

Pleasantdale School District 107

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Each year, school districts throughout the state undertake a budget cycle that is meant to be informative and transparent. Pleasantdale School District is no exception and seeks to partner with its community to provide the best possible education and services to students. The first phase in the budget cycle is to present a tentative budget to the Board of Education and put the tentative budget on public display for 30-days. Following public display, the Board will take final action to approve the budget and the levy process will begin in December.

After careful review of the fiscal year (FY) 15 budget, we found that revenue came in below the budgeted amount by 2.9% and expenditures came in below by 6.9%. There were several factors that contributed to revenues and expenditures being lower than expected.

- Revenue
 - Revenue collections came in 5% below projected
 - The district received only three of the four special education and transportation payments required by law
 - The interest rate was 1.7% rather than the budgeted .5% which allowed the district to realize increased revenue
- Expenditure
 - Special education services and transportation costs for students receiving special education services were lower than predicted which allowed the district to realize a savings
 - Curriculum and textbook expenditures were lower than anticipated
 - Due to our well-maintained buildings, our capital improvement costs were lower than budgeted

Since the tentative budget is a forecast of things to come, the district administration is required to develop financial assumptions. These assumptions are based on market forces and the realities of managing the district. The ongoing negotiations with our staff had a major impact on these assumptions. Below are some of the assumptions that informed the process of drafting the tentative budget:

- Revenue
 - 1.5% Consumer Price Index (CPI) for the first half of the year and 0.8% CPI for the second half of the year
 - From historical data, we may refund approximately 5% of the levied funds

Mission

Ensure that each student is a passionate learner empowered with the Academic and social skills to responsibly choose and excel in life pursuits.

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- The interest rate at 1.5%
- State funding for special education and transportation remains at FY15 levels
- General State Aid (GSA) at 92%
- Loss of extended day kindergarten revenue
- Expenditure
 - Salary and corresponding benefits increased by 4.5%
 - A 3% increase in services other than contracted services
 - Increase to Township Treasurer's cost of 40% due to new software and litigation costs
 - Increase in special education services costs by 30%

In addition to assumptions, there are several known factors that impacted the tentative budget.

These factors include:

- Board approved debt service abatement of \$1,782,378
- Illinois Municipal Retirement Fund (IMRF) increased from 10.68% to 11.5%
- TRS employer paid increased from .76% to .80%
- Federal Funding for TRS increased from 33% to 36.06%
- Expenditures on painting, tiling, asbestos abatement, and equipment

A Board approved tentative budget is only the first step in our cycle. At the September Board of Education meeting, the administration will present a finalized budget that reflects Board and community feedback. Pleasantdale School District remains in good financial standing and will continue to operate in a manner that maximizes programing with the lowest possible operating costs.

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