

The Winnetka Public Schools District No. 36

Winnetka, Illinois

Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2020



Comprehensive Annual Financial Report

of

**The Winnetka Public Schools
District No. 36**

Winnetka, Illinois

For the Fiscal Year Ended June 30, 2020

Official Issuing Report

Brad Goldstein, CFO

Department Issuing Report

Business Office

The Winnetka Public Schools District No. 36

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2020

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1235 Oak Street • Winnetka, IL 60093
phone 847-446-9400 • fax 847-446-9408

November 10, 2020

President, Members of the
Board of Education and Citizens of
The Winnetka Public Schools District No. 36
Winnetka, IL 60093

The Comprehensive Annual Financial Report of The Winnetka Public Schools District No. 36 (District), Winnetka, Illinois, for the fiscal year ended June 30, 2020, is attached. The report was prepared by the Chief Financial Officer (CFO). The report date on the underlying financial statements is November 10, 2020, and an unmodified auditors' opinion on the basic financial statements has been issued.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Financial Statements

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The introductory section includes this transmittal letter, the District's organizational chart, a list of principal officials, and Association of School Business Officials International Certificate of Excellence. The financial section includes Management's Discussion and Analysis (MD&A) of the District's financial performance for the year, the basic financial statements and the required supplementary information, as well as the independent auditors' report. The Statistical Section includes a number of tables of unaudited data depicting the financial history of the District generally presented on a multi-year basis, demographics, and other miscellaneous information. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The District includes all funds that are controlled by or dependent on the Board of Education of the District, as determined on a basis of financial accountability. The District does not have such financial accountability over any other entity, and, thus, does not include any other entity as a component unit in this report. Additionally, the District is an independent entity, not includable as a component unit of any other reporting entity.

A Community of Learners

General District Information

The Board of Education of The Winnetka Public Schools District No. 36, Cook County, Illinois, provides educational instruction to children residing in the Village of Winnetka. The District's operations are funded primarily through local property taxes. The District operates under guidelines and restrictions set forth in the School Code of Illinois and various federal statutes.

The District was organized in 1859, and is governed by an elected seven member Board of Education. The District maintains grades kindergarten through eighth in three elementary school buildings and two middle school buildings serving 1,645 students in 2020. Before and after school care and special education programs are also provided in the District's school buildings. Most students leaving the District at the end of eighth grade attend New Trier Township High School. New Trier High School levies its own local property tax and files its tax levy with the Cook County Clerk.

The District's enrollment in recent years has declined slightly. Minor fluctuations are anticipated in the future, ranging from 1,600-1,700 students over the next 10 years.

Accounting Systems and Budgetary Control

The District has responsibility for the preparation and modification of its annual budget and is solely accountable for its fiscal matters, including surpluses and deficits, assignments of management, and issuance of debt. The District's administration is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and that (2) the valuation of costs and benefits requires estimates and judgments by management.

The results of the procedures performed for the fiscal year ended June 30, 2020 did not indicate any instances of material weaknesses in the internal control structure. In addition, no violations of applicable laws and regulations that were required to be reported under *Government Auditing Standards* noted.

The District maintains sound budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's Board of Education. The District's annual financial objective is to provide a fiscally responsible balanced budget. The Board approved partial property tax abatements for the 2013 and 2015 levies. The Board approved the early pay down of bonds in the amount of \$30 million in March 2017, which took place on June 1, 2017. The business office provides the Board with monthly financial information including expenditure detail and periodic cash and investment summaries. Other financial information is routinely provided as needed. A Finance Subcommittee of the Board meets periodically with Administration to perform additional financial reviews, including analysis of historic and projected financial information.

Activities of the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds are included in the annual budget. The level of budgetary control is established at the individual fund level. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Financial Achievement and Philosophy

In prior years, through responsible financial management, the District has been able to achieve or exceed a balanced budget objective. In fiscal year 2020, the District also achieved this objective in regards to its primary Operating Funds; combined balances in the Educational, Operations and Maintenance, Transportation, Municipal Retirement/Social Security funds, and the Working Cash and Tort Immunity and Judgment accounts. Beginning in fiscal year 2016, the Working Cash Account was included in the District's definition of operating funds as they represent a more significant element of funds available for general operations. Combined, there was an increase in these fund balances for the year of \$4.8 million. The increase in all fund balances for the year was \$2.4 million. The District currently has in excess of \$36.2 million in operating fund balance reserves.

The District has a contract in place with the Winnetka Education Association through fiscal year 2021. A contract with the Custodial Contract (SEIU) is in place through the end of fiscal year 2023. The District believes the provisions of the contracts are fiscally manageable, providing relative predictability of a significant operational cost component.

Financial Policies Impacting Financial Statements

The District's policies address the financial policies as set by the Board of Education. The School District seeks to maintain year-end fund balances between 50% and 60% of annual costs in each operating fund. The Board may choose to do abatements annually to achieve this goal. In keeping with existing Board of Education policy, investments are made in a prudent, conservative, and secure manner and in accordance with Illinois School Code and the guidelines detailed in the Board's investment policy. These are the major financial policies that have an impact on the financial statements.

Economic Condition and Outlook

The District is located in the northeastern part of the state in a mature "built out" community. The District's tax base is primarily made up of residential communities, with some retail businesses and little industry. The economic condition of Winnetka is relatively stable. In the past two years, the District's equalized assessed property values have become more stable with recent and more moderate fluctuations. The 2019 EAV is up 4.9% from 2018.

The onset of the global pandemic in March of 2020, and continuing today, there is some uncertainty in the broader economy. This has brought many unknowns to the forefront due to the economy of the State of Illinois, unemployment within the community and additional costs related to operating within this environment.

In 2015, direction was provided by the Board to pursue a plan to redeem a portion of outstanding debt when it first became callable on June 1, 2017, and refinance the balance. The model for the plan, conceptually agreed to by the Board in 2013, assumed that up to \$30 million of outstanding bonds would be redeemed and the balance of no less than \$10 million of outstanding bonds would be refinanced, resulting in an estimated long-term taxpayer savings of approximately \$10 million. Under this plan the \$30 million required to redeem the bonds would come from the District's operating fund reserves.

Economic Condition and Outlook (Continued)

In addition, in order to reduce the level of property taxes and adhere to a targeted level of consistent annual tax rates, the concept of property tax abatements was introduced and implemented. These have also been paid out of existing or available reserves of the District to the benefit of the taxpayers. The assumptions behind achieving the target level of tax increases are dependent on several operational factors including

targeted spending and revenue growth limits. The anticipation is also to maintain a 50% to 60% operating fund reserve over the long-term after the debt restructuring.

Financial Achievement and Philosophy

In anticipation of executing this plan, Administration had set aside approximately \$30 million of invested funds that mature in a timeframe to match the call date of the bonds. In response to the recent economic impact of the recent election and the Federal Reserve increase of interest rates, Administration, with Board approval, refinanced approximately \$10 million of bonds in late December 2016 through a bank-qualified tax-free private placement generating a taxpayer savings in excess of \$700,000.

Through the early payment of \$30 million in bonds in 2017, the Board reduced its fund balance to come in line with the philosophy of maintaining fund balance in the operating funds.

These are some known and potential matters that will have a future financial impact.

An Educational Master Facility Plan process was formally adopted by the Board of Education in October 2018 and has put into place long-term facility plans that address necessary updates to our buildings. This projected work was put before the community via referendum in April 2019, but it did not pass. The District is currently funding a 3-Year Capital Plan through the use of fund balance, while looking to maintain balances that stay within the threshold set by Board Policy. The District has spent down all of its Capital Projects funds as of 2020. The District is currently working on evaluating a plan for a possible referendum in March of 2022 to fund additional projects identified in the Educational Master Facility Plan.

The Administration is concerned about legislation that allows for voters to petition to get a referendum on the ballot to reduce the property tax levy by up to 10% for Districts that are above 110% of the adequacy target set by the state. In addition, there are still proposals in the state legislature regarding a two-year property tax levy freeze. The District continues to have concerns regarding the movement of unfunded pension costs to District taxpayers. Each of these factors, if approved, could have a, yet undetermined, potential negative financial impact on the District.

Strategic Plan

During the 2014 school year, The Winnetka Public Schools District No. 36 worked with the community and staff to develop a revised five-year strategic plan. The plan is intended to guide the work of the District over the long term, with specific action steps to achieve the various strategies adopted for implementation. Results of these action steps will be evaluated along with the relevance of the plan on an annual basis, with appropriate changes being made as they are identified. A revised five-year strategic plan is in progress, and will be finalized in the Spring of 2021.

Facility Attributes

The Winnetka Public Schools District 36 has five school buildings, with a District Office attached to one of the buildings. Greeley Elementary School serves Kindergarten through 4th grade, and opened in 1913, Hubbard Woods Elementary School serves Kindergarten through 4th grade opened in 1915 and Crow Island Elementary School serves 1st through 4th grade, and opened in 1940. Crow Island is designated as a National Historic Landmark. Skokie School services 4th and 5th grades, and opened in 1922. Carleton Washburne serves 7th and 8th grades, and opened in 1969, the District Office is attached to this school. All District buildings have had renovations, and are maintained through the Capital Projects and Operations and Maintenance Funds.

Community Attributes

The Winnetka Public Schools District 36 has multiple assets, one of the most valuable being the level of parental and community support. The overall school community demonstrates its value for education, its strong social consciousness, and its interest in ensuring access and equity by offering its resources of time, materials, and money. The District's PTO's and Foundation sponsor fundraisers that benefit all students in the community, including those whose families are the most fiscally challenged.

Award for Excellence in Financial Reporting

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2019. This was the fourth year the District received this prestigious award. In order to be awarded a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to the program's standards. Such a report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

The Certificate is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the program requirements and we are submitting to ASBO to determine its eligibility for a fiscal year 2020 Certificate.

Independent Audit

State statutes require an annual audit of the books of accounts, financial records, and transactions of all funds of the District. The audit of the basic financial statements as of June 30, 2020 and the year then ended was performed by the independent certified public accounting firm of Miller, Cooper & Co., Ltd. The unmodified auditors' report is included in the financial section of this report.

Acknowledgements

We wish to thank the members of the School Board for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner. We also wish to thank the efficient and dedicated business office staff for their assistance in the timely preparation of this report.

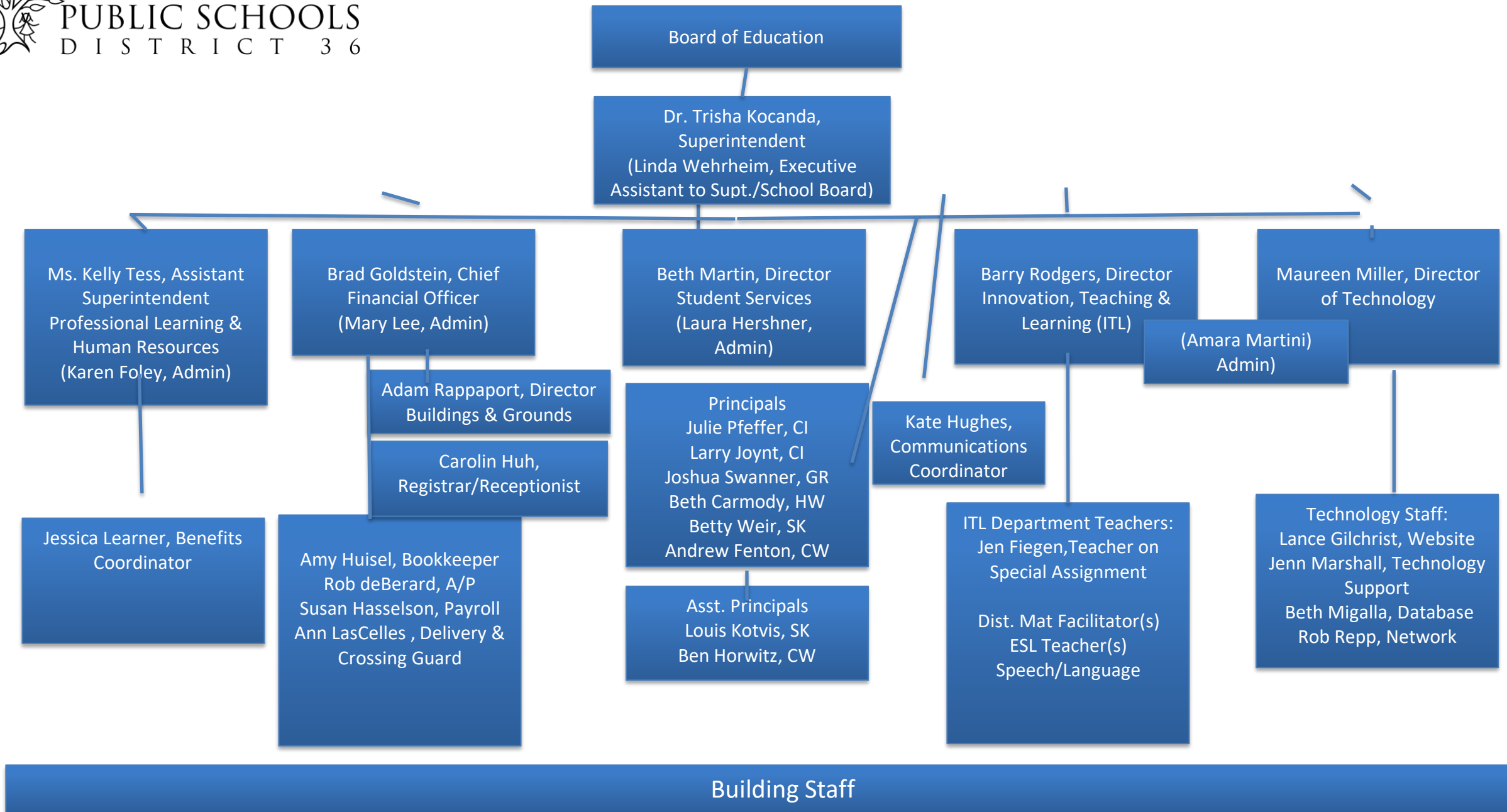
Respectfully submitted,



Trisha Kocanda
Superintendent



Brad Goldstein
Chief Financial Officer



THE WINNETKA PUBLIC SCHOOLS DISTRICT 36

1235 Oak Street
Winnetka, IL 60093

Comprehensive Annual Financial Report
Officers and Officials
Fiscal Year Ended June 30, 2020

Board of Education

		<u>Term Expires</u>
Dawn Livingston	President	2023
Steve Cirulis	Vice President	2021
Emily Rose	Secretary	2023
Scott Conine	Member	2021
Nat Roberts	Member	2021
Maxie Clarke	Member	2023
Megan Panje-Wilson	Member	2023

District Administration

Trisha Kocanda	Superintendent
Brad Goldstein	Chief Financial Officer and Treasurer
Elizabeth Martin	Director of Student Services
Maureen Miller	Director of Technology
Andrew Fenton	Principal - Carleton Washburne School
Dr. Julie Pfeffer	Principal - Crow Island School
Joshua Swanner	Principal - Greeley School
Kelly Tess	Principal - Hubbard Woods School
Betty Weir	Principal - The Skokie School

Official Issuing Report

Brad Goldstein	Chief Financial Officer and Treasurer
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Department Issuing Report

Business Office



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

The Winnetka Public Schools District No. 36

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Members of the Board of Education
The Winnetka Public Schools District No. 36
Winnetka, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The Winnetka Public Schools District No. 36, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise The Winnetka Public Schools District No. 36's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Winnetka Public Schools District No. 36's Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of The Winnetka Public Schools District No. 36, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 72 through 75, the other postemployment benefits data on pages 76 through 78, budgetary comparison schedules and notes to the required supplementary information on pages 79 through 99 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit for the year ended June 30, 2020 was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Winnetka Public Schools District No. 36's basic financial statements. The other schedules listed in the table of contents, in the introductory section, the supplementary financial information section, the other supplemental information section, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Matters (Continued)

Other Information (Continued)

The supplementary financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information for the year ended June 30, 2020 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2020 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial information for the year ended June 30, 2020 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of The Winnetka Public Schools District No. 36, as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated October 10, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Winnetka Public Schools District No. 36's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Safety Fund with comparative actual amounts for the year ended June 30, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Safety Fund have been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the Capital Projects Fund, Debt Service Fund, and Fire Prevention and Safety Fund are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

The Other Supplemental Information and the Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2020 on our consideration of The Winnetka Public Schools District No. 36's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Winnetka Public Schools District No. 36's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.

