

# Financial Update

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May 14, 2018

A vertical decorative bar on the left side of the slide, featuring a golden-yellow background with various 3D-rendered financial symbols such as the dollar sign (\$), pound sign (£), yen sign (¥), and Euro sign (€).

# Financial Update to the Board & Community

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- Background
- Revenues & Expenditure Overview
- Challenges and Possible Liabilities
- Revised Fund Balance Policy
- Capital Projects Plan & Funding Plan
- Projected Fund Balances



# Background

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Finances in Butler School District 53

# Finances in Butler District 53

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- Consistently receives highest Financial Profile Score (4.0) from the Illinois State Board of Education for financial management
- Consistently rated AAA by Standard & Poor's
- Has successfully internally funded \$8M in facility improvements over the last four years without a special referendum or tax increase
- Utilizes a zero-based budgeting process that allocates resources based on the specific needs in a given year.
- Requires purchase orders for spending that require three levels of approval

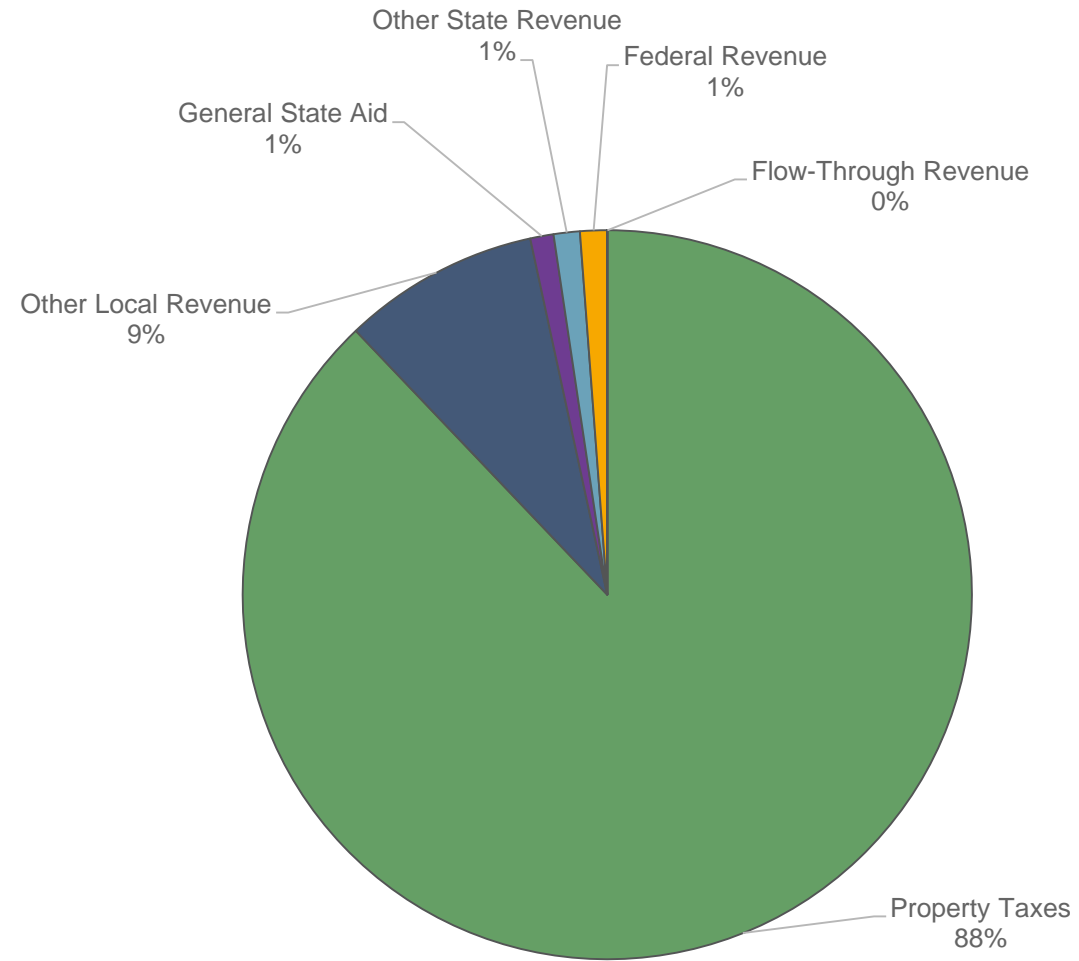


# Overview of Expenditures & Revenues

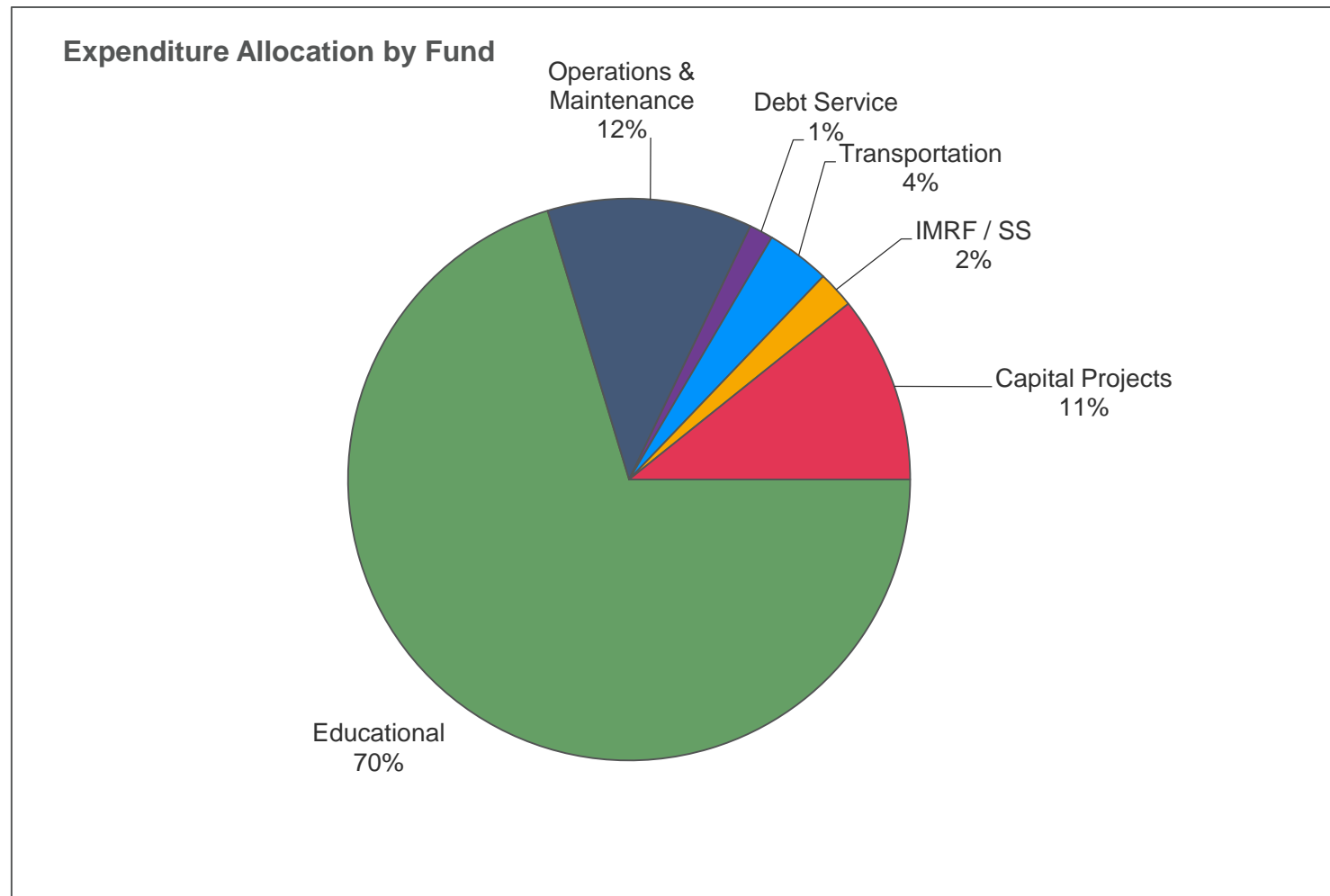
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Finances in Butler School District 53

