School District 12

## Five-Year Projections

### FY 26 - FY 30

Meeting of the Board Finance Committee  
December 11, 2024



# Key Assumptions - Revenue

- New property: \$200,000 per year
- Consumer Price Index (CPI) at 2.5% for 2025 levy and 2% for every year thereafter
- 25% decrease in CPPRT in FY 26; flat in subsequent years
- 20% decreases in investment revenue in each of FY 26 and FY 27; flat thereafter
- All other major revenue sources flat (local fees, Evidence-Based Funding, mandated categoricals, federal grants, etc.)
  - District will receive SMPG grant every year

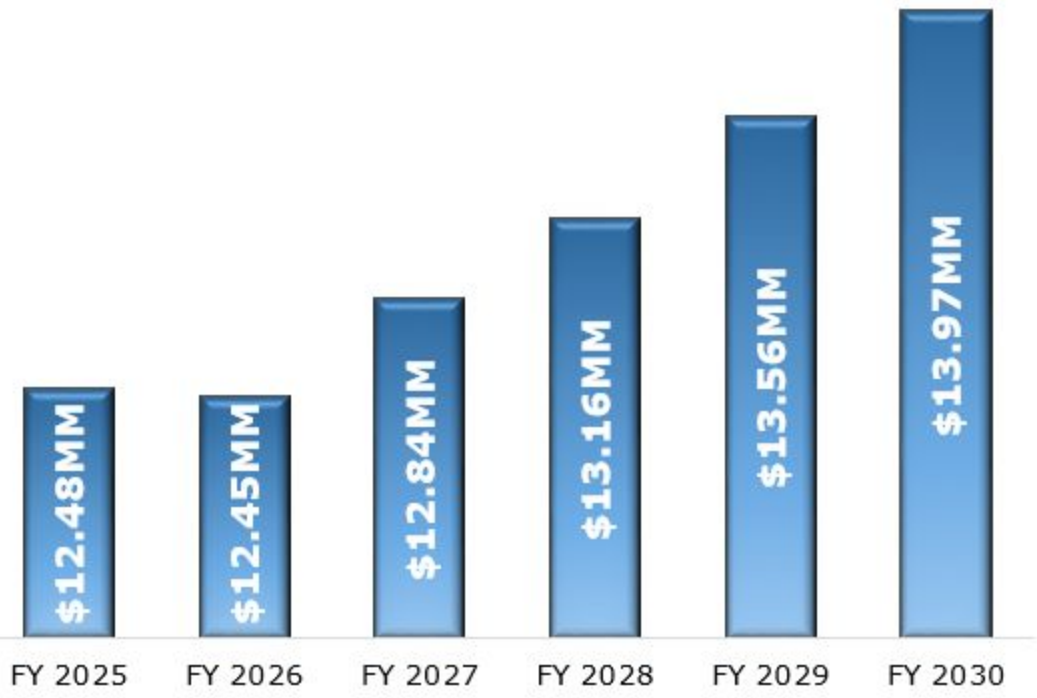
### Revenue Projection (in millions)



# Key Assumptions - Expenditures

- Base salaries for instructional staff remain tied to CPI
- Lane changes are built in for REA
- The district knows of two retirements between teaching and administrative staff and savings are built into model
- FTEs flat outside of modest adjustments in FY 2026
- Medical insurance 6% in FY 26 and 5% for every year thereafter
- Purchased services and supplies costs will increase in line with CPI
- NDSEC tuition increases 4% per year
- Contract with First Student already negotiated and rates included
- \$400,000 per year on capital projects

### Expenditure Projection (in millions)



# Key Assumptions - Fund Transfers

- Approximately \$745,000 transferred from the Ed fund to Debt Service every year
  - Debt Certificates
  - Capital Leases (chromebooks, copiers)
- \$400,000 from Working Cash to Capital Projects in FY 27
- \$350,000 from Operations & Maintenance to Capital Projects in both FYs 29 and 30

