

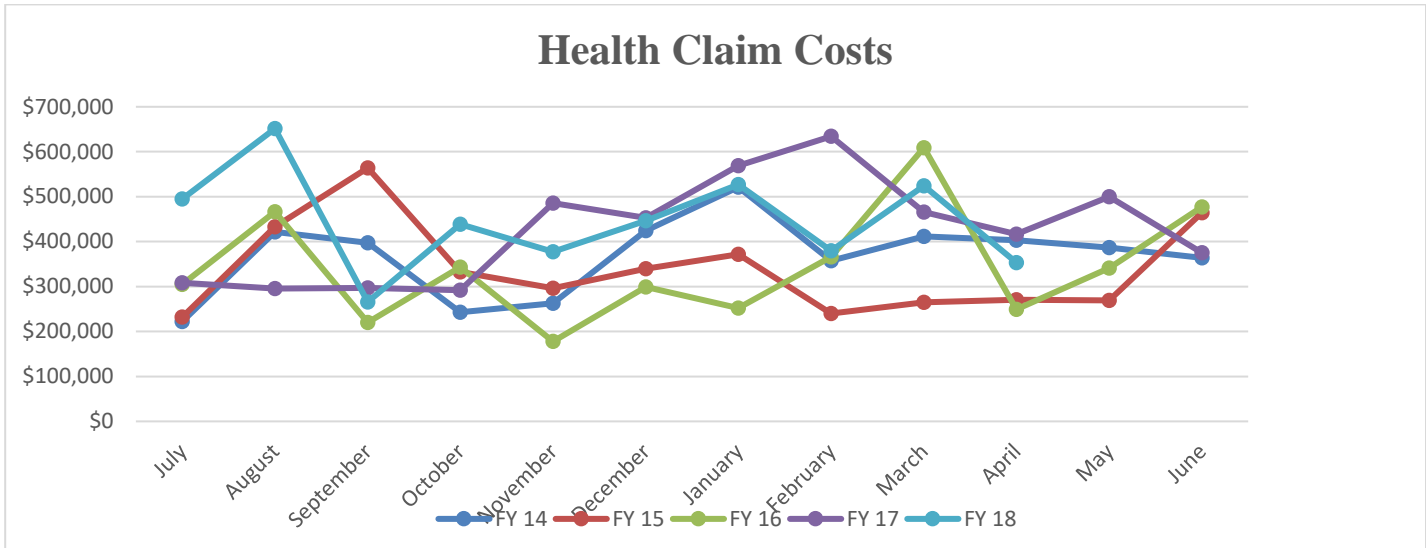
May 2018 Busine\$\$ Report

BY DAVE BLACKBURN

Health Claims – The April 2018 health claims of \$353,226 were lower than last year’s April costs. See the blue line (FY 18) in the line chart below. In the first ten months of the fiscal year the Board has provided \$3,550,000 (84.4%) toward health claim costs while the employees have contributed \$377,820 (8.98%) in premiums. We are currently exceeding last year’s expenses by \$240,956 over the first ten months of the fiscal year.

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). Although being self-insured is a very cost effective method of providing health care it can create some budgeting issues in that it is almost essential to budget “worst case scenario.”

<u>Health Insurance Claim Costs</u>	<u>Difference</u>					
	<u>FY 14</u>	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 17 v. FY 18</u>
July	\$222,162	\$231,894	\$304,875	\$308,581	\$494,819	\$186,239
August	\$421,391	\$432,872	\$466,102	\$295,643	\$651,398	\$355,755
September	\$397,066	\$563,910	\$220,212	\$296,759	\$265,806	(\$30,953)
October	\$243,165	\$332,572	\$343,562	\$291,870	\$438,396	\$146,526
November	\$262,462	\$296,013	\$177,750	\$485,458	\$377,441	(\$108,017)
December	\$424,641	\$339,803	\$298,825	\$452,775	\$446,263	(\$6,512)
January	\$521,242	\$371,855	\$251,916	\$569,301	\$527,056	(\$42,245)
February	\$357,697	\$240,010	\$366,194	\$634,151	\$379,903	(\$254,249)
March	\$411,642	\$264,983	\$609,034	\$465,978	\$524,062	\$58,084
April	\$402,767	\$270,826	\$249,562	\$416,898	\$353,226	(\$63,672)
May	\$386,683	\$269,454	\$341,218	\$499,554		
June	<u>\$363,790</u>	<u>\$464,321</u>	<u>\$477,279</u>	<u>\$375,392</u>		
Totals	\$4,414,708	\$4,078,512	\$4,106,528	\$5,092,359	\$4,458,369	\$240,956



