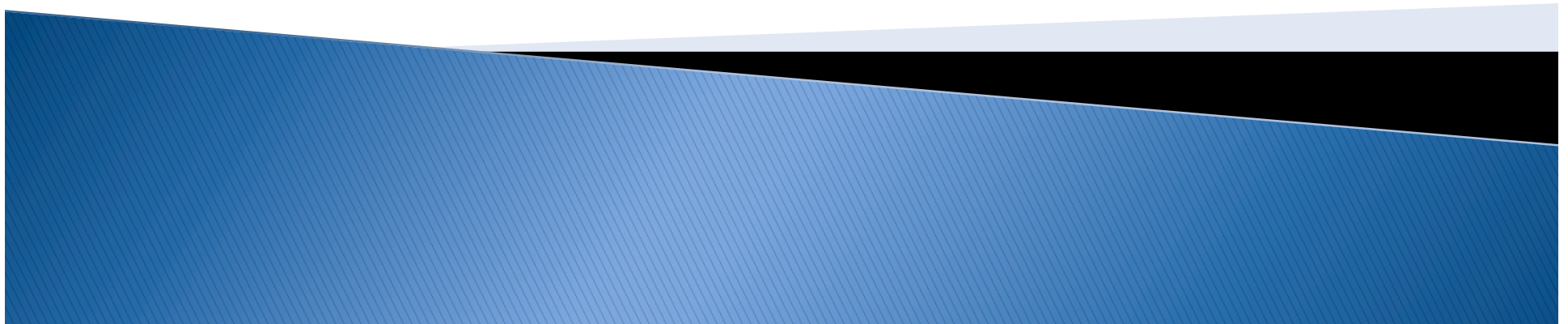


# MILLBURN SCHOOL DISTRICT 24 TENTATIVE FY 2015 Budget

Tentative FY2015 Budget Approved for Public  
Display - August 12, 2014

Legal Advertisement - Daily Herald - August 14, 2014  
Budget Hearing & Adoption-September 22, 2014



## DESCRIPTION OF FUNDS

- ▶ ***EDUCATION FUND***

- ▶ This fund pays for the instructional programs, daily operations of our schools and general functions of our District including salaries and benefits for most employees.

- ▶ **OPERATIONS/MAINTENANCE FUND**

- ▶ This fund is utilized to pay for all of the necessary repairs and maintenance for our buildings. Also included are utilities and supplies to maintain the buildings.

- ▶ **DEBT SERVICE FUND**

- ▶ This fund receives the money that is collected from our taxpayers to repay long-term debt.

- ▶ **TRANSPORTATION FUND**

- ▶ This fund is utilized to pay for the transportation services provided for both regular and special education students.

- ▶ **IMRF/FICA FUND**

- ▶ This fund is used to pay the district's portion of Illinois Municipal Retirement Fund, social security and Medicare.

- ▶ **CAPITAL PROJECTS FUND**

- ▶ This fund is utilized to pay for construction projects/repairs.

- ▶ **TORT FUND**

- ▶ This fund is used to pay attorney fees, liability insurance, and workers compensation expenses.

- ▶ **WORKING CASH FUND**

- ▶ No expenses are paid out of this fund. This fund is designed to serve as a savings account so the district can loan itself funds for cash flow purposes (as we currently do now using Tax Anticipation Warrants).

# OVERALL COMMENTS

- ▶ As you review the budget, keep in mind that the budget includes some costs that are known as well as others that are unknown such as:
  - Substitute costs
  - Utility costs
  - # of staff development requests
  - Etc...
- ▶ As you can see from the FY14 Budget vs. actual expenditures, the culture of the district is to only expend funds when necessary.



## SUMMARY OF FY 14 REVENUE & EXPENSES

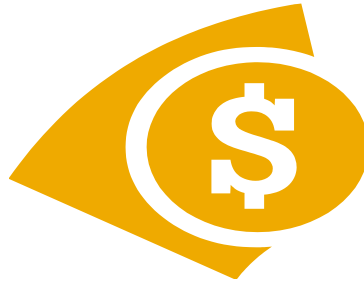
	REVENUE	EXPENSES	SURPLUS/DEFICIT
EDUCATION * #	\$ 11,802,271.48	\$ 10,761,400.13	\$ 1,040,871.35
O & M * #	\$ 1,337,900.49	\$ 1,238,485.34	\$ 99,415.15
DEBT	\$ 2,393,513.87	\$ 2,264,018.84	\$ 129,495.03
TRANSP * #	\$ 1,175,135.44	\$ 914,044.91	\$ 261,090.53
IMRF *	\$ 553,619.30	\$ 476,514.35	\$ 77,104.95
CPF	\$ 56,118.67	\$ 353,116.05	\$ (296,997.38)
TORT *	\$ 144,397.72	\$ 75,000.00	\$ 69,397.72
WORKING CASH * #	\$ 75,962.78	\$	\$ 75,962.78
TOTAL	\$ 17,538,919.75	\$ 16,082,579.62	\$ 1,456,340.13
* PMA OPERATING	\$ 15,089,287.21	\$ 13,465,444.73	\$ 1,623,842.48
# ISBE OPERATING	\$ 14,391,270.19	\$ 12,913,930.38	\$ 1,477,339.81

