

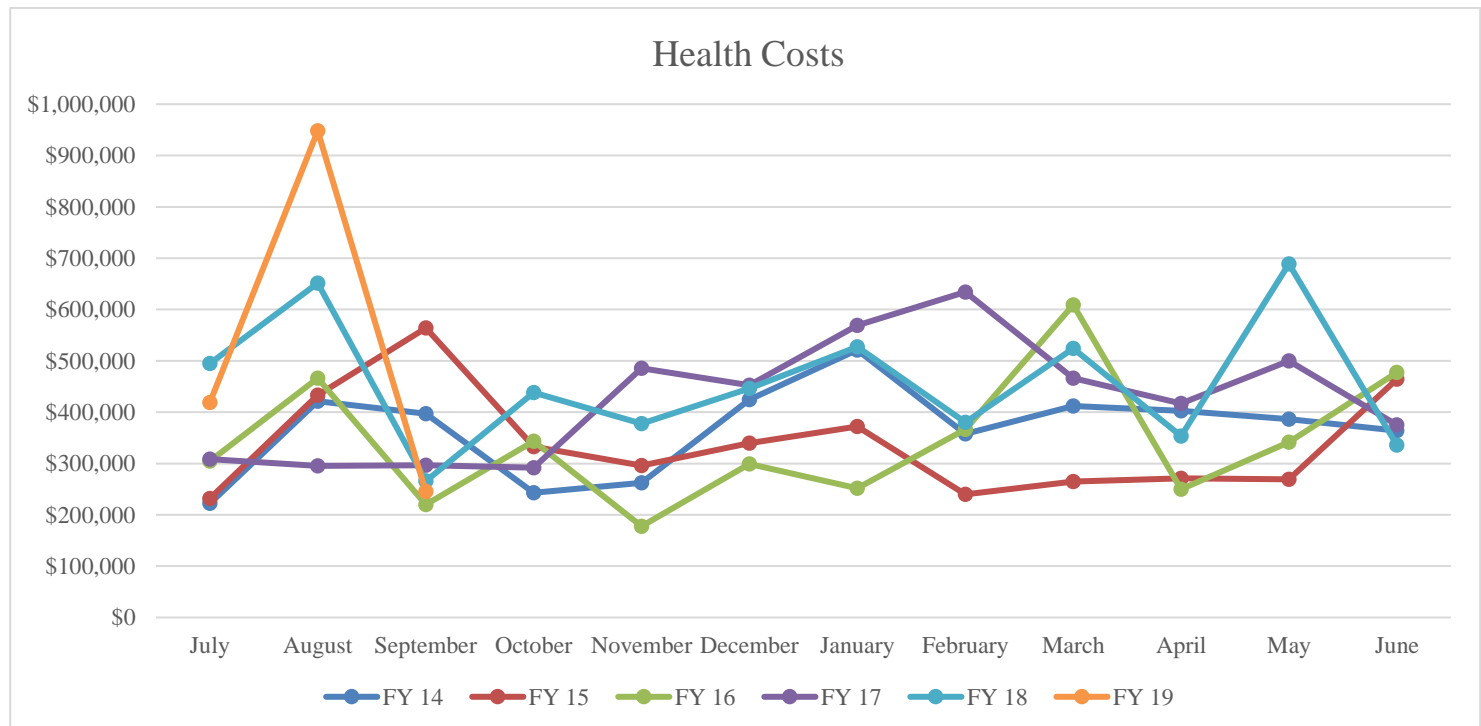
October 2018 Busine\$\$ Report

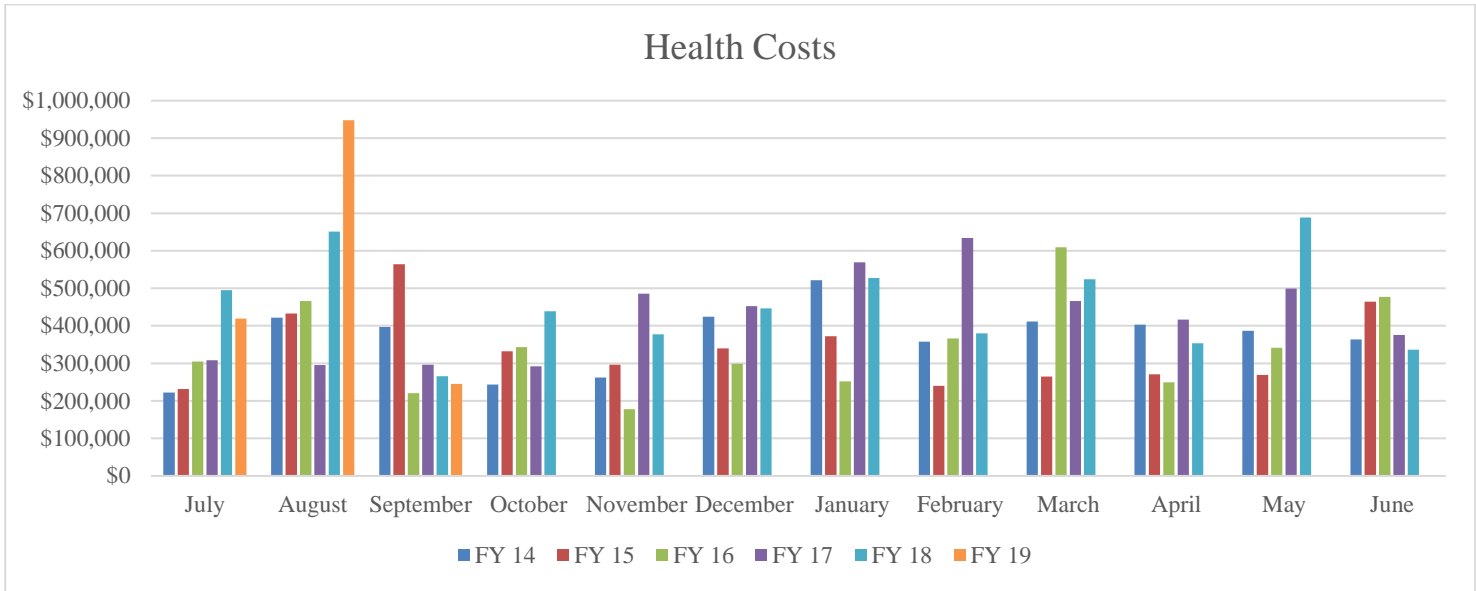
BY DAVE BLACKBURN

Health Claims – The September 2018 health claims of \$245,585 was similar to the last three years' September costs. See the orange lines (FY 19) in the charts below.

Health Insurance Claim Costs

	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	Difference <u>FY 18 v. FY 19</u>
July	\$222,162	\$231,894	\$304,875	\$308,581	\$494,819	\$419,087	(\$75,732)
August	\$421,391	\$432,872	\$466,102	\$295,643	\$651,398	\$947,930	\$296,532
September	\$397,066	\$563,910	\$220,212	\$296,759	\$265,806	\$245,585	(\$20,221)
October	\$243,165	\$332,572	\$343,562	\$291,870	\$438,396		
November	\$262,462	\$296,013	\$177,750	\$485,458	\$377,441		
December	\$424,641	\$339,803	\$298,825	\$452,775	\$446,263		
January	\$521,242	\$371,855	\$251,916	\$569,301	\$527,056		
February	\$357,697	\$240,010	\$366,194	\$634,151	\$379,903		
March	\$411,642	\$264,983	\$609,034	\$465,978	\$524,062		
April	\$402,767	\$270,826	\$249,562	\$416,898	\$353,226		
May	\$386,683	\$269,454	\$341,218	\$499,554	\$688,841		
June	<u>\$363,790</u>	<u>\$464,321</u>	<u>\$477,279</u>	<u>\$375,392</u>	<u>\$336,172</u>		
Totals	\$4,414,708	\$4,078,512	\$4,106,528	\$5,092,359	\$5,483,382	\$1,612,602	\$200,579





As has been repeatedly mentioned in the past, Dixon USD #170 is and has been self-insured for over 30 years. That means that the District utilizes a third party administrator, in our case IPMG, to process and pay claims based on the District’s Health Plan and then purchases excess reimbursement coverage for claimants who exceed \$125,000 per year (there is also an additional aggregating specific of another \$112,000 obligation to the District for claims over the \$125,000 threshold).

County School Facility Tax – Dixon Public Schools’ June sales tax amount was \$131,214.25 (our 12th payment). Last month we began allocating \$60,000/month to the Bond & Int. Fund - 30 to meet our future bond payment obligation. The remaining \$71,214.25 will go in Capital Projects Fund – 60. The total for the first 12 month period of collecting the 1% sales tax was \$1,350,105. The original estimate done by Stifel back in August 2016 in advance of the vote was \$1,230,902 so Lee County sales are trending slightly higher than originally estimated.

