

MILLBURN SCHOOL DISTRICT 24

FY 2013 Budget

Tentative Budget Presentation – August 8, 2012
Budget Hearing & Adoption–September 19, 2012

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).

FY 13 BUDGET HIGHLIGHTS – EDUCATION FUND

- ▶ **Personnel** – Adjustments have been made for staff on the retiree 6% salary track. 100% of administrative salaries are now included in the Education Fund. The budget includes the following salary adjustments: estimated lane changes, additional substitute costs, staff development stipends, etc...
- ▶ **Benefits** – Increased insurance costs are incorporated into the budget.
- ▶ **Purchased Services** – Computer software and software subscriptions were shifted from the supply category to purchased services.
- ▶ **Supplies** – The supply budget includes an additional line item for copy paper. The district was using stockpiled paper during the last two years. Carryover grant funds were budgeted as supplies although this could change as the grants are amended throughout the school year.
- ▶ **Capital outlay** – The budget includes both revenue and expenses for computer equipment lost during FY12 that will be replaced in FY13 & potential Medicaid reimbursement/expenses. Additionally, the budget includes replacement technology equipment that failed this summer, cafeteria equipment, etc...
- ▶ **Other Objects** – There is a slight increase in this area that includes TAW interest, dues, fees, & special education tuition.
- ▶ **Termination Benefits** – This pays for post-retirement insurance and increased by approximately \$30,000 this year.

FY 13 BUDGET HIGHLIGHTS – OPERATIONS & MAINTENANCE FUND

- ▶ **Personnel** – Salaries and benefits have been adjusted. 100% of administrative salaries have been shifted into the Education Fund.
- ▶ **Salaries/Benefits** – The budget includes salaries for current staff, substitute costs, summer help, and health insurance changes.
- ▶ **Purchased Services, Supplies, Capital outlay & Other** – The budget includes funds for regular routine maintenance items. Funds for deferred maintenance projects are also included such as HVAC work, glass replacement, etc...
- ▶ **Transfer to Capital Projects** – \$150,000 is included as a transfer to the Capital Projects Fund for the \$50,000 matching requirement for the School Maintenance Grant. The balance is for parking lot, sidewalk repairs, and other capital improvements.

