

Economic News Briefs...

• Market and Economic Highlights:

- The Federal Reserve resumed rate cuts with their first 25bps reduction of 2025
- Forward guidance indicated a more rapid pace of cuts but some post-meeting comments have been more hawkish
- Equities climbed another month with the S&P 500 finishing 3.5% higher
- Credit spreads tightened as corporate bond demand remained strong Nonfarm payrolls again missed expectations, signaling further labor market cooling
- Government shutdown threatening key data release schedules

Source: Bloomberg, FactSet

- **The Fed and a Government Shutdown:** Lawmakers failed to reach an agreement by the end of the day on September 30, resulting in a government shutdown that has furloughed hundreds of thousands of government workers. There are at least three important pieces of information to know about a government shutdown. First, the Federal Reserve will continue to operate as normal. Second, markets have historically performed well during past government shutdowns. Third, a government shutdown is different than the debt ceiling limit, which risks a Treasury default. This government shutdown, which last occurred in 2018, has arrived at a unique time where the Fed is in the middle of a policy easing cycle and is in need of current data on labor and inflation. This data will be delayed as a result of the government shutdown. Sources: Bloomberg, FactSet as of 8/31/25

Taken from the ISDLAF+ Market Update October 2025 prepared by PMA Asset Management, LLC

Countywide Sales Tax

The District again continues to see strong CFST revenues. The table below represents strong receipts for June 2025. The CFST receipts are three months in arrears, so the funds received in October represent the taxes paid by consumers in June. The \$213,000 received represents the second largest amount since the creation of the program and is a 14% increase over FY 24. The total for FY 25 is \$2.22 million and was \$198,000 or 14.6% greater than FY 24 and 18% greater than FY 23. Also, it is important to remember that these funds cannot be spent on anything other than facilities improvement. The summary below outlines a summary of the receipts since FY 22 with a comparison of FY 24 vs. FY 25.