# TENTATIVE FY15 REVENUE & EXPENSES

	REVENUE	EXPENSES	DIFFER
EDUCATION * #	\$ 12,695,089.00	\$ 12,538,992.00	\$ 156,097.00
O & M * #	\$ 1,388,164.00	\$ 1,486,105.00	\$ (97,941.00)
DEBT	\$ 2,365,144.00	\$ 2,430,738.00	\$ (65,594.00)
TRANSP * #	\$ 1,023,482.00	\$ 1,001,371.00	\$ 22,111.00
IMRF *	\$ 636,670.00	\$ 634,687.00	\$ 1,983.00
CPF	\$ 71,200.00	\$ 677,500.00	\$ (606,300.00)
TORT *	\$ 159,568.00	\$ 150,000.00	\$ 9,568.00
WORKING CASH * #	\$ 104,229.00	\$	\$ 104,229.00
TOTAL	\$ 18,443,546.00	\$ 18,835,893.00	\$ (475,847.00)
* PMA OPERATING	\$ 16,007,202.00	\$ 15,727,655.00	\$ 196,047.00
# ISBE OPERATING	\$ 15,210,964.00	\$ 14,942,968.00	\$ 184,496.00

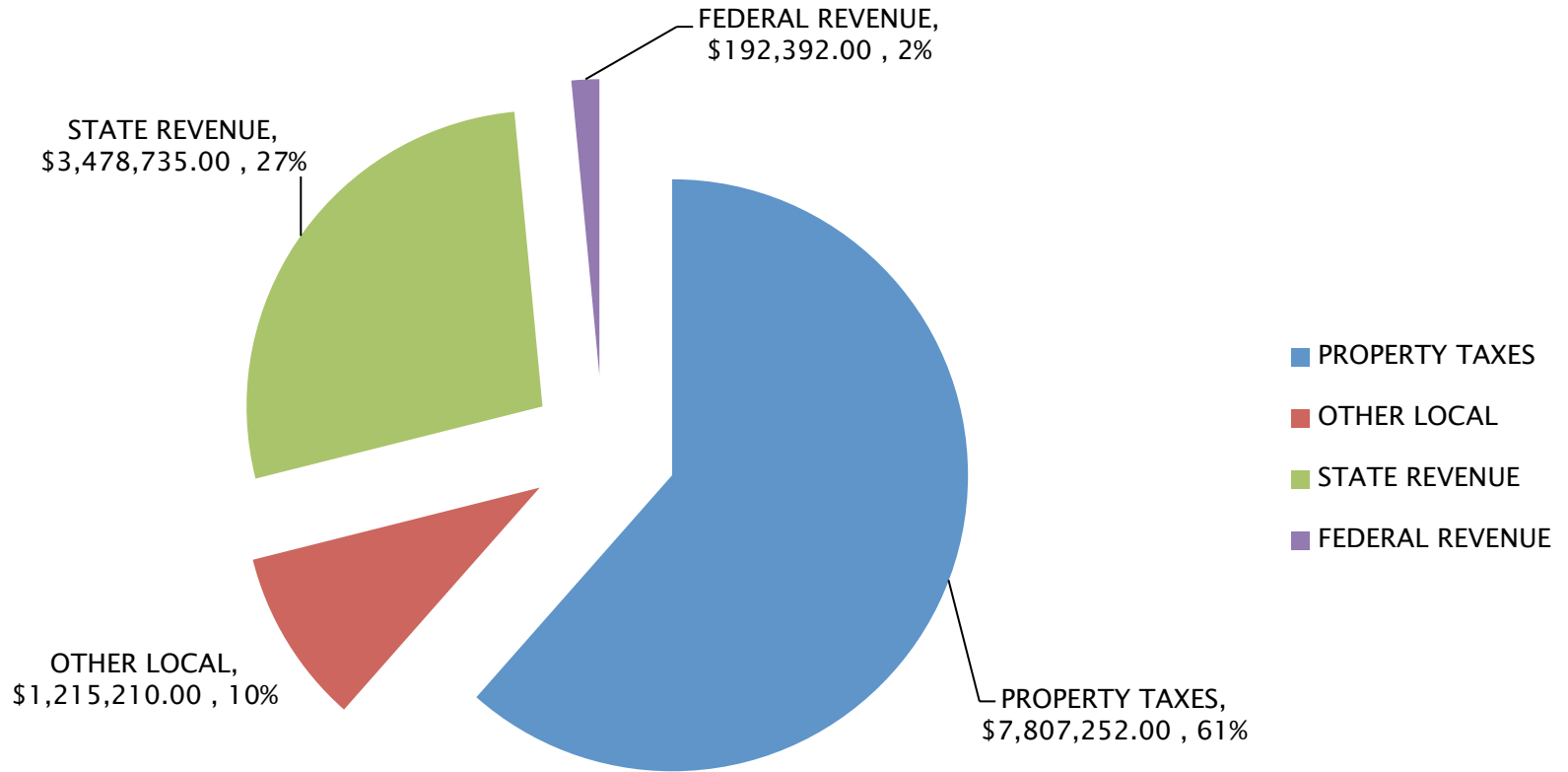


# FY2015 REVENUE

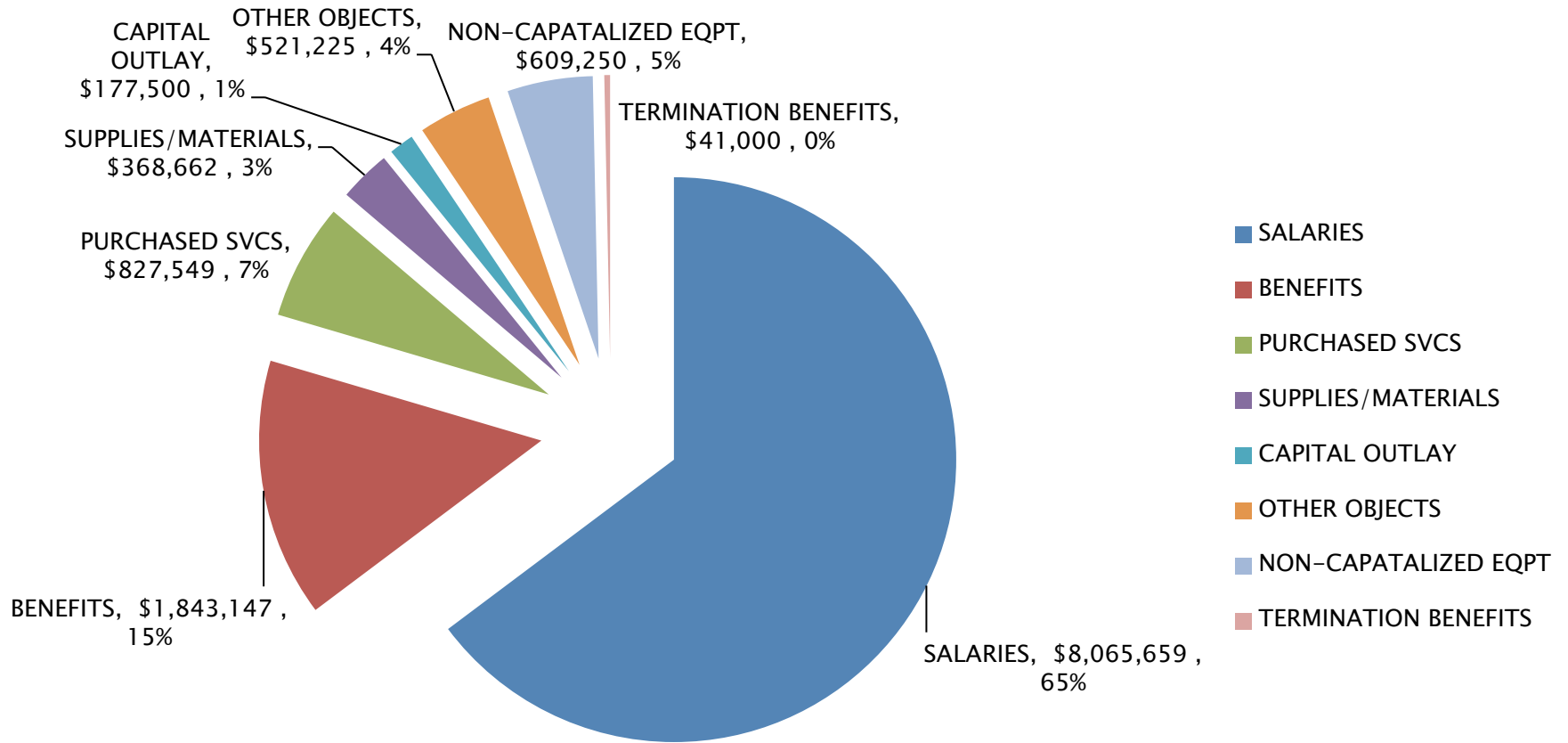


- ▶ Includes 1 year of state revenue payments. However, we do not anticipate receiving all 4 categorical program payments by June 30, 2015 (Roughly \$250,000). On an accrual basis, the revenue will be treated as having been received.
- ▶ The district did receive 5 categorical payments in FY2014 resulting in an additional \$264,000 in revenue on a cash basis
- ▶ The district also received approximately \$550,000 in referendum revenue in FY2014 for the FY 2015 budget.

# FY 15 EDUCATION FUND REVENUE



# FY 15 EDUCATION FUND EXPENDITURES





**FY 15 BUDGET HIGHLIGHTS**  
**EDUCATION FUND – 12,346,102**  
**FY14 EXPENDITURES = \$10,761,400.13**

- ▶ **Salaries –\$8,065,659** – The budget includes the following salary related items:
  - Estimated lane changes (\$35,000) + lane changes already submitted by staff
  - Added 6% for all staff on retiree track
  - Substitute costs – \$300,000 budgeted
  - Staff development/committee stipends – \$50,000 (no increase)
  - Includes 2.5% salary increase for licensed staff & 2% – 4% for non-certified staff
  
- ▶ **Benefits – \$1,843,147** – No increase in insurance costs except for minor increase in HMO.
  - Single health insurance added for all replacement positions



