



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: March 15, 2022

The Board of Education will note in tonight's documents that the District remains in a healthy financial position with four months left to go in the fiscal year. Local revenue is certainly driving the projected surplus with local property taxes coming in better than anticipated, which has been discussed previously. Additionally, corporate personal property replacement tax (CPPRT) also looks to be another pleasant surprise for the district with receipts being quite close to budgeted amounts with two more payments yet to come. State revenue looks to be coming in very nicely as well; the difference to highlight, however, is that this is due in large part to a \$50,000 grant for maintenance projects which was not included in the budget the board approved; similarly, the \$50,000 in expenditures this grant will pay for were also not included in the budget. Therefore, the surplus in state revenue looks better than it actually is.

On the expenditures side, the business office is planning for the remainder of the year such that student and maintenance needs are being addressed, all the while staying within the parameters of the approved budget. A nice surplus is expected, but we are trying to be strategic in addressing some projects in the next several months in order to take some pressure off of next year's budget by using some of the extra revenue we have realized this year.

Tonight the Board will take its final step in the sale of the bonds that will generate the proceeds necessary to fund the solar project. Pending approval by the Board of Education, the next steps after tonight will be the sale date on April 12th with bids due on that time. Closing will occur on May 3rd, which is the point in time when the district will receive the funds. The district will take advantage of the placement market. A placement is a private sale of securities offered to a limited number of investors (mainly banks). This is attractive for the district because a placement generally leads to a lower cost of issuance than a public offering due to the absence of an underwriter, rating, certain legal fees, and official statement preparation. The bond market is certainly seeing a little bit of volatility right now, especially due to the situation in Ukraine. But because banks have so much liquidity right now, the placement market is generally beating public offerings by roughly 50-60 basis points at this time, which is a plus for our taxpayers.