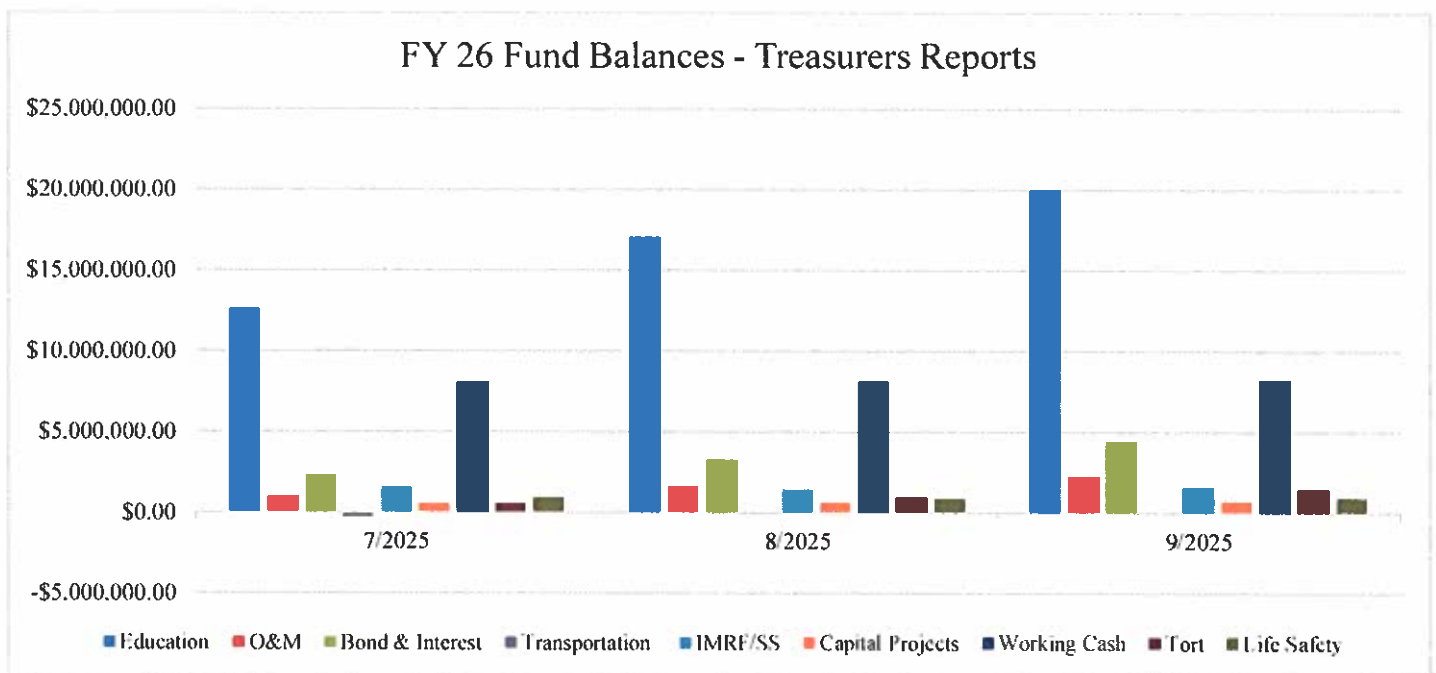
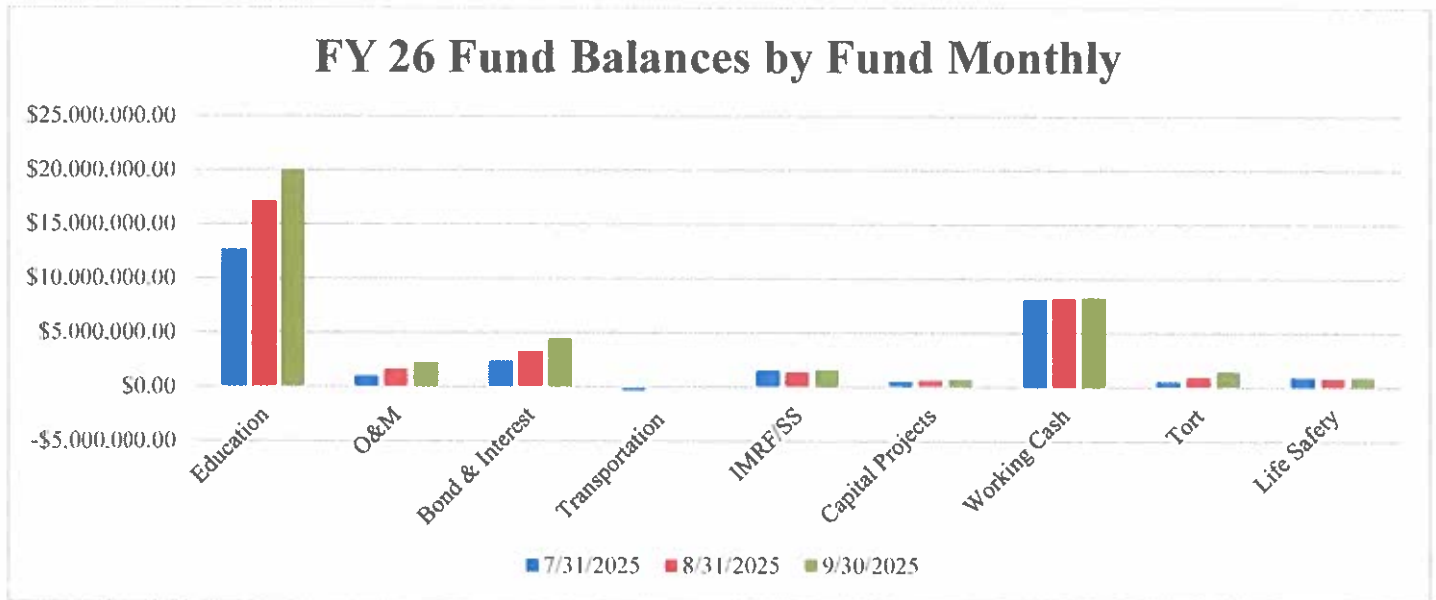
<u>Countywide Sales Tax Revenues</u>					
	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>Difference</u> <u>FY 24 v. 25</u>
July	\$154,600.29	\$167,736.37	\$166,297.20	\$177,241.56	\$10,944.36
August	\$151,914.91	\$157,646.19	\$171,178.89	\$177,589.47	\$6,410.58
September	\$147,769.08	\$160,407.90	\$175,220.50	\$176,058.42	\$837.92
October	\$149,779.51	\$162,719.99	\$165,535.70	\$157,162.56	-\$8,373.14
November	\$151,772.24	\$157,766.14	\$168,001.90	\$171,171.84	\$3,169.94
December	\$173,545.72	\$167,486.45	\$178,755.19	\$201,004.74	\$22,249.55
January	\$120,886.90	\$134,425.96	\$141,195.76	\$179,547.38	\$38,351.62
February	\$116,109.65	\$123,815.53	\$141,802.17	\$164,559.27	\$22,757.10
March	\$148,860.94	\$154,850.14	\$165,591.32	\$187,252.74	\$21,661.42
April	\$151,074.10	\$159,801.14	\$168,718.21	\$198,100.75	\$29,382.54
May	\$176,921.12	\$182,291.57	\$195,620.51	\$219,783.67	\$24,163.16
June	<u>\$179,688.24</u>	<u>\$181,283.06</u>	<u>\$186,682.55</u>	<u>\$213,942.95</u>	<u>\$27,260.40</u>
	\$1,822,922.70	\$1,910,230.44	\$2,024,599.90	\$2,223,415.35	\$198,815.45