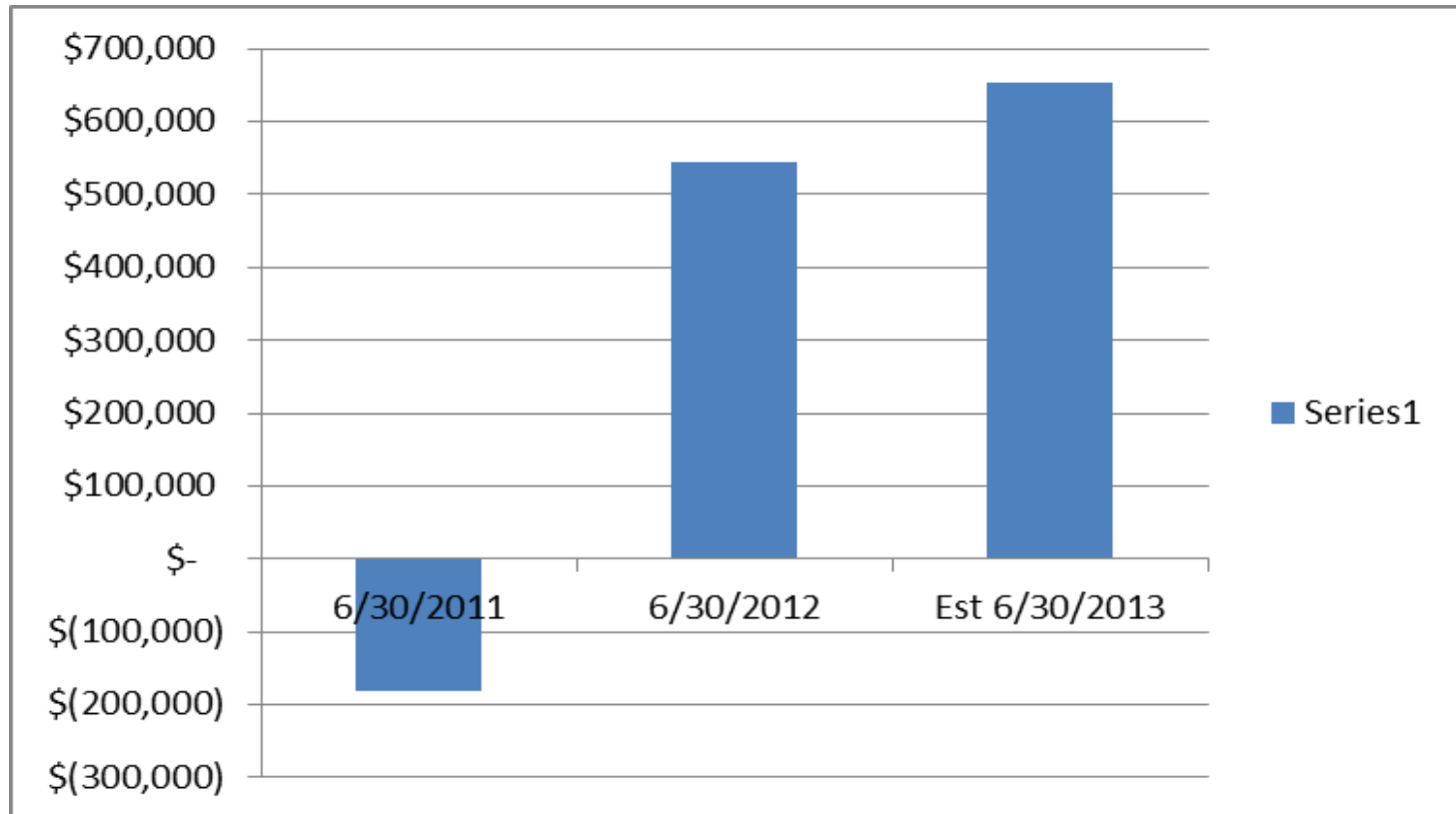
FY 13 BUDGET HIGHLIGHTS

- ▶ **Debt Service** – The debt service fund includes funds for the district bonds due in FY2013 and the July 1, 2013 bond payment (to assure that the payment is paid on time) Also included are payments for the district copier lease/purchase and computer lease/purchase as recommended by the auditor.
- ▶ **Transportation** – The transportation budget reflects savings due to the school reconfiguration and the reduction in the bus lease payment (approximately \$70,000 savings). All administrative salaries have been shifted to the Education Fund.
- ▶ **IMRF** – Illinois Municipal Retirement fund employer payments and social security for non-certified staff; Medicare employer portion for all staff.
- ▶ **Tort** – Attorney fees and workers comp insurance are included in the budget.