# FY 15 BUDGET HIGHLIGHTS – EDUCATION FUND

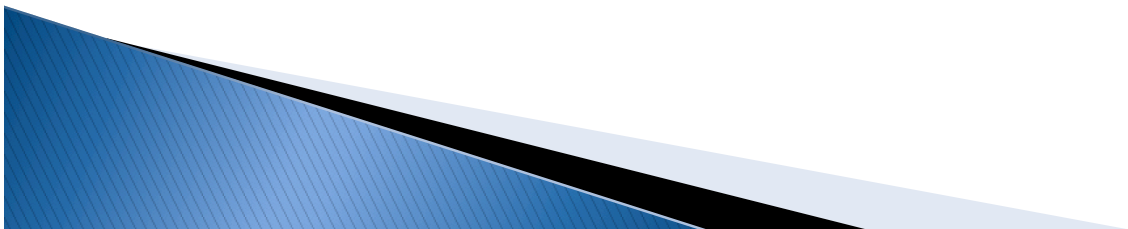
## Continued

- ▶ **Purchased Services – \$827,549**
  - Reduction of \$37,555 from FY2013 budget
  
- ▶ **Supplies – \$390,250**
  - Includes \$100,000 for curriculum adoption
  - Approximately \$ 50,000 increase over FY 14 budget
  
- **Capital Outlay – \$177,500**
  - Includes \$60,000 for replacement copiers



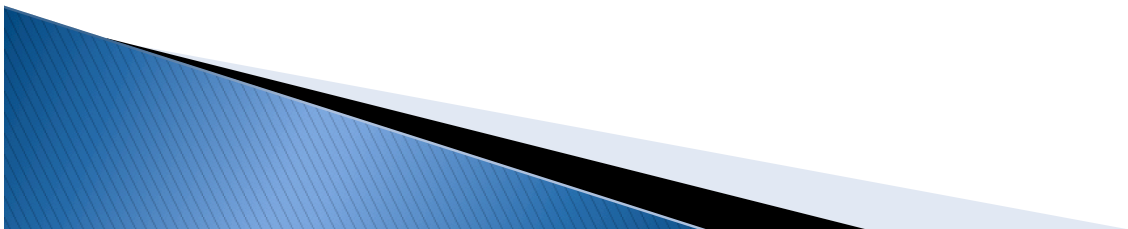
## FY 15 BUDGET HIGHLIGHTS – EDUCATION FUND Continued

- ▶ **Other Objects – \$521,225**
  - A decrease of \$20,225 over the FY14 expenditures.
  - TAW interest reduced to \$5,000 – actual spent in FY14 was \$4671.88
  - Includes special education private facility tuition of \$350,000
  - Includes SEDOL tuition and itinerant services totaling \$178,816.



## FY 15 BUDGET HIGHLIGHTS – EDUCATION FUND Continued

- ▶ **Termination Benefits** – \$41,000 – This pays for post-retirement insurance for certified staff. Increased from the FY14 budget by approximately \$1,000 and approximately \$7,000 over FY14 actual expenditures
- ▶ **TOTAL EDUCATION BUDGET = \$12,346,102**
  - Increase of \$1,046,392 over FY14 budget and \$1,584,702 over FY 14 expenditures (examples of the increases in the budget are on the next slide)



## INCREASES IN FY 15 EDUCATION BUDGET

- ▶ \$250,000 – Certified salary increase
- ▶ \$ 50,000 – Non-certified salary increase
- ▶ \$ 70,000 – Salary contingency
- ▶ \$100,000 – Substitute Costs
- ▶ \$ 20,000 – Insurance contingency
- ▶ \$ 400,000 – Technology
- ▶ \$ 60,000 – Copier Purchase
- ▶ \$ 950,000 – TOTAL



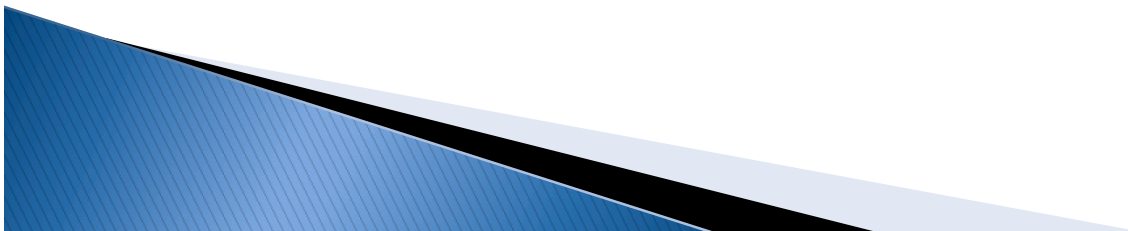
# OPERATIONS & MAINTENANCE FUND

- ▶ All costs of maintaining, improving, or repairing school buildings and property, renting buildings and property for school purposes, or paying of premiums for insurance on school buildings shall be charged to the Operations and Maintenance Fund.