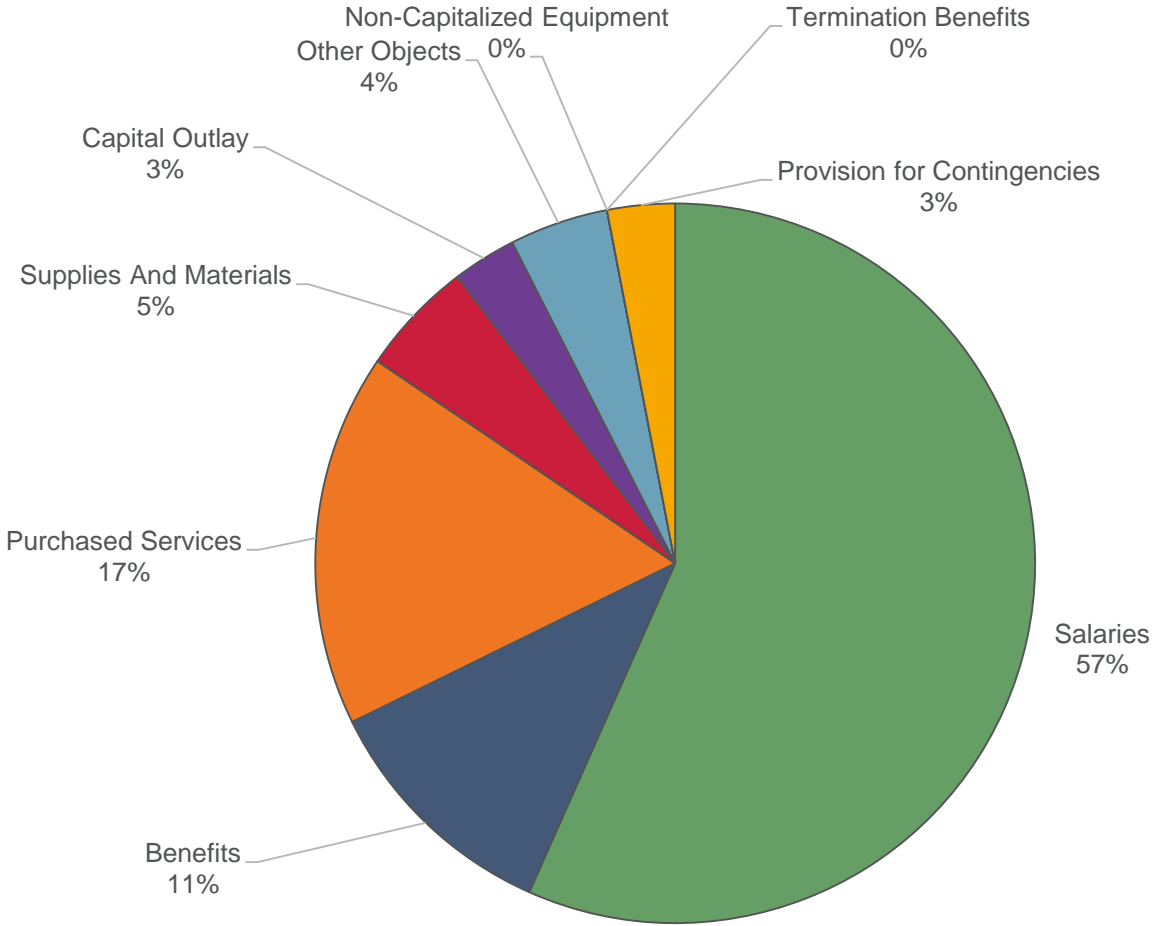
## Budgeted Revenue Allocation by Source