County School Facility Tax – Dixon Public Schools’ January sales tax amount of \$93,605.52 (our seventh payment) should be mailed on or about May 6, 2018. Per legal counsel we needed to transfer the amount equivalent to the initial interest payments owed, \$292,033.13 which is due on 1/30/2019, to the Bond and Interest Fund as was directed by the \$10,650,000 G.O. School Bonds (Alternate Bond Source), Series 2018A resolution passed by the Board of Education. The bonds closing took place on the morning of Tuesday, May 1, 2018 and the District netted \$10,502,790.44 in the sale of the bonds. Going forward a portion of the sales tax revenues will cover the principal and interest payments leaving a small percentage available for other District use allowed by statute.

Countywide Sales Tax Revenues

2017

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	5.6.2018 Est.
February		
March		
April		
May		
June		

FY 18 \$785,369.53

State of Illinois Mandated Categorical Payments – Transportation – We are ten months into the fiscal year and **we finally received our second of four transportation categorical payments** from the State of Illinois. On 4/19/18 we received \$116,109.29 for regular and vocational transportation and \$175,765.02 for special education. The total deposited into the Transportation Fund was \$291,874.31. The third payment have been disbursed, but has not been processed by the Comptroller’s Office. The Illinois State Board of Education’s Financial Reimbursement Information System shows that we are owed and additional \$232,218.58 in Regular and Vocational Transportation and \$351,530.04 in Special Education Transportation (Total owed by State = \$583,748.62).

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.** Prior to that loan we had relied on the fund balance in the Transportation Fund and the local property tax (\$0.20 per \$100 EAV) revenues levied for transportation purposes. We needed the loan in order to meet our transportation obligations. We then received our first transportation payment on 4/21/17 and our second on 6/21/17 prior to the end of the FY 17 Fiscal Year on 6/30/17. The third FY 17 payment arrived on 8/10/17 and the fourth, and final, on 10/23/17. All FY 17 state transportation funds were finally received four months into the new fiscal year, but that same late payment schedule has continued again this fiscal year and appears to be about two months faster than last year’s payment schedule.

As of 4/30/18 the Transportation Fund had \$477,130, including funds in investments, according to the Treasurer’s Report. **We are now probably very close to having enough funds to make the June payment for May’s operation, but could certainly use the third payment from the state. Repaying the Working Cash loan at this point is impossible however.**

Transportation 3100 - Regular and Vocational

Schedule Date	Amount	Status	Processed by Comp.
9/30/2017	\$ 113,918.65	Disbursed	2/13/2018
12/30/2017	\$ 116,109.29	Disbursed	4/19/2018
3/30/2018	\$ 116,109.29	Disbursed	
6/15/2018	<u>\$ 116,109.29</u>	Scheduled	
	\$ 462,246.52		