# Projection Summary

## Capital Project Fund Roselle SD 12 | Five-Year Planning

	BUDGET FY 2025	PROJECTED FY 2026	PROJECTED FY 2027	PROJECTED FY 2028	PROJECTED FY 2029	PROJECTED FY 2030
<b>REVENUE</b>						
Local	\$4,008	\$3,206 -20.0%	\$2,565 -20.0%	\$2,565 0.0%	\$2,565 0.0%	\$2,565 0.0%
State	\$40,000	\$90,000 125.0%	\$90,000 0.0%	\$50,000 -44.4%	\$50,000 0.0%	\$50,000 0.0%
Federal	\$375,000	\$0 -100.0%	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$419,008</b>	<b>\$93,206 -77.8%</b>	<b>\$92,565 -0.7%</b>	<b>\$52,565 -43.2%</b>	<b>\$52,565 0.0%</b>	<b>\$52,565 0.0%</b>
<b>EXPENDITURES</b>						
Salary and Benefit Costs	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$400,000	\$400,000 0.0%	\$400,000 0.0%	\$400,000 0.0%	\$400,000 0.0%
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$400,000</b>	<b>\$400,000 0.0%</b>	<b>\$400,000 0.0%</b>	<b>\$400,000 0.0%</b>	<b>\$400,000 0.0%</b>
<b>SURPLUS / DEFICIT</b>	<b>\$419,008</b>	<b>(\$306,794)</b>	<b>(\$307,435)</b>	<b>(\$347,435)</b>	<b>(\$347,435)</b>	<b>(\$347,435)</b>
<b>OTHER FINANCING SOURCES / USES</b>						
Other Financing Sources	\$0	\$0	\$400,000	\$0	\$350,000	\$350,000
Other Financing Uses	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL OTHER FIN. SOURCES / USES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$350,000</b>	<b>\$350,000</b>
<b>SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES</b>	<b>\$419,008</b>	<b>(\$306,794)</b>	<b>\$92,565</b>	<b>(\$347,435)</b>	<b>\$2,565</b>	<b>\$2,565</b>
<b>BEGINNING FUND BALANCE</b>	<b>\$156,975</b>	<b>\$575,983</b>	<b>\$269,189</b>	<b>\$361,754</b>	<b>\$14,319</b>	<b>\$16,884</b>
AUDIT ADJUSTMENTS TO FUND BALANCE	\$0	\$0	\$0	\$0	\$0	\$0
<b>PROJECTED YEAR END BALANCE</b>	<b>\$575,983</b>	<b>\$269,189</b>	<b>\$361,754</b>	<b>\$14,319</b>	<b>\$16,884</b>	<b>\$19,450</b>
FUND BALANCE AS % OF EXPENDITURES	#DIV/0!	67%	90%	4%	4%	5%
FUND BALANCE AS # OF MONTHS OF EXPEND.	#DIV/0!	8.08	10.85	0.43	0.51	0.58

# More on Capital Projects

- Following summer projects planned for 2025, the balance in Capital Projects fund is projected to be \$575,000
  - Credits and rebates from Solar Project
- Revenue to this fund will be limited to the remainder of the renewable energy credits (RECs), SMPG allocations, and a small amount of interest earnings
- \$400,000 will be spent out of this fund every year between the current year and the five out years
- Funds will be replenished by transfers from Working Cash and O&M
  - Working Cash → \$400,000 in FY 27
  - O&M → \$350,000 in FY 29 and \$350,000 in FY 30