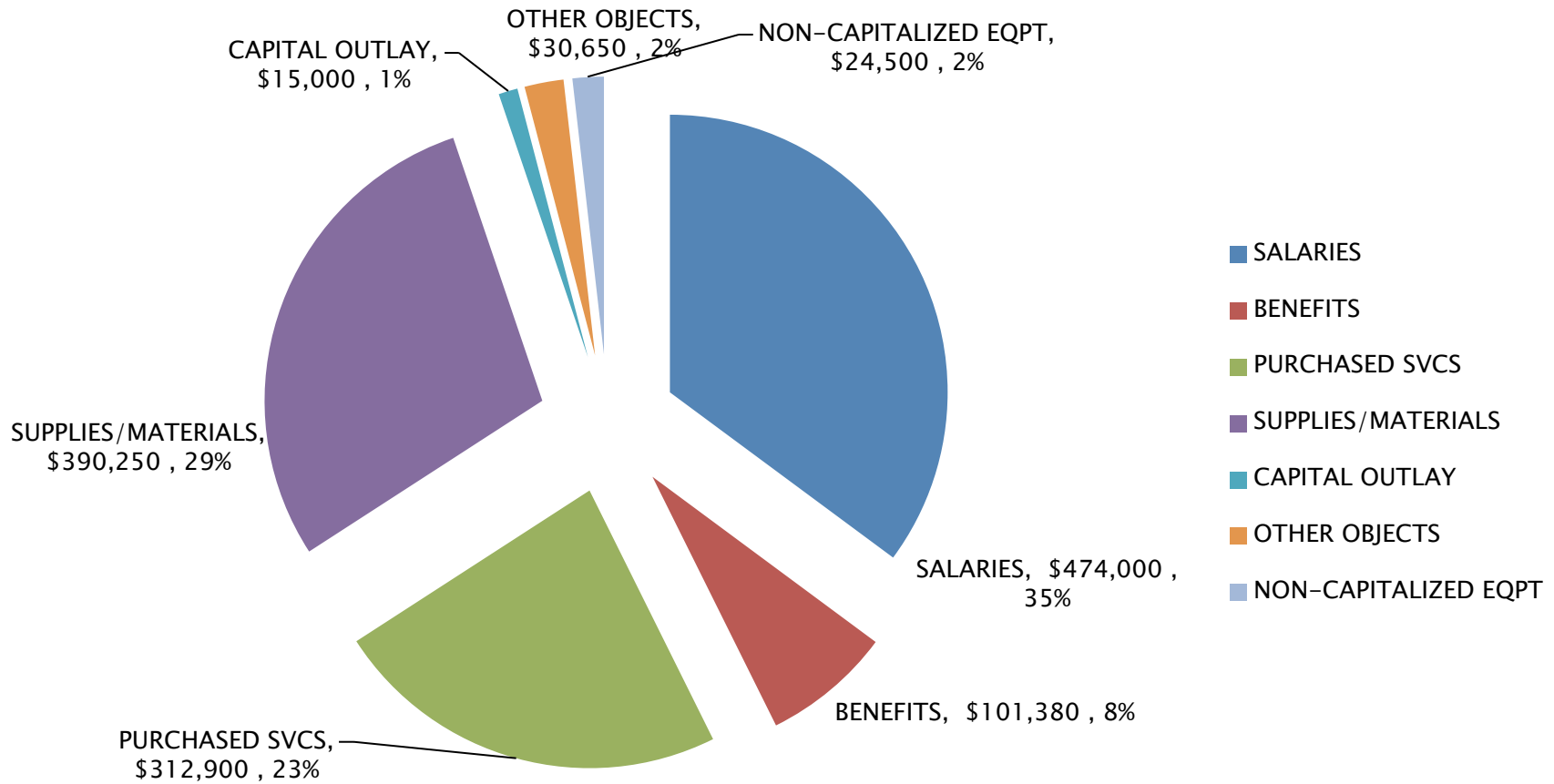


# OPERATIONS & MAINTENANCE REVENUE

- This funds receives only local funding



# OPERATIONS & MAINTENANCE EXPENDITURES





**FY 15 BUDGET HIGHLIGHTS – OPERATIONS &  
MAINTENANCE FUND – \$1,348,680  
FY14 EXP = \$1,238,485**

- ▶ **Salaries – \$474,000**
- ▶ **Benefits – \$101,380**
- ▶ **Purchased Services – \$312,900**
  - Decrease of 10% in natural gas costs from actual FY14
  - Increase of 3% in electricity from actual FY14
  - Snow removal budgeted as worse case scenario (\$85,000) – We will be bidding for snow removal in August/September
- ▶ **Supplies – \$390,250**
  - Spent \$380,254 in FY14
- ▶ **Capital Outlay – \$15,000**
- ▶ **Other Objects – \$29,600**
- ▶ **Non-Capitalized Equipment – \$24,500**
  - Changed Capitalization threshold from \$500 to \$2500 in FY2014



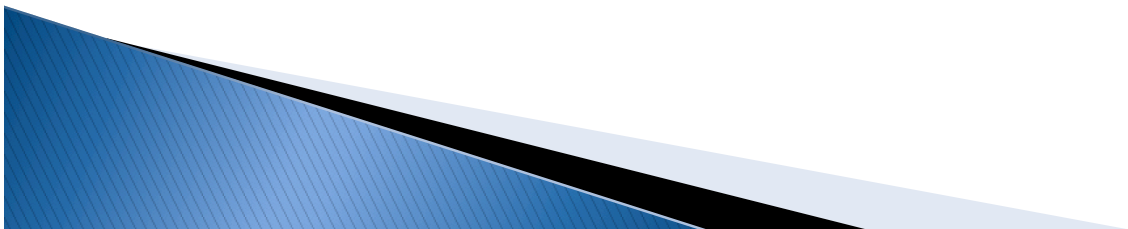
# DEBT SERVICE FUND

- ▶ This fund or fund group is required if taxes are levied to retire bond principal or to pay bond interest, or if other revenue, including revenue from School Facilities Occupation Tax proceeds, is pledged to pay principal, interest, or service charges on other long-term debt instruments. A separate fund shall be established for each issue, but the funds shall be aggregated for reporting purposes.  
[105 ILCS 5 /Art. 19]



