

# Dixon Unit School District #170

## FY 17 Proposed Budget



# Budget Purpose

- The budget is the financial plan used to accomplish the Board of Education goals
- It is used to satisfy a minimum level of financial/program information for state, local and federal governments
- It provides both expending and taxing authority
- It meets the requirements imposed by Illinois Law
- It is a “best guess” estimate of revenues and expenditures at this time
- It provides a tool to measure fiscal performance
- And, it should be considered as a flexible, working document.

# Procedures & Legal Requirements

- The District is required to publish notice of where and when the tentative budget will be on display and when the budget hearing will take place.
- Budget must be on display for at least 30 days prior to the hearing
- Must hold at least one public hearing
- The public may ask questions and provide input
- The Board of Education must vote to either adopt or reject the budget after a public hearing.
- Must be adopted by the end of the 1<sup>st</sup> quarter (September 30<sup>th</sup>)

# Procedures & Legal Requirements

- Filing Requirements After Adoption
  - Must use the School District Budget Form (ISBE 50-36). That will be provided at the September meeting.
  - Must post to District website after adoption.
  - Must file a copy with Lee and Ogle County Clerks within 30 days of adoption.
  - Must submit budget to ISBE electronically by October 30<sup>th</sup>.
  - The District is able to amend the budget by repeating this process and submitting the budget by June 30, 2017.

# DPS #170 FY 17 Budget Information

## FY 17 Education Revenues

- **The Education Fund has been and remains the fund of greatest concern even though revenues increased slightly over this past year.**
- Even with a larger than normal group of FY 16 retirees our initial projections show that this year could deficit spend.
- DPS 170's Equalized Assessed Value and in turn local property tax revenues had decreased from 2012 until 2015. Local taxes had decreased by approximately **(\$237,145)** from FY 12 to FY 13, decreased by another **(\$150,881)** from FY 13 to FY 14 and decreased an additional **(\$398,259)** from FY 14 to FY 15. That was **(\$786,285)** less revenues than we received locally in FY 12.

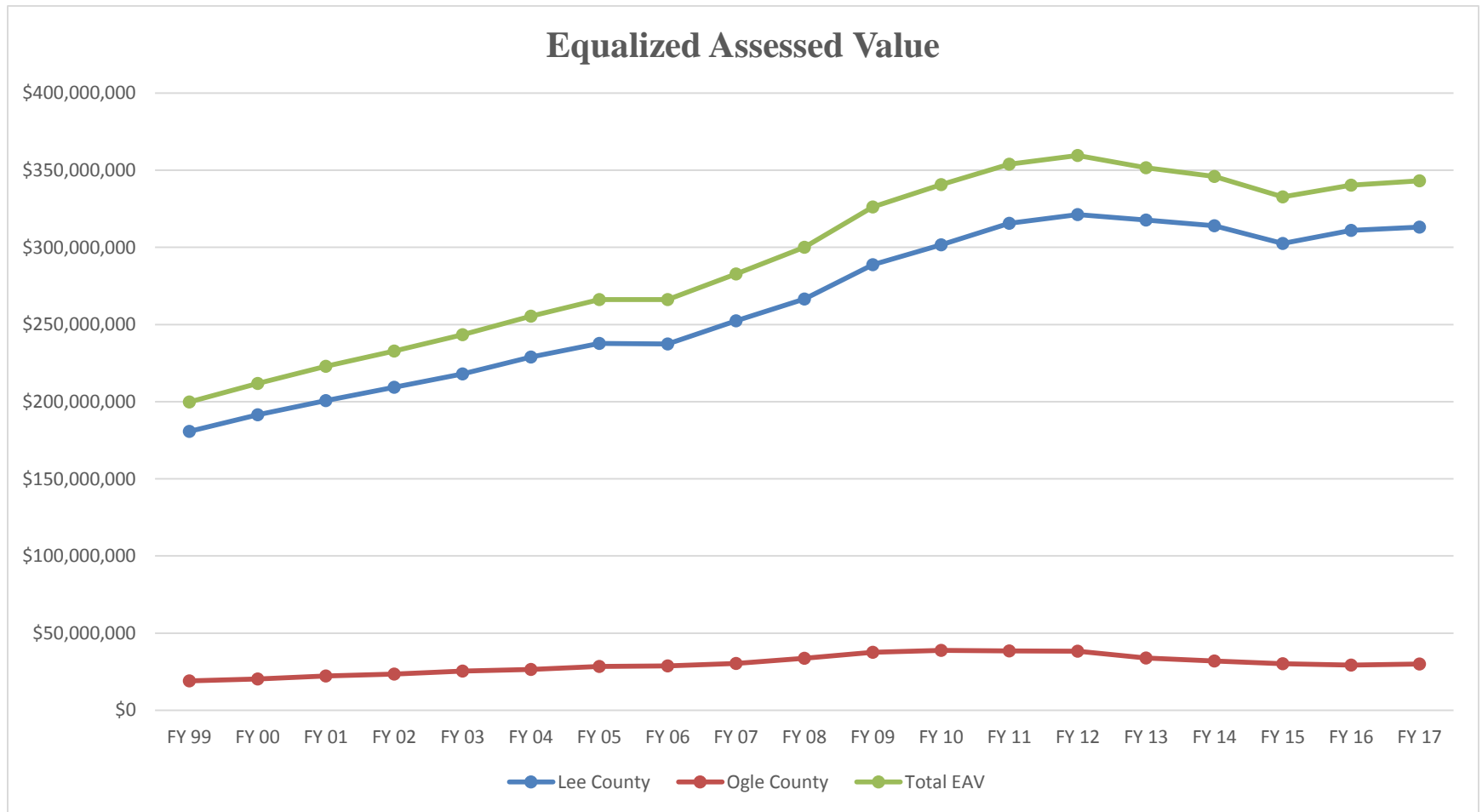
# DPS #170 FY 17 Budget Information

- The 2016 Assessment was based on property sales from 2015, 2014 and 2013. The 2013 sales had leveled off and increased slightly in 2014 and a little less in 2015.
- We had approximately \$2 million in new construction for 2014 taxes payable in 2015 and \$2.1 million in 2015 payable in 2016. New construction within the District boundaries isn't substantial.
- DPS's EAV increased from \$332,685,496 in FY 15 to \$340,291,867 in FY 16 which was a 2.29% increase. This past year it rose to \$343,175,312 which was a 0.85% increase.