The next payment obligation for 2018A & 2019A Alternate Revenue Bonds will be in January 2026 and this will be a principal and interest payment. The payment will be allocated out of CFST receipts on a monthly basis to meet the

obligation. Then in July 2026, an interest payment will be made on the bonds. In general, the obligation amount is \$90,000/month. Any amount above this amount, represents opportunity for future facility improvements.

Treasurer's Report – September 2025

In your Board Packet, you will find the Treasurer's Reports for September 2025. The summary graphs represent FY 26 fund balances through September 2025. Balances for the funds for the first two quarters of each year reach their highest balances due to property tax revenue receipts. During the second half of the year, cash flow and revenue are traditionally low, while expenses for salaries and basic operations remain consistent throughout the year. This month saw a total increase in fund balances of \$5.7 million. The Business Office will continue to monitor cash flow throughout the year.

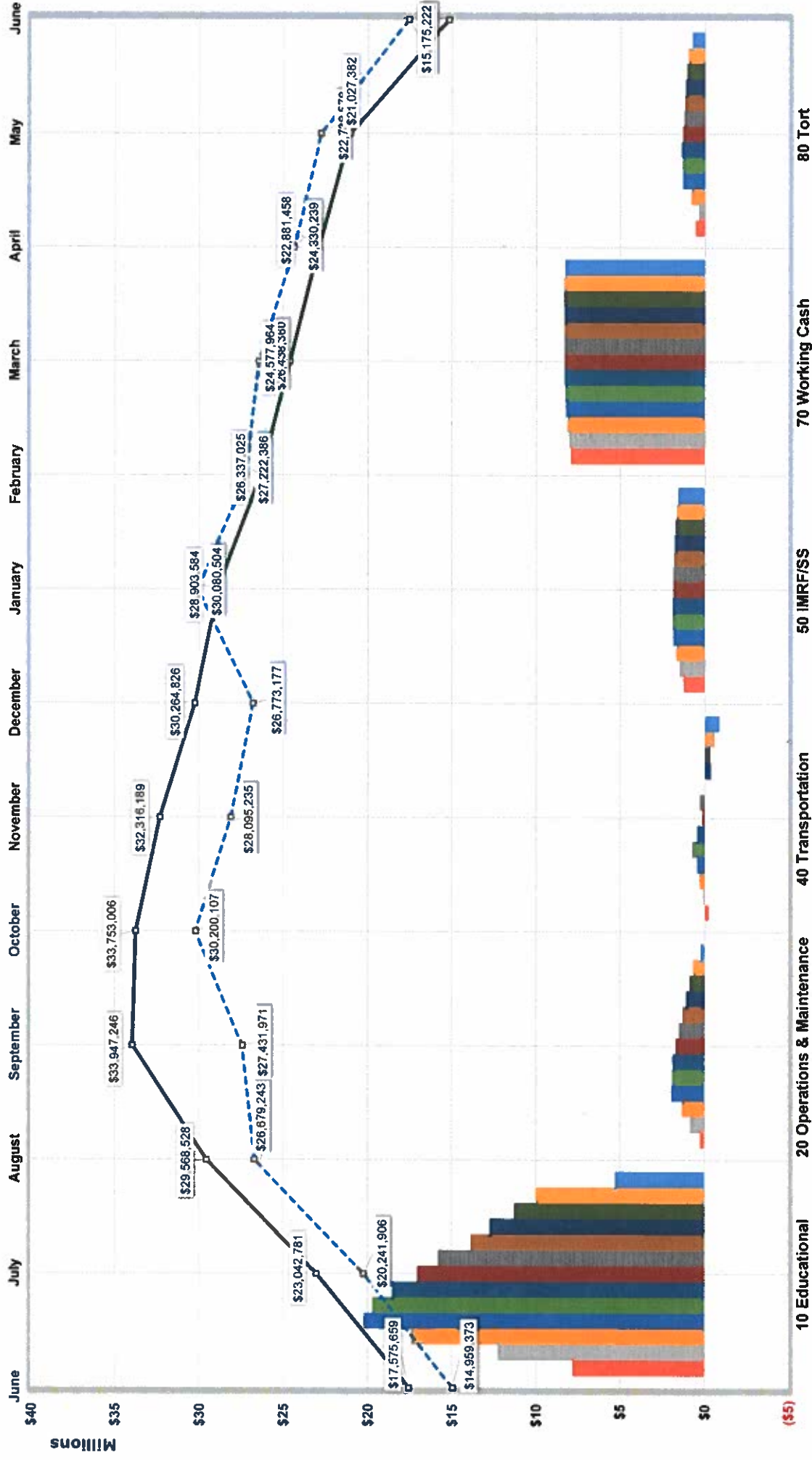


On the next page, there is a summary line graph of the operating funds, which includes a prediction component beyond September (green line).

Month-End Fund Balances

For the Period Ending September 30, 2025

Educational | Operations and Maintenance | Transportation | IMRF/SS | Working Cash | Tort



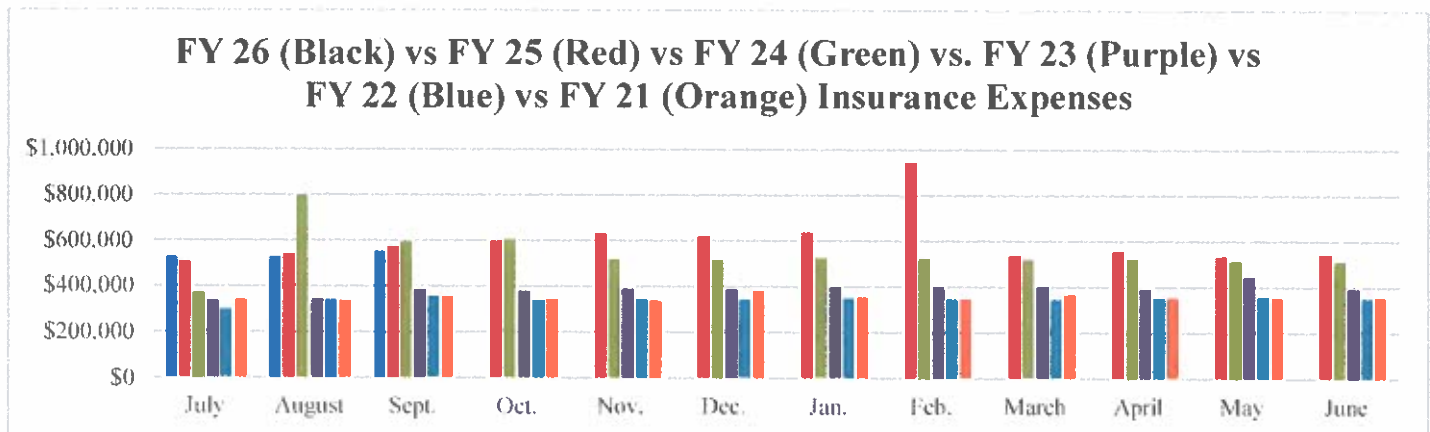
Insurance Information Summary – September 2025

MMA our insurance agent has provided us with our renewal rate percentages. These are key points of information for the Board.