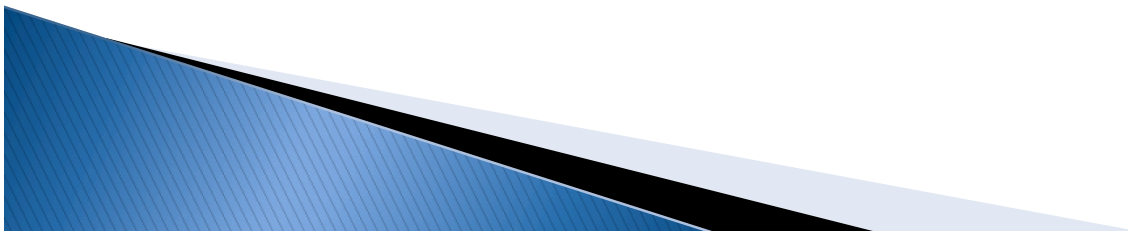
## FY15 DEBT SERVICE BUDGET HIGHLIGHTS

- ▶ **Debt Service – \$2,428,438**  
(FY14 EXP = 2,264,019)
  - This fund pays the interest and principal payments on the district's bonds. The July 1, 2015 payment is included in the FY15 budget.
  - Additionally, \$85,000 in expenditures is included for the technology lease paid from funds transferred from the Education Fund. This is the final payment on the current technology lease.



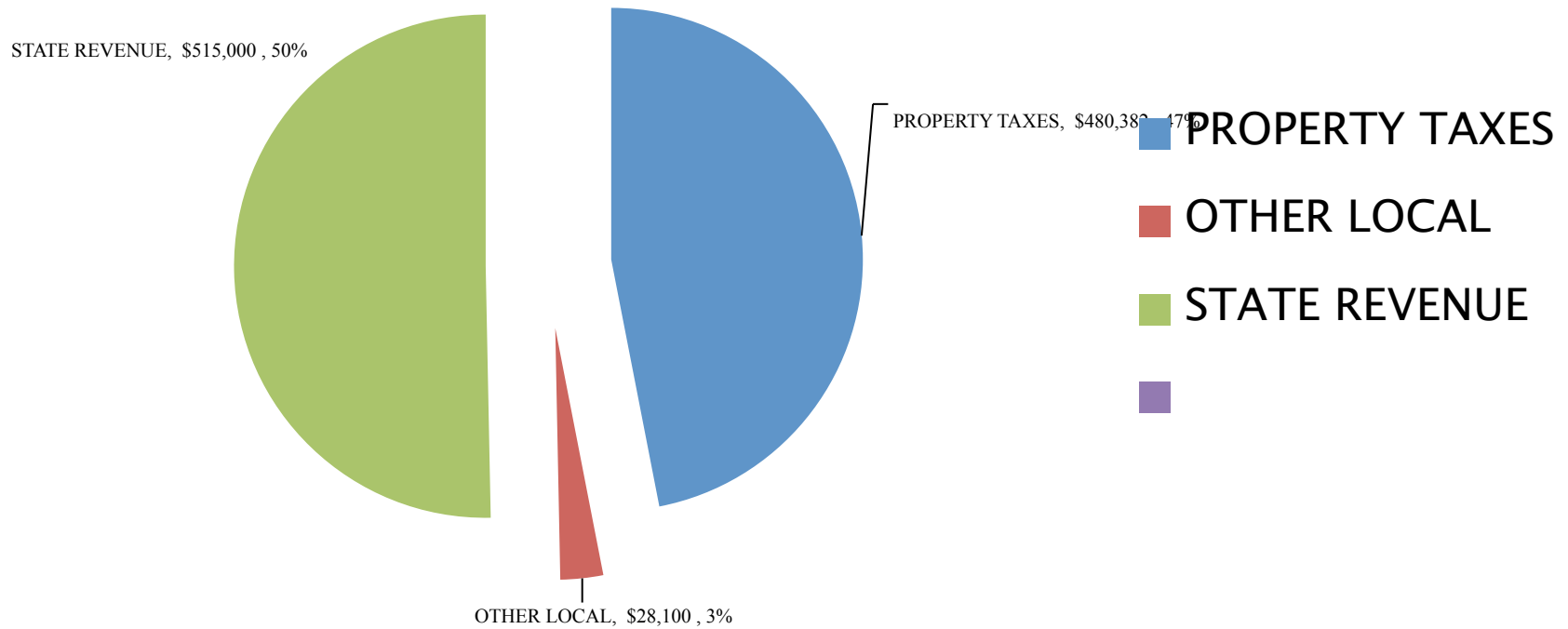
# TRANSPORTATION FUND

- ▶ This fund is required if a district pays for transporting pupils for any purpose. All costs of transportation, other than those authorized by statute to be paid from another fund, shall be paid from this fund. Any funds received for transportation purposes must be deposited into this fund, with amounts due other funds appropriately transferred thereafter.