Countywide Sales Tax Revenues

2017	FY 18	
July	\$112,390.43	11.6.2017
August	\$114,519.33	12.6.2017
September	\$114,384.71	1.13.2018
October	\$110,898.10	2.6.2018
November	\$115,962.00	3.5.2018
December	\$123,609.44	4.6.2018
2018		
January	\$93,605.52	5.6.18
February	\$88,089.56	6.6.18
March	\$110,296.18	7.6.18
April	\$104,551.20	8.6.18
May	\$130,584.99	9.6.18
June	<u>\$131,214.25</u>	10.6.18
YTD	\$1,350,105.71	

State of Illinois Mandated Categorical Payments – Transportation – We finally received our fourth FY 18 transportation categorical payments from the State of Illinois on 9/24/18. The Illinois State Board of Education paid us \$117,784.95 in Regular and Vocational Transportation and \$175,246.40 in Special Education Transportation (Total paid by State = \$293,031.35). Since we utilize the modified accrual method of accounting anything owed at the end of the fiscal year on 6/30/18 had been considered a receivable for FY 18 by our auditors in the audit that was recently completed

As of 9/30/18 the Transportation Fund had \$621,693, including funds in investments, according to the Treasurer’s Report. To date we have received \$403,519 in local property taxes for the 2018-2019 school year. This is 56.46% of the \$714,743 budgeted.

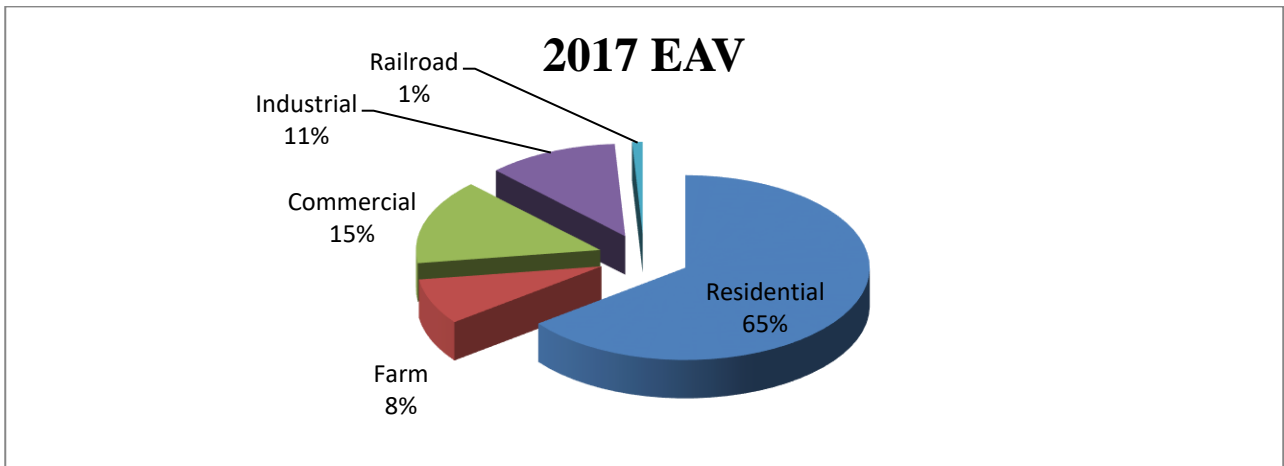
In April of 2017 the Board of Education authorized a loan in the amount of **\$669,614.59** from the Working Cash Fund to our Transportation Fund due to the fact that we had not received any State of Illinois Mandated Categorical Transportation Funding. **That loan is still owed to the Working Cash Fund.** We will continue to monitor the situation and see how the timely the state makes the transportation payments during this fiscal year. We probably won’t be able to repay the entire amount loaned from the Working Cash fund during this fiscal year, but we may be able to reduce the amount owed.

2018 Levy/District EAV – The District will begin the 2018 levy process in November by placing a tentative levy on file for a minimum of 20 days before the permanent levy is voted on by the Board of Education and filed with the county clerks (Lee and Ogle) by the last Tuesday in December. I have reached out to Wendy Ryerson, Lee County Assessor, and Jim Harrison, Ogle County Assessor, to get their new construction and equalized assessed value estimates for next year in order to ensure we have as much reliable information as possible in advance of adopting the levy.