# Equalized Assessed Value

EAV	Lee County	Ogle County	Total EAV	\$ Diff	% Diff
FY 99	\$180,758,869	\$19,105,563	\$199,864,432		
FY 00	\$191,537,195	\$20,307,577	\$211,844,772	\$11,980,340	5.99%
FY 01	\$200,640,273	\$22,210,970	\$222,851,243	\$11,006,471	5.20%
FY 02	\$209,329,500	\$23,455,610	\$232,785,110	\$9,933,867	4.46%
FY 03	\$218,013,755	\$25,403,134	\$243,416,889	\$10,631,779	4.57%
FY 04	\$228,991,977	\$26,411,943	\$255,403,920	\$11,987,031	4.92%
FY 05	\$237,766,464	\$28,387,500	\$266,153,964	\$10,750,044	4.21%
FY 06	\$237,417,144	\$28,753,099	\$266,170,243	\$16,279	0.01%
FY 07	\$252,412,002	\$30,402,139	\$282,814,141	\$16,643,898	6.25%
FY 08	\$266,502,982	\$33,654,438	\$300,157,420	\$17,343,279	6.13%
FY 09	\$288,767,692	\$37,514,370	\$326,282,062	\$26,124,642	8.70%
FY 10	\$301,743,233	\$38,860,814	\$340,604,047	\$14,321,985	4.39%
FY 11	\$315,532,360	\$38,373,124	\$353,905,484	\$13,301,437	3.91%
FY 12	\$321,226,926	\$38,267,541	\$359,494,467	\$5,588,983	1.58%
FY 13	\$317,743,880	\$33,851,775	\$351,595,655	(\$7,898,812)	(2.20)
FY 14	\$314,046,659	\$31,849,322	\$345,895,981	(\$5,699,674)	(1.62)
FY 15	\$302,600,952	\$30,084,544	\$332,685,496	(\$13,210,485)	(3.82)
FY 16	\$310,944,817	\$29,347,050	\$340,291,867	\$7,606,371	2.29%
FY 17	\$313,223,882	\$29,951,430	\$343,175,312	\$2,883,445	0.85%