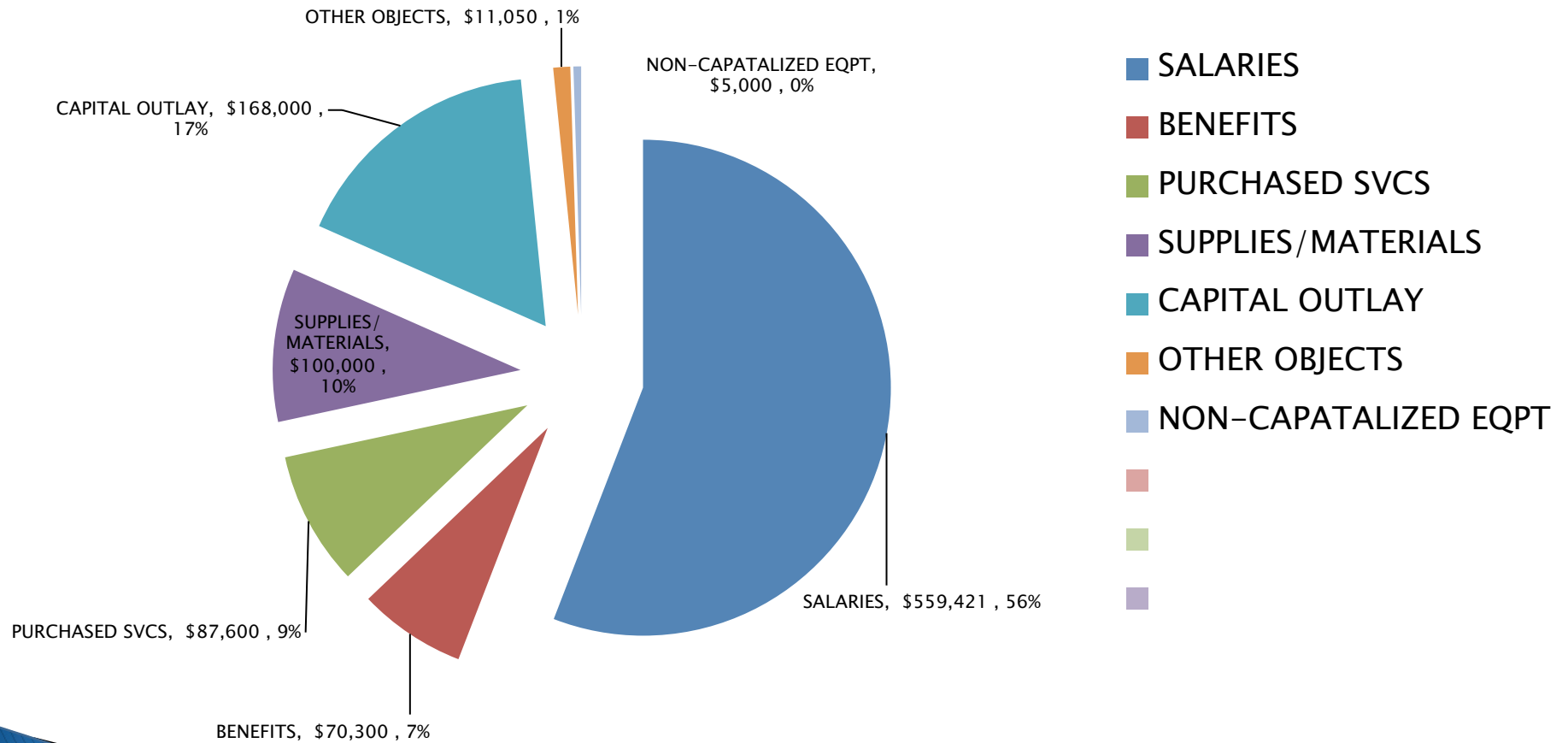


# TRANSPORTATION REVENUE

## TRANSPORTATION REVENUE

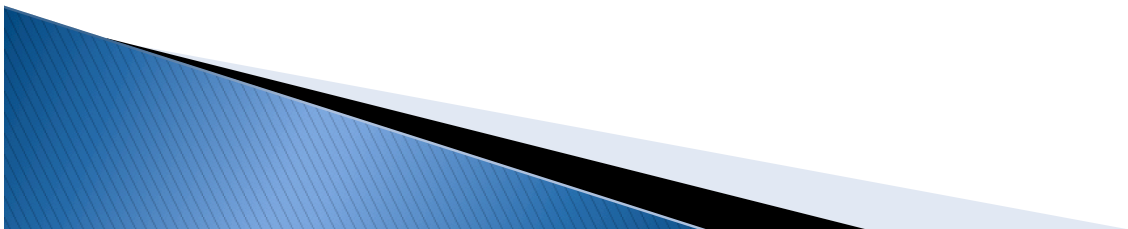


# TRANSPORTATION EXPENDITURES



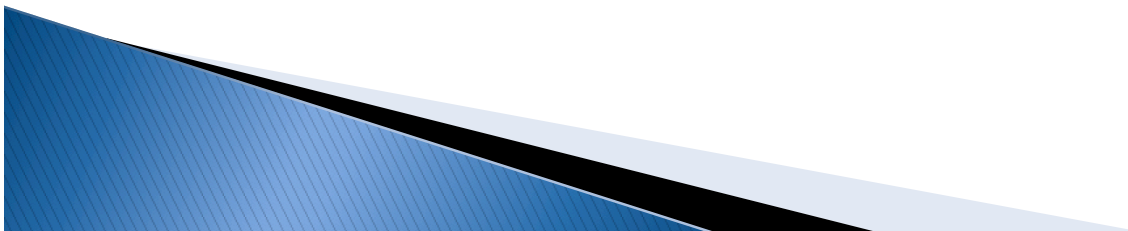
## FY15 TRANSPORTATION BUDGET HIGHLIGHTS

