



ROSELLE SCHOOL DISTRICT 12

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To: Dr. Mary Henderson, Superintendent
Board of Education

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

Re: Monthly Treasurer's Report

Date: February 16, 2021

At the time of the writing of this memo, we still do not have word that the audit of the FY 2020 books is complete. We met with the lead auditor on Thursday the 11th for several hours, and we are getting very close. We are expecting it to be complete any day now. Mr. Andy Mace from Wipfli LLP will be presenting his conclusions to the Board of Education at the March regular meeting. The complexity of this audit process was more than originally estimated due to errors discovered in record keeping and accounting by the previous CSBO. The AO staff has been in daily communication with auditors from the firm and have been responding to each request for documentation. It has been an arduous process made more challenging by the previously mentioned errors in the district's books. The good news is that they are very close to being sorted out, and in a matter of days we will be able to make the necessary corrections.

As has been the case in previous months, the Board of Education is being delivered reports that, though they have merit in many aspects, are also faulty in a couple of ways. It is apparent that some significant revenues were double-booked in FY 2020 and that others were not recorded at all. As such, the underlying data used to forecast variances in district revenues for FY 2021 is not as reliable as it will be moving forward from this year. This would explain the enormous variances in local revenue seen on the last page of the reports. As was shared with the board in January, the variances columns should be viewed with consideration of these details. These numbers are the most important data sets the administration hopes to provide clarity around at the March meetings of the Finance Committee and the Board of Education as a whole.

Despite the incongruities surrounding the revenue side of the district's finances at present, the expenditure side is something that can be analyzed more easily. No data from the prior year is necessary to compare the current year's expenditures against that which was budgeted. This can be seen on the seventh page of the reports presented to the board. With purchased services being the outlier, it appears that the district is in a good place with all objects after seven months of FY 2021. The administration continues to stress conservative fiscal stewardship of the community's investment in the schools as we continue through this pandemic and economic downturn by evaluating the necessity of various expenditures and projects presented to district leadership. This level of discipline will continue into the future. It remains difficult to predict where the district will fall against its budget goals at the end of the year with some uncertainty of the pandemic lingering and conversations about money for schools ongoing in Springfield and Washington. But the administration will continue to utilize resources wisely.