# Equalized Assessed Value

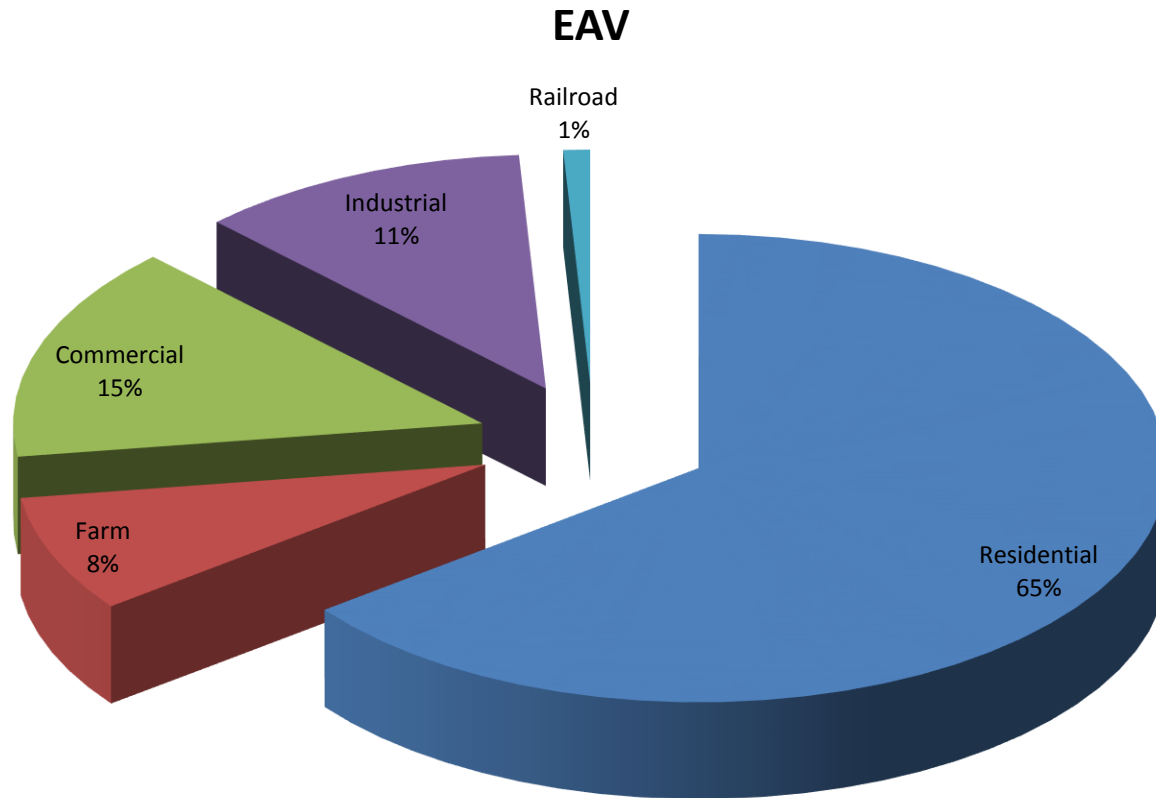




# Equalized Assessed Value

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>		<u>Property Class</u>
\$242,056,428	\$234,495,548	\$228,590,243	\$218,062,730	\$220,067,358	\$220,678,688	64.67%	Residential
100.81%	96.88%	97.48%	95.39%	100.92%	100.28%		
\$28,521,236	\$29,124,578	\$29,766,722	\$26,451,915	\$27,405,898	\$28,251,232	8.05%	Farm
105.03%	102.12%	102.20%	88.86%	103.61%	103.08%		
\$51,734,580	\$51,114,127	\$49,477,086	\$50,108,142	\$50,643,421	\$50,959,109	14.88%	Commercial
104.13%	98.80%	96.80%	101.28%	101.07%	100.62%		
\$35,164,132	\$34,716,794	\$35,635,471	\$35,064,502	\$39,048,721	\$39,531,729	11.48%	Industrial
99.49%	98.73%	102.65%	98.40%	111.36%	101.24%		
<u>\$2,018,091</u>	<u>\$2,144,608</u>	<u>\$2,426,459</u>	<u>\$2,998,207</u>	<u>\$3,126,469</u>	<u>\$3,754,554</u>	0.92%	<u>Railroad</u>
125.07%	106.27%	113.14%	123.56%	104.28%	120.09%		
\$359,494,467	\$351,595,655	\$345,895,981	\$332,685,496	\$340,291,867	\$343,175,312	100.00%	Total
\$321,226,926	\$317,743,880	\$314,046,659	\$302,600,952	\$310,944,817	\$313,223,882	90.96%	Lee County
101.80%	98.92%	98.84%	96.36%	102.76%	100.73%		
\$38,267,541	\$33,851,775	\$31,849,322	\$30,084,544	\$29,347,050	\$29,951,430	9.04%	<u>Ogle County</u>
99.72%	88.46%	94.08%	94.46%	97.55%	102.06%		
\$359,494,467	\$351,595,655	\$345,895,981	\$332,685,496	\$340,291,867	\$343,175,312	100.00%	Total Counties
\$5,588,983	(\$7,898,812)	(\$5,699,674)	(\$13,210,485)	\$7,606,371	\$2,883,445		Increase
101.58%	97.80%	98.38%	96.18%	102.29%	100.85%		Percent Change