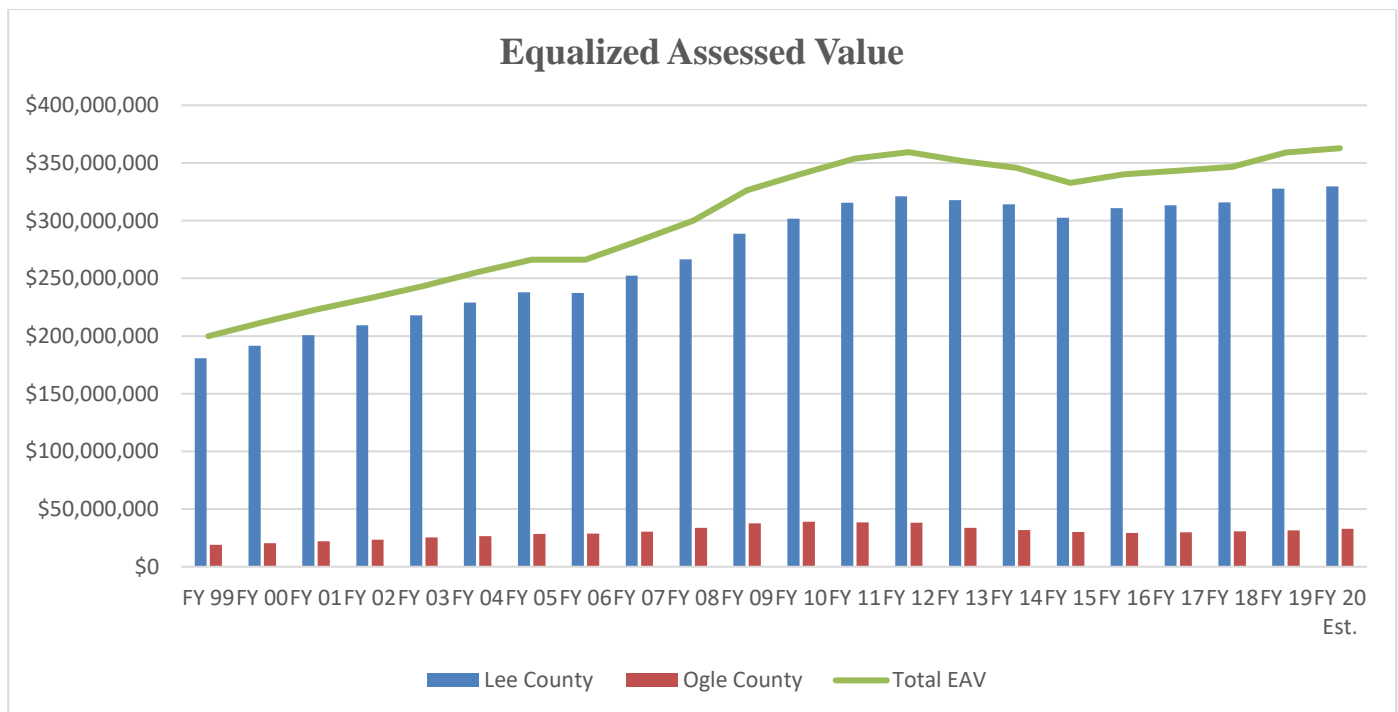
New construction was very similar to the previous few years with nothing of consequence being added to the EAV.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018 Est.</u>	
New Const.	New Const.	New Const.	New Const.	New Const.	
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	
\$2,032,367	\$2,101,429	\$2,256,727	\$2,253,805	\$2,250,072	Lee County
<u>\$105,693</u>	<u>\$159,204</u>	<u>\$211,979</u>	<u>\$198,154</u>	<u>\$84,394</u>	<u>Ogle County</u>
\$2,138,060	\$2,260,633	\$2,468,706	\$2,451,959	\$2,334,466	Total

Mrs. Ryerson said that although farm values have increased residential values were relatively flat. Our District’s farm properties only make up 8.05% of the total value while the residential properties make up 64.67%.



Using the two assessors estimates the EAV would increase minimally, \$3,601,675, or approximately 1%. Mrs. Ryerson described the 2018 values as being “flat.” Our hopes were that the EAV would be similar the previous year’s increase of \$12,591,282 or 3.63%, but that doesn’t seem to be possible.



There are currently negotiations happening between the owners of the St. Mary’s Cement property and the Lee County Assessor’s Office on the current value of their property since it is not currently in operation. The owners have indicated that the plant could go back into production if the demand in Northern Illinois were to increase, but they are currently producing their product elsewhere with no immediate plans to reopen or improve the facility. The owners have obtained an outside appraisal considerably lower than what the property is currently being assessed at. The assessor’s office has proposed a reduction in value spread out over a three year period which is currently being considered. If an agreement is not reached the owners could go through the Board of Review process.

Our actual District numbers won't be finalized until the Spring of 2019 long after the levy needs to be adopted. More levy specific information will be shared next month, but with this unexciting forecast it does not appear as if a Truth in Taxation Hearing will be necessary. Had the projections been better we may have wanted to conduct a hearing in order to ensure we asked for enough to reach our maximum allowable rates in the operating funds.

District FY 18 Audit – The District's FY 18 audit was recently completed by Wipfli. Matt Schueler and Jordan Sasscer will present the audit findings to the full board at the October 17, 2018 meeting. The Board of Education will then be asked to approve the audit as presented during the meeting.