A handwritten signature in cursive script that reads "Miller, Cooper & Co., Ltd." is written over a horizontal line.

Certified Public Accountants

Deerfield, Illinois
November 10, 2020

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

As management of The Winnetka Public Schools District No. 36 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. Please consider the information presented here in conjunction with the Transmittal Letter found in the Introductory Section and the District's basic financial statements to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

(Government-wide Financial Statements)

The figures and percentages in the Financial Highlights exclude the non-cash revenue from the retirement contribution paid on-behalf of the District by the State of Illinois and offsetting non-cash expenditures of \$19.2 million in fiscal year 2020 and \$16.8 million in fiscal year 2019.

- The District's financial outlook remains strong due to conservative fiscal practices and responsible stewardship. The School Board and administrative team vigilantly work together to assure the District continues to have the resources needed to provide outstanding educational opportunities to students. The District is evaluating
- The District has received a top rating of AAA from Standard & Poors Rating Services and Aaa from Moody's Investors Service in consideration of the District's stable financial outlook, strong fund balances, household buying income, overall net debt as percent of market value, and debt per capita. These ratings allow the District to receive better interest rates on bonds.
- Despite tax cap limitations and the current state of the economy in Illinois which limit revenues, the District has continued to generate positive annual financial results that enable it to provide the high quality of education its community expects.
- Total assets, including capital assets, increased to \$118.0 million from \$115.1 million. The increase in value relates primarily to the change in cash and investments due the surplus as a result of financial results during the fiscal year.
- The District's school community is supportive of the outstanding educational opportunities offered by the District. Approximately 90% of the District's revenues are received from local property taxes.
- General revenues of \$47.6 million accounted for 95% of all fiscal year 2020 governmental activity revenue. General revenues increased by 2.8% from the prior year. An increase in the levy for general funds was offset slightly by a decrease in the Debt Service levy. Program specific revenues accounted for \$2.0 million, or 4.0% of total fiscal year 2020 governmental activity revenues.
- The District had \$45.2 million in expenses related to governmental activities, of which \$2 million were offset by program specific charges for services or grants.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

Financial Highlights (Continued)

(Government-wide Financial Statements) (Continued)

The Board of Education developed a Financial Philosophy for the District in fiscal year 2014. The development of the Financial Philosophy included analyzing historic financial data, enrollment data, property tax data, and staffing. This Financial Philosophy guides the financial operations of the District to the practice of fiscal prudence in maintaining outstanding educational opportunities for students.

Components of the Financial Philosophy include; expectations that District revenues will not increase by more than 3% each year, and will cover expenses; establishing long-term fund balance targets of 50% to 60% for the operating funds; targeting growth in operating fund expenses per pupil at 3% annually, with the exception of identified program enhancements with multi-year cost implication estimates; proposing staffing targets for certified and classified staff; and implementation of changes to some internal financial reporting practices.

In keeping with this approach and the Board's responsiveness to community interests, the District abated \$2 million and \$1.1 million from the 2013 and 2015 property tax levies respectively. The 2014 property tax levy request for operating funds was reduced resulting in an additional future continuing property tax decrease in operating funds of approximately \$1.1 million. The 2014 debt service fund levy was increased for one year by approximately \$2.3 million due to a scheduled increase in debt service payments and since the 2013 \$2.0 million tax abatement was not repeated in the 2014 debt service fund levy. Due to the timing and allocation method of property tax receipts, the property tax levy action in a levy year affect the operations of fiscal years with yearly dates one and two years after the levy date. The actions taken in connection with the 2018 levy affected fiscal years 2019 and 2020, and the tax levy action in 2019 affected fiscal years 2020 and 2021. The anticipated 2020 property tax levy will affect operations of fiscal years 2021 and 2022.

In 2018, the Board agreed to move funds in excess of 60% of operating funds into the Capital Projects Fund to address baseline needs as determined during the Educational Master Facility Plan process. This began in FY2020, and will continue over the next several years.

The 2020 fiscal year was the last year of a five-year Strategic Plan. The Strategic Plan establishes strategic priorities in six drivers: Differentiation, Professional Learning, Kindergarten STEAM, 21st Century Experiential Learning, and Environmental Design. Strategic objectives and accomplishments were reviewed in 2020 with periodic progress reports to the Board and community throughout the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) Government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains sections of required supplementary financial information, supplementary financial information, other supplemental information, and an introductory and statistical section.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

Overview of the Financial Statements (Continued)

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets, deferred outflows, deferred inflows, and liabilities, with the difference (assets, plus deferred outflows of resources, less deferred inflows of resources and liabilities) reported as net position. Increases or decreases in net position serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include instruction, support services, operations and maintenance, student transportation, and operation of non-instructional services.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and for internal financial management and reporting. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds (the District does not maintain any proprietary funds).

Governmental funds. The District's basic services are included in governmental funds. Funds are used to account for all of the District's general activities by required categories of activity; education, operations and maintenance, debt service, transportation, pension program funding, capital projects, working cash savings, tort immunity and judgment and addressing facility improvements for life safety purposes. Governmental funds generally focus on how cash and other financial assets that can readily be obtained and converted to adequate and timely cash flows for expenditure needs, and on the adequacy of balances left at year-end to meet future spending requirements, planned or unplanned. Consequently, the governmental funds statements provide a detailed short-term view that help one determine the financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General (includes the Educational, Tort Immunity and Judgment, and Working Cash Accounts), Operations and Maintenance, Transportation, Municipal Retirement/Social Security, Debt Service, Capital Projects and Fire Prevention and Safety, all of which are considered to be major funds.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

Overview of the Financial Statements (Continued)

Fiduciary funds. The District is the trustee, or agent, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance operations.

Notes to Financial Statements. The notes provide additional information that is essential to a better understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. A budgetary comparison statement has been provided for the General Fund and major special revenue funds as required supplementary information. The report also includes supplementary financial information, which is comprised of combining schedules for the General Fund, other budgetary comparison statements for debt service and capital project funds, and schedules of general obligation bonds.

Financial Analysis of the District as a Whole

(Government-wide Financial Statements)

Statement of Net Position. The District's net position on June 30, 2020 was \$55.2 million. Net position increased \$4.4 million from \$50.9 million at June 30, 2019. The following table presents a summary of the District's condensed Statement of Net Position for the fiscal years ended June 30, 2020 and June 30, 2019 (in millions).

	<u>2020</u>	<u>2019</u>
Current and other asset	\$ 64.5	\$ 61.3
Capital assets	<u>53.5</u>	<u>53.8</u>
Total assets	<u>118.0</u>	<u>115.1</u>
Deferred outflows of resources	<u>4.0</u>	<u>5.8</u>
Long-term liabilities	35.5	41.8
Other liabilities	<u>2.3</u>	<u>1.5</u>
Total liabilities	<u>37.8</u>	<u>43.3</u>
Deferred inflows of resources	<u>29.0</u>	<u>26.7</u>
Net position -		
Net investment in capital assets	47.6	43.3
Restricted	9.9	12.2
Unrestricted	<u>(2.2)</u>	<u>(4.6)</u>
Total net position	\$ <u><u>55.2</u></u>	\$ <u><u>50.9</u></u>

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

Financial Analysis of the District as a Whole (Continued)

(Government-wide Financial Statements) (Continued)

The following are significant current year transactions that have had an impact on the Statement of Net Position:

- Overall results of operations increased the net position of the District from \$50.9 million in fiscal year 2019 to \$55.2 million in fiscal year 2020.

Changes in Net Position. This analysis excludes the non-cash revenue from the retirement contribution paid on-behalf of the District by the State of Illinois revenue and offsetting non-cash expenditures of \$19.2 million in fiscal year 2020 and \$16.8 million in fiscal year 2019. The District's total revenues for the fiscal year ended June 30, 2020 were \$49.5 million. The total cost of all programs and services was \$45.2 million. The resulting increase in net position in fiscal year 2020 was \$4.3 million. In addition, the County's recent efforts to provide tax receipts on a timelier basis continues to affect the timing of recording property tax revenue by fiscal year. However, even without consideration of this favorable revenue impact on fiscal year 2020, the District experienced positive financial results. The health of the District's finances can be credited to both a strong real estate tax base and budgetary controls put in place by the Board of Education. Similar to community experiences throughout the country, with the financial downturn since 2009, the District's EAV has fallen from \$1.8 billion to its present level of \$1.5 billion. However, after a declining period of annual reductions in the District's equalized assessed property values, the values have become more stable with recent and more moderate fluctuations. The 2019 EAV is almost back to levels last seen in 2011. Throughout this period, in spite of EAV declines, approximately 98% of property taxes were collected and financial reserves were annually increased; a demonstration of sound fiscal management and community support.

Statement of Activities. The following table presents a condensed summary of the Statement of Activities with the changes in net position for the fiscal years ending June 30, 2020 and June 30, 2019 (in millions).

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

Financial Analysis of the District as a Whole (Continued)

(Government-wide Financial Statements) (Continued)

	<u>Governmental</u> <u>Activities 2020</u>	<u>Governmental</u> <u>Activities 2019</u>
Revenues		
Program revenues		
Charges for services	\$0.8	\$1.0
Operating grants and contributions	1.2	1.0
State retirement contributions	19.2	16.8
General revenues		
Taxes	45.2	42.8
State formula-aid grants	1.1	1.1
Investment earnings	0.7	0.9
Miscellaneous	<u>0.5</u>	<u>1.5</u>
Total revenues	<u>68.7</u>	<u>65.1</u>
Expenses		
Instruction	26.8	26.4
State retirement contributions	19.2	16.8
Support Services		
Pupil and Instructional services	4.8	4.7
Administration and business	3.9	4.3
Operations and maintenance	4.1	3.8
Transportation	0.6	0.6
Nonprogrammed charges	1.5	1.3
Interest and fees	.3	.4
Other	<u>3.2</u>	<u>2.5</u>
Total expenses	<u>64.4</u>	<u>60.8</u>
Increase in net position	4.3	4.3
Beginning of year net position	<u>50.9</u>	<u>46.6</u>
End of year net position	<u>\$55.2</u>	<u>\$50.9</u>

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

Financial Analysis of the District as a Whole (Continued)

(Government-wide Financial Statements) (Continued)

Net Cost of Governmental Activities

Summary and Highlights:

- The District had strong financial results in fiscal year 2020 and fiscal year 2019 increasing its net position by \$4.3 million and \$5.4 million, respectively.
- Excluding the non-cash retirement contributions, the cost of all governmental activities was approximately \$45.2 million and \$44.0 million in fiscal years 2020 and 2019 respectively. The \$1.2 million increase between years was spent for instructional purposes. Expenditures were primarily for instructional salaries including those for special services and technological support. This focus on student needs demonstrates responsible financial management.
- The District's taxpayers financed most of the District's costs through property taxes, which consistently exceeds 90% of District revenues.
- Excluding the non-cash operating neutral effect of state retirement contributions, revenues increased to \$49.5 million in fiscal year 2020 from \$48.3 million in fiscal year 2019. Revenues were affected by an increase in the consumer price index by 1.9%, and revenue related to other local revenues.

Financial Analysis of the District's Funds

(Funds Financial Statements)

The figures and percentages in the financial analysis of the District's Funds exclude the non-cash revenue from retirement contribution paid on-behalf of the District by the State of Illinois and the offsetting non-cash expenditures of \$10.1 million in fiscal year 2020 and \$9.5 million in fiscal year 2019.

The financial performance of the District on a modified accrual basis of accounting is reflected in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances of this report. Total revenues in the governmental funds in fiscal year 2020 were \$49.7 million, rising from the \$48.2 million in fiscal year 2019. Total expenditures in the governmental funds were \$47.4 million in fiscal year 2020 compared to \$45.2 in the prior year; an increase of \$2.2 million, driven by capital outlay for facility needs.

General Fund: The General Fund includes the Educational, Working Cash and Tort Immunity and Judgment Accounts. General Fund revenues decreased \$0.1 million to \$39.6 million in fiscal year 2020 from \$39.7 million in fiscal year 2019. The decrease was caused by a decrease in special local revenues, with offsets from an increase in levy receipts. The largest revenue source in the General Fund is property taxes, which is typically in excess of 90% of all other revenue sources.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

Financial Analysis of the District's Funds (Continued)

(Funds Financial Statements) (Continued)

Expenditures remained flat in the General Fund totaled \$34.6 million in the 2020 fiscal year and \$34.6 in the 2019 fiscal year. This remained level primarily the result of a reduction in expenditures due to the move to remote learning during the COVID-19 crisis between March and June 2020. This resulted in a reduction in transportation, summer school, interscholastic programs, and numerous deferred supply and material expenditures typically made in the spring.

The General Fund balance at year-end was \$31.1 million, an increase of \$4.8 million over the prior year.

Operations and Maintenance (O&M) Fund: There was a \$0.2 million decrease in the fund balance in the Operations and Maintenance Fund in fiscal year 2020. This decrease was primarily the result of a conscious fund allocation decision to rebalance revenues into various funds based on future needs. Although there was a large increase in property tax revenues, the expenditures outweighed the revenues slightly, resulting in the overall decrease.

Expenditures decreased 5.1%, or approximately \$185,000 in fiscal year 2020. This decrease is attributed to a reduction in capital expenditures paid out of this fund.

The resulting fund balance at the end of 2020 was \$2.4 million.

Transportation Fund: Transportation services provided by the District are comparatively minimal. This service was not provided during the move to remote learning, though the District did pay a portion of our transportation contract due to the length of closure being unknown. This resulted in a savings of \$63,000 to budget, and a reduction in expenses of \$27,000 in 2020 versus 2019. The ending fund balance increased by approximately \$178,000 to approximately \$697,000. The increase was due to an additional payment from the state for our special education revenue, underspending as explained above, and a return to levying to reflect expected expenditures.

Municipal Retirement/Social Security Fund: The ending fund balance for fiscal year 2020 increased by \$234,000 during the year to \$2.1 million.

Debt Service Fund: The Debt Service Fund balance increased by approximately \$291,000 to \$4.3 million. Annual changes fluctuate based on the predetermined timing of principal and interest payments and related property tax funding.

Capital Projects Fund: The District's Capital Projects fund balance decreased \$2.9 million due primarily to fiscal year 2020 Health and Life Safety facility improvement projects paid out of this fund.

Fire Prevention and Safety Fund: The ending fund balance remained flat at \$1,100.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

General Fund and Other Governmental Funds Budgetary Highlights

The District's original budget for the General Fund (Education, Working Cash, and Tort Immunity and Judgment Accounts) anticipated that revenues would exceed expenditures by \$3,692,200. The year ended with an actual \$5,061,902 surplus, resulting in a favorable variance, some of this related to expenditures that were either reduced or deferred due to COVID-19. Actual revenues were greater than the budgeted amount by \$324,620, resulting from \$244,996 in additional local revenues to budget, \$65,237 from state sources and \$14,387 from federal sources. Actual expenditures were less than the budgeted amount by \$1.05 million for a variance of 2.9%. This is primarily due to savings related to COVID-19 closures, and expenses that were deferred to FY2021.

The administration is aware of and is continuing to address the need to develop a culture where more reasonable budgets are developed. The District has improved its budget modeling and is focused on ensuring expenditures are not growing at a rate greater than 3% on a per pupil basis outside of capital expenditures and one-time expenses.

Capital Asset and Debt Administration

Capital Assets

By the end of fiscal year 2020, the District had invested in a broad range of capital assets, including land, construction in progress, buildings and site improvements, and furnishings, equipment and vehicles. Additional detailed information on capital assets is in Note F to the financial statements.

Total additions for the year for capital assets was \$3.1 million. Depreciation expense for the year was approximately \$3.2 million. The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2020 and June 30, 2019 (in thousands).

	<u>2020</u>	<u>2019</u>
Land	\$ 110	\$ 110
Construction in progress	2,129	973
Buildings and site improvements	48,504	48,937
Furnishings, equipment and vehicles	<u>2,795</u>	<u>3,748</u>
TOTAL	\$ <u>53,538</u>	\$ <u>53,768</u>

- The increase in construction in progress in 2020 primarily relates to health/life safety work.
- The decrease in buildings and site improvements resulted from normal annual depreciation.
- Furnishings, equipment and vehicles decreased by \$1.0 million due to depreciation of equipment and technology purchases.
- Net capital asset values decreased by just over \$0.2 million between years.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

Capital Asset and Debt Administration (Continued)

Long-Term Liabilities

At year-end, the District had \$35.5 million in general obligation bonds and other long-term liabilities outstanding as shown in the following schedule (in millions). (More detailed information about the District's long-term liabilities is presented in Note G to the financial statements.)