# Equalized Assessed Value



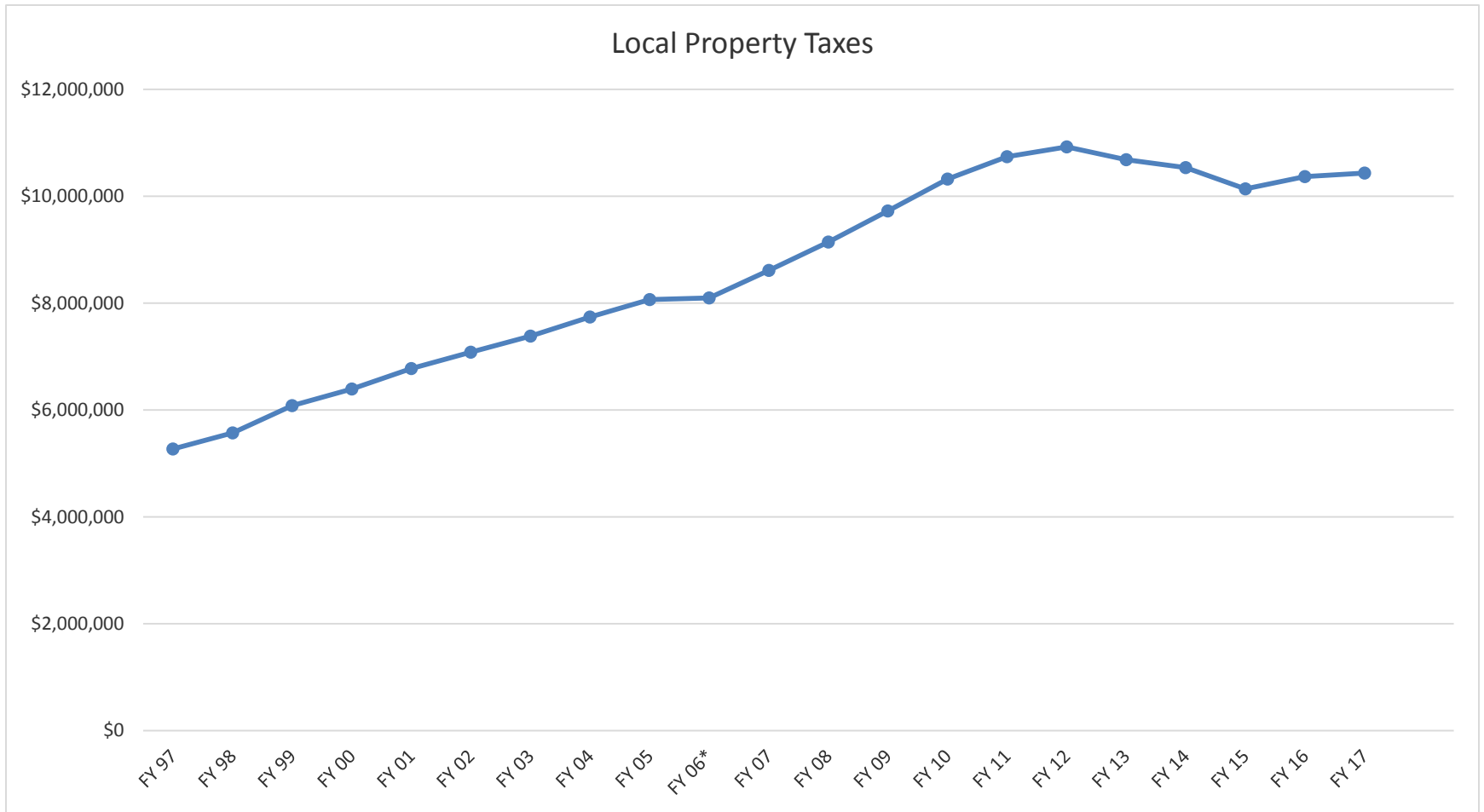
# Local Property Taxes

- The extension of the 2015 levy determines the property taxes payable in 2016 for the FY 17 school year.
- Since the local property taxes are a result of the EAV times the tax rate, which the Ed Fund rate is \$2.95 per \$100 of assessed value, this has resulted in a very slight increase in local revenues for FY 17.
- Due to the increased EAV the property taxes will yield approximately \$60,500 more in FY 17 than was received in FY 16 in the Education Fund. This is a 0.60% increase as opposed to the 1.55% increase the previous year.

# Local Property Taxes

Education Fund			
	Local Property Taxes	\$ Diff	% Diff
FY 97	\$5,271,888		
FY 98	\$5,573,186	\$301,298	5.72%
FY 99	\$6,080,706	\$507,520	9.11%
FY 00	\$6,393,741	\$313,035	5.15%
FY 01	\$6,775,746	\$382,005	5.97%
FY 02	\$7,082,189	\$306,443	4.52%
FY 03	\$7,380,443	\$298,254	4.21%
FY 04	\$7,738,805	\$358,362	4.86%
FY 05	\$8,069,048	\$330,243	4.27%
FY 06*	\$8,095,168	\$26,120	0.32%
FY 07	\$8,610,153	\$514,985	6.36%
FY 08	\$9,144,340	\$534,187	6.20%
FY 09	\$9,722,914	\$578,574	6.33%
FY 10	\$10,324,046	\$601,132	6.18%
FY 11	\$10,739,621	\$415,575	4.03%
FY 12	\$10,922,631	\$183,010	1.70%
FY 13	\$10,685,486	(\$237,145)	(2.17%)
FY 14	\$10,534,605	(\$150,881)	(1.41%)
FY 15	\$10,136,346	(\$398,259)	(3.78%)
FY 16	\$10,370,028	\$233,682	2.31%
FY 17	<b>\$10,432,529</b>	<b>\$62,502</b>	<b>0.60%</b>
FY 06*	Homestead Exemption		

# Local Property Taxes



# General State Aid

- Although the General State Aid formula continues to use the \$6,119 Foundation Level the Legislature has not funded for a number of years the Illinois State Board of Education the amount necessary to meet that obligation statewide.
- Last year's initial projections for the FY 16 school year called for using a 92% proration which would have taken our GSA from \$4,706,032 to \$4,332,850 or a decrease of (\$373,182) lower than what should have been allotted.
- Since we had been put on alert by IASA & IASBO that the 92% projection may very well be adjusted downward sometime during the course of the year we went with a safer projection of 87%.

# General State Aid

- Since we had budgeted the conservative 87% proration, \$4,167,777, and since the State of Illinois did fund GSA at 92%, \$4,332,851 the FY 16 state aid revenues exceeded the budgeted amount by **\$165,073**.
- The initial ISBE FY 17 Forecast which includes a \$250M Equity Grant predicts that the Dixon USD #170 General State Aid allotment will be \$4,508,831 which would be an increase of \$175,980 over the FY 16 allotment.
- Please note that this increase may be offset to a certain degree by lower Corporate Personal Property Replacement Tax (CPPRT) projections. This may be partially to do with a funding correction implemented last fiscal year.

# GSA Proration Impact

	<u>GSA Allotment</u>	<u>GSA Actual</u>	<u>Proration Cost</u>	<u>Proration %</u>
FY 06	\$5,874,895	\$5,874,895		
FY 07	\$6,169,849	\$6,169,849		
FY 08	\$6,221,773	\$6,221,773		
FY 09 w/ARRA	\$6,353,489	\$6,353,489		
FY 10 w/ARRA	\$6,222,423	\$6,222,423		
FY 11 w/ARRA	\$5,455,708	\$5,455,708		
FY 12	\$4,585,169	\$4,357,955	(\$227,214)	95.0%
FY 13	\$4,388,732	\$3,914,136	(\$474,596)	89.2%
FY 14	\$4,408,604	\$3,907,843	(\$500,761)	88.6%
FY 15	\$4,435,550	\$3,867,251	(\$568,299)	87.2%
FY 16	\$4,706,032	\$4,332,851	(\$373,181)	92.1%
FY 17 Est.		\$4,508,831		