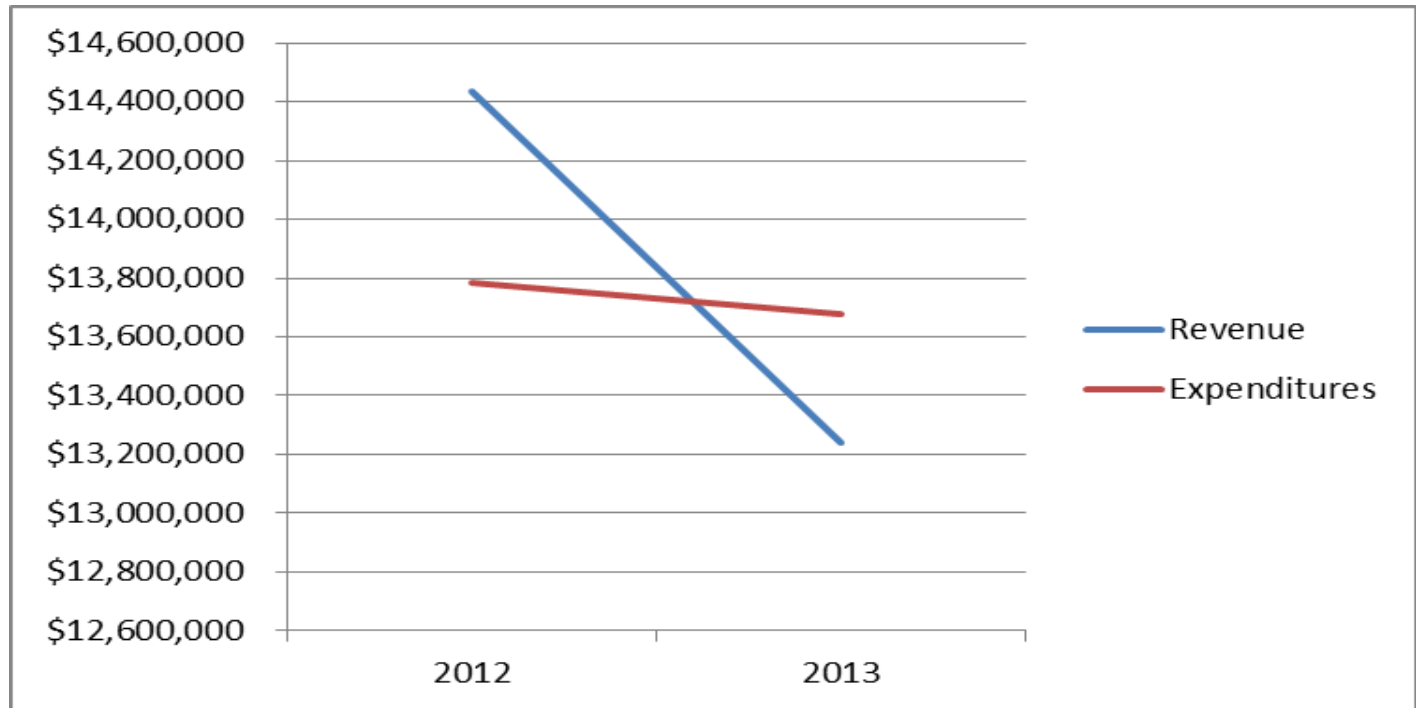
OVERALL COMMENTS

- ▶ 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 – \$101,000 less than budgeted in FY12
 - Utility costs – We had a mild winter resulting in reduced utility costs
 - # of staff development requests
 - No copy paper purchased in FY12 (\$25,000)
 - Certified staff lane changes
 - Etc...
- ▶ As you can see from the FY12 Budget vs. actual expenditures, the culture of the current administration is to only expend funds when necessary.