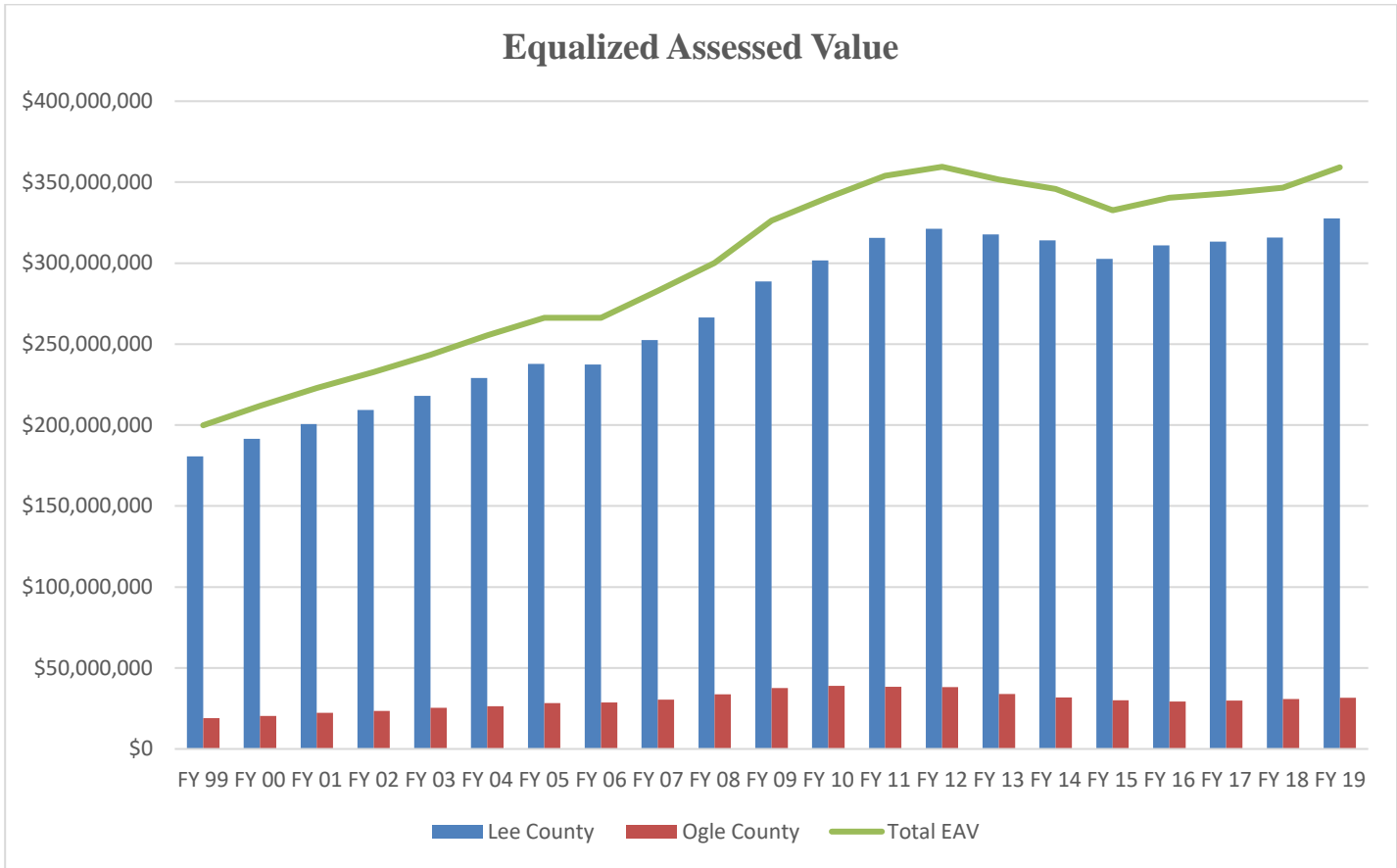
Transportation 3510- Special Education

Schedule Date	Amount	Status	Processed by Comp.
9/30/2017	\$ 172,861.74	Disbursed	2/13/2018
12/30/2017	\$ 175,765.02	Disbursed	4/19/2018
3/30/2018	\$ 175,765.02	Disbursed	
6/15/2018	<u>\$ 175,765.02</u>	Scheduled	
	\$ 700,156.80		

Equalized Assessed Value (EAV) – We have tentative rate setting EAV numbers from both the Lee and Ogle County Clerks’ Offices. Although we don’t have our official extension numbers yet it is very unlikely the EAV will change from this point forward.

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%
FY 18	\$315,818,843	\$30,757,412	\$346,576,255	\$3,400,943	0.99%
FY 19	\$327,650,738	\$31,516,799	\$359,167,537	\$12,591,282	3.63%



The good news is the EAV has increased by 3.63% and Lee County’s EAV is at an all-time high. With all of the uncertainty with funding from the State of Illinois over the past few years an increase in local funding is great news for the District since we have experienced some deficit spending of late. If the EAV continues to grow we may find it necessary to consider holding a Truth In Taxation Hearing (a procedure which includes public notice and a public hearing on tax increases greater than 105% of the prior year’s extension).in December when we adopt the 2018 levy. With the Education Fund it will be essential that we capture the voter-approved maximum rate of \$2.95/\$100.