# Expenditure Allocation by Fund



**Budgeted Expenditure Allocation by Object**





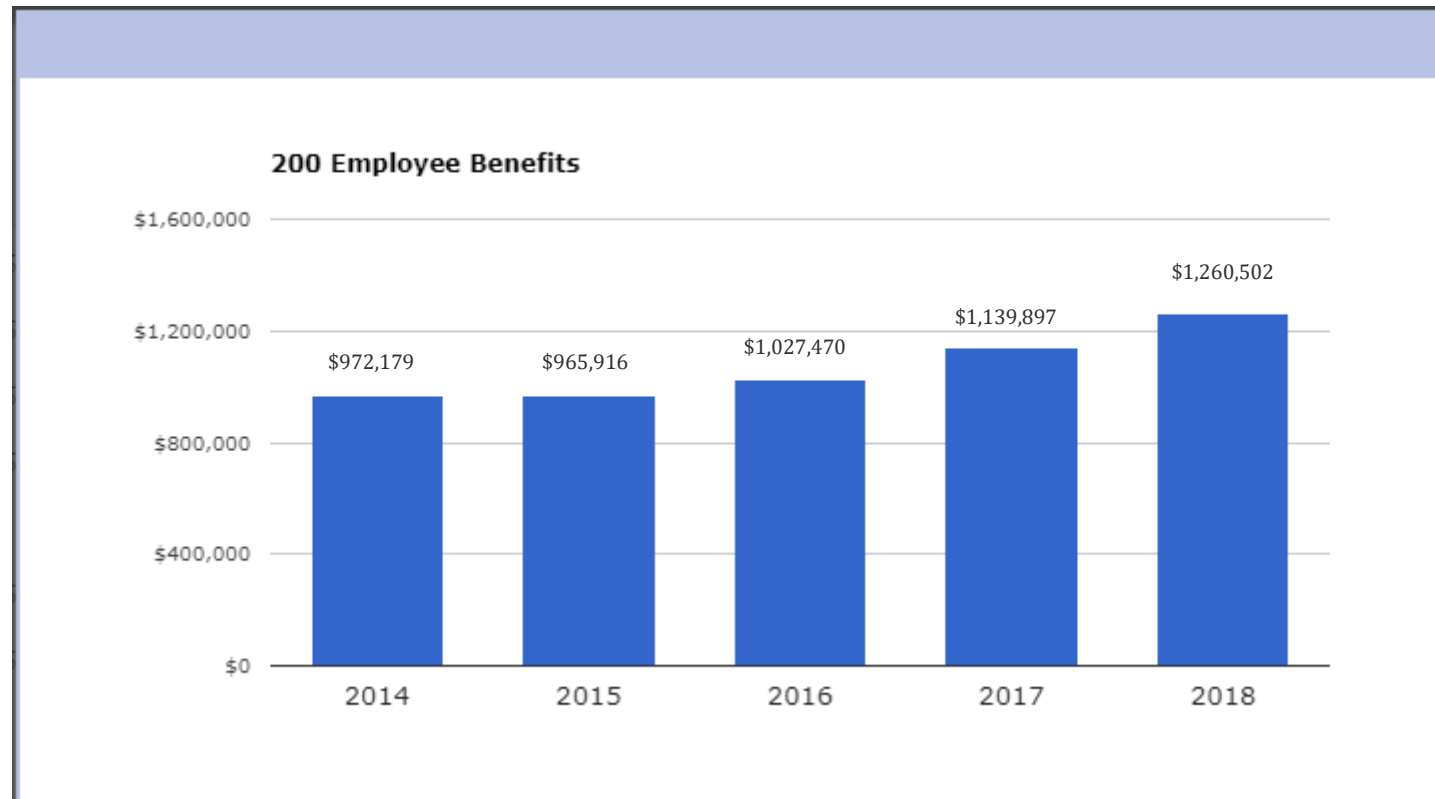
# Salaries—4 yr. history + current

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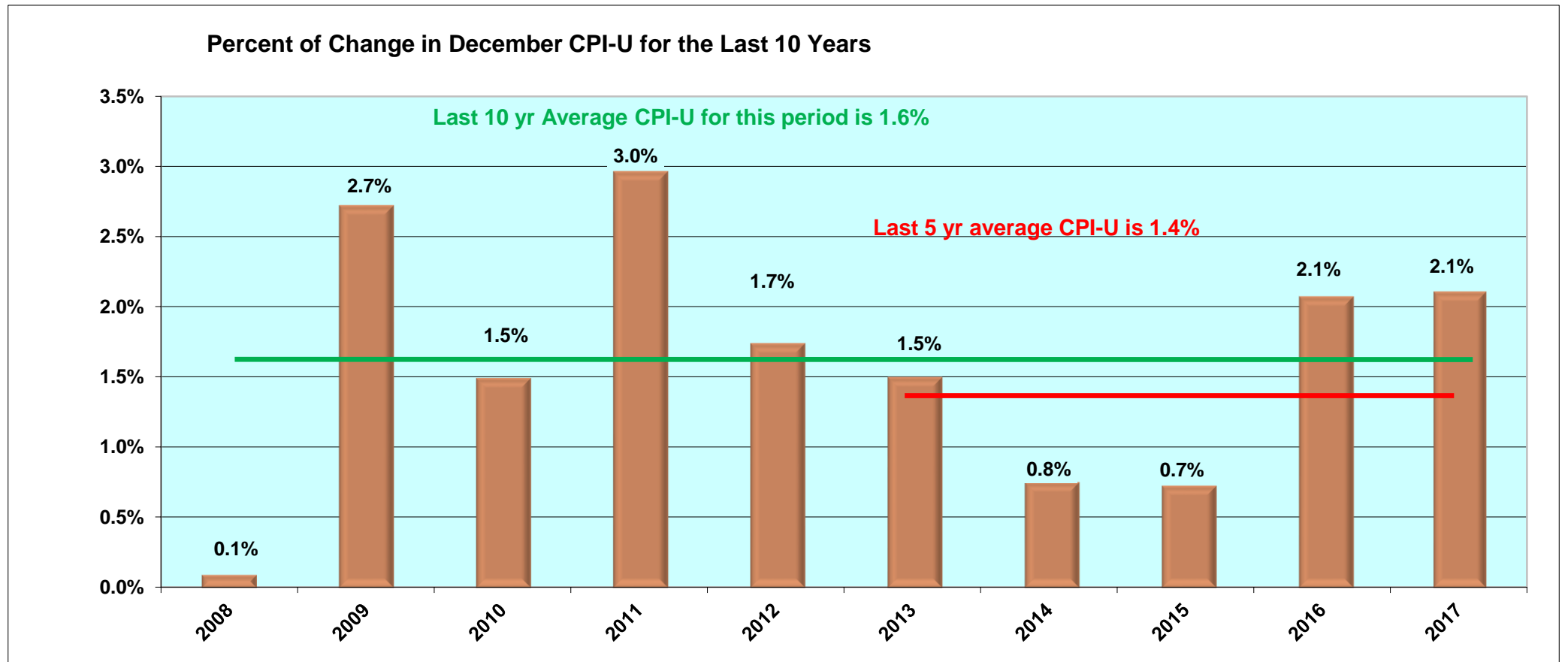


# Benefits—4 yr. history + current

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# CPI History





# Challenges & Possible Liabilities

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Finances in Butler School District 53

# The Changing Landscape of School Finance

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- New State of Illinois education funding model
  - Evidence-based Funding for Student Success Act
  - Tier 4 = \$1.34/student
  - Total FY18 State Contributions = \$292,059.96 as of April, 2018 for FY18  
(includes Mandated Categoricals)
- Property tax freeze
- Pension cost shift
- Tax levy objections
- High cost of student transportation



# Revised Fund Balance Policy

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Finances in Butler School District 53



# Revised Fund Balance Policy—Goals

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- Provide financial stability and sound fiscal management
- Maintain levels of service, pay obligations promptly even in the event of unforeseen events or unexpected expenses
- Maintain an aggregate balance of 50% of operating expenditures (180 days) as of June 30<sup>th</sup>
- Transfer funds in excess of 50% (The Board may transfer or designate to the Capital Projects Fund as identified in the Master Facilities Plan.)
- Maintain AAA Bond Rating
- Maintain ISBE Financial Recognition Status



# Master Facility Plan

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Finances in Butler School District 53