	<u>2020</u>	<u>2019</u>
Bonds; general and capital appreciation, net	\$ 5.5	\$ 9.8
Capital leases	0.5	0.7
Compensated absences	0.1	0.1
Other postemployment benefits liability	25.1	25.0
State pension liabilities	<u>4.3</u>	<u>6.2</u>
TOTAL	\$ <u>35.5</u>	\$ <u>41.8</u>

- The liability for bonds payable decreased by \$4.3 million in fiscal year 2020 due to payments on bonds.
- State pension liabilities for the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF) plans were first recorded in fiscal year 2015 and are to be recorded annually in future fiscal years, including fiscal year 2020, in accordance with the implementation of GASB 68 and GASB 71 (See Note E).
- The liabilities for other postemployment benefits (OPEB), including the Teacher Health Insurance Security Fund (THIS) were first recorded in fiscal year 2018 and are to be recorded annually in future fiscal years, including fiscal year 2020, in accordance with the implementation of GASB 75 (See Note F).

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was unaware of any existing circumstances that could adversely affect its financial health in the future. However, there are some potential items that could have a financial impact.

The District's administrative team continues to monitor educational funding both locally and on a state-wide basis. The state of Illinois has begun an Evidence Based Model for funding school districts. This will result in static funding for The Winnetka Public Schools. The new legislation puts the District into Tier 4, which will not result in any loss of funding, but will also not provide for growth in funding from the state either. Current legislative proposals also include a potential property tax freeze and a possible shift of responsibility for an undefined amount of pension costs for the Illinois Teacher Retirement System from the state to local school districts. While the effects of these proposals are potentially significant, the actual effects on all Illinois school districts, if any, are not yet known. In addition, the effects of COVID-19, and the impact this will have on the District are in the early stages, and the long-term impact is not yet known.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

Factors Bearing on the District's Future (Continued)

The District is located in the northeastern part of the state in a mature "built out" community. The District's tax base is primarily made up of residential communities, with some retail businesses and little industry. The economic condition of Winnetka is relatively stable. In the past two years, the District's equalized assessed property values have become more stable with recent and more moderate fluctuations. The 2019 EAV is up 4.6% from 2018. The prospect of continuing relative economic stability and additional property tax revenue availability is strong.

In connection with the last four levy years, the District, in conformity with its approved Financial Philosophy, abated \$1.1 million of property taxes in connection with the 2015 levy, and paid down \$30 million in bonds, while maintaining adequate reserve balances. In doing so, the Board is comfortable that if additional financial support were needed in the future, the community, as in the past, would provide it.

These are some known and potential matters that will have a future financial impact. An Educational Master Facility Plan process was formally adopted by the Board of Education in October 2018 and has put into place long-term facility plans that address necessary updates to our buildings. This projected work was put before the community via referendum in April 2019, but it did not pass. The School Board has dedicated \$14.2 million out of fund balance to address this important work, while looking to maintain balances that stay within the threshold set by Board Policy. During 2015, the District's architect completed a state required 10-year Life Safety Review. The resulting report identified approximately \$11 million of facility improvement needs to be addressed over a 10-year period. The District also completed a physical assessment as part of its Educational Master Facility Plan in July 2017. This assessment found an additional \$49 million in additional work that is recommended in additional Health/Life Safety Items; ADA Accessibility; Repairs to Finishes (Cosmetic); Safety & Security Enhancements; HVAC with Air Conditioning; Domestic Water Piping Improvements; Electrical Improvements.

The Educational Master Facility Plan, the District's first in 20 years, was implemented in 2018. It is a holistic process that measured, validated, quantified and qualified opportunities to align our school facilities, our enrollment, and our vision for teaching and learning to meet the needs of current and future students in a fiscally responsible manner. The District is in the process of determining the best way to move forward with funding this plan given the defeat of the referendum in April 2019.

The State, in an effort to address its budgetary challenges, has proposed pieces of legislation such as a levy freeze or moving unfunded pension costs to District taxpayers. Each of these factors have a potential negative financial impact to the District. However, in addition to anticipated continued community financial support, the District has reserve balances, that could be used to address the potential financial impacts of items like those mentioned above.

The District is fortunate to have financial reserves to address financial challenges that may arise in the future and still be able to maintain a quality education for its students. It has benefited from the community's support of providing an excellent education opportunity for its children. This financial position is also a testament to the fiscal responsibility and stewardship exercised by the current and past Boards and administrations of the District. This type of support and fiscal prudence is anticipated to continue in the future.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020
(Unaudited)

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer at 847-446-9400 or at the District's administrative offices located at 1235 Oak Street, Winnetka, Illinois 60093.

BASIC FINANCIAL STATEMENTS

The Winnetka Public Schools District No. 36
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
June 30, 2020

ASSETS

Cash and investments	\$ 42,478,638
Receivables (net of allowance for uncollectibles):	
Interest	115,466
Property taxes	21,692,229
Replacement taxes	45,335
Intergovernmental	140,917
Other current assets	3,630
Capital assets:	
Land	110,383
Construction in progress	2,129,003
Depreciable buildings, property, and equipment, net	<u>51,299,221</u>
Total assets	<u>118,014,822</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to other postemployment benefits	1,714,415
Deferred outflows related to pensions	2,260,135
Deferred loss on refunding of bonds	<u>40,000</u>
Total deferred outflows	<u>4,014,550</u>

LIABILITIES

Accounts payable	1,880,545
Compensated absences payable	1,142
Payroll deductions payable	313,121
Other current liabilities	122,957
Interest payable	13,868
Unearned revenue	8,006
Long-term liabilities:	
Due within one year	4,803,207
Due after one year	<u>30,695,701</u>
Total liabilities	<u>37,838,547</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows related to other postemployment benefits	4,440,134
Property taxes levied for a future period	21,692,229
Deferred inflows related to pensions	<u>2,821,574</u>
Total deferred inflows	<u>28,953,937</u>

NET POSITION

Net investment in capital assets	47,598,602
Restricted for:	
Operations and maintenance	2,385,382
Debt service	4,282,663
Student transportation	696,999
Retirement benefits	2,067,657
Capital projects	1,103
Tort immunity	431,066
Unrestricted	<u>(2,226,584)</u>
Total net position	<u>\$ 55,236,888</u>

The accompanying notes are an integral part of this statement.

The Winnetka Public Schools District No. 36

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2020

Functions / Programs	Expenses	PROGRAM REVENUES			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental activities					
Instruction:					
Regular programs	\$ 19,792,614	\$ 318,372	\$ -	\$ -	\$ (19,474,242)
Special programs	5,706,623	-	879,304	-	(4,827,319)
Other instructional programs	1,305,842	207,723	-	-	(1,098,119)
State retirement contributions	19,227,395	-	19,227,395	-	-
Support services:					
Pupils	2,571,737	-	-	-	(2,571,737)
Instructional staff	2,210,518	-	16,577	-	(2,193,941)
General administration	1,116,989	-	-	-	(1,116,989)
School administration	1,633,056	-	-	-	(1,633,056)
Business	1,152,762	136,254	4,506	50,000	(962,002)
Transportation	645,670	102,647	209,653	-	(333,370)
Operations and maintenance	4,084,787	30,307	-	-	(4,054,480)
Central	2,510,834	-	-	-	(2,510,834)
Other supporting services	632,063	-	-	-	(632,063)
Community services	57,112	-	-	-	(57,112)
Nonprogrammed charges	1,467,956	-	-	-	(1,467,956)
Interest and fees	270,975	-	-	-	(270,975)
Total governmental activities	<u>\$ 64,386,933</u>	<u>\$ 795,303</u>	<u>\$ 20,337,435</u>	<u>\$ 50,000</u>	<u>\$ (43,204,195)</u>
General revenues:					
Taxes:					
Real estate taxes, levied for general purposes					\$ 35,238,604
Real estate taxes, levied for specific purposes					4,975,034
Real estate taxes, levied for debt service					4,696,543
Personal property replacement taxes					317,940
State aid-formula grants					1,086,063
Investment earnings					685,417
Miscellaneous					581,196
Total general revenues					<u>47,580,797</u>
Change in net position					4,376,602
Net position, beginning of year					<u>50,860,286</u>
Net position, end of year					\$ 55,236,888

The accompanying notes are an integral part of this statement.

The Winnetka Public Schools District No. 36

Governmental Funds

BALANCE SHEET

June 30, 2020

	General	Operations and Maintenance	Transportation
ASSETS			
Cash and investments	\$ 31,499,371	\$ 2,540,720	\$ 765,555
Receivables (net of allowance for uncollectibles):			
Interest	89,512	3,546	1,257
Property taxes	16,533,927	2,034,251	339,675
Replacement taxes	45,335	-	-
Intergovernmental	89,087	-	51,830
Other current assets	3,535	-	-
Total assets	<u>\$ 48,260,767</u>	<u>\$ 4,578,517</u>	<u>\$ 1,158,317</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 286,916	\$ 156,423	\$ 19,498
Compensated absences payable	-	1,142	-
Payroll deductions payable	311,802	1,319	-
Other current liabilities	20,812	-	102,145
Unearned revenue	8,006	-	-
Total liabilities	<u>627,536</u>	<u>158,884</u>	<u>121,643</u>
DEFERRED INFLOWS			
Unavailable interest revenue	32,296	1,280	453
Property taxes levied for a future period	<u>16,533,927</u>	<u>2,034,251</u>	<u>339,675</u>
Total deferred inflows	<u>16,566,223</u>	<u>2,035,531</u>	<u>340,128</u>
FUND BALANCES			
Restricted	430,587	1,855,292	696,546
Restricted for future life safety projects	-	528,810	-
Unassigned	<u>30,636,421</u>	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>31,067,008</u>	<u>2,384,102</u>	<u>696,546</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 48,260,767</u>	<u>\$ 4,578,517</u>	<u>\$ 1,158,317</u>

The accompanying notes are an integral part of this statement.

Municipal Retirement / Soc. Sec.	Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 2,061,745	\$ 4,284,801	\$ 1,325,343	\$ 1,103	\$ 42,478,638
5,817	11,730	3,604	-	115,466
544,720	2,239,656	-	-	21,692,229
-	-	-	-	45,335
-	-	-	-	140,917
95	-	-	-	3,630
<u>\$ 2,612,377</u>	<u>\$ 6,536,187</u>	<u>\$ 1,328,947</u>	<u>\$ 1,103</u>	<u>\$ 64,476,215</u>
\$ -	\$ -	\$ 1,417,708	\$ -	\$ 1,880,545
-	-	-	-	1,142
-	-	-	-	313,121
-	-	-	-	122,957
-	-	-	-	8,006
<u>-</u>	<u>-</u>	<u>1,417,708</u>	<u>-</u>	<u>2,325,771</u>
2,099	4,232	1,300	-	41,660
<u>544,720</u>	<u>2,239,656</u>	<u>-</u>	<u>-</u>	<u>21,692,229</u>
<u>546,819</u>	<u>2,243,888</u>	<u>1,300</u>	<u>-</u>	<u>21,733,889</u>
2,065,558	4,292,299	-	1,103	9,341,385
-	-	-	-	528,810
-	-	(90,061)	-	30,546,360
<u>2,065,558</u>	<u>4,292,299</u>	<u>(90,061)</u>	<u>1,103</u>	<u>40,416,555</u>
<u>\$ 2,612,377</u>	<u>\$ 6,536,187</u>	<u>\$ 1,328,947</u>	<u>\$ 1,103</u>	<u>\$ 64,476,215</u>

The Winnetka Public Schools District No. 36
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2020

Total fund balances - governmental funds.	\$ 40,416,555
-------------------------------------------	---------------

Amounts reported for governmental activities in the statement of net position are different because:

Net capital assets used in governmental activities and included in the statement of net position do not require the expenditure of financial resources and, therefore, are not reported in the governmental funds balance sheet.	53,538,607
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Certain revenues receivable by the District and recognized in the statement of net position do not provide current financial resources and are included as deferred inflows of resources in the governmental funds.	41,660
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Deferred loss on refunding of bonds, included in the statement of net position, is not available to pay for current period expenditures and, accordingly, is not included in the governmental funds balance sheet.	40,000
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to pensions	2,260,135
Deferred inflows of resources related to pensions	(2,821,574)

Deferred outflows and inflows of resources related to other postemployment benefit are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources related to other postemployment benefits	1,714,415
Deferred inflows of resources related to other postemployment benefits	(4,440,134)

Interest on long-term liabilities accrued in the statement of net position will not be paid with current financial resources and, therefore, is not recognized in the governmental funds balance sheet.	(13,868)
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Long-term liabilities included in the statement of net position are not due and payable in the current period and, accordingly, are not reported in the governmental funds.

General obligation bonds	\$ 5,495,000	
Capital leases	445,005	
Compensated absences	122,609	
IMRF net pension liability	2,016,798	
TRS net pension liability	2,286,622	
RHP total other postemployment benefit liability	1,294,527	
THIS net other postemployment benefit liability	23,838,347	(35,498,908)

Net position - governmental activities	\$ <u>55,236,888</u>
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The accompanying notes are an integral part of this statement.

The Winnetka Public Schools District No. 36

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)

For the Year Ended June 30, 2020

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.	Debt Service
Revenues					
Property taxes	\$ 35,394,460	\$ 3,123,178	\$ 470,948	\$ 1,225,052	\$ 4,696,543
Replacement taxes	302,929	-	-	15,011	-
State aid	11,349,551	50,000	209,653	-	-
Federal aid	728,051	-	-	-	-
Interest	715,493	23,968	9,546	46,303	92,649
Other	1,243,545	30,307	102,647	-	-
Total revenues	49,734,029	3,227,453	792,794	1,286,366	4,789,192
Expenditures					
Current:					
Instruction:					
Regular programs	16,146,488	-	-	277,421	-
Special programs	5,754,759	-	-	178,156	-
Other instructional programs	1,012,929	-	-	22,032	-
State retirement contributions	10,091,152	-	-	-	-
Support services:					
Pupils	2,406,984	-	-	59,947	-
Instructional staff	1,746,422	-	-	45,468	-
General administration	1,078,225	-	-	21,396	-
School administration	1,527,821	-	-	59,530	-
Business	933,757	-	-	60,347	-
Transportation	-	-	615,110	2,166	-
Operations and maintenance	-	3,176,414	-	223,485	-
Central	1,207,861	-	-	73,602	-
Other supporting services	602,711	-	-	22,565	-
Community services	49,135	-	-	6,686	-
Nonprogrammed charges	1,467,956	-	-	-	-
Debt service:					
Principal	-	-	-	-	4,620,318
Interest and other	-	-	-	-	144,262
Capital outlay	645,927	274,209	-	-	-
Total expenditures	44,672,127	3,450,623	615,110	1,052,801	4,764,580
Excess (deficiency) of revenues over expenditures	5,061,902	(223,170)	177,684	233,565	24,612
Other financing sources (uses)					
Transfers in	-	-	-	-	266,863
Transfers out	(266,863)	-	-	-	-
Sale or compensation for fixed assets	21,777	-	-	-	-
Total other financing sources (uses)	(245,086)	-	-	-	266,863
Net change in fund balance (deficit)	4,816,816	(223,170)	177,684	233,565	291,475
Fund balance, beginning of year	26,250,192	2,607,272	518,862	1,831,993	4,000,824
Fund balance (deficit), end of year	\$ 31,067,008	\$ 2,384,102	\$ 696,546	\$ 2,065,558	\$ 4,292,299

The accompanying notes are an integral part of this statement.

Capital Projects	Fire Prevention and Safety	Total
\$ -	\$ -	\$ 44,910,181
-	-	317,940
-	-	11,609,204
-	-	728,051
8,105	-	896,064
-	-	1,376,499
<u>8,105</u>	<u>-</u>	<u>59,837,939</u>
-	-	16,423,909
-	-	5,932,915
-	-	1,034,961
-	-	10,091,152
-	-	2,466,931
-	-	1,791,890
-	-	1,099,621
-	-	1,587,351
-	-	994,104
-	-	617,276
-	-	3,399,899
-	-	1,281,463
-	-	625,276
-	-	55,821
-	-	1,467,956
-	-	4,620,318
-	-	144,262
<u>2,925,455</u>	<u>-</u>	<u>3,845,591</u>
<u>2,925,455</u>	<u>-</u>	<u>57,480,696</u>
(2,917,350)	-	2,357,243
-	-	266,863
-	-	(266,863)
-	-	21,777
<u>-</u>	<u>-</u>	<u>21,777</u>
(2,917,350)	-	2,379,020
<u>2,827,289</u>	<u>1,103</u>	<u>38,037,535</u>
<u>\$ (90,061)</u>	<u>\$ 1,103</u>	<u>\$ 40,416,555</u>

The Winnetka Public Schools District No. 36

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

Net change in fund balances - total governmental funds.	\$	2,379,020
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlay in the current period.