- Premium rate of increase for both Tier II & III PPOs = 8.5% (effective January 1, 2026)
- While not fully in place the HDHP increase = 7.75% (over previously stated premiums, effective January 1, 2026)
- The ISIN Cooperative member Districts have received increases ranging from 7.75% to 9.75%.
- This information was presented to the Insurance Committee and will be an action item for the Board for the October 2025 meeting.

Effective Premium 1/1/26	Single	Employee +1	Family
Tier 2 – PPO	\$1,215.00	\$2,808.00	\$3,182.00
Tier 3 – PPO	\$1,171.00	\$2,682.00	\$3,067.00
HDHP	\$854.00	\$2,075.00	\$2,432.00

- WIPFLI has advised on this process and plans to create a prepaid expense on the balance sheet to represent the amount owed. Note that this amount is expensed in the ledger and in the budget, but it represents an over expenditure amount.



In looking at the graph above, the Blue bar represents insurance costs paid in each of the months vs. the previous five years. Month over month the expenses for FY 26 are trending slightly lower for the first three months, as evidence of being fully insured vs. self-insured.

Considering the information, the following are key points of information and decisions to be made in the near future.

1. *Being Self-Insured is probably no longer the best interest of the District. By being a full participating member of the Lincolnway Affiliation, the District could insulate itself again large claim years and significant premium increases.* In April/May, the ISIN Board and the DPS Board approved full membership status for Dixon. **The implementation of fully-insured status began January 1, 2025.**
2. *Each year, the District renews insurance premiums around this time of the year. We have experienced significant increases in the premium amounts over the past couple of years. This is a yearly Board approval item.* In June 2024, the Board approved the recommendation of increasing the Health Insurance premium rate by 20%. **The ISIN Board and Marsh-McClennon have been working to finalize the premium change for FY 26. The ISIN Board of Trustees has approved increases between 7.75% and 9.5%. Dixon's increase for PPO will be 8.5% and 7.5% for the HDHP and will go into effect January 1, 2026. This will be finalized in the next couple of weeks and will be a Board approval item in September 2025, after review from the insurance committee.**
3. Increasing Health Insurance costs continue to be an issue for the District. The implementation of the Tier III plan was a strong start to the process. Negotiations need to continue regarding the final implementation of the Health Saving Account Plan (HSA).

4. **Note that dating back to October 2024, the District received a 5-year health insurance cost projection \$9.1 million in 2029. That same projection table provided a 2025 cost of \$6.0 million. Actual FY 25 costs are \$6.45 million, not including June 2025. These increases over time are unfunded costs that are not offset by new or additional revenues. This information was shared at the insurance committee meeting.**
5. **Currently the estimated FY 26 Health Insurance cost is projected at \$6.4 million, given same number of employees, same plan, no changes.**

Dixon USD #170 is and has been self-insured for over 30 years. The plan utilizes excess reimbursement coverage for claimants who exceed \$350,000 per year for higher individual claim costs. Note that in September 2019 we transitioned to Lincolnway Co-op for claims processing and management. Their involvement has continued in FY 24. Please remember that the financial information disclosed on the Self-Insurance Reports represent financial information through February 2024 but due to the monthly receipt of information from Lincolnway Area Affiliation, the information provided in this summary is through January 2024. During the 23/24 SY Lincolnway Area Affiliation changed the name to Illinois School Insurance Network (ISIN).