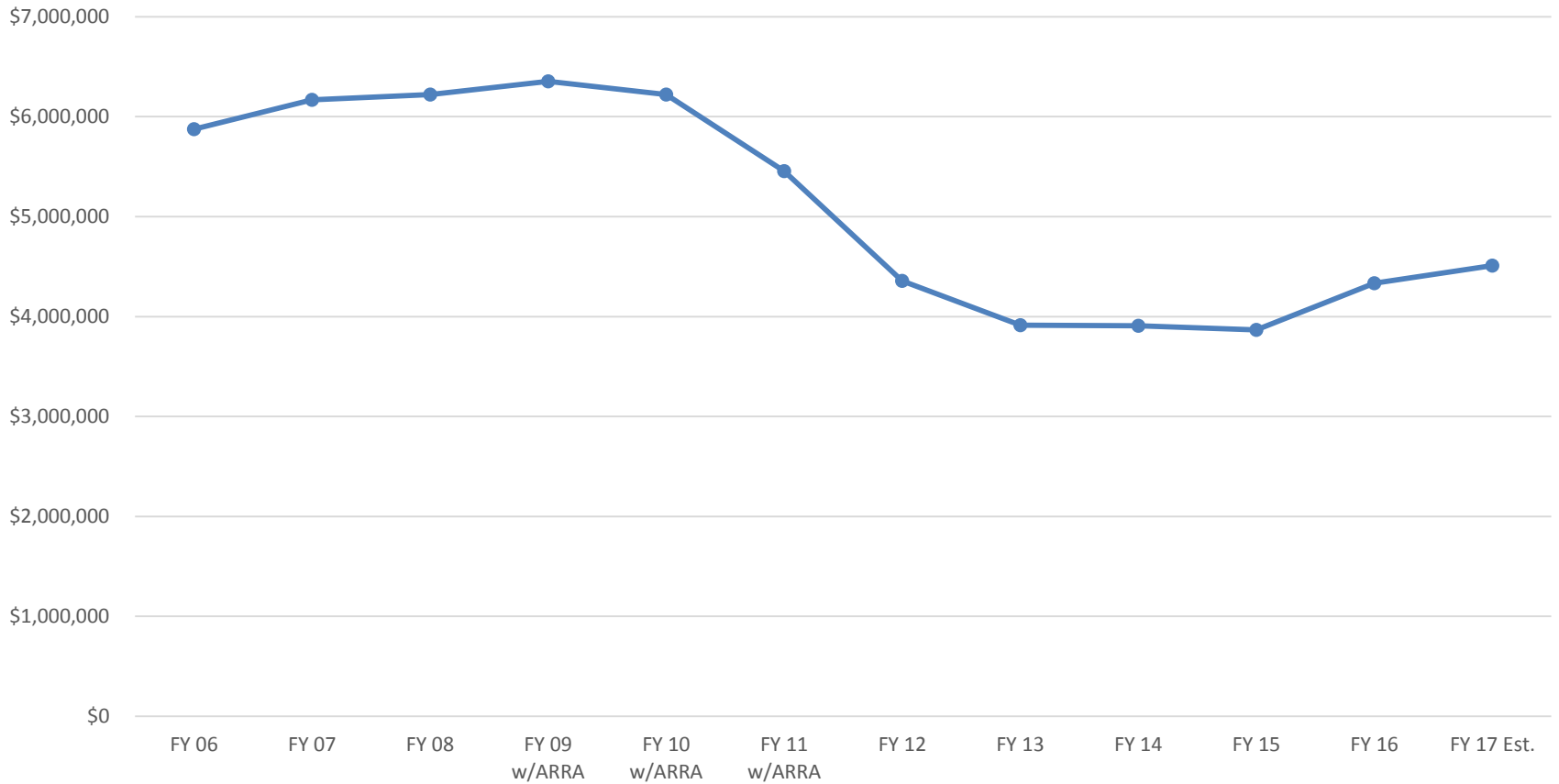


# Dixon's GSA History

	GSA Actual	Diff Prv Yr	Diff %
FY 06	\$5,874,895		
FY 07	\$6,169,849	\$294,954	5.0%
FY 08	\$6,221,773	\$51,924	0.8%
FY 09 w/ARRA	\$6,353,489	\$131,716	2.1%
FY 10 w/ARRA	\$6,222,423	(\$131,066)	(2.1%)
FY 11 w/ARRA	\$5,455,708	(\$766,715)	(12.3%)
FY 12	\$4,357,955	(\$1,097,753)	(20.1%)
FY 13	\$3,914,136	(\$443,819)	(10.2%)
FY 14	\$3,907,843	(\$6,293)	(0.2%)
FY 15	\$3,867,251	(\$40,592)	(1%)
FY 16	\$4,332,851	\$465,600	12.0%
FY 17 Est.	\$4,508,831	\$175,980	4.1%