Capital outlay	\$ 3,050,538	
Depreciation expense	(3,196,531)	
Loss on disposal	<u>(83,516)</u>	(229,509)

Certain revenues receivable by the District and recognized in the statement of net position (deficit) do not provide current financial resources and are included as deferred inflows of resources in the governmental funds.

Interest revenue		(210,647)
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Changes in deferred outflows and inflows of resources related to pensions and are reported only in the statement of activities:

Deferred outflow and inflows of resources related to IMRF pension		(2,798,610)
Deferred outflow and inflows of resources related to TRS pension		(92,463)

Changes in deferred outflows and inflows of resources related to other postemployment benefits are reported only in the statement of activities:

Deferred outflow and inflows of resources related to RHP		(57,636)
Deferred outflow and inflows of resources related to THIS		(889,701)

Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.

5,664

Governmental funds report the effects of the loss on refunding when the debt is issued. However, these amounts are deferred and amortized in the statement of activities. This is the amount of the current year net effect of these differences.

(80,000)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:

Principal repayments - general obligation bonds	\$ 2,565,000	
Principal repayments - capital appreciation bonds	1,795,000	
Accretion on capital appreciation bonds	(52,377)	
Capital leases	260,318	
Compensated absences, net	(22,537)	
IMRF pension liability, net	1,867,088	
TRS pension liability, net	16,242	
RHP other postemployment benefit liability, net	58,828	
THIS other postemployment benefit liability, net	<u>(137,078)</u>	<u>6,350,484</u>

Change in net position - governmental activities	\$	<u><u>4,376,602</u></u>
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The accompanying notes are an integral part of this statement.

The Winnetka Public Schools District No. 36
Agency Fund
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2020

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	\$ <u>758,552</u>
LIABILITIES	
Due to student groups	\$ <u>758,552</u>

The accompanying notes are an integral part of this statement.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of The Winnetka Public Schools District No. 36 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

1. Reporting Entity

The District is located in Cook County, Illinois. The District is governed by an elected Board of Education. The Board of Education maintains final responsibility for all personnel, budgetary, taxing, and debt matters.

The District includes all funds of its operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will, and fiscal dependency. The accompanying financial statements include only those funds of the District, as there are no organizations for which it has financial accountability.

The District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

2. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental and fiduciary.

Governmental funds are used to account for all of the District's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (debt service fund), and the acquisition or construction of major capital facilities (capital projects funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund. The District considers all governmental funds to be major.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the District. The effect of interfund activity has been eliminated from these statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and local fees.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) amounts paid by recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

a. General Fund

The *General Fund* includes the Educational Account, Working Cash Account, and Tort Immunity and Judgment Account. The Educational Account is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Working Cash Account is for the financial resources held by the District to be used as temporary interfund loans for working capital requirements. Money loaned by the Working Cash Account to other funds must be repaid upon collection of property taxes in the fund(s) loaned to. As allowed by the School Code of Illinois, this Fund may be permanently abolished and become part of the Educational Account, or it may be partially abated to any fund in need, as long as the District maintains a balance in the Working Cash Account of at least .05% of the District's current equalized assessed valuation. The Tort Immunity and Judgment Account is used to account for revenues derived from a specific property tax levy and expenditures of these monies are for risk management activities.

b. Special Revenue Funds

The special revenue funds are used to account for and report the proceeds of specific revenue sources (other than those accounted for in the Debt Service, Capital Projects Funds, or Fiduciary Funds) that are legally restricted to expenditures for specified purposes.

Each of the District's special revenue funds has been established as a separate fund in accordance with the fund structure required by the state of Illinois for local educational agencies. These funds account for local property taxes restricted for specific purposes. A brief description of the District's special revenue funds is as follows:

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements (Continued)

b. Special Revenue Funds (Continued)

Operations and Maintenance Fund - accounts for all revenues and expenditures made for operations, repair, and maintenance of the District's buildings and land. Revenues consist primarily of local property taxes.

Transportation Fund - accounts for all revenues and expenditures made for student transportation. Revenues are derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for noncertified employees. Revenues to finance contributions are derived primarily from local property taxes, and personal property replacement taxes.

c. Debt Service Fund

Debt Service Fund - accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for debt service and transfers from other funds.

d. Capital Projects Funds

Capital Projects Fund - accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bond proceeds, or transfers from other funds.

Fire Prevention and Safety Fund - accounts for state-approved life safety projects financed through bond issues or local property taxes levied specifically for such purposes.

e. Fiduciary Fund

The Fiduciary Fund accounts for assets held by the District as an agent for individuals, private organizations, other governments, or other funds.

Agency Fund - includes Student Activity Funds. These funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. Although the Board of Education has the ultimate responsibility for activity funds, they are not local education agency funds. The Student Activity Funds account for assets held by the District which are owned, operated, and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational, or cultural purposes. It accounts for activities such as student yearbook, student clubs and council, and scholarships.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Government-Wide and Fund Financial Statements (Continued)

e. Fiduciary Fund (Continued)

Convenience Accounts - account for assets that are normally maintained by a local education agency, as a convenience, for its faculty, staff, etc.

4. Fund Balance

The governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable in form criteria include items that are not expected to be converted to cash, such as prepaid items or inventories.
- b. *Restricted* - refers to amounts that are subject to outside restrictions, such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds, as well as debt service and capital projects funds, are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. The District had no committed fund balances at June 30, 2020.
- d. *Assigned* - refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by the Board of Education or the individual the Board of Education delegated the authority to assign amounts to be used for specific purposes. The Board of Education has declared that the Superintendent or designee may assign amounts for a specific purpose. The District had no assigned fund balances at June 30, 2020.
- e. *Unassigned* - refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally they act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Fund Balance (Continued)

Governmental fund balances reported on the fund financial statements at June 30, 2020 are as follows:

The restricted fund balance in the General Fund is comprised of \$430,587, representing the remaining unspent portion of the restricted tort immunity levy. The restricted fund balance in the Operations and Maintenance fund of \$528,810 is for future life safety projects. The remaining restricted fund balances are for the purpose of the restricted funds as described in Note A-3.

5. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues and additions are recorded when earned, and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e. when they are both "measurable" and "available". "Measurable" means that the amount of the transactions can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period. The District considers most revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues that are paid to the District by the Illinois State Board of Education are considered available if vouchered by year-end. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, personal property replacement taxes, interest, and intergovernmental revenue associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports unearned and unavailable revenue on its financial statements. Unearned and unavailable revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability or deferred inflow of resources for unearned or unavailable revenue is removed from the balance sheet, and revenue is recognized. Governmental Funds also defer revenue recognition in connection with resources received, but not yet earned.

The fiduciary fund statements are reported using the accrual basis of accounting.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Deferred Outflows / Deferred Inflows

In addition to assets, the statement of net position and the governmental funds balance sheet may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position / fund balance that applies to a future period. At June 30, 2020, the District reported deferred outflows of resources related to pension liabilities and other postemployment benefit liabilities and deferred loss on refunding bonds. In addition to liabilities, the District may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future reporting period. At June 30, 2020, the District reported deferred inflows related to property taxes levied for a future period, unavailable interest revenue, pension liabilities, and other postemployment benefit liabilities.

7. Budgetary Data

Budgets are adopted on a basis consistent with generally accepted accounting principles, except that the District does not budget for "on-behalf" contributions from the state for the employer's share of the Teachers' Retirement System pension and the Teachers' Health Insurance Security Fund (see the budgetary reconciliation in the notes to the required supplementary information). Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. All annual budgets lapse at fiscal year-end.

8. Deposits and Investments

Investments are stated at fair value. Changes in fair value are included in investment income.

9. Personal Property Replacement Taxes

Personal property replacement tax revenues are first allocated to the Municipal Retirement/Social Security Fund with the balance allocated at the discretion of the District.

10. Capital Assets

Capital assets which include land, construction in progress, buildings, site improvements and furnishings, equipment and vehicles are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Capital Assets (Continued)

Depreciation of capital assets is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	20-40
Site improvements	15-30
Furnishings, equipment, and vehicles	5-20

Construction in progress is stated at cost and includes engineering, design, material and labor costs incurred for planned construction. No provision for depreciation is made on construction in progress until the asset is completed and placed in service.

11. Accumulated Unpaid Vacation and Sick Pay

Employees who work a twelve-month year are entitled to be compensated for vacation time. Employees are allowed to carry forward up to ten days of vacation time at fiscal year-end and certain other employees can carry over up to 20 days, with approval.

Due to the nature of the policies on sick leave, and the fact that any liability is contingent upon future events and cannot be reasonably estimated, no liability is provided in the financial statements for accumulated unpaid sick leave.

12. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts and losses on refunding of bonds, are deferred and amortized over the life of the applicable bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, losses on refunding, and bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

14. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plan and additions to/deductions from the pension/OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are stated at fair value.

15. Restricted Net Position

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulators of other governments, (2) imposed by law through constitutional provisions, or (3) imposed by enabling legislation. All of the Districts restricted net position was restricted as a result of enabling legislation.

When both restricted and unrestricted net position are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources, as they are needed.

NOTE B - DEPOSITS AND INVESTMENTS

The District's investment policy is in line with State Statutes. The investments that the District may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) interest-bearing savings accounts, interest-bearing certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (4) short-term discount obligations of corporations organized in the United States with assets exceeding \$500,000,000; (5) interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation or school district; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2020, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ <u>42,478,638</u>	\$ <u>758,552</u>	\$ <u>43,237,190</u>

For disclosure purposes, this amount is segregated into the following components:

	<u>Total</u>
Deposits with financial institutions*	\$ 19,910,908
Illinois School District Liquid Asset Fund Plus	13,353,224
Illinois School District Liquid Asset - Term Series	3,500,000
Other investments	<u>6,473,058</u>
	\$ <u>43,237,190</u>

* Includes accounts held in demand and savings accounts, but primarily consists of non-negotiable certificates of deposit and money market savings accounts, which are valued at cost.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The District's investments detailed in the interest rate risk table below are measured using the market valuation method and level 2 valuation inputs.

1. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, a periodic review of the investment portfolio is performed to ensure performance is consistent with the safety, liquidity, rate of return, diversification and overall performance the District needs. Maturity information on other investments is shown in the table below.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk (Continued)

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
ISDLAF+ Term Series	\$ 3,500,000	\$ 3,500,000	\$ -	\$ -	\$ -
United States Treasury Bill	1,749,849	1,749,849	-	-	-
Negotiable certificates of deposit	4,723,209	4,222,592	500,617	-	-
	<u>\$ 9,973,058</u>	<u>\$ 9,472,441</u>	<u>\$ 500,617</u>	<u>\$ -</u>	<u>\$ -</u>

The following investments are measured at net asset value (NAV):

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
ISDLAF+	\$ 13,353,224	n/a	Daily	1 day
Term Series	3,500,000	n/a	Daily	1 day

Redemption Notice Period - Investments in ISDLAF+'s Term Series may be redeemed upon seven days' advance notice. Redemption prior to maturity may result in the realization of a loss on the investment, including a penalty in an amount necessary to recoup the Term Series penalty charges, losses and other costs attributable to the early redemption.

2. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The District's investments in negotiable certificates of deposits and ISDLAF+ term series are unrated.

At June 30, 2020, the District's investments subject to credit risk were rated as follows:

Investment	Moody's Investor	Standard & Poor's
ISDLAF+ Term Series	Aaa	AA+
United States Treasury Notes and Bills	Aaa	AA+
Negotiable CDs	Aaa	AA+

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE B - DEPOSITS AND INVESTMENTS (Continued)

2. Credit Risk (Continued)

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit pooled investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees, elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAM and are valued at share price, which is the price for which the investment could be sold.

3. Concentration of Credit Risk

The District's investment policy requires diversification of the investment portfolio to minimize the risk of loss resulting from overconcentration in a particular type of security, risk factor, issuer, or maturity. The policy requires diversification strategies to be determined and revised periodically by the District's Investment Officer to meet the District's ongoing need for safety, liquidity, and rate of return.

4. Custodial Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. At June 30, 2020, the fully collateralized bank balances of the District's deposits with financial institutions totaled \$20,219,010.

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring that all investments be in high quality investment pools and/or secured by private insurance or collateral.

NOTE C - PROPERTY TAXES RECEIVABLE

The District must file its tax levy resolution by the last Tuesday, in December, of each year. The tax levy resolution was approved by the Board on December 17, 2019. The District's property tax is levied each year on all taxable real property located in the District and becomes a lien on the property on January 1 of that year. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

Tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE C - PROPERTY TAXES RECEIVABLE (Continued)

The District's annual property tax levy is subject to Property Tax Extension Limitation Act (PTELA), which is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations, and tax increment finance district property becoming eligible for taxation.

The Cook County Assessor is responsible for the assessment of all taxable property within Cook County, except for certain railroad property, which is assessed directly by the state. One-third of the county is reassessed every year by the Assessor.

The Illinois Department of Revenue has the statutory responsibility of ensuring uniformity of real property assessments throughout the state. Each year, the Illinois Department of Revenue furnishes the county clerks with an adjustment factor to equalize the level of assessment between counties at one-third of market value. This factor (the equalization factor) is then applied to the assessed valuation to compute the valuation of property to which the tax rate will be applied (the equalized assessed valuation). The equalization factor for Cook County was 2.9160 for 2019.

The County Clerk adds the equalized assessed valuation of all real property in the county to the valuation of property assessed directly by the state (to which the equalization factor is not applied) to arrive at the base amount (the assessment base) used in calculating the annual tax rates, as described above. The equalized assessed valuation for the extension of the 2019 tax levy was \$1,453,811,685.

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District, its share of collections. Taxes levied in one year become due and payable in two installments on March 1 and August 1 during the following year. The first installment is an estimated bill, and is fifty-five percent of the prior year's tax bill. The second installment bill is based on the current levy, assessment, and equalization, and any changes from the prior year.

The portion of the 2019 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectable of 1%. The net receivable collected within the current year or due and expected to be collected soon enough thereafter to be used to pay liabilities of the current period, less the taxes collected soon enough after the end of the previous fiscal year, are recognized as revenue. Such time thereafter does not exceed 60 days. Net taxes receivable less the amount expected to be collected within 60 days is reflected as deferred inflow of resources-property taxes levied for a future period.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE D - PENSION LIABILITIES

1. Teachers' Retirement System of the State of Illinois

General Information About the Pension Plan

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at www.trsil.org/financial/cafrs/fy2018; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest consecutive years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier III hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE D - PENSION LIABILITIES

1. Teachers' Retirement System of the State of Illinois (Continued)

General Information About the Pension Plan (Continued)

Contributions

The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2019, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf Contributions to TRS

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2020, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$17,669,114 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$9,818,889 in the General Fund based on the current financial resources measurement basis.

2.2 Formula Contributions

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2020, were \$127,349, and are deferred because they were paid after the June 30, 2019 measurement date.

