

**Business Office Update
December 16, 2019 Board Meeting**

Property Tax Levy & Schedule

- The Property Tax Levy must be filed with the County Clerk's office prior to the last Tuesday in December. The proposed calendar for Millburn's Tax Levy is below:
 - December 16th - Adopt Property Tax Levy
 - December 17th – 23rd – File Property Tax Levy with County Auditor

Approval of \$50,000 School Maintenance Grant Application

- As I mentioned in the November 25, 2019 Business Office Report, the state is offering a \$50,000 matching "Maintenance Grant".
- We will need the Board to authorize the application for the summer work we already have planned and reserve the local funds to cover the district's portion of the project costs.

Increase in our Transportation Pipe for Internet Access

- As I mentioned a few months ago, the Illinois Century Network through the State of Illinois is now providing Millburn District #24 with internet at 1 Gigabyte. This is saving Millburn \$10,800 per year.
- In order to take advantage of the increased internet bandwidth, we will need to increase the transportation pipe to 1 Gigabyte per second and the pipe between Millburn Elementary and Millburn Middle School from 250 Megabytes per second to 500 Megabytes per second. The order has been placed and this will cost the district approximately \$1430 for the balance of the fiscal year.
- The end result is a savings for FY2020 of approximately \$9,730.

Purchases > \$10,000

Our teachers have been using Mimio Interactive Panels for almost 6 years now and the technology is aging. We also have several teachers using the Mimio Teachbars which are no longer supported under the new Apple operating system that our teachers are using. The teachers currently using this technology have extensive interactive lessons developed and have made this technology part of their teaching practice.

The staff began looking at options to replace the technology that has become such a part of their teaching. Options explored were Smart projectors, Smart Interactive Panels and Promethean boards. Hands down, the Promethean boards led the way. Six (6) of the boards will be used in special education classrooms and three will be used in regular education middle school classrooms. Medicaid funding will pay for the six (6) units for the special education classes and dollars allocated in the budget for technology equipment will pay for the three (3) units for regular education classrooms at Millburn Middle School.

The cost of the nine (9) units is approximately \$26,000. Mobile stands for six(6) of the units is approximately \$7,000. Installation is approximately \$5000. The total estimated expenditure is \$38,000.

Audit FY2019 Update

- The audit is complete and I'm in the process of scheduling a presentation for the Board at either the January Committee of the Whole Meeting or the Regular Board Meeting.
- There are two items that you will see in the Audit and Annual Financial Report (AFR) that I wanted to alert you to prior to the audit presentation.
 1. Capital Assets
 - Capital Assets consist of
 - Land
 - Construction in progress
 - Building and building improvements
 - Site improvements
 - Infrastructure
 - Capitalized Equipment, and
 - Vehicles
 - The District moved the record keeping of the capital assets into the District's financial software. Prior to the 2017-18 school year, the district used a stand-alone software. When the District Treasurer, Gary White, and I reviewed the capital assets, the balance of those assets being reported by the auditors as of July 1, 2018 didn't match the district records. This is most likely due to assets that were disposed of and not adjusted in the audit or assets that were depreciated differently in the previous software. After discussion with the auditor, we agreed that the audit should reflect the district records. As a result, a prior year adjusting entry was added that reduces the value of the District's capitalized equipment by \$571,500.
 2. Ending Fund Balance in the Education Fund
 - Once the auditors completed the accrual adjustments, there was a reduction in the ending fund balance in the Education Fund of \$319,010. There are two primary factors that impacted the change in the ending balance of the Education Fund:
 - The actual revenues in the Education Fund were less than the anticipated revenues reflected in the District Budget. The shortfall in the Amended District Budget was \$257,511.
 - The transfer of \$1,050,000 into the Capital Projects Fund

HVAC Controls Upgrade

- I have been working with Johnson Controls to identify the cost to convert the pneumatic control system that serves the older portions of Millburn Elementary School. When we installed the new boiler, we extended the system into the older section of the building so we could complete the conversion in the future.
- The cost of the Johnson Controls portion of this upgrade is approximately \$55,000. There will also be a separate cost for the mechanical labor by our HVAC vendor, Grubbs Mechanical. I will be working with Johnson Controls, Grubbs Mechanical, ComEd, and North Shore Gas to estimate the cost savings and the length of the payback due to energy savings. We will also be looking at rebates or incentives offered by the utility companies.
- I will update the Board as I learn more information.