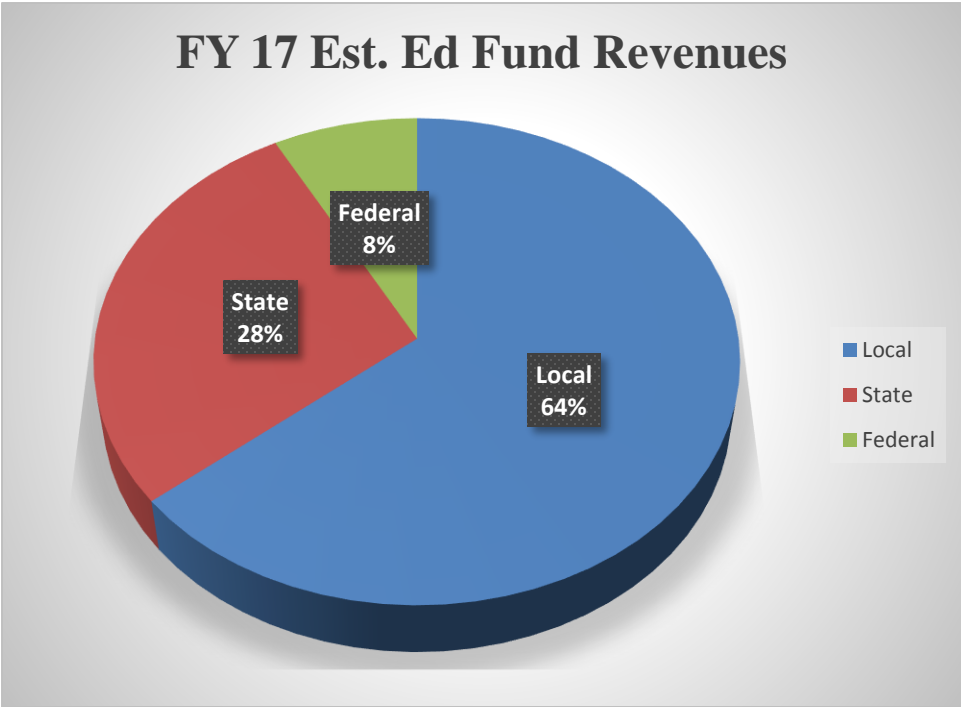
# Dixon's GSA History

## GSA Actual



# FY 17 Estimated Ed Fund Revenues

FY 17 Projected		
	<u>Revenues</u>	
Local	\$12,895,717	64.10%
State	\$5,626,871	27.97%
Federal	<u>\$1,594,415</u>	<u>7.93%</u>
Total	\$20,117,003	100.00%