CHANGE IN CASH BALANCE – OPERATING FUNDS



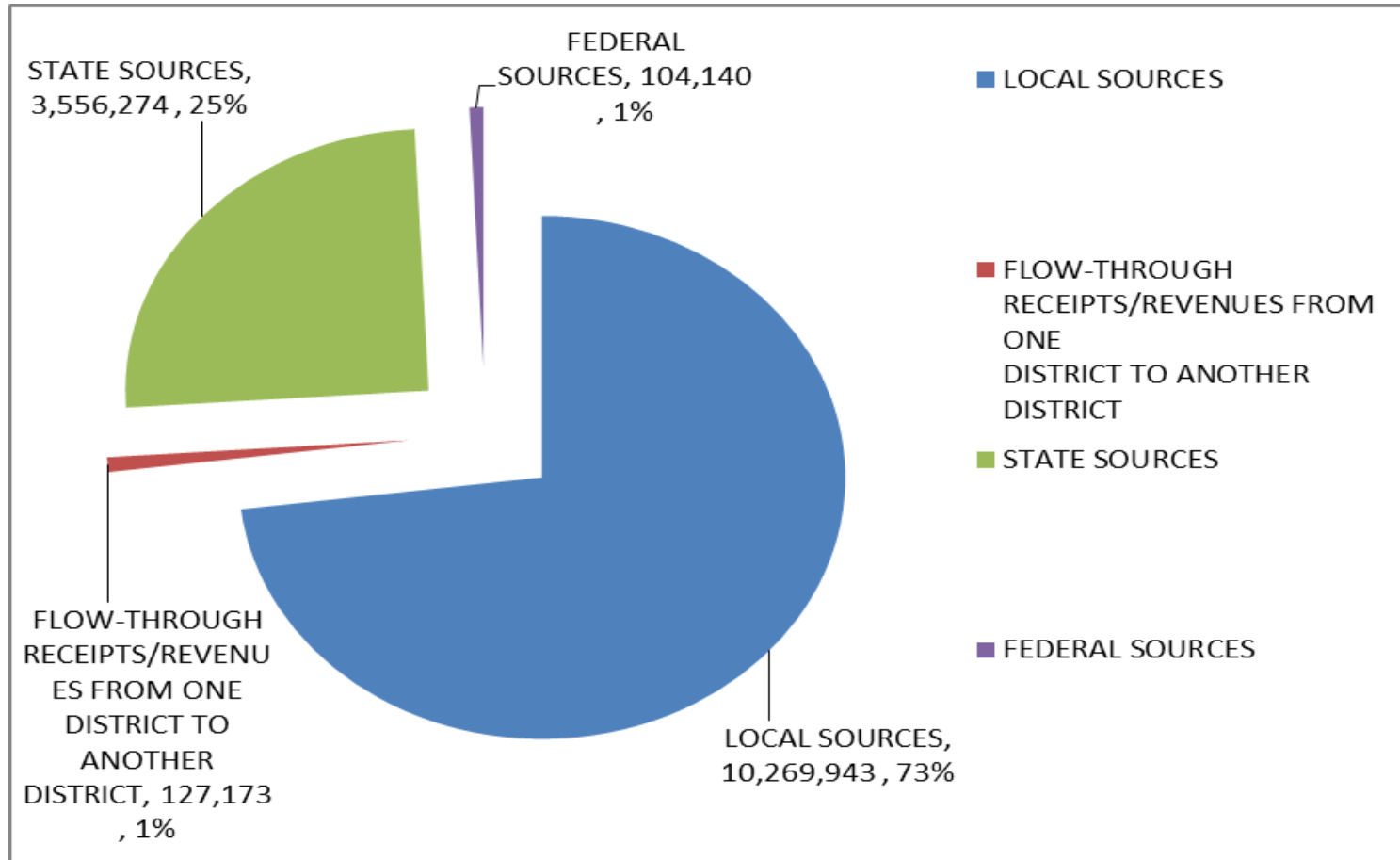
Operating Funds (Actual FY12 & Estimated FY13) – Education, O & M, Transportation, IMRF, Working Cash, & Tort