Federal and Special Trust Fund Contributions

When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, there were no salaries paid from federal and special trust funds and as a result there were no required employer contributions.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE D - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

General Information About the Pension Plan (Continued)

Contributions (Continued)

Early Retirement Cost Contributions

Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2020, the District paid \$44,368 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	2,286,622
State's proportionate share of the net pension liability associated with the District		<u>162,736,390</u>
Total	\$	<u><u>165,023,012</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2019, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2019, the District's proportion was 0.0028192254 percent, which was a decrease of 0.0001352533 percent from its proportion measured as of June 30, 2018.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE D - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2020, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	<u>Governmental Activities</u>	<u>General Fund</u>
State on- behalf contributions- revenue and expenses/expenditure	\$ 17,669,114	\$ 9,818,889
District TRS pension expense	<u>207,293</u>	<u>127,349</u>
Total TRS expense/expenditure	<u>\$ 17,876,407</u>	<u>\$ 9,946,238</u>

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 37,494	\$ -
Net difference between projected and actual earnings on pension plan investments	3,622	-
Changes of assumptions	51,236	43,891
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>77,577</u>	<u>132,018</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>169,929</u>	<u>175,909</u>
District contributions subsequent to the measurement date	<u>127,349</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 297,278</u>	<u>\$ 175,909</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE D - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The District reported \$127,349 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Net Deferred (Inflows) Outflows of Resources
2021	\$ 9,664
2022	(16,267)
2023	7,942
2024	9
2025	(7,328)
Total	<u>\$ (5,980)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

In the June 30, 2019 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2018 actuarial valuation, mortality rates were also based on the RP-2014 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE D - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
U.S equities large cap	15.0 %	6.3 %
U.S. equities small/mid cap	2.0	7.7
International equities developed	13.6	7.0
Emerging market equities	3.4	9.5
U.S. bonds core	8.0	2.2
U.S bonds high yield	4.2	4.0
International debt developed	2.2	1.1
Emerging international debt	2.6	4.4
Real estate	16.0	5.2
Real return	4.0	1.8
Absolute return	14.0	4.1
Private equity	15.0	9.7
Total	<u>100.0 %</u>	

Discount Rate

At June 30, 2019, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2018 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2019 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE D - PENSION LIABILITIES (Continued)

1. Teachers' Retirement System of the State of Illinois (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Discount 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 2,792,908	\$ 2,286,622	\$ 1,870,354

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2019 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

2. Illinois Municipal Retirement Fund

Plan Description

The District's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed with the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the Benefits Provided section below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at www.imrf.org.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE D - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount.

As of December 31, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	170
Inactive plan members entitled to but not yet receiving benefits	416
Active plan members	114
Total	<u>700</u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2019 was 8.20%. For the fiscal year ended June 30, 2020 the District contributed \$403,440 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE D - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Net Pension Liability

The District's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, the IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projections scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE D - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	5.75%
International Equity	18%	6.50%
Fixed Income	28%	3.25%
Real Estate	9%	5.20%
Alternative Investments	7%	3.60% - 7.60%
Cash Equivalents	1%	1.85%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

- The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
- The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE D - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Single Discount Rate (Continued)

For the purpose of the most recent valuation, the expected rate of return on pension plan investments is 7.25%, the municipal bond rate is 2.75% (based on the daily rate closest to but not later than the measurement date of the "20-Year Municipal GO AA index"), and the resulting single discount rate is 7.25%.

Changes in Net Pension Liability

The following table shows the components of the change in the District's net pension liability for the calendar year ended December 31, 2019:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 23,929,560	\$ 20,045,674	\$ 3,883,886
Changes for the year:			
Service cost	521,511	-	521,511
Interest on the total pension liability	1,702,373	-	1,702,373
Difference between expected and actual experience of the total pension liability	281,840	-	281,840
Changes of assumptions	-	-	-
Contributions - employer	-	392,593	(392,593)
Contributions - employees	-	218,293	(218,293)
Net investment income	-	3,745,844	(3,745,844)
Benefit payments, including refunds of employee contributions	(1,418,614)	(1,418,614)	-
Other (net transfer)	-	16,082	(16,082)
Net changes	<u>1,087,110</u>	<u>2,954,198</u>	<u>(1,867,088)</u>
Balances at December 31, 2019	<u>\$ 25,016,670</u>	<u>\$ 22,999,872</u>	<u>\$ 2,016,798</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE D - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate (Continued)

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
	<u> </u>	<u> </u>	<u> </u>
Net pension liability (asset)	\$ 4,794,887	\$ 2,016,798	\$ (303,968)
	<u> </u>	<u> </u>	<u> </u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the District recognized pension expense of \$1,335,991. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 86,376	\$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	<u>1,655,420</u>	<u>2,645,665</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>1,741,796</u>	<u>2,645,665</u>
Pension contributions made subsequent to the measurement date	<u>221,061</u>	<u>-</u>
Total deferred amounts related to pensions	<u>\$ 1,962,857</u>	<u>\$ 2,645,665</u>

The District reported \$221,061 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE D - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred (Inflows) Outflows of Resources
2021	\$ (204,644)
2022	(314,659)
2023	79,680
2024	(464,246)
2025	-
Thereafter	-
Total	\$ <u>(903,869)</u>

3. Summary of Pension Items

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 127,349	\$ 221,061	\$ 348,410
Experience	37,494	86,376	123,870
Assumptions	51,236	-	51,236
Proportionate share	77,577	-	77,577
Investments	3,622	1,655,420	1,659,042
	\$ <u>297,278</u>	\$ <u>1,962,857</u>	\$ <u>2,260,135</u>
Net pension liability	\$ <u>2,286,622</u>	\$ <u>2,016,798</u>	\$ <u>4,303,420</u>
Pension expense	\$ <u>17,876,407</u>	\$ <u>1,335,991</u>	\$ <u>19,212,398</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE D - PENSION LIABILITIES (Continued)

3. Summary of Pension Items (Continued)

	TRS	IMRF	Total
Deferred inflows of resources:			
Investments	\$ -	\$ 2,645,665	\$ 2,645,665
Assumptions	43,891	-	43,891
Proportionate share	132,018	-	132,018
	<u>\$ 175,909</u>	<u>\$ 2,645,665</u>	<u>\$ 2,821,574</u>

4. Social Security/Medicare

Employees not qualifying for coverage under the Illinois Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "nonparticipating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security/Medicare. The District paid the total required contribution for the current fiscal year.

NOTE E - OTHER POSTEMPLOYMENT BENEFITS

1. Teachers' Health Insurance Security (THIS)

General Information about the Other Postemployment Plan

Plan Description

The District participates in the Teacher Health Insurance Security Fund (THIS), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE E - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

General Information about the Other Postemployment Plan (Continued)

Benefits Provided

The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

Contributions

On behalf contributions to the THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. In the fund financial statements, the State contributions are intended to match contributions to the THIS Fund from active members, which were 1.24 percent of pay during the year ended June 30, 2020. In the government-wide financial statements, State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate). For the year ended June 30, 2020, the District recognized revenue and expenses of \$1,558,281 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$272,263 in the General Fund based on the current financial resources measurement basis for State of Illinois contributions on behalf of the District's employees.

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.92 percent during the year ended June 30, 2020. For the year ended June 30, 2020, the District paid \$202,001 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2019 measurement date.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for state OPEB support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District were as follows:

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE E - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

District's proportionate share of the net OPEB liability	\$	23,838,347
State's estimated proportionate share of the net OPEB liability associated with the District*		<u>32,280,163</u>
Total	\$	<u><u>56,118,510</u></u>

* The State's proportionate share of the net OPEB liability (NOL) associated with the District is not available in the actuarial report and therefore the amount reported above is an estimate calculated by allocating the State's total NOL for the entire plan (per the actuary) based on the District's proportionate share of the NOL to all the school districts participating in the Plan. Additionally, the amounts included below related to sensitivity of the healthcare rate, discount rate and amortization of deferred inflows and outflows are based on a similar allocation methodology.

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2019, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2019, the District's proportion was 0.086129 percent, which was a decrease of 0.003833 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on - behalf contributions - OPEB revenue and expenses/expenditure	\$ 1,558,281	\$ 272,263
District OPEB pension expense	<u>1,226,919</u>	<u>202,001</u>
Total OPEB expense/expenditure	<u><u>\$ 2,785,200</u></u>	<u><u>\$ 474,264</u></u>

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE E - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ 395,579
Change of assumptions	9,037	2,732,651
Net difference between projected and actual earnings on OPEB plan investments	-	781
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,469,259</u>	<u>1,029,413</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>1,478,296</u>	<u>4,158,424</u>
District contributions subsequent to the measurement date	<u>202,001</u>	<u>-</u>
Total deferred amounts related to OPEB	<u><u>\$ 1,680,297</u></u>	<u><u>\$ 4,158,424</u></u>

The District reported \$202,001 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the reporting year ended June 30, 2021. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	Net Deferred Inflows of Resources
<u> </u>	<u> </u>
2021	\$ 476,666
2022	476,666
2023	476,605
2024	476,477
2025	343,416
Thereafter	<u>430,298</u>
Total	<u><u>\$ 2,680,128</u></u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE E - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

The total OPEB liability and contributions in the June 30, 2019 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you basis. Contribution rates are defined by statute. For fiscal year end June 30, 2019, contribution rates are 1.24% of pay for active members, 0.92% of pay for school districts, and 1.24% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years.
Inflation	2.50 percent
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE E - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Healthcare Trend Rate	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Discount Rate

The State, the District and active members contribute 1.24 percent, 0.92 percent, 1.24 percent of pay, respectively for fiscal year 2019. Retirees contribute a percentage of the premium rate. The State also contributes an additional amount to cover plan costs in excess of contributions and investment income. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.62 percent at June 30, 2018, and 3.13 percent at June 30, 2019, was used to measure the total OPEB liability. The decrease in the single discount rate, from 3.62 percent to 3.13 percent, caused the total OPEB liability for the entire plan to increase by approximately \$2,296 million as of June 30, 2019.

Investment Return

During plan year end June 30, 2019, the trust earned \$397,000 in interest, and the market value of assets at June 30, 2019, is \$68 million. Given the low asset value and pay-as-you-go funding policy, the investment return assumption was set to zero.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE E - OTHER POSTEMPLOYMENT BENEFITS (Continued)

1. Teachers' Health Insurance Security (THIS) (Continued)

Other Postemployment Benefit (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Money-Weighted Rate of Return

The annual money-weighted rate of return was estimated based on monthly investment performance, net of investment expenses, adjusted for changing amounts actually invested. The annual money-weighted rate of return was 2.038% for plan year end June 30, 2019, and 1.301% for plan year end June 30, 2018.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.13 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current rate:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
District's proportionate share of the net OPEB liability	\$ 28,662,345	\$ 23,838,347	\$ 20,028,423

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Trend Rate

The following table shows the District's net OPEB liability as of June 30, 2019, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.81% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	1% Decrease*	Current Healthcare Trend Rate	1% Increase **
District's proportionate share of the net OPEB liability	\$ 19,259,440	\$ 23,838,347	\$ 30,022,739

* One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.81% in 2027, for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

** One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.81% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE E - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP)

Plan Description

The District administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The benefits, benefit levels, employee contributions and employer contributions are governed by the District and may be amended by the District through its employment contracts. The plan does not issue a separate financial report.

Benefits Provided

The plan provides the ability for retirees and their spouses to access the District's group health insurance plan during retirement, provided they are on the group health insurance plan at the time of retirement. Retirees are responsible to contribute a premium toward the cost of their insurance, which is determined by the Board.

Employees Covered by Benefit Terms

As of June 30, 2020 the following employees were covered by the benefit terms:

Active employees	345
Inactive employees entitled to but not yet receiving benefits	0
Inactive employees currently receiving benefits	<u>17</u>
Total	<u><u>362</u></u>

Contributions

Retirees under the age of 65 contribute the full active employee equivalent rate. Retirees have the option of choosing from an HMO or PPO plan through the District. Premiums for the plan are set by the Board of Education. Currently, the District contributes certain amounts to postemployment benefits, which varies for different employee groups.

Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation performed as of July 1, 2019 using the following actuarial methods and assumptions:

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE E - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Total OPEB Liability (Continued)

Actuarial valuation date	July 1, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	3.00%
Discount rate	2.66%
Salary rate increase	4.00%
Healthcare trend rates	Initial: 4.50% - HMO Plan 6.00% - PPO 300 Plan 5.00% - TRIP Plan Ultimate: 4.50% - PPO 300 Plan HMO Plan and TRIP Plan - N/A (trend rate is constant for all years) Ultimate rate reached in fiscal year 2036
Mortality rates	
IMRF employees and retirees	Same rates as IMRF net pension liability valuation as of December 31, 2019.
TRS employees and retirees	Same rates as TRS net pension liability valuation as of June 30, 2018.
Election at retirement	100% of Certified Staff and Administrators are assumed to elect TRIP coverage at retirement. 90% of IMRF employees are assumed to elect District medical coverage at retirement.
Coverage status	IMRF employees are assumed to continue into retirement in their current plan. If an employee has waived active medical coverage is in the HDHP or is in the PPO 1500 plan, then they are assumed to elect the HMO Plan at retirement.
Marital status	20% of IMRF employees electing coverage are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE E - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Discount Rate

The District does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). A rate of 2.66% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2020.

Changes in the Total OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2019	\$ 1,353,355	\$ -	\$ 1,353,355
Changes for the year:			
Service cost	66,251	-	66,251
Interest on the total OPEB liability	36,814	-	36,814
Difference between expected and actual experience of the total OPEB liability	(20,960)	-	(20,960)
Changes of assumptions and other inputs	(58,264)	-	(58,264)
Contributions - employer	-	-	-
Contributions - active and inactive employees	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(67,724)	-	(67,724)
Other changes	(14,945)	-	(14,945)
Net changes	(58,828)	-	(58,828)
Balances at June 30, 2020	\$ <u>1,294,527</u>	\$ <u>-</u>	\$ <u>1,294,527</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 2.66%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (1.66%)	Current Discount Rate (2.66%)	1% Higher (3.66%)
Total OPEB liability	\$ <u>1,371,857</u>	\$ <u>1,294,527</u>	\$ <u>1,221,536</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE E - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the plan's net OPEB liability, calculated using a Healthcare Trend Rate range of (4.50%)-5.50%, as well as what the plan's net OPEB liability would be if it were calculated using a Healthcare Trend Rate range that is 1% lower or 1% higher than the current range:

	1% Lower	Current Healthcare Rate	1% Higher
Total OPEB liability	\$ <u>1,257,178</u>	\$ <u>1,294,527</u>	\$ <u>1,334,553</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020 the District recognized OPEB expense of \$66,533. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Difference between expected and actual experience	\$ -	\$ 18,404
Change of assumptions	<u>34,118</u>	<u>263,306</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	\$ <u>34,118</u>	\$ <u>281,710</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE E - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Year Ended June 30,	Net Deferred Inflows of Resources
2021	\$ 36,532
2022	36,532
2023	36,532
2024	36,532
2025	36,532
Thereafter	<u>64,932</u>
Total	<u>\$ 247,592</u>

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2020:

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 202,001	\$ -	\$ 202,001
Assumptions	9,037	34,118	43,155
Proportionate share	<u>1,469,259</u>	<u>-</u>	<u>1,469,259</u>
	<u>\$ 1,680,297</u>	<u>\$ 34,118</u>	<u>\$ 1,714,415</u>
OPEB liability	<u>\$ 23,838,347</u>	<u>\$ 1,294,527</u>	<u>\$ 25,132,874</u>
OPEB expense	<u>\$ 2,785,200</u>	<u>\$ 66,533</u>	<u>\$ 2,851,733</u>
Deferred inflows of resources:			
Assumptions	\$ 2,732,651	\$ 263,306	\$ 2,995,957
Investments	781	-	781
Experience	395,579	18,404	413,983
Proportionate share	<u>1,029,413</u>	<u>-</u>	<u>1,029,413</u>
	<u>\$ 4,158,424</u>	<u>\$ 281,710</u>	<u>\$ 4,440,134</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Increases / Transfers	Decreases / Transfers	Balance June 30, 2020
Capital assets, not being depreciated				
Land	\$ 110,383	\$ -	\$ -	\$ 110,383
Construction in progress	973,234	2,634,770	1,479,001	2,129,003
	<u>1,083,617</u>	<u>2,634,770</u>	<u>1,479,001</u>	<u>2,239,386</u>
Total capital assets, not being depreciated	<u>1,083,617</u>	<u>2,634,770</u>	<u>1,479,001</u>	<u>2,239,386</u>
Capital assets, being depreciated				
Buildings	75,593,903	-	-	75,593,903
Site improvements	3,877,791	1,565,471	-	5,443,262
Furnishings, equipment, and vehicles	9,931,744	329,298	860,380	9,400,662
	<u>89,403,438</u>	<u>1,894,769</u>	<u>860,380</u>	<u>90,437,827</u>
Total capital assets, being depreciated	<u>89,403,438</u>	<u>1,894,769</u>	<u>860,380</u>	<u>90,437,827</u>
Less accumulated depreciation for:				
Buildings	29,780,294	1,779,097	-	31,559,391
Site improvements	754,992	218,936	-	973,928
Furnishings, equipment, and vehicles	6,183,653	1,198,498	776,864	6,605,287
	<u>36,718,939</u>	<u>3,196,531</u>	<u>776,864</u>	<u>39,138,606</u>
Total accumulated depreciation	<u>36,718,939</u>	<u>3,196,531</u>	<u>776,864</u>	<u>39,138,606</u>
Total capital assets, being depreciated, net	<u>52,684,499</u>	<u>(1,301,762)</u>	<u>83,516</u>	<u>51,299,221</u>
Governmental activities capital assets, net	<u>\$ 53,768,116</u>	<u>\$ 1,333,008</u>	<u>\$ 1,562,517</u>	<u>\$ 53,538,607</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE F - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities