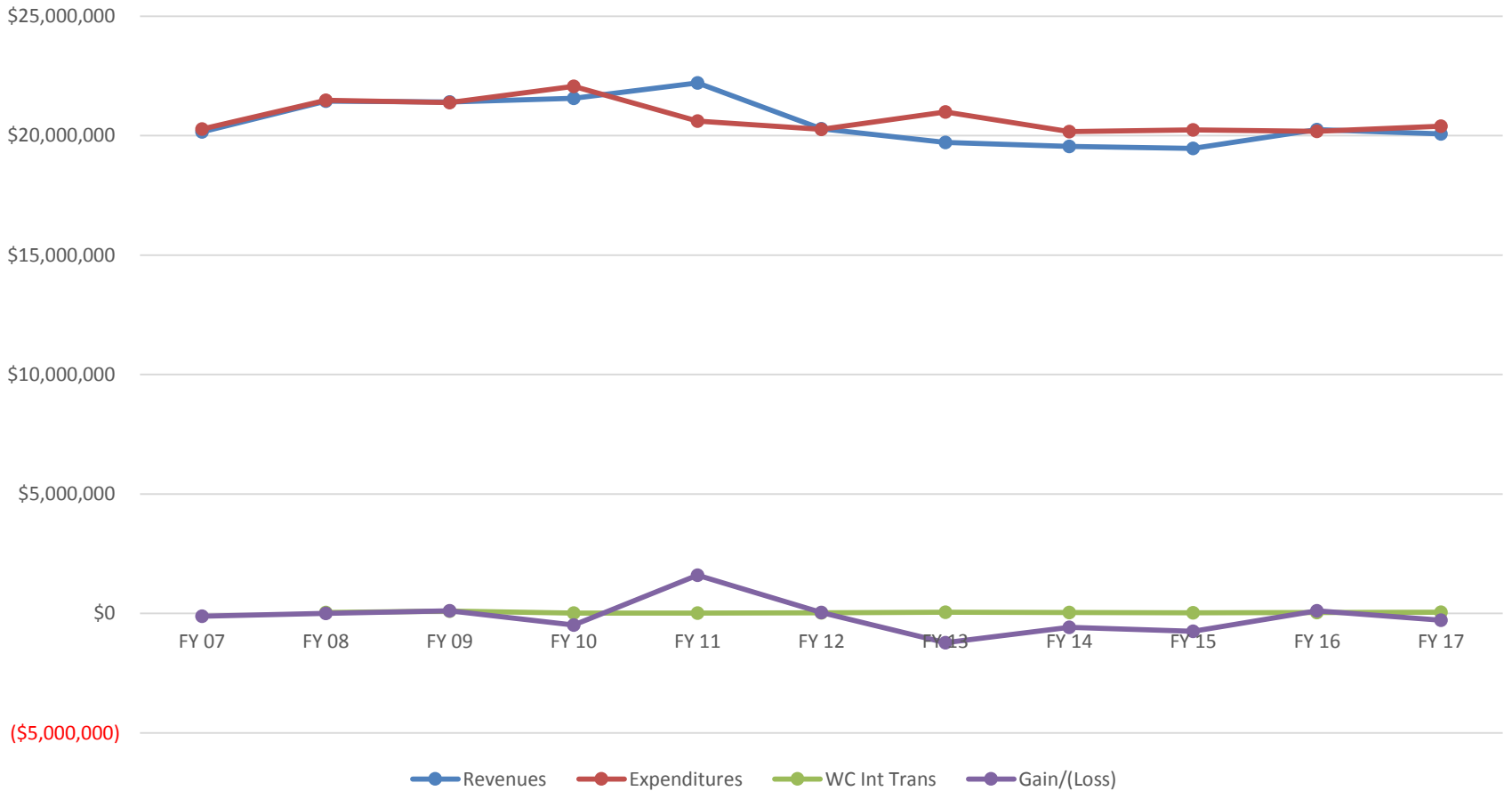


# FY 17 Proposed Education Budget

										Unaudited	Proposed
	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>	<u>FY 10</u>	<u>FY 11</u>	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>
Revenues	\$20,160,228	\$21,445,660	\$21,409,277	\$21,564,910	\$22,207,962	\$20,287,957	\$19,723,014	\$19,549,685	\$19,463,260	\$20,255,946	\$20,072,003
Expenditures	\$20,274,126	\$21,481,653	\$21,392,234	\$22,069,923	\$20,615,666	\$20,271,760	\$20,991,035	\$20,175,063	\$20,246,477	\$20,186,582	\$20,396,255
WC Int Trans		\$33,077	\$92,385	\$17,062	\$11,663	\$21,349	\$46,943	\$41,187	\$32,462	\$42,272	\$45,000
Gain/(Loss)	(\$113,898)	(\$2,916)	\$109,428	(\$487,951)	\$1,603,959	\$37,546	(\$1,221,078)	(\$584,191)	(\$750,755)	\$111,636	(\$279,252)
Fund Balance	\$3,021,818	\$3,018,902	\$3,128,330	\$2,640,579	\$4,244,538	\$4,282,084	\$3,061,006	\$2,476,815	\$1,726,060	\$1,837,696	\$1,558,444

# FY 17 Proposed Education Budget

Education Fund



# FY 17 Proposed Education Budget

## **Impacts on Ed Fund Expenditures:**

- Certified staff contractual salary increases are included.
- Eight classroom teachers retired this past year and were replaced.
- There are 6 certified staff in the retirement queue earning 6% increases retiring in June of 2017, 2 retiring in June of 2018, 3 in June of 2019 and 10 in June of 2020.
- Being self-insured means that budgeted health care amounts are merely estimates and actual costs will be determined by the health claims incurred by our plan participants. FY 16's Health Costs were similar to FY 15, but there is no guarantee that costs won't increase.

# FY 17 Proposed Budget – All Funds

FY 17				
<u>All Funds</u>		<u>Revenues</u>	<u>Expenditures</u>	<u>Difference</u>
10	Education	(\$24,702,653)	\$24,981,905	(\$279,252)
20	O&M	(\$1,843,435)	\$2,085,919	(\$242,484)
30	B&I	(\$867,275)	\$ 910,538	(\$43,263)
40	Transportation	(\$1,711,250)	\$1,805,186	(\$93,936)
50	IMRF/SS	(\$762,633)	\$708,587	\$54,046
60	Capital Improvements	(\$20)	\$0	\$20
70	Working Cash	(\$183,695)	\$15,000	\$168,695
80	Tort	(\$1,052,367)	\$1,009,468	\$42,899
90	Life Safety	(\$171,405)	\$1,808,606	(\$1,637,201)
		(\$31,294,733)	\$33,325,208	(\$2,030,475)
<u>Operating Funds</u>				
10	Education	(\$24,702,653)	\$24,981,905	(\$279,252)
20	O&M	(\$1,843,435)	\$2,085,919	(\$242,484)
40	Transportation	(\$1,711,250)	\$1,805,186	(\$93,936)
70	Working Cash	(\$183,695)	\$15,000	\$168,695
		(\$28,441,033)	\$28,888,010	(\$446,977)