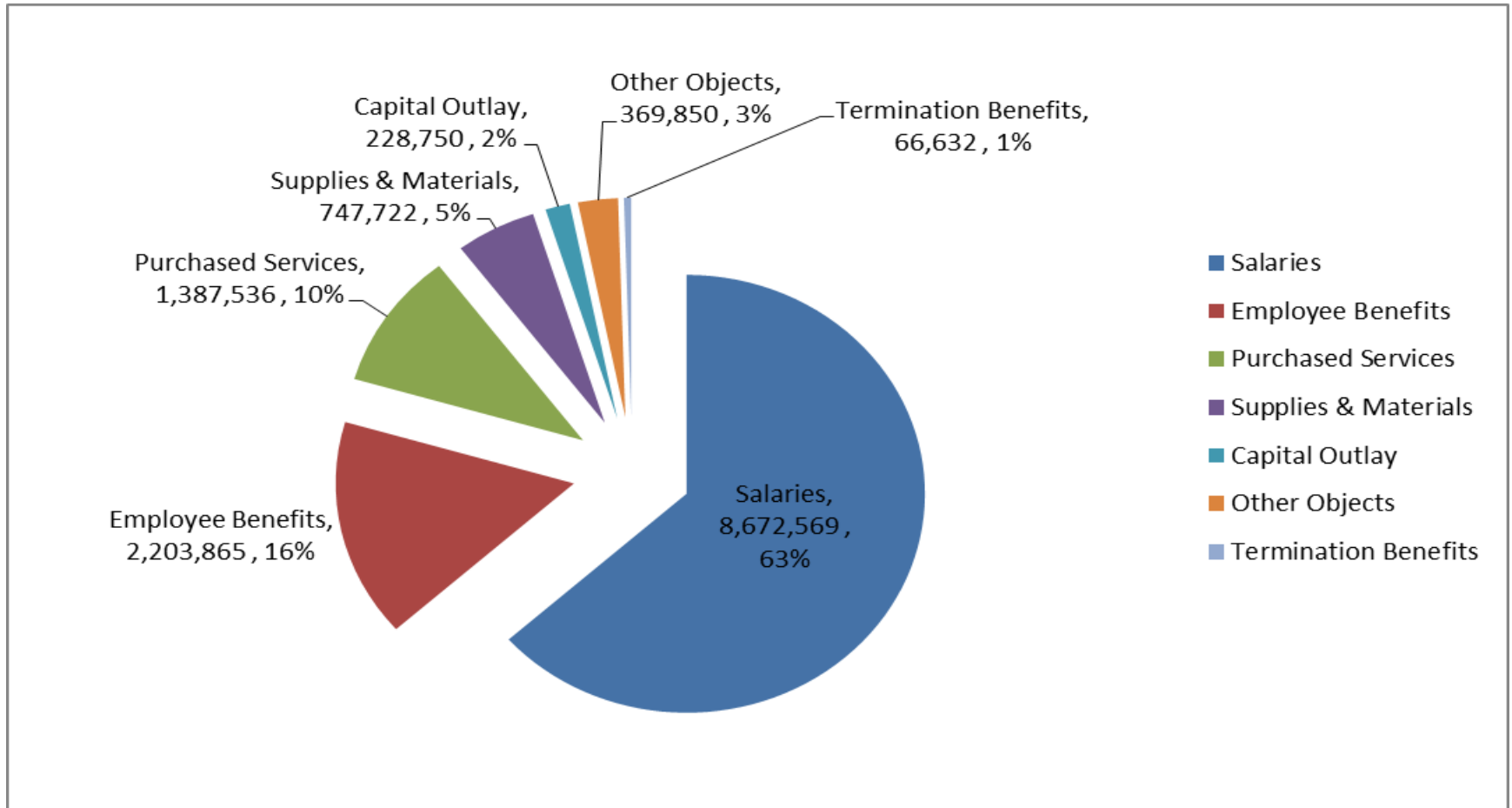
REVENUE

- ▶ **Amount of State Funding Owed to Millburn District 24 as of:**
 - ▶ 6/30/11 \$496,170.68
 - ▶ 6/30/12 \$478,953.37
- ▶ **State Aid**
 - FY12 95% PRORATION
 - FY13 89% PRORATION (ESTIMATED)
- ▶ **Federal Grants**
- ▶ Similar to FY12
- ▶ All Federal ARRA funds have been exhausted.

Operating Funds – Revenue



Operating Funds – Expenditures



FY2013 REVENUE & EXPENSES

	Revenue	Expenses
Education Fund*	\$11,068,799	\$10,929,434
Operations/Maint*	\$ 1,199,514	\$ 1,241,685
Debt Service	\$ 2,242,079	\$ 2,278,445
Transportation*	\$ 862,718	\$ 863,252
IMRF/Soc Sec*	\$ 534,718	\$ 567,553
Capital Projects	\$ 156,000	\$ 350,000
Tort*	\$ 117,274	\$ 75,000
Working Cash*	\$ 2,571	\$ 0
Totals	\$16,183,673	\$16,305,369
*Total Operating	\$13,785,594	\$13,676,924

DEFICIT SPENDING

- ▶ Deficit spending is when the district spends more than it receives in revenue.
 - This budget projects an increase in the ISBE Operating Fund of \$371,167
- ▶ **The FY2013 budget, as presented, does not require a deficit reduction plan.**

QUESTIONS FROM THE BOARD