Dixon USD 170
Year to Date Revenue Overview - Operating Funds*
September 2025



Local Revenue

\$20,701,245

77.51% of Budget

State Revenue

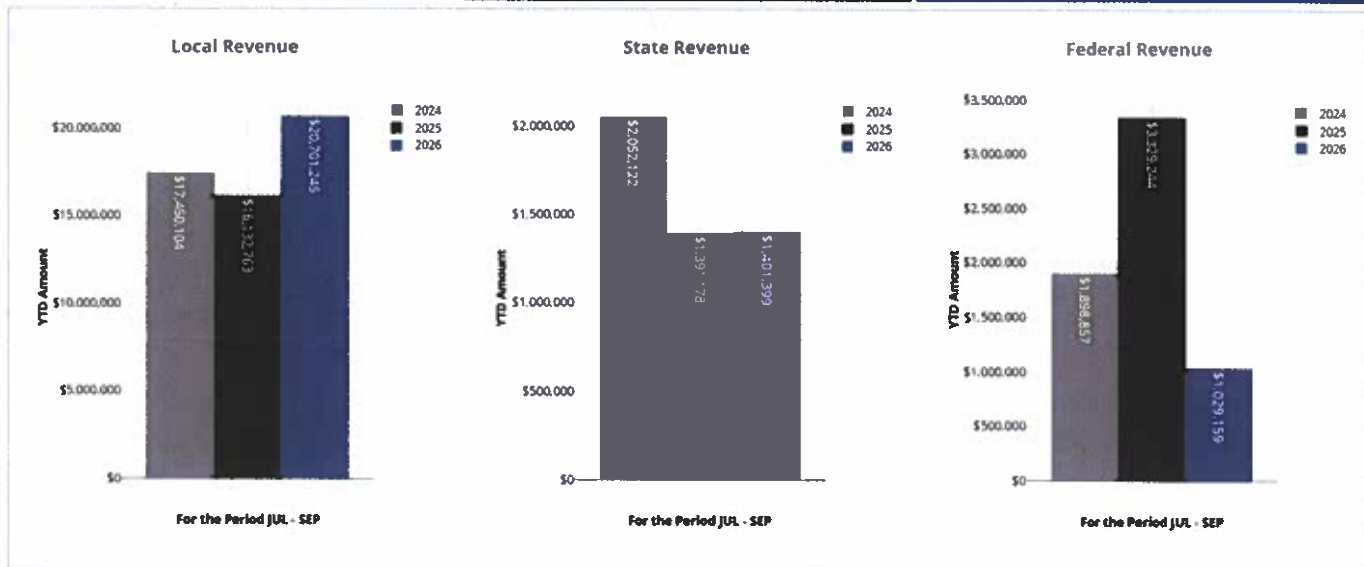
\$1,401,399

14.32% of Budget

Federal Revenue

\$1,029,159

38.98% of Budget



	FY 2024 YTD Amount	FY 2025 YTD Amount	FY 2026 YTD Amount	FY 2026 Annual Budget	FY 2026 % YTD Budget
LOCAL REVENUE					
1100 Ad Valorem Taxes	\$15,746,838	\$14,828,889	\$19,614,380	\$22,259,000	88.12%
1200 Payments in Lieu of Taxes	\$1,208,306	\$799,052	\$538,798	\$2,940,000	18.33%
1500 Earnings on Investments	\$207,037	\$214,085	\$203,740	\$840,000	24.25%
1600 Food Service	\$7,513	\$5,023	\$4,958	\$35,000	14.17%
1900 Other Revenue from Local Sources	\$67,476	\$78,607	\$140,130	\$360,000	38.93%
ALL OTHER LOCAL REVENUE	\$212,934	\$207,108	\$199,238	\$274,000	72.71%
TOTAL LOCAL REVENUE	\$17,450,104	\$16,132,763	\$20,701,245	\$26,708,000	77.51%
STATE REVENUE					
3000 Unrestricted Grants-in-Aid	\$1,257,164	\$1,281,304	\$1,318,024	\$7,215,000	18.27%
3100 Special Education	\$371,311	\$64,068	\$13,620	\$665,000	2.05%
3300 Bilingual Education	\$11,903	\$6,215	\$1,907	\$26,500	7.20%
3500 State Transportation Reimbursement	\$409,644	\$0	\$0	\$1,460,000	0.00%
ALL OTHER STATE REVENUE	\$2,099	\$39,591	\$67,848	\$421,000	16.12%
TOTAL STATE REVENUE	\$2,052,122	\$1,391,178	\$1,401,399	\$9,787,500	14.32%
TOTAL FEDERAL REVENUE	\$1,898,857	\$3,329,244	\$1,029,159	\$2,640,500	38.98%
TOTAL REVENUE	\$21,401,083	\$20,853,185	\$23,131,803	\$39,136,000	59.11%
OTHER FINANCING SOURCES	\$0	\$0	\$0	\$0	0.00%
TOTAL REVENUE & OTHER FINANCING SOURCES	\$21,401,083	\$20,853,185	\$23,131,803	\$39,136,000	59.11%

Revenue Insight:

Operating Funds (excluding transfers) YTD revenues totaled \$23,131,803 through September 2025, which is \$2,278,618 or 9.9% more than the amount received last year for this period. The YTD difference is driven by an increase in 1000 Local Sources of \$4,568,482, a decrease in 4000 Federal Sources of -\$2,300,085, and an increase in 3000 State Sources of \$10,221.