# Goal of the Master Facility Plan

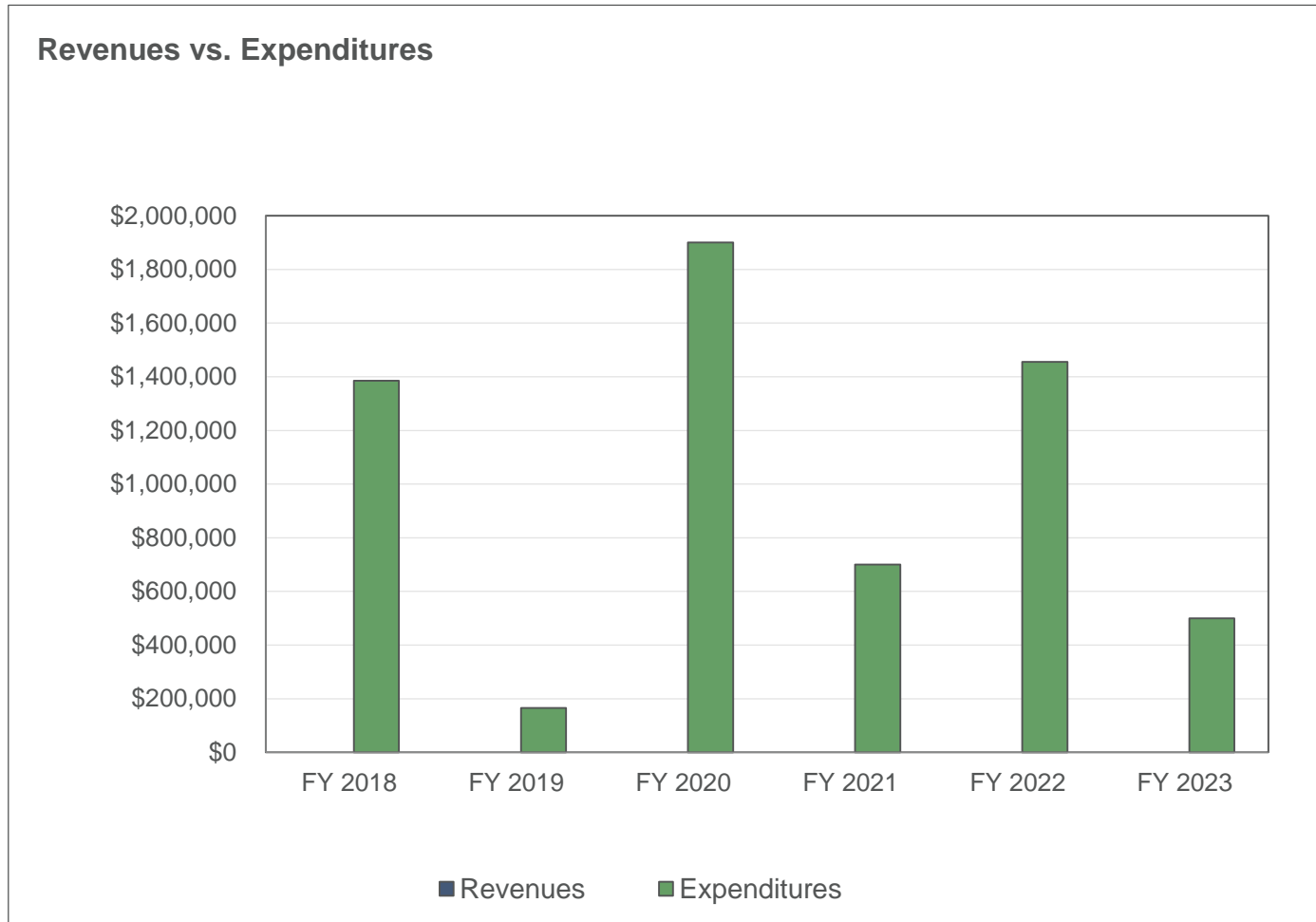
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- Fulfill the State requirements for health and life/safety as defined in the 10-Year Health/Life Safety Plan
- Replace necessary equipment that has reached the end of its useful life
- Improve the educational environment for students to support teaching and learning (air quality, sound, light, cleanliness)
- Proactively address potential safety issues to protect students and staff
- Use District funds prudently, as the Board and administration are stewards of the tax payers' resources