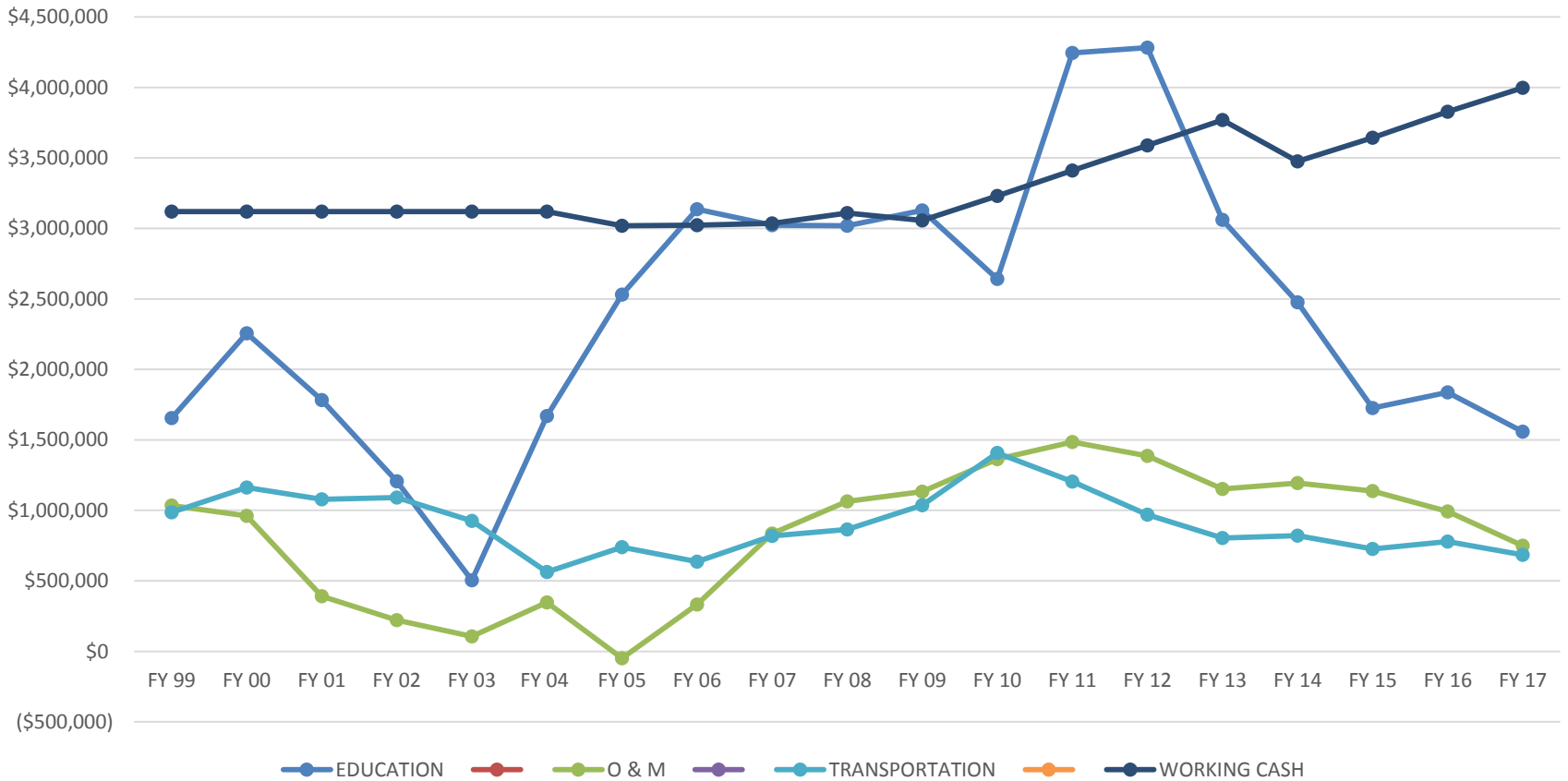
# FY 17 Proposed Budget All Funds

									Unaudited	Proposed
					Fund Bal	Fund Bal	Fund Bal	Fund Bal	Fund Bal	Fund Bal
	<u>All Funds</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Net/(Loss)</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2016</u>
10	Education	\$20,117,003	\$20,396,255	(\$279,252)	\$4,282,084	\$3,061,006	\$2,476,815	\$1,726,060	\$1,837,696	\$1,558,444
20	O&M	\$1,843,435	\$2,085,919	(\$242,484)	\$1,387,026	\$1,151,316	\$1,193,785	\$1,137,199	\$991,764	\$749,280
30	B&I	\$867,275	\$ 910,538	(\$43,263)	\$627,107	\$629,751	\$634,519	\$637,670	\$646,262	\$602,999
40	Transportation	\$1,711,250	\$ 1,805,186	(\$93,936)	\$968,586	\$804,775	\$821,703	\$727,139	\$779,582	\$685,646
50	IMRF/SS	\$762,633	\$ 708,587	\$54,046	\$284,342	\$370,843	\$467,253	\$519,581	\$324,578	\$378,624
60	Cap Projects	\$20	\$ -	\$20	\$3,800	\$46,760	\$46,798	\$46,920	\$47,078	\$47,098
70	Working Cash	\$183,695	\$ 15,000	\$168,695	\$3,588,942	\$3,767,695	\$3,474,447	\$3,643,709	\$3,828,021	\$3,996,716
80	Tort	\$1,052,367	\$ 1,009,468	\$42,899	\$373,372	\$409,308	\$253,172	\$139,333	\$237,358	\$280,258
90	Life Safety	<u>\$171,405</u>	<u>\$ 1,808,606</u>	<u>(\$1,637,201)</u>	<u>\$361,476</u>	<u>\$9,279</u>	<u>\$1,815,879</u>	<u>\$422,788</u>	<u>\$2,298,439</u>	<u>\$661,238</u>
	All Funds	\$26,709,083	\$27,101,634	(\$2,030,475)	\$11,876,735	\$10,250,733	\$11,184,371	\$9,343,696	\$10,990,778	\$8,960,303
									Unaudited	Proposed
					Fund Bal	Fund Bal	Fund Bal	Fund Bal	Fund Bal	Fund Bal
	<u>Operating Funds</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Net/(Loss)</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2016</u>
10	Education	\$20,117,003	\$20,396,255	(\$279,252)	\$4,282,084	\$3,061,006	\$2,476,815	\$1,726,060	\$1,837,696	\$1,558,444
20	O&M	\$1,843,435	\$2,085,919	(\$242,484)	\$1,387,026	\$1,151,316	\$1,193,785	\$1,137,199	\$991,764	\$749,280
40	Transportation	\$1,711,250	\$ 1,805,186	(\$93,936)	\$968,586	\$804,775	\$821,703	\$727,139	\$779,582	\$685,646
70	Working Cash	<u>\$183,695</u>	<u>\$ 15,000</u>	<u>\$168,695</u>	<u>\$3,588,942</u>	<u>\$3,767,695</u>	<u>\$3,474,447</u>	<u>\$3,643,709</u>	<u>\$3,828,021</u>	<u>\$3,996,716</u>
		\$23,855,383	\$24,124,149	(\$446,977)	\$10,226,638	\$8,784,792	\$7,966,750	\$7,234,107	\$7,437,063	\$6,990,086
									Unaudited	Proposed



# Est. Operating Funds Fund Balances

Fund Balances Operating Funds



# FY 17 Budget Summary

- **The Education Fund has been and remains the fund of greatest concern and the one we continually monitor.**
- A deficit of **(\$279,252)** is projected in the Ed Fund for FY 17, but as is usually the case we are hopeful that revenues trend better than our conservative estimates and we don't spend all that is budgeted.
- Being self-insured a large portion of the benefit costs and as such we are unable to predict with any great accuracy what they will be. This will depend on paid claims over the course of the year.
- We wait and watch to see what happens in Springfield going forward and if matters such as GSA, categorical funding, possible TRS cost shift and potential property tax freezes are acted upon.

# FY 17 Proposed Budget Process

- The budget must be on display for at least 30 days prior to the public hearing on September 14th.
- We will continue to analyze the numbers up until the Sept. 14<sup>th</sup> hearing and if and when more accurate numbers become available we will make any necessary adjustments up until that time and share them with you.
- If necessary we have the ability to amend the budget later in the year by repeating this process.