- ▶ **Transportation** – \$1,023,485 (FY14 EXP = \$914,045)
  - Budget is \$109,440 increase from FY14 expenditures



# ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY FUND

- ▶ This fund is required if a tax is levied to pay for contributions to municipal retirement systems, Social Security, or Medicare. [105 ILCS 5/17-1, 21-110, and 21-110.1]





## FY15 IMRF BUDGET HIGHLIGHTS

- ▶ **IMRF – \$634,687 (FY14 EXP = \$476,514)**
  - The employer portion for IMRF will increase on January 1, 2015 from 11.66% TO 11.67. The district pays IMRF on all non-certified employees that work 600 hours or more per year.
  - Social Security – 6.2% – paid for all non-certified employees regardless of the number of hours worked.
  - Medicare – 1.45% – paid for all employees
  - We will have an opportunity to pay down a portion of the unfunded liability during FY2015 by \$75,000 – \$100,000. This is included in the FY2015 budget.



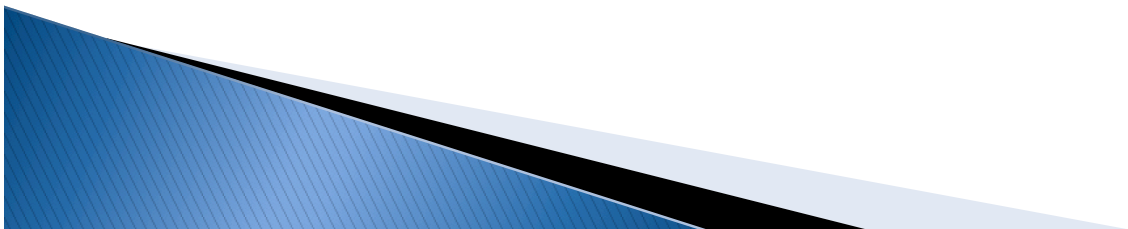
# CAPITAL PROJECTS FUND

- ▶ When revenues or other sources of funds are pledged to pay for a capital project or acquisition, the moneys shall be transferred into the Capital Projects Fund, except in case of acquisition of any equipment that must be financed from the transportation fund pursuant to Section 17-8 of the School Code [105 ILCS 5/17-8].



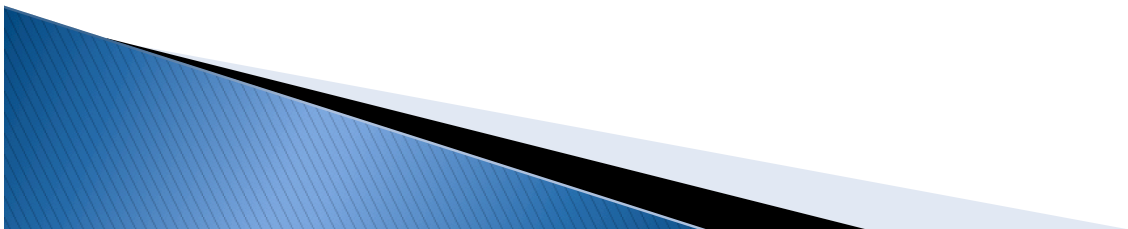
## FY15 CAPITAL PROJECTS FUND BUDGET HIGHLIGHTS

- ▶ **Capital Projects – \$677,500**
  - (FY14 EXP = \$353,116.05)
  - Includes funds for
    - 2015 Roofing project
    - 2015 Parking Lot Repairs
    - Lighting Retrofit at Millburn Elementary
    - Security Grant – Window Film & Cameras
    - Architect Fees
    - Etc...



# WORKING CASH FUND

- ▶ This fund is required if a tax is levied or bonds are issued for working cash purposes. [105 ILCS 5/Art. 20]
- ▶ This fund is basically used as a savings account or a safety net since property taxes are only collected twice each year, yet school districts have monthly obligations. This fund reduces the need to borrow funds for cash flow.



## FY15 WORKING CASH FUND BUDGET HIGHLIGHTS

- ▶ Working Cash Expenditures – \$0
  - The working cash fund does not have any direct expenditures. The working cash fund acts as the district’s “savings account” and is used primarily for cash flow. \$104,229 in additional revenue is anticipated for FY15 bringing the total available for cash flow to \$208,310 by the end of FY15



# FY15 TORT FUND BUDGET HIGHLIGHTS

- ▶ This fund is required if taxes are levied or bonds are sold for tort immunity or tort judgment purposes.
- ▶ **Tort Fund Expenditures – \$150,000 (FY14 EXP = \$75,000)**
  - Partial payment for workers comp expenses
  - Attorney Fees
  - Liability insurance



# QUESTIONS OR COMMENTS FROM THE BOARD