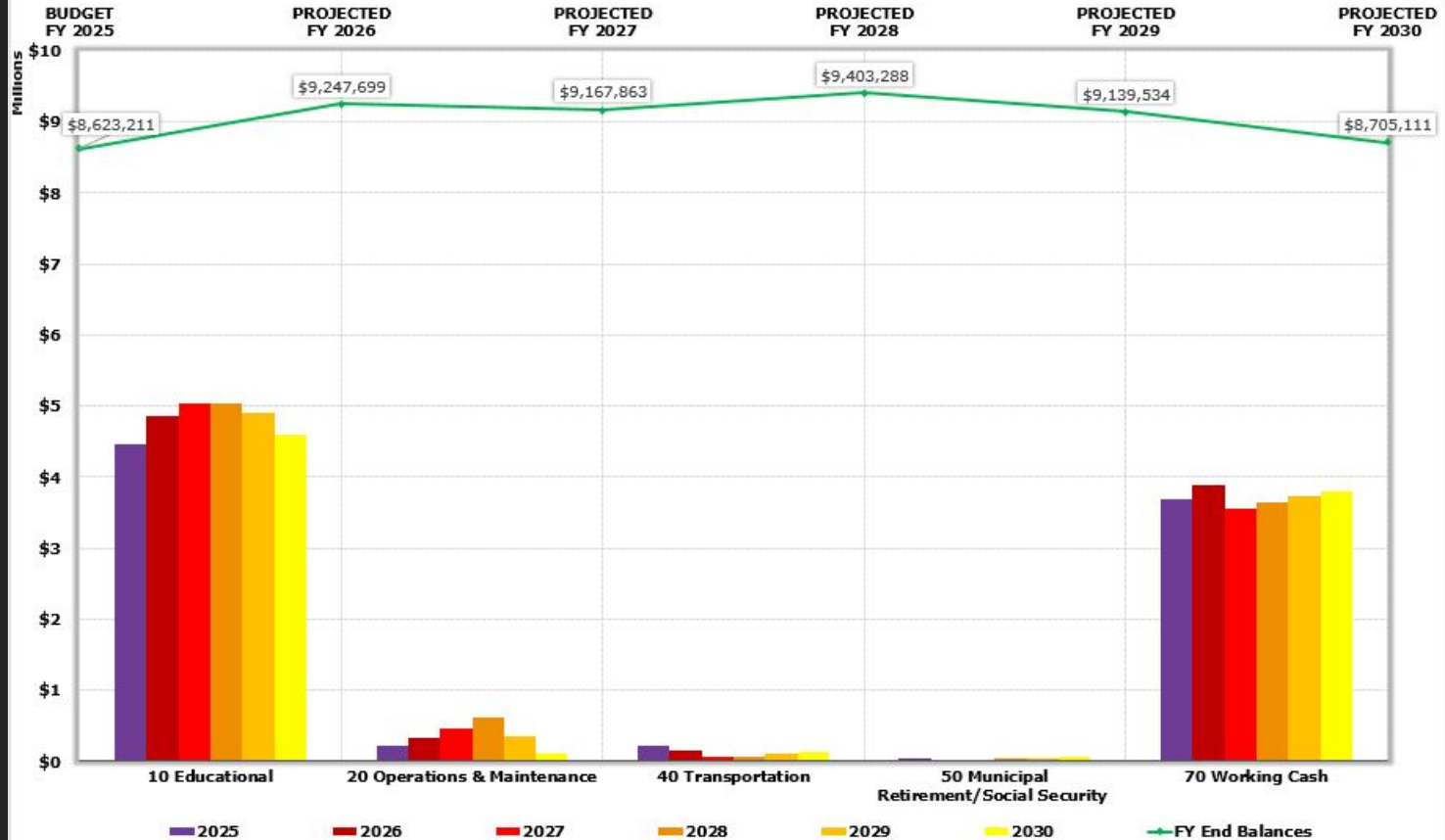


# On the Topic of Debt

- The \$400,000 annual figure is basically a placeholder
  - At this time, we don't know how much money we'll need to spend in each year; the amount could fluctuate from year to year
  - We may even find through the partnership with our new architect that the \$2 million total is insufficient
  - A new Board and Superintendent may even undertake major construction projects!
- The five-year plan will allow the Board and Administration to monitor the balances of the district's operating funds and determine the optimal target for fund balances
- Given a broader understanding of the capital projects needs and the appetite for deficit spending (i.e., dipping into fund balance), the plan helps the district understand the amount of debt that would need to be issued and when