General Government

Regular programs	\$ 2,364,366
Special programs	6,481
Other instructional programs	1,469
Pupils	1,974
Instructional staff	13,234
General administration	3,113
School administration	10,365
Business	29,418
Operations and maintenance	257,598
Central	501,726
Other supporting services	6,787
	<u>\$ 3,196,531</u>

NOTE G - LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2020:

	Balance July 1, 2019	Additions/ Accretion	Reductions	Balance June 30, 2020
Bonds payable:				
General obligation bonds	\$ 8,060,000	\$ -	\$ 2,565,000	\$ 5,495,000
Capital appreciation bond	1,742,623	52,377	1,795,000	-
Total bonds payable	<u>9,802,623</u>	<u>52,377</u>	<u>4,360,000</u>	<u>5,495,000</u>
Capital leases	705,323	-	260,318	445,005
Compensated absences	100,072	32,552	10,015	122,609
RHP total other postemployment benefit liability	1,353,355	103,065	161,893	1,294,527
THIS net other postemployment benefit liability	23,701,269	1,954,608	1,817,530	23,838,347
TRS net pension liability	2,302,864	239,845	256,087	2,286,622
IMRF net pension liability	<u>3,883,886</u>	<u>2,505,724</u>	<u>4,372,812</u>	<u>2,016,798</u>
Total long-term liabilities - governmental activities	<u>\$ 41,849,392</u>	<u>\$ 4,888,171</u>	<u>\$ 11,238,655</u>	<u>\$ 35,498,908</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE G - LONG-TERM LIABILITIES (Continued)

Due within one year:

General obligation bonds	\$ 4,390,000
Capital leases	290,598
Compensated absences	<u>122,609</u>
	<u>\$ 4,803,207</u>

1. Bonds Payable

The summary of activity in bonds payable for the year ended June 30, 2020 is as follows:

	<u>Bonds Payable July 1, 2019</u>		<u>Debt Issued/ Accretion</u>		<u>Debt Retired</u>		<u>Bonds Payable June 30, 2020</u>
Capital appreciation bond dated May 17, 2000, interest at 4.65% to 6.01%.	\$ 1,742,623	\$	52,377	\$	1,795,000	\$	-
General obligation refunding school bonds Series 2016A dated December 28, 2016, interest at 1.99%.	<u>8,060,000</u>		<u>-</u>		<u>2,565,000</u>		<u>5,495,000</u>
Total	<u>\$ 9,802,623</u>	\$	<u>52,377</u>	\$	<u>4,360,000</u>	\$	<u>5,495,000</u>

At June 30, 2020, the District's future cash flow requirements for retirement of bond principal and interest was as follows:

Year Ending				
June 30,	Principal	Interest	Total	
2021	\$ 4,390,000	\$ 65,670	\$ 4,455,670	
2022	<u>1,105,000</u>	<u>10,995</u>	<u>1,115,995</u>	
Total	\$ <u>5,495,000</u>	\$ <u>76,665</u>	\$ <u>5,571,665</u>	

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$4,292,299 in the Debt Service Fund to service the outstanding bonds payable.

The District is subject to the Illinois School Code, which limits the bond indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2020, the statutory debt limit for the District was \$100,313,006, of which \$94,373,001 is fully available.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE G - LONG-TERM LIABILITIES (Continued)

2. Capital Leases

The District leases computers, office equipment, and IT equipment under three separate capital leases. The provisions of these leases require annual and monthly installment payments.

The future cash flow requirements for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 290,598	\$ 6,570	\$ 297,168
2022	91,607	2,118	93,725
2023	<u>62,800</u>	<u>622</u>	<u>63,422</u>
Total	<u>\$ 445,005</u>	<u>\$ 9,310</u>	<u>\$ 454,315</u>

These payments will be made from the Debt Service Fund with funding from the General (Educational Account) Fund.

NOTE H - INTERFUND TRANSFERS

The District transferred \$266,863 to the Debt Service Fund from the General (Educational Account) Fund. The amount transferred was used for principal and interest payments on capital leases.

NOTE I - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District purchases coverage against such risks and participates in the following public entity risk pools: the Collective Liability Insurance Cooperative (CLIC) for property, general liability, worker's compensation claims, automobile, employee dishonesty, and excess liability claims; and the Educational Benefit Cooperative (EBC) for health insurance. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pools provide that the pools will be self-sustaining through member premiums, and will reinsure through commercial companies for claims in excess of certain levels established by the pools. Settlements have not exceeded coverage for the past three fiscal years.

Complete financial statements for CLIC can be obtained from its Treasurer, 624 Kenilworth, Grayslake, IL 60030. Complete financial statements for EBC can be obtained from its Treasurer.

The District continues to carry commercial insurance for all other risks of loss, including torts and professional liability insurance. Settled claims have not exceeded commercial insurance coverage for the past three fiscal years.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE J - INTERGOVERNMENTAL AGREEMENT

The District is a member of an intergovernmental agreement that provides certain special education services to the residents of many school districts (Northern Suburban Special Education District - NSSSED). It is also a member of the risk management pools described in Note I. The District believes that, because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service, and special financing relationships exercised by the joint agreement governing boards, these are not required to be included as component units of the District.

The District participates in the New Trier Education Cooperative (NTTEC). Under the agreement, the District receives leasing revenue from NTTEC. The agreement expires in 2042 and future revenues are not guaranteed. For the year ended June 30, 2020, the District received \$541,963 of leasing revenue from NTTEC.

NOTE K - CONTINGENCIES

1. Litigation

The District is routinely a defendant in various tax objection lawsuits and other pending matters. Although the eventual outcome and related liability, if any, is not determinable at this time, in the opinion of the District's management, the resolution of these matters, as in the past, will not have a material adverse effect on the financial condition of the District. No provision has been made in the accompanying financial statements for settlement costs.

2. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

3. COVID -19

The direct and indirect impacts of the COVID-19 pandemic on the District's enrollment, vendors, operations, and financing arrangements are currently unknown, other than those mentioned below, as is the duration and severity of any impacts that the District may experience. Additionally, tax payors in Cook County have been granted an extension on the second installment payment for property tax (due August 1, 2020). Tax payors were given to October 1, 2020 to remit property tax payments without penalty, which will affect the timing of the District receiving those property taxes, and overall cash flows. While the District's evaluation is ongoing, management is currently unable to quantify the full effects that this situation will have on its operations, cash flows, and financial position; however, they may be significant. No adjustments have been made to these financial statements as a result of this uncertainty.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE L - CONSTRUCTION COMMITMENTS

The District has contracts for construction projects which have been approved by the Board of Education at June 30, 2020. Future commitments approximate \$2,789,000 at June 30, 2020.

NOTE M - DEFICIT FUND BALANCE

As of June 30, 2020, the Capital Project Fund has a deficit fund balance of \$90,061. District management expects to fund this deficit through future interfund transfers.

NOTE N - OPERATING LEASE

The District entered into a noncancelable operating lease for two modular units to accommodate students and faculty at one of the schools. The lease requires monthly base rents of ranging from \$2,880 to \$3,065 and expires in June 2023

The District entered into a noncancelable operating lease for a postage meter. The lease requires quarterly base rent of \$93 and expires in December 2023.

At June 30, 2020, future minimum lease payments were as follows:

Year Ending June 30,		Total
2021	\$	35,673
2022		35,673
2023		35,673
2024		556
Total	\$	<u>107,575</u>

NOTE O - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 10, 2020, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than those described below, have occurred subsequent to the statement of net position/balance sheet date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

The Winnetka Public Schools District No. 36

MULTIYEAR SCHEDULES OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Illinois Municipal Retirement Fund

Six Most Recent Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability			
Service cost	\$ 521,511	\$ 464,891	\$ 559,496
Interest on the total pension liability	1,702,373	1,567,445	1,599,067
Difference between expected and actual experience of the total pension liability	281,840	1,269,347	(587,091)
Assumption changes	-	597,573	(703,267)
Benefit payments and refunds	<u>(1,418,614)</u>	<u>(1,273,046)</u>	<u>(1,212,007)</u>
Net change in total pension liability	1,087,110	2,626,210	(343,802)
Total pension liability, beginning	<u>23,929,560</u>	<u>21,303,350</u>	<u>21,647,152</u>
Total pension liability, ending	<u><u>\$ 25,016,670</u></u>	<u><u>\$ 23,929,560</u></u>	<u><u>\$ 21,303,350</u></u>
Plan fiduciary net position			
Contributions, employer	\$ 392,593	\$ 481,051	\$ 465,289
Contributions, employee	218,293	224,725	212,785
Net investment income	3,745,844	(1,130,313)	3,357,409
Benefit payments, including refunds of employee contributions	(1,418,614)	(1,273,046)	(1,212,007)
Other (net transfer)	<u>16,082</u>	<u>537,357</u>	<u>(721,209)</u>
Net change in plan fiduciary net position	2,954,198	(1,160,226)	2,102,267
Plan fiduciary net position, beginning	<u>20,045,674</u>	<u>21,205,900</u>	<u>19,103,633</u>
Plan fiduciary net position, ending	<u><u>\$ 22,999,872</u></u>	<u><u>\$ 20,045,674</u></u>	<u><u>\$ 21,205,900</u></u>
Net pension liability	<u><u>\$ 2,016,798</u></u>	<u><u>\$ 3,883,886</u></u>	<u><u>\$ 97,450</u></u>
Plan fiduciary net position as a percentage of the total pension liability	91.94%	83.77%	99.54%
Covered Valuation Payroll	\$ 4,787,724	\$ 4,753,464	\$ 4,728,548
Net pension liability as a percentage of covered valuation payroll	42.12%	81.71%	2.06%

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

Note: Actuary valuations are as of December 31st, which is six months prior to the end of the fiscal year.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$	554,430	\$ 507,306	\$ 490,411
	1,498,893	1,391,496	1,280,861
	426,151	588,517	(91,424)
	(46,711)	44,185	776,459
	<u>(1,094,150)</u>	<u>(1,045,189)</u>	<u>(934,051)</u>
	1,338,613	1,486,315	1,522,256
	<u>20,308,539</u>	<u>18,822,224</u>	<u>17,299,968</u>
\$	<u><u>21,647,152</u></u>	\$ <u><u>20,308,539</u></u>	\$ <u><u>18,822,224</u></u>
\$	510,112	\$ 495,392	\$ 430,579
	232,733	215,508	195,679
	1,231,024	89,215	1,055,626
	(1,094,150)	(1,045,189)	(934,051)
	<u>117,327</u>	<u>341,453</u>	<u>(196,870)</u>
	997,046	96,379	550,963
	<u>18,106,587</u>	<u>18,010,208</u>	<u>17,459,245</u>
\$	<u><u>19,103,633</u></u>	\$ <u><u>18,106,587</u></u>	\$ <u><u>18,010,208</u></u>
\$	<u><u>2,543,519</u></u>	\$ <u><u>2,201,952</u></u>	\$ <u><u>812,016</u></u>
	88.25%	89.16%	95.69%
\$	5,090,941	\$ 4,753,782	\$ 4,331,784
	49.96%	46.32%	18.75%

The Winnetka Public Schools District No. 36

MULTIYEAR SCHEDULE OF CONTRIBUTIONS

Illinois Municipal Retirement Fund

Six Most Recent Fiscal Years

	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2020	\$ 392,593 *	\$ 392,593	\$ -	\$ 4,787,724	8.20 %
2019	481,051	481,051	-	4,753,464	10.12
2018	465,289	465,289	-	4,728,548	9.84
2017	510,112	510,112	-	5,090,941	10.02
2016	482,509	495,392	(12,883)	4,753,782	10.42
2015	430,579	430,579	-	4,331,784	9.94

* Estimated based on contribution rate of 8.20% and covered valuation payroll of \$4,787,724 (most recent information available).

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

The Winnetka Public Schools District No. 36
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
Teacher's Retirement System of the State of Illinois
Six Most Recent Fiscal Years

	<u>2020</u>		<u>2019</u>		<u>2018</u>	
District's proportion of the net pension liability	0.0028192254	%	0.0029544787	%	0.0027859666	%
District's proportion of the net of the net pension liability	\$ 2,286,622		\$ 2,302,864		\$ 2,128,427	
State's proportionate share of the net pension liability associated with the District	<u>162,736,390</u>		<u>157,755,810</u>		<u>146,525,271</u>	
Total	<u>\$ 165,023,012</u>		<u>\$ 160,058,674</u>		<u>\$ 148,653,698</u>	
District's covered-employee payroll	\$ 21,371,096		\$ 21,114,438		\$ 19,889,741	
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.70	%	10.91	%	10.70	%
Plan fiduciary net position as a percentage of the total pension liability	39.60	%	40.00	%	39.30	%

Note 1: Actuary valuations are as of June 30th of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Note 2: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

<u>2017</u>	<u>2016</u>	<u>2015</u>
0.0028011082 %	0.0030924316 %	0.0029798549 %
\$ 2,211,084	\$ 2,025,854	\$ 1,813,488
<u>148,456,143</u>	<u>120,970,056</u>	<u>113,090,942</u>
\$ <u>150,667,227</u>	\$ <u>122,995,910</u>	\$ <u>114,904,430</u>
\$ 19,093,844	\$ 18,465,844	\$ 18,247,417

11.58 %	10.97 %	9.94 %
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36.40 %	41.50 %	43.00 %
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The Winnetka Public Schools District No. 36
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teacher's Retirement System of the State of Illinois
Six Most Recent Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 123,952	\$ 122,464	\$ 115,361
Contributions in relation to the contractually required contributions	<u>127,676</u>	<u>122,756</u>	<u>114,781</u>
Contribution deficiency (excess)	<u>\$ (3,724)</u>	<u>\$ (292)</u>	<u>\$ 580</u>
District's covered-employee payroll	\$ 21,956,981	\$ 21,371,096	\$ 21,114,438
Contributions as a percentage of covered-employee payroll	0.58 %	0.57 %	0.54 %

Note: Actuary valuations are as of June 30th of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Note: The District implemented GASB 68 beginning with its fiscal year ended June 30, 2015; therefore, 10 years of information is not available.

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 110,744	\$ 107,102	\$ 105,835
<u>108,479</u>	<u>108,359</u>	<u>106,320</u>
\$ <u>2,265</u>	\$ <u>(1,257)</u>	\$ <u>(485)</u>
\$ 19,889,741	\$ 19,093,844	\$ 18,465,844
0.55 %	0.57 %	0.58 %

The Winnetka Public Schools District No. 36

MULTIYEAR SCHEDULE OF CHANGES IN TOTAL OTHER POSTRETIREMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS

Retiree Health Plan

Three Most Recent Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability			
Service cost	\$ 66,251	\$ 71,602	\$ 65,429
Interest on the total OPEB liability	36,814	39,313	39,284
Difference between expected and actual experience of the total OPEB liability	(20,960)	-	-
Changes in assumptions and other inputs	(58,264)	31,727	(98,625)
Benefit payments, including the implicit rate subsidy	(67,724)	(59,807)	(61,640)
Other changes	(14,944)	464	(176,930)
Net change in total OPEB liability	(58,827)	83,299	(232,482)
Total OPEB liability, beginning	1,353,355	1,270,056	1,502,538
Total OPEB liability, ending	<u>\$ 1,294,528</u>	<u>\$ 1,353,355</u>	<u>\$ 1,270,056</u>
Plan fiduciary net position			
Contributions, employer	\$ -	\$ -	\$ -
Contributions, employee	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of employee contributions	-	-	-
Other (net transfer)	-	-	-
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability	<u>\$ 1,294,528</u>	<u>\$ 1,353,355</u>	<u>\$ 1,270,056</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %	0.00 %	0.00 %
Covered Valuation Payroll	\$ 24,837,155	\$ 24,038,164	\$ 24,038,164
Net OPEB liability as a percentage of covered valuation payroll	5.21 %	5.63 %	5.28 %

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

The Winnetka Public Schools District No. 36
MULTIYEAR SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teacher Health Insurance Security Fund
Three Most Recent Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.086129 %	0.089962 %	0.086051 %
District's proportionate share of the net OPEB liability	\$ 23,838,347	\$ 23,701,269	22,329,889
State's proportionate share of the net OPEB liability associated with the District	<u>32,280,163</u>	<u>31,825,693</u>	<u>29,324,693</u>
Total	<u>\$ 56,118,510</u>	<u>\$ 55,526,962</u>	<u>51,654,582</u>
District's covered payroll	\$ 21,371,096	\$ 21,114,438	19,889,741
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	111.54%	112.25%	112.27%
Plan fiduciary net position as a percentage of the total OPEB liability	0.29%	-0.07%	-0.17%

Note 1: Actuary valuations are as of June 30th of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Note 2: The District implemented GASB 75 beginning with it's fiscal year ended June 30, 2018 therefore 10 years of information is not available.