*Operating Funds = Educational Operations & Maintenance, Transportation, Illinois Municipal Retirement & Social Security, Working Cash, Tort

Dixon USD 170
Year To Date Expense Overview - Operating Funds*
September 2025



Salaries and Benefits

\$3,380,185

11.64% of Budget

Purchased Services

\$2,502,552

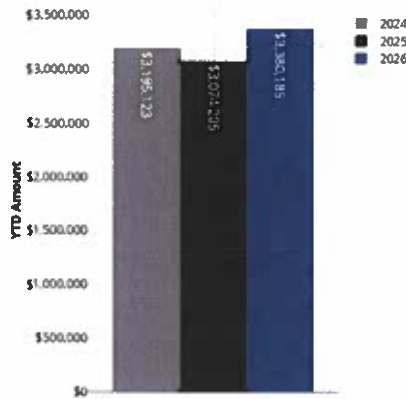
29.22% of Budget

Supplies & Materials

\$488,890

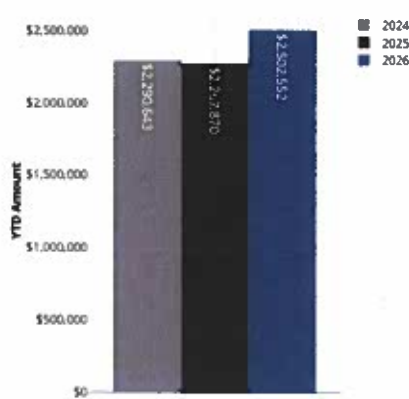
32.97% of Budget

Salaries and Benefits



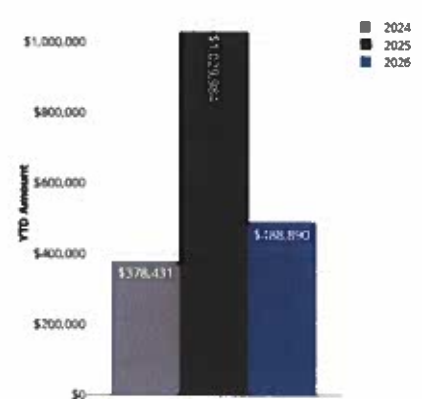
For the Period JUL - SEP

Purchased Services



For the Period JUL - SEP

Supplies & Materials



For the Period JUL - SEP

	FY 2024 YTD Amount	FY 2025 YTD Amount	FY 2026 YTD Amount	FY 2026 Annual Budget	FY 2026 % YTD Budget
SALARIES AND BENEFITS					
100 Salaries	\$1,865,454	\$2,107,053	\$2,164,601	\$19,942,100	10.85%
200 Benefits	\$1,329,670	\$967,153	\$1,215,583	\$9,087,600	13.38%
TOTAL SALARIES AND BENEFITS	\$3,195,124	\$3,074,206	\$3,380,184	\$29,029,700	11.64%
OTHER EXPENSES					
300 Purchased Services	\$2,290,643	\$2,267,870	\$2,502,552	\$8,564,300	29.22%
400 Supplies & Materials	\$378,431	\$1,029,984	\$488,890	\$1,482,875	32.97%
500 Capital Outlay	\$251,576	\$1,667,198	\$116,140	\$315,000	36.87%
600 Other Objects	\$279,032	\$341,330	\$272,450	\$2,409,350	11.31%
700 Non-Capitalized Equipment	\$0	\$0	\$0	\$0	0.00%
800 Termination Benefits	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER EXPENSES	\$3,199,682	\$5,306,382	\$3,380,032	\$12,771,525	26.47%
TOTAL EXPENSES	\$6,394,806	\$8,380,588	\$6,760,216	\$41,801,225	16.17%
OTHER FINANCING USES	\$0	\$0	\$0	\$100,000	0.00%
TOTAL EXPENSES & OTHER FINANCING USES	\$6,394,806	\$8,380,588	\$6,760,216	\$41,901,225	16.13%

Expense Insights:

Operating Funds (excluding transfers) YTD expenses totaled \$6,760,216 through September 2025, which is -\$1,620,372 or -24.0% less than the amount spent last year for this period. The YTD difference is driven by a decrease in 500 Capital Outlay of -\$1,551,058, a decrease in 400 Supplies & Materials of -\$541,094, and an increase in 200 Employee Benefits of \$248,430.