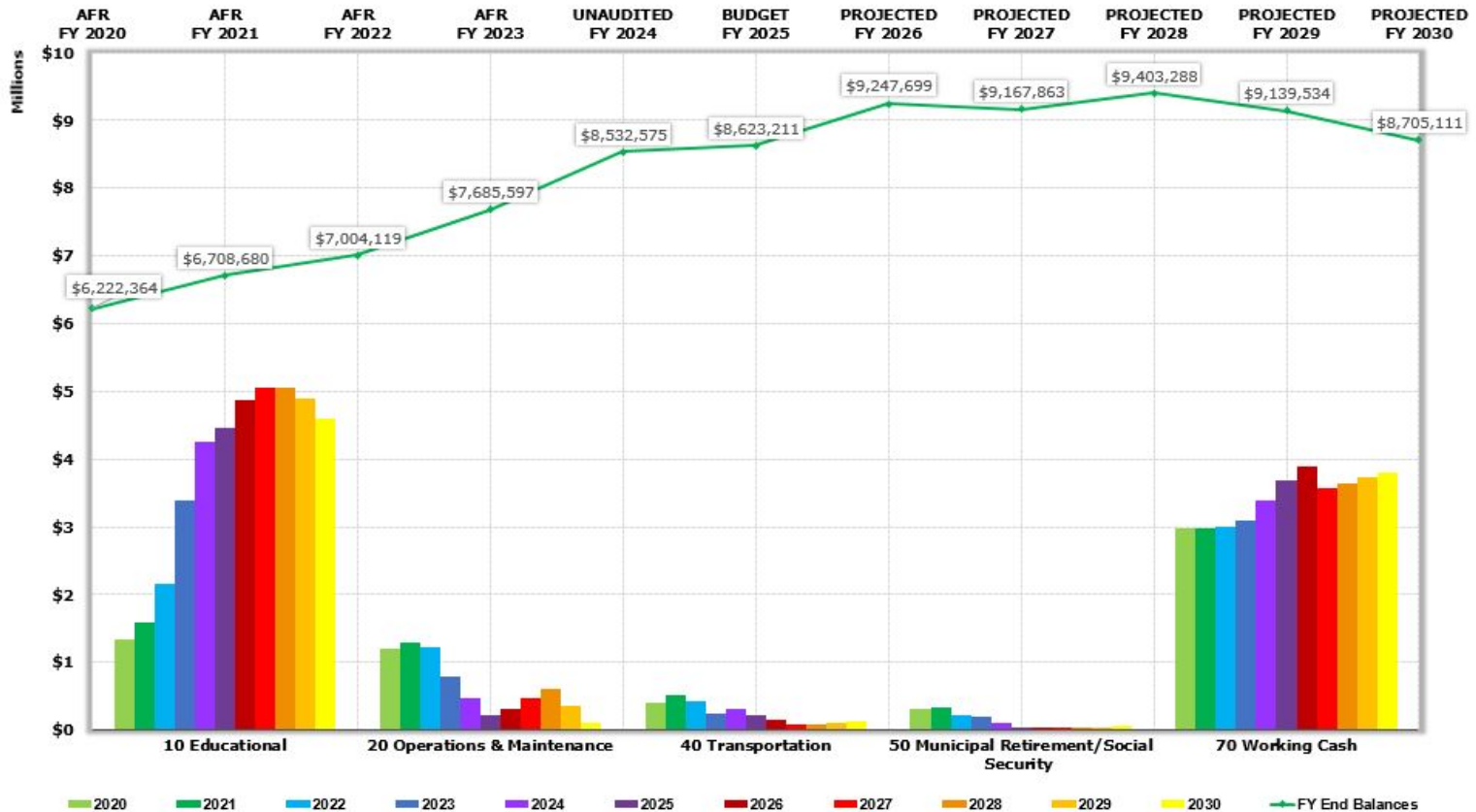
# Fund Balances - Projected

Educational | O & M | Transportation | IMRF / SS | Working Cash | Tort  
 Roselle SD 12 | Five-Year Planning



# Fund Balances - Historical and Projected

Educational | O & M | Transportation | IMRF / SS | Working Cash | Tort  
 Roselle SD 12 | Five-Year Planning





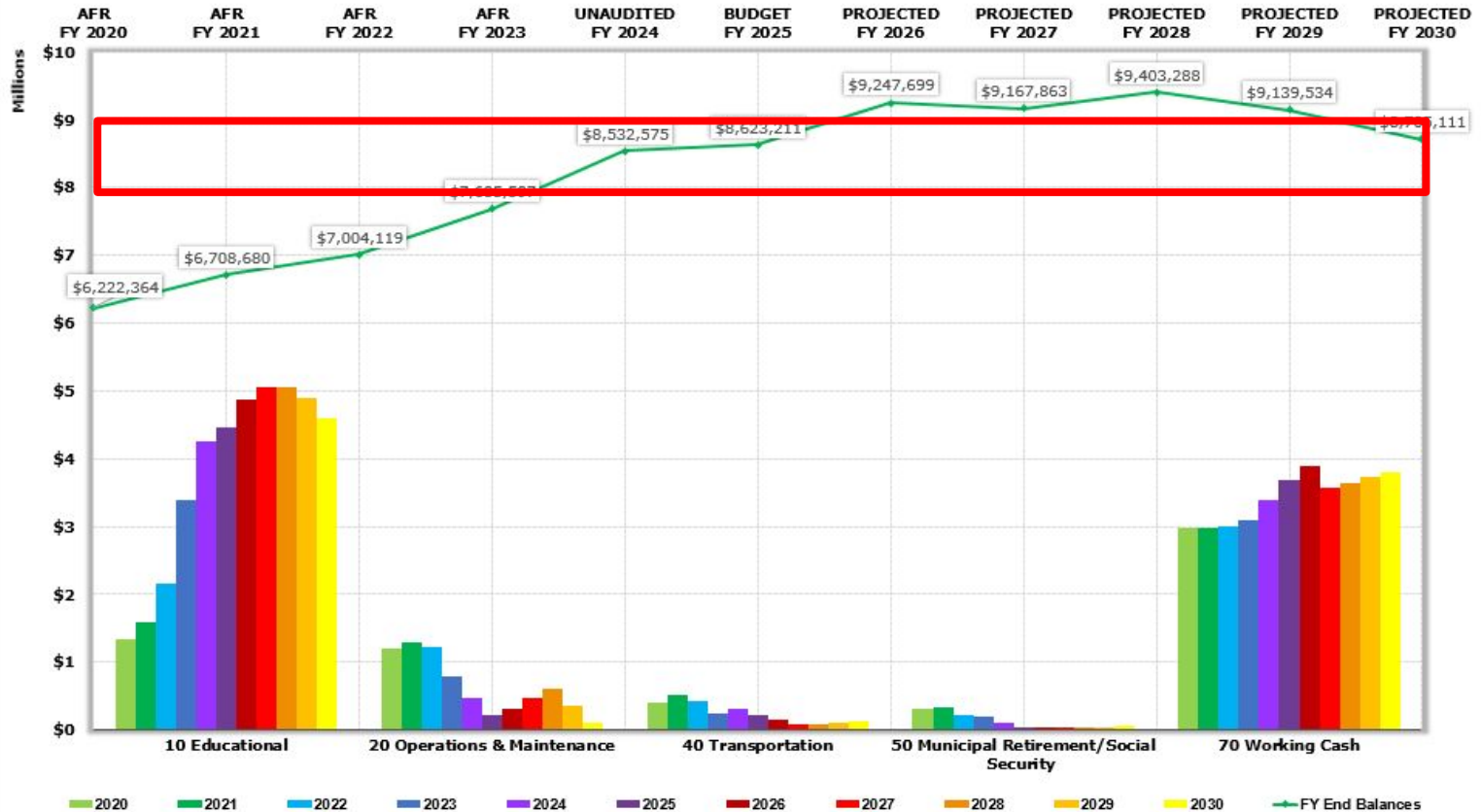
## Context: Board Policy 4:20 (Fund Balances)

