

OFFICE OF THE BUSINESS MANAGER

Millburn Public Schools

ACTION ITEM

SEPT 20, 2010

To: Board of Education Members

From: Mary Taylor

Subject: Approval of Budget

Proposed Action by the Board of Education

Approve the budget for the 2010 - 2011 fiscal year.

Background

The FY11 budget will be approved and submitted to the Illinois State Board of Education by Sept. 30th, 2010.

This budget was formed on the following parameters and assumptions:

REVENUES

Property taxes for levy years 2009 was based on CPI of .1% and for 2010 estimated at 2.7%. The equalized assessed valuation (EAV) is projected to remain steady and new growth is estimated to be flat.

State funding has been decreased due to cuts in programs and decreases in appropriations to Special Education and Transportation.

Federal funding will drop dramatically with the ending of the stimulus funds. Last year some of these funds were used to pay the State's portion of General State Aid. This year the remaining balance can only be used for special education expenditures.

Local funds will remain flat with no significant increase or decrease from the previous year.

EXPENDITURES

Salaries are based on a 2% increase according to the new two year Agreement in effect between the Board of Education and Millburn employees. Health insurance benefits have increased approximately 5%.

There will continue to be a freeze on overall spending in supplies, purchase services and capital outlay. The only exception is in the O&M fund where cost of service increases cannot be controlled and where repairs may be necessary.

We will continue to utilize Tax Anticipation Warrants for cash flow purposes and repay as we received our tax receipts. This year we will again use them in \$500,000 increments in order to save money on the interest.

INDIVIDUAL FUND SUMMARY

Education Fund

The Education Fund is the largest fund and contains budgets necessary to provide for the basic instruction of students and the day-to-day educational activities of the school district. The Education Fund budgeted revenues are \$15,194,661 and budgeted expenditures are \$15,237,338.

Operations and Maintenance Fund

The Operations and Maintenance Fund contains budgets necessary to maintain the buildings and grounds of the school district. The fund includes expenditures for utility costs and overall cleaning and maintaining of the buildings. The Operations and Maintenance Fund budgeted revenues are \$978,935 and budgeted expenditures are \$1,262,3459.

Debt Service

The Debt Service Fund is used to pay the principal and interest of the current outstanding bonds of the district. The Debt Service budgeted revenues are \$1,761,080 and the budgeted expenditures are \$1,761,080.

Transportation Fund

The Transportation Fund contains budgets necessary for the transportation of students in support of the day-to-day educational activities of the school district. The Transportation Fund budgeted revenues are \$1,270,782 and the budgeted expenditures are \$832,629.

Municipal Retirement Fund

The Municipal Retirement fund contains budgets for the district's contribution to Social Security (FICA) and Illinois Municipal Retirement Fund (IMRF) for all eligible employees of the school district. IMRF/SS Fund budgeted revenues are \$526,828 and budgeted expenditures are \$468,030.

Working Cash Fund

The Working Cash fund enables the Board to have moneys to assist in the District's short-term cash flow needs. Budgeted revenues for the Working Cash Fund is \$3,004.

TORT FUND

The Tort fund contains budgets for the district's liability insurance and risk management. The Tort Fund budgeted revenues are \$66,531 and budgeted expenditures are \$149,378.