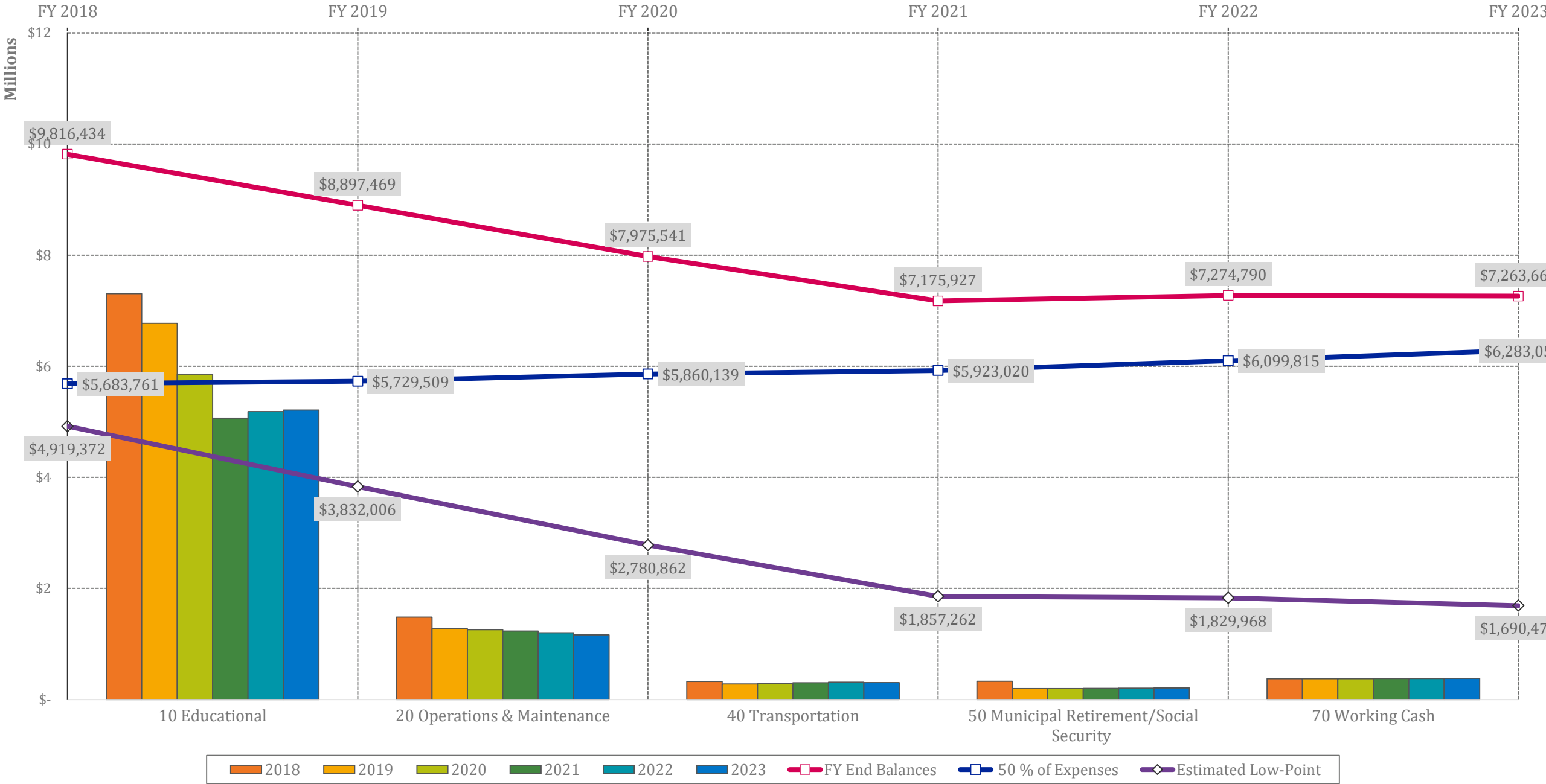
# Projects and Funding Source

Date	FY	Project & Amount	Amount	Funding Source
7/18	FY19	Prepare for Summer 2019	\$1,000,000	Transfer
6/19	FY20	BJH Air Conditioning, Doors, Electrical Upgrades, New Chillers, Door Safety Equipment & Related Work BF—Door Safety Equipment \$ 1.9M	\$1,000,000	Transfer
6/19	FY21	BF Safety Improvements, Tuck Pointing BJH Tuck Pointing \$700,000	\$1,000,000	Transfer
2021	FY22	BJH Roof Replacement \$1,455M	\$1,800,000	Bonds
2022	FY23	BJH Boiler Replacement \$500,000		
		TOTAL: \$4,555,000	\$4,800,000	

# Projected Needs Capital Projects



# Aggregate View - Projection Summary



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