*Operating Funds = Educational, Operations & Maintenance, Transportation, Illinois Municipal Retirement & Social Security, Working Cash, Tort

Prior YTD vs Current YTD

For the Period Ending September 30, 2025

Educational | Operations and Maintenance | IMRF/SS | Working Cash | Tort

	Prior		
	YTD Actuals	Fiscal Year Actuals	YTD % of Actual
REVENUES			
Local	\$16,132,763	\$25,445,371	63.40%
State	1,391,178	10,044,398	13.85%
Federal	3,329,244	7,250,683	45.92%
Other	0	0	
TOTAL REVENUE	\$20,853,186	\$42,740,453	48.79%

	Current		
	YTD Actuals	Fiscal Year Budget	YTD % of Budget
	\$20,701,245	\$26,708,000	77.51%
	1,401,399	9,787,500	14.32%
	1,029,159	2,640,500	38.98%
	0	0	
TOTAL	\$23,131,803	\$39,136,000	59.11%

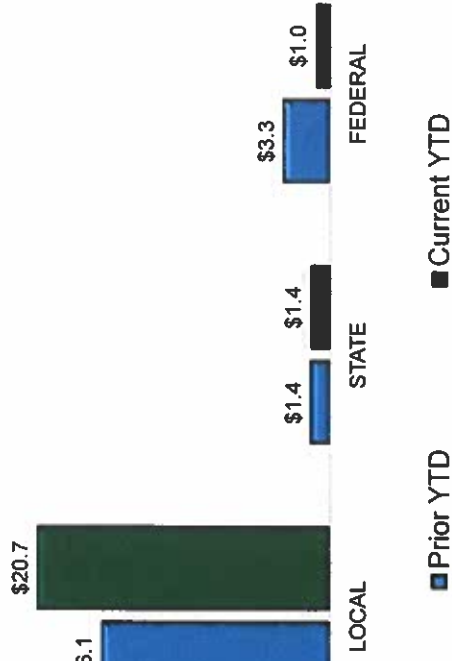
EXPENDITURES			
Salaries	\$2,107,053	\$18,322,028	11.50%
Benefits	967,153	8,565,760	11.29%
Purchased Services	2,267,870	10,551,796	21.49%
Supplies	1,029,984	2,200,548	46.81%
Capital Outlay	1,667,198	2,462,416	67.71%
Other Objects	341,330	2,465,368	13.84%
Non-Cap Equipment	0	0	
Termination Benefits	0	0	
TOTAL EXPENDITURES	\$8,380,588	\$44,567,916	18.80%

	\$2,164,601	\$19,942,100	10.85%
	1,215,583	9,087,600	13.38%
	2,502,552	8,564,300	29.22%
	488,890	1,482,875	32.97%
	116,140	315,000	36.87%
	272,450	2,409,350	11.31%
	0	0	
	0	0	
TOTAL	\$6,760,216	\$41,801,225	16.17%

SURPLUS / (DEFICIT)	\$12,472,598	(\$1,827,464)	
OTHER SOURCES / (USES)			
Other Financing Sources	\$0	\$4,634,382	\$0
Other Financing Uses	\$0	(\$190,632)	\$0
TOTAL OTHER SOURCES / (USES)	\$0	\$4,443,750	(\$100,000)
SURPLUS / (DEFICIT)	\$12,472,598	\$2,616,286	(\$2,765,225)
ENDING FUND BALANCE	\$27,431,971	\$17,575,659	\$14,810,434

	\$16,371,587	(\$2,665,225)	
	\$0	\$0	\$0
	\$0	(\$100,000)	(\$100,000)
	\$0	(\$100,000)	
	\$16,371,587	(\$2,765,225)	
	\$33,947,246	\$14,810,434	

Revenues by Source (Millions)



Expenditures by Object (Millions)