“Each year, the Board shall examine the audited financial records of the District and calculate the percentage determined by dividing the total operating fund balance by the total operating fund expenditures. If this percentage is less than 25%, then the Board will direct the Superintendent to develop options for improving the District's financial condition. Among the options to be considered are reductions in staff, program elimination, and the generation of additional revenue. The final decision as to whether or not to implement any of the proposed options lies with the Board of Education.

If the percentage referred to in the second paragraph is less than 15%, the Board of Education will direct the Superintendent to develop options for balancing the District's budget. Unless there are extenuating circumstances, the Board of Education shall implement the necessary options to balance the budget.”

# Fund Balances - Historical and Projected

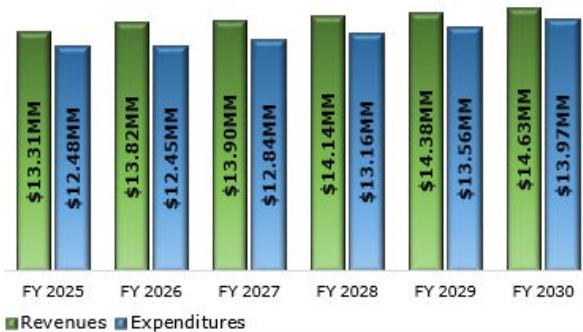
Educational | O & M | Transportation | IMRF / SS | Working Cash | Tort  
 Roselle SD 12 | Five-Year Planning



# Projection Summary

Educational | O & M | Transportation | IMRF / SS | Working Cash | Tort  
Roselle SD 12 | Five-Year Planning

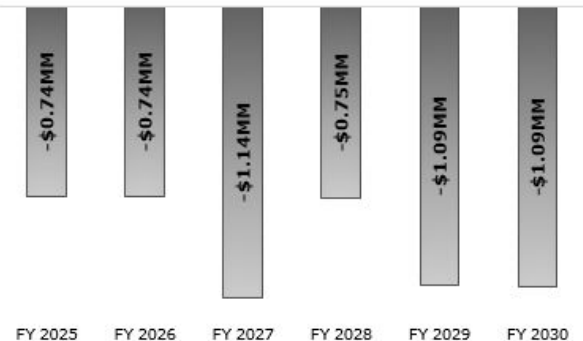
### Projected Revenues and Expenditures



### Fiscal Year Surplus / Deficit



### Other Financing Sources & Uses



### Year End Fund Balances



# Thoughts and Conclusions

- Five year projections become increasingly less reliable the further out one projects
- Big or small adjustments to revenue or expenditures in any of the projected years will have a significant impact on fund balances on June 30, 2030
  - Changes in programming
  - Enrollment swings
  - Special Education
  - Emergency
- The district's financial situation is in a vastly better place than where it was less than a decade ago
- The Board has the *luxury* of determining how and when to tackle various capital projects and how to pay for them
- Debt is a tool in the toolbox but there is no recognizable need to use it

# Questions & Discussion