The Winnetka Public Schools District No. 36
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teacher Health Insurance Security Fund
Three Most Recent Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 194,755	\$ 187,671	\$ 167,074
Contributions in relation to the contractually required contribution	<u>196,614</u>	<u>185,807</u>	<u>166,284</u>
Contribution due	\$ <u>1,859</u>	\$ <u>(1,864)</u>	\$ <u>(790)</u>
District's covered payroll	\$ 21,956,981	\$ 21,371,096	\$ 21,114,438
Contributions as a percentage of covered payroll	0.90%	0.87%	0.79%

Note 1: Actuary valuations are as of June 30th of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Note: The District implemented GASB 75 beginning with its fiscal year ended June 30, 2018 therefore 10 years of information is not available.

The Winnetka Public Schools District No. 36

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020				2019 Actual
	Original and Final Budget	Actual	Variance From Final Budget		
Revenues					
Local sources					
General levy	\$ 35,349,491	\$ 35,394,460	\$ 44,969	\$	34,690,468
Corporate personal property					
replacement taxes	338,052	302,929	(35,123)		281,448
Regular tuition from pupils or parents	31,125	69,436	38,311		105,084
Regular tuition from other sources	130,000	117,894	(12,106)		140,372
Summer school tuition from pupils or parents	362,300	207,723	(154,577)		326,845
Interest on investments	323,300	715,493	392,193		516,791
Sales to pupils - lunch	155,000	112,300	(42,700)		154,290
Sales to pupils - other	39,000	23,954	(15,046)		37,341
Admissions - athletic	33,100	28,052	(5,048)		32,280
Fees	30,100	81,560	51,460		31,034
Other district/school activity revenue	66,000	21,430	(44,570)		-
Contributions and donations					
from private sources	-	41,882	41,882		99,653
Other	<u>553,963</u>	<u>539,314</u>	<u>(14,649)</u>		<u>1,441,502</u>
Total local sources	<u>37,411,431</u>	<u>37,656,427</u>	<u>244,996</u>		<u>37,857,108</u>
State sources					
Evidence Based Funding Formula	1,083,993	1,086,063	2,070		1,084,337
Special Education - Private Facility Tuition	107,944	149,654	41,710		107,945
Special Education - Orphanage - Individual	-	22,682	22,682		22,940
Other restricted revenue from state sources	<u>1,225</u>	<u>-</u>	<u>(1,225)</u>		<u>1,225</u>
Total state sources	<u>1,193,162</u>	<u>1,258,399</u>	<u>65,237</u>		<u>1,216,447</u>

The Winnetka Public Schools District No. 36

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Federal sources				
Special Milk Program	\$ 7,000	\$ 4,506	\$ (2,494)	\$ 5,658
Federal Special Education - Preschool Flow-Through	10,417	13,331	2,914	9,711
Federal Special Education - IDEA Flow Through	480,948	507,911	26,963	427,899
Federal Special Education - IDEA Room & Board	184,299	185,726	1,427	179,538
Title II - Teacher Quality	<u>31,000</u>	<u>16,577</u>	<u>(14,423)</u>	<u>39,688</u>
Total federal sources	<u>713,664</u>	<u>728,051</u>	<u>14,387</u>	<u>662,494</u>
Total revenues	<u>39,318,257</u>	<u>39,642,877</u>	<u>324,620</u>	<u>39,736,049</u>
Expenditures				
Instruction				
Regular programs				
Salaries	14,193,710	14,033,143	160,567	13,658,539
Employee benefits	1,963,769	2,141,706	(177,937)	2,009,120
Purchased services	500	485	15	326
Supplies and materials	201,337	125,987	75,350	191,307
Capital outlay	-	56,224	(56,224)	349,013
Non-capitalized equipment	<u>20,000</u>	<u>2,415</u>	<u>17,585</u>	<u>12,963</u>
Total	16,379,316	16,359,960	19,356	16,221,268

The Winnetka Public Schools District No. 36

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Special education programs				
Salaries	\$ 3,638,290	\$ 3,591,370	\$ 46,920	\$ 3,315,254
Employee benefits	779,016	733,473	45,543	676,098
Purchased services	216,250	222,167	(5,917)	238,888
Supplies and materials	53,710	44,996	8,714	40,222
Non-capitalized equipment	<u>2,000</u>	<u>1,237</u>	<u>763</u>	<u>1,767</u>
Total	<u>4,689,266</u>	<u>4,593,243</u>	<u>96,023</u>	<u>4,272,229</u>
Special education programs pre-K				
Purchased services	1,919	1,647	272	1,722
Other objects	<u>8,498</u>	<u>9,140</u>	<u>(642)</u>	<u>7,989</u>
Total	<u>10,417</u>	<u>10,787</u>	<u>(370)</u>	<u>9,711</u>
Interscholastic programs				
Salaries	533,312	434,002	99,310	511,141
Employee benefits	63,082	50,100	12,982	46,571
Purchased services	5,400	1,319	4,081	4,137
Supplies and materials	3,350	2,709	641	3,276
Non-capitalized equipment	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>3,350</u>
Total	<u>608,144</u>	<u>488,130</u>	<u>120,014</u>	<u>568,475</u>
Summer school programs				
Salaries	285,000	179,050	105,950	282,155
Employee benefits	2,500	1,236	1,264	2,058
Supplies and materials	20,500	13,303	7,197	11,332
Other objects	<u>-</u>	<u>213</u>	<u>(213)</u>	<u>-</u>
Total	<u>308,000</u>	<u>193,802</u>	<u>114,198</u>	<u>295,545</u>
Gifted programs				
Other objects	<u>28,000</u>	<u>36,692</u>	<u>(8,692)</u>	<u>27,671</u>
Total	<u>28,000</u>	<u>36,692</u>	<u>(8,692)</u>	<u>27,671</u>

The Winnetka Public Schools District No. 36

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Bilingual programs				
Salaries	\$ 92,551	\$ 119,911	\$ (27,360)	\$ 100,555
Employee benefits	<u>21,639</u>	<u>17,146</u>	<u>4,493</u>	<u>17,312</u>
Total	<u>114,190</u>	<u>137,057</u>	<u>(22,867)</u>	<u>117,867</u>
Special Education K-12 Programs				
Private Tuition	<u>1,175,000</u>	<u>1,150,729</u>	<u>24,271</u>	<u>1,207,009</u>
Total instruction	<u>23,312,333</u>	<u>22,970,400</u>	<u>341,933</u>	<u>22,719,775</u>
Support services				
Pupils				
Attendance and social work services				
Salaries	656,709	656,720	(11)	641,440
Employee benefits	98,575	82,611	15,964	85,861
Supplies and materials	<u>2,375</u>	<u>901</u>	<u>1,474</u>	<u>1,188</u>
Total	<u>757,659</u>	<u>740,232</u>	<u>17,427</u>	<u>728,489</u>
Health services				
Salaries	253,543	260,469	(6,926)	236,781
Employee benefits	64,203	66,370	(2,167)	63,200
Purchased services	250	-	250	250
Supplies and materials	14,935	16,563	(1,628)	11,890
Other objects	1,250	742	508	760
Non-capitalized equipment	<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
Total	<u>337,181</u>	<u>344,144</u>	<u>(6,963)</u>	<u>312,881</u>
Psychological services				
Salaries	684,518	598,447	86,071	700,146
Employee benefits	76,131	69,551	6,580	73,521
Purchased services	26,140	22,374	3,766	31,521
Supplies and materials	5,000	3,974	1,026	4,368
Other objects	<u>2,080</u>	<u>2,032</u>	<u>48</u>	<u>1,939</u>
Total	<u>793,869</u>	<u>696,378</u>	<u>97,491</u>	<u>811,495</u>

The Winnetka Public Schools District No. 36

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020				2019 Actual
	Original and Final Budget	Actual	Variance From Final Budget		
Speech pathology and audiology services					
Salaries	\$ 520,746	\$ 521,323	\$ (577)	\$	499,550
Employee benefits	65,362	65,783	(421)		62,933
Purchased services	-	35,198	(35,198)		-
Supplies and materials	<u>1,600</u>	<u>1,288</u>	<u>312</u>		<u>1,352</u>
Total	<u>587,708</u>	<u>623,592</u>	<u>(35,884)</u>		<u>563,835</u>
Total pupils	<u>2,476,417</u>	<u>2,404,346</u>	<u>72,071</u>		<u>2,416,700</u>
Instructional staff					
Improvement of instruction services					
Salaries	555,657	593,154	(37,497)		580,547
Employee benefits	74,157	85,179	(11,022)		76,514
Purchased services	225,340	170,147	55,193		155,126
Supplies and materials	161,995	88,192	73,803		148,559
Other objects	209,400	111,331	98,069		142,279
Non-capitalized equipment	<u>13,500</u>	<u>1,961</u>	<u>11,539</u>		<u>6,157</u>
Total	<u>1,240,049</u>	<u>1,049,964</u>	<u>190,085</u>		<u>1,109,182</u>
Educational media services					
Salaries	540,928	540,893	35		582,886
Employee benefits	89,989	90,424	(435)		80,756
Supplies and materials	68,225	40,865	27,360		54,239
Non-capitalized equipment	<u>12,600</u>	<u>4,147</u>	<u>8,453</u>		<u>6,050</u>
Total	<u>711,742</u>	<u>676,329</u>	<u>35,413</u>		<u>723,931</u>
Assessment and testing					
Other objects	<u>34,158</u>	<u>25,930</u>	<u>8,228</u>		<u>18,485</u>
Total	<u>34,158</u>	<u>25,930</u>	<u>8,228</u>		<u>18,485</u>
Total instructional staff	<u>1,985,949</u>	<u>1,752,223</u>	<u>233,726</u>		<u>1,851,598</u>

The Winnetka Public Schools District No. 36

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
General administration				
Board of education services				
Salaries	\$ 3,000	\$ -	\$ 3,000	\$ -
Employee benefits	20,000	29,028	(9,028)	20,161
Purchased services	426,956	408,543	18,413	432,329
Supplies and materials	9,946	3,222	6,724	9,773
Other objects	26,410	40,268	(13,858)	31,591
Non-capitalized equipment	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
Total	<u>488,312</u>	<u>481,061</u>	<u>7,251</u>	<u>493,854</u>
Executive administration services				
Salaries	389,217	389,318	(101)	378,054
Employee benefits	53,308	71,994	(18,686)	66,745
Purchased services	24,797	8,651	16,146	25,012
Supplies and materials	3,900	2,938	962	5,591
Other objects	23,100	23,274	(174)	17,947
Non-capitalized equipment	<u>2,200</u>	<u>1,596</u>	<u>604</u>	<u>-</u>
Total	<u>496,522</u>	<u>497,771</u>	<u>(1,249)</u>	<u>493,349</u>
Tort immunity services				
Purchased services	<u>99,393</u>	<u>99,393</u>	<u>-</u>	<u>102,456</u>
Total	<u>99,393</u>	<u>99,393</u>	<u>-</u>	<u>102,456</u>
Total general administration	<u>1,084,227</u>	<u>1,078,225</u>	<u>6,002</u>	<u>1,089,659</u>

The Winnetka Public Schools District No. 36

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020				2019 Actual
	Original and Final Budget	Actual	Variance From Final Budget		
School administration					
Office of the principal services					
Salaries	\$ 1,555,910	\$ 1,511,329	\$ 44,581	\$	1,599,007
Employee benefits	192,478	225,754	(33,276)		177,501
Purchased services	58,640	43,548	15,092		56,048
Supplies and materials	13,200	7,206	5,994		8,325
Other objects	23,585	14,660	8,925		17,643
Non-capitalized equipment	<u>6,000</u>	<u>3,278</u>	<u>2,722</u>		<u>4,375</u>
Total	<u>1,849,813</u>	<u>1,805,775</u>	<u>44,038</u>		<u>1,862,899</u>
Total school administration	<u>1,849,813</u>	<u>1,805,775</u>	<u>44,038</u>		<u>1,862,899</u>
Business					
Direction of business support services					
Salaries	576,456	557,809	18,647		559,383
Employee benefits	77,291	84,180	(6,889)		84,517
Purchased services	39,300	30,109	9,191		28,238
Supplies and materials	46,122	56,717	(10,595)		34,578
Capital outlay	10,000	7,690	2,310		26,315
Other objects	6,800	8,236	(1,436)		5,252
Non-capitalized equipment	<u>1,200</u>	<u>-</u>	<u>1,200</u>		<u>-</u>
Total	<u>757,169</u>	<u>744,741</u>	<u>12,428</u>		<u>738,283</u>
Food services					
Salaries	23,695	25,843	(2,148)		22,255
Employee benefits	3,032	3,099	(67)		2,943
Purchased services	215,000	167,371	47,629		221,401
Supplies and materials	600	393	207		363
Capital outlay	15,000	-	15,000		-
Non-capitalized equipment	<u>2,000</u>	<u>-</u>	<u>2,000</u>		<u>-</u>
Total	<u>259,327</u>	<u>196,706</u>	<u>62,621</u>		<u>246,962</u>
Total business	<u>1,016,496</u>	<u>941,447</u>	<u>75,049</u>		<u>985,245</u>

The Winnetka Public Schools District No. 36

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Central				
Information services				
Salaries	\$ 105,045	\$ 105,045	\$ -	\$ 101,199
Employee benefits	16,084	16,247	(163)	15,949
Purchased services	23,000	21,601	1,399	31,455
Supplies and materials	100	298	(198)	-
Other objects	800	1,045	(245)	508
Total	<u>145,029</u>	<u>144,236</u>	<u>793</u>	<u>149,111</u>
Staff services				
Employee benefits	18,800	13,713	5,087	17,063
Purchased services	5,000	7,707	(2,707)	5,093
Supplies and materials	-	110	(110)	-
Total	<u>23,800</u>	<u>21,530</u>	<u>2,270</u>	<u>22,156</u>
Data processing services				
Salaries	560,380	542,533	17,847	546,191
Employee benefits	59,652	65,874	(6,222)	56,708
Purchased services	222,725	148,783	73,942	120,168
Supplies and materials	175,027	192,980	(17,953)	231,144
Capital outlay	450,969	272,600	178,369	585,467
Other objects	4,240	4,349	(109)	3,741
Non-capitalized equipment	146,522	115,872	30,650	62,057
Total	<u>1,619,515</u>	<u>1,342,991</u>	<u>276,524</u>	<u>1,605,476</u>
Total central	<u>1,788,344</u>	<u>1,508,757</u>	<u>279,587</u>	<u>1,776,743</u>
Other supporting services				
Salaries	385,726	409,665	(23,939)	403,872
Employee benefits	53,564	56,194	(2,630)	52,897
Purchased services	41,820	96,420	(54,600)	15,847
Supplies and materials	44,560	25,322	19,238	40,343
Other objects	15,790	15,110	680	11,311
Total	<u>541,460</u>	<u>602,711</u>	<u>(61,251)</u>	<u>524,270</u>
Total support services	<u>10,742,706</u>	<u>10,093,484</u>	<u>649,222</u>	<u>10,507,114</u>

The Winnetka Public Schools District No. 36

General Fund - Budgetary Basis

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Community services				
Salaries	\$ 46,630	\$ 44,207	\$ 2,423	\$ 46,515
Employee benefits	2,883	2,919	(36)	2,825
Supplies and materials	500	99	401	302
Other objects	<u>2,500</u>	<u>1,910</u>	<u>590</u>	<u>2,870</u>
Total	<u>52,513</u>	<u>49,135</u>	<u>3,378</u>	<u>52,512</u>
Payments for regular programs - tuition				
Other objects	<u>3,500</u>	<u>76</u>	<u>3,424</u>	<u>1,760</u>
Payments for special education programs - tuition				
Other objects	<u>1,515,005</u>	<u>1,467,880</u>	<u>47,125</u>	<u>1,289,787</u>
Total payments to other districts and other government units	<u>1,518,505</u>	<u>1,467,956</u>	<u>50,549</u>	<u>1,291,547</u>
Total expenditures	<u>35,626,057</u>	<u>34,580,975</u>	<u>1,045,082</u>	<u>34,570,948</u>
Excess of revenues over expenditures	<u>3,692,200</u>	<u>5,061,902</u>	<u>1,369,702</u>	<u>5,165,101</u>
Other financing sources (uses)				
Sale or compensation for fixed assets	-	21,777	21,777	-
Capital lease proceeds	-	-	-	249,360
Transfer to debt service fund for principal on capital leases	-	(260,318)	(260,318)	(257,353)
Transfer to debt service fund for interest on capital leases	<u>-</u>	<u>(6,545)</u>	<u>(6,545)</u>	<u>(6,700)</u>
Total other financing sources (uses)	<u>-</u>	<u>(245,086)</u>	<u>(245,086)</u>	<u>(14,693)</u>
Net change to fund balance	<u>\$ 3,692,200</u>	4,816,816	<u>\$ 1,124,616</u>	5,150,408
Fund balance, beginning of year		<u>26,250,192</u>		<u>21,099,784</u>
Fund balance, end of year		<u>\$ 31,067,008</u>		<u>\$ 26,250,192</u>

The Winnetka Public Schools District No. 36
Operations and Maintenance Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Revenues				
Local sources				
General levy	\$ 1,848,473	\$ 3,123,178	\$ 1,274,705	\$ 1,813,930
Interest on investments	80,000	23,968	(56,032)	54,950
Rentals	77,000	30,307	(46,693)	61,603
Other	18,000	-	(18,000)	20,695
Total local sources	<u>2,023,473</u>	<u>3,177,453</u>	<u>1,153,980</u>	<u>1,951,178</u>
State sources				
School Infrastructure - Maintenance Projects	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total state sources	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total revenues	<u>2,023,473</u>	<u>3,227,453</u>	<u>1,203,980</u>	<u>1,951,178</u>
Expenditures				
Support services				
Operation and maintenance of plant services				
Salaries	1,442,537	1,386,502	56,035	1,403,363
Employee benefits	319,523	246,598	72,925	259,451
Purchased services	808,918	777,545	31,373	705,233
Supplies and materials	787,800	756,625	31,175	723,652
Capital outlay	295,588	274,209	21,379	510,678
Other objects	-	-	-	11
Non-capitalized equipment	<u>52,000</u>	<u>9,144</u>	<u>42,856</u>	<u>33,722</u>
Total expenditures	<u>3,706,366</u>	<u>3,450,623</u>	<u>255,743</u>	<u>3,636,110</u>
Excess (efficiency) of revenues over expenditures	<u>\$ (1,682,893)</u>	<u>\$ (223,170)</u>	<u>\$ 1,459,723</u>	<u>\$ (1,684,932)</u>
Fund balance, beginning of year		<u>2,607,272</u>		<u>4,292,204</u>
Fund balance, end of year		<u>\$ 2,384,102</u>		<u>\$ 2,607,272</u>

The Winnetka Public Schools District No. 36
Transportation Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Revenues				
Local sources				
General levy	\$ 206,349	\$ 470,948	\$ 264,599	\$ 202,849
Regular transportation fees from pupils or parents - in state	159,987	102,647	(57,340)	137,133
Interest on investments	<u>11,000</u>	<u>9,546</u>	<u>(1,454)</u>	<u>11,223</u>
Total local sources	<u>377,336</u>	<u>583,141</u>	<u>205,805</u>	<u>351,205</u>
State sources				
Transportation - Special Education	<u>160,000</u>	<u>209,653</u>	<u>49,653</u>	<u>159,833</u>
Total state sources	<u>160,000</u>	<u>209,653</u>	<u>49,653</u>	<u>159,833</u>
Total revenues	<u>537,336</u>	<u>792,794</u>	<u>255,458</u>	<u>511,038</u>
Expenditures				
Support services				
Pupil transportation services				
Salaries	18,803	18,283	520	17,553
Employee benefits	3,152	2,379	773	3,290
Purchased services	655,000	593,951	61,049	620,471
Other objects	<u>1,050</u>	<u>497</u>	<u>553</u>	<u>1,169</u>
Total expenditures	<u>678,005</u>	<u>615,110</u>	<u>62,895</u>	<u>642,483</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (140,669)</u>	<u>177,684</u>	<u>\$ 318,353</u>	<u>(131,445)</u>
Fund balance, beginning of year		<u>518,862</u>		<u>650,307</u>
Fund balance, end of year		<u>\$ 696,546</u>		<u>\$ 518,862</u>

The Winnetka Public Schools District No. 36
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Revenues				
Local sources				
General levy	\$ 1,282,914	\$ 403,132	\$ (879,782)	\$ 352,406
Social security/Medicare only levy	-	821,920	821,920	906,292
Corporate personal property replacement taxes	-	15,011	15,011	12,590
Interest on investments	<u>30,000</u>	<u>46,303</u>	<u>16,303</u>	<u>35,113</u>
Total local sources	<u>1,312,914</u>	<u>1,286,366</u>	<u>(26,548)</u>	<u>1,306,401</u>
Total revenues	<u>1,312,914</u>	<u>1,286,366</u>	<u>(26,548)</u>	<u>1,306,401</u>
Expenditures				
Instruction				
Regular programs	252,006	270,099	(18,093)	261,678
Pre-K programs	11,394	-	11,394	-
Special education programs	218,565	185,448	33,117	188,465
Interscholastic programs	8,506	7,667	839	8,601
Summer school programs	19,684	12,807	6,877	20,174
Bilingual programs	<u>1,342</u>	<u>1,588</u>	<u>(246)</u>	<u>1,291</u>
Total instruction	<u>511,497</u>	<u>477,609</u>	<u>33,888</u>	<u>480,209</u>
Support services				
Pupils				
Attendance and social work services	8,801	10,961	(2,160)	10,223
Health services	33,836	28,055	5,781	32,884
Psychological services	18,074	13,717	4,357	17,577
Speech pathology and audiology services	<u>7,552</u>	<u>7,214</u>	<u>338</u>	<u>6,821</u>
Total pupils	<u>68,263</u>	<u>59,947</u>	<u>8,316</u>	<u>67,505</u>

The Winnetka Public Schools District No. 36
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Instructional staff				
Improvement of instruction services	\$ 21,100	\$ 20,191	\$ 909	\$ 24,966
Educational media services	<u>25,561</u>	<u>25,277</u>	<u>284</u>	<u>25,480</u>
Total instructional staff	<u>46,661</u>	<u>45,468</u>	<u>1,193</u>	<u>50,446</u>
General administration				
Executive administration services	<u>21,681</u>	<u>21,396</u>	<u>285</u>	<u>21,352</u>
Total general administration	<u>21,681</u>	<u>21,396</u>	<u>285</u>	<u>21,352</u>
School administration				
Employee benefits	<u>64,017</u>	<u>59,530</u>	<u>4,487</u>	<u>66,868</u>
Total school administration	<u>64,017</u>	<u>59,530</u>	<u>4,487</u>	<u>66,868</u>
Business				
Direction of business support services	61,431	58,043	3,388	61,298
Operation and maintenance of plant services	234,558	223,485	11,073	233,542
Pupil transportation services	3,058	2,166	892	2,063
Food services	<u>2,298</u>	<u>2,304</u>	<u>(6)</u>	<u>2,317</u>
Total business	<u>301,345</u>	<u>285,998</u>	<u>15,347</u>	<u>299,220</u>
Central				
Information services	17,080	16,394	686	19,257
Data processing services	<u>65,130</u>	<u>57,208</u>	<u>7,922</u>	<u>60,268</u>
Total central	<u>82,210</u>	<u>73,602</u>	<u>8,608</u>	<u>79,525</u>
Other support services	<u>20,790</u>	<u>22,565</u>	<u>(1,775)</u>	<u>21,575</u>
Total support services	<u>604,967</u>	<u>568,506</u>	<u>36,461</u>	<u>606,491</u>

The Winnetka Public Schools District No. 36
Municipal Retirement / Social Security Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Community services	\$ 7,582	\$ 6,686	\$ 896	\$ 7,321
Total expenditures	<u>1,124,046</u>	<u>1,052,801</u>	<u>71,245</u>	<u>1,094,021</u>
Excess of revenues over expenditures	<u>\$ 188,868</u>	<u>233,565</u>	<u>\$ 44,697</u>	<u>212,380</u>
Fund balance, beginning of year		<u>1,831,993</u>		<u>1,619,613</u>
Fund balance, end of year		<u>\$ 2,065,558</u>		<u>\$ 1,831,993</u>

The Winnetka Public Schools District No. 36
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

Budgets are adopted on a basis consistent with the generally accepted accounting principles, except for the General Fund which does not budget for on-behalf payments from the state of Illinois. Annual budgets are adopted at the fund level for the governmental funds. The annual budget is legally enacted and provides for a legal level of control at the fund level. The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b) Public hearings are conducted and the proposed budget is available for inspection to obtain comments.
- c) By September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December each year, a tax levy resolution is filed with the County Clerk to obtain tax revenues.
- d) Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within a fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education after the public hearing process mandated by law.
- e) Formal budgetary integration is employed as a management control device during the year for the governmental funds.
- f) The budget amounts shown in the financial statements are as originally adopted, by the Board of Education, on September 24, 2019.
- g) All budget appropriations lapse at the end of the fiscal year.

2. EXPENDITURES IN EXCESS OF BUDGETS

The following funds had expenditures in excess of budget at June 30, 2020:

<u>Funds</u>	<u>Variance</u>
Debt Service	\$ 239,636
Capital Projects	880,454

The Winnetka Public Schools District No. 36
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

3. BUDGET RECONCILIATION

The statement of revenues, expenditures, and changes in fund balance - governmental funds (GAAP basis) includes "on-behalf" payments received and made from the amounts contributed by the state of Illinois for the employer's share of the Teacher's Retirement System pension. The District does not budget for these amounts. The difference between the budget and the GAAP basis are as follows:

	<u>Revenues</u>	<u>Expenditures</u>
General fund - budgetary basis	\$ 39,642,877	\$ 34,580,975
To adjust for on-behalf payments	10,091,152	-
To adjust for on-behalf payments	<u>-</u>	<u>10,091,152</u>
General fund - GAAP basis	<u>\$ 49,734,029</u>	<u>\$ 44,672,127</u>

4. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

For the 2019, 2018, 2017, and 2016 measurement years, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.50 percent and a real return of 4.50%. Salary increases were assumed to vary by service credit, but the rates of increase in the 2018 measurement year were slightly higher.

For the 2015 measurement year, the assumed investment rate of return was 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 IMRF CONTRIBUTION RATE*

Valuation Date:

Notes

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

The Winnetka Public Schools District No. 36
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 IMRF CONTRIBUTION RATE* (Continued)

Methods and Assumptions Used to Determine the 2019 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 24-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years and four other were financed over 29 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 calculation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF mortality table was used with fully generational projections scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The Winnetka Public Schools District No. 36

June 30, 2020

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF
THE 2019 IMRF CONTRIBUTION RATE* (Continued)

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation.

Change in Assumptions:

For the 2019 and 2018 measurement years, the assumed investment rate of return was 7.25 percent, including an inflation rate of 2.50 percent and a real return of 4.75%.

For the 2017, 2016, 2015 and 2014 measurement years, the assumed investment rate of return was 7.50 percent, including an inflation rate of 2.50 percent and a real return of 5.00%.

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 THIS CONTRIBUTION RATE

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of June 30 each year, 12 months prior to the fiscal year in which contributions are reported.
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Fiscal Year End	June 30, 2020

Methods and Assumptions Used to Determine the 2019 Contribution Rate:

Actuarial Cost Method	Aggregate Entry Age Normal
Asset Valuation Method	Market value
Investment Rate of Return	0%, net of OPEB plan investment expense, including inflation, for all plan years.
Single equivalent discount rate	3.13%
Price Inflation	2.50%
Salary Increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption.

The Winnetka Public Schools District No. 36
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 THIS CONTRIBUTION RATE (Continued)

Methods and Assumptions Used to Determine the 2019 Contribution Rate: (Continued)

Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2018, actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Disabled Annuitant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2019. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare cost and Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Change in Assumptions:

The Discount Rate was changed from 3.62% used in the Fiscal Year 2019 valuation to 3.13%, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

The Discount Rate was changed from 3.56% used in the Fiscal Year 2018 valuation to 3.62% used in the 2019 valuation, which is the Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

The Winnetka Public Schools District No. 36
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

7. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2020 RHP CONTRIBUTION RATE

Valuation Date:

Valuation Date	July 1, 2019
Measurement Date	June 30, 2020
Fiscal Year End	June 30, 2020

Methods and Assumptions Used to Determine the 2020 Contribution Rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-line
Remaining Amortization Period	8.20 years
Municipal Bond Index	2.66%

Asset Valuation Method	Market value
Investment Rate of Return	Not applicable
Price Inflation	3.00%
Salary Increases	4.00%

Retirement Rates IMRF Employees: Rates from the December 31, 2019 IMRF Actuarial

Election at Retirement 100% of Certified Staff and Administrators are assumed to elect TRIP coverage at retirement. 90% of IMRF employees are assumed to elect District medical coverage at retirement.

Mortality IMRF Employees and Retirees: Rates from the December 31, 2019 IMRF

Healthcare Cost Trend Rates TRS Employees and Retirees: Rates from the June 30, 2019 TRS Initial:

4.50% - HMO Plan
6.00% - PPO 300 Plan
5.00% - TRIP Plan

Ultimate:

4.50% - PPO 300 Plan
HMO Plan and TRIP Plan - N/A
2036 (trend rate is constant for all years)

The Winnetka Public Schools District No. 36
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

7. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION
OF THE 2020 RHP CONTRIBUTION RATE

Change in Assumptions:

The Discount Rate was changed from 2.79% used in the Fiscal Year 2019 valuation to 2.66%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2020.

SUPPLEMENTARY FINANCIAL INFORMATION

The Winnetka Public Schools District No. 36

General Fund COMBINING BALANCE SHEET June 30, 2020

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 24,919,335	\$ 429,739	\$ 6,150,297	\$ 31,499,371
Receivables (net of allowance for uncollectibles):				
Interest	70,743	1,327	17,442	89,512
Property taxes	16,435,835	49,305	48,787	16,533,927
Replacement taxes	45,335	-	-	45,335
Intergovernmental	89,087	-	-	89,087
Other current assets	<u>3,535</u>	<u>-</u>	<u>-</u>	<u>3,535</u>
Total assets	<u>\$ 41,563,870</u>	<u>\$ 480,371</u>	<u>\$ 6,216,526</u>	<u>\$ 48,260,767</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 286,916	\$ -	\$ -	\$ 286,916
Payroll deductions payable	311,802	-	-	311,802
Other current liabilities	20,812	-	-	20,812
Unearned revenue	<u>8,006</u>	<u>-</u>	<u>-</u>	<u>8,006</u>
Total liabilities	<u>627,536</u>	<u>-</u>	<u>-</u>	<u>627,536</u>
DEFERRED INFLOWS				
Unavailable interest revenue	25,524	479	6,293	32,296
Property taxes levied for a future period	<u>16,435,835</u>	<u>49,305</u>	<u>48,787</u>	<u>16,533,927</u>
Total deferred inflows	<u>16,461,359</u>	<u>49,784</u>	<u>55,080</u>	<u>16,566,223</u>
FUND BALANCES				
Restricted	-	430,587	-	430,587
Unassigned	<u>24,474,975</u>	<u>-</u>	<u>6,161,446</u>	<u>30,636,421</u>
Total fund balance	<u>24,474,975</u>	<u>430,587</u>	<u>6,161,446</u>	<u>31,067,008</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 41,563,870</u>	<u>\$ 480,371</u>	<u>\$ 6,216,526</u>	<u>\$ 48,260,767</u>

The Winnetka Public Schools District No. 36

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2020

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 34,896,441	\$ 155,856	\$ 342,163	\$ 35,394,460
Replacement taxes	302,929	-	-	302,929
State aid	11,349,551	-	-	11,349,551
Federal aid	728,051	-	-	728,051
Interest	566,507	10,692	138,294	715,493
Other	<u>1,243,545</u>	<u>-</u>	<u>-</u>	<u>1,243,545</u>
Total revenues	<u>49,087,024</u>	<u>166,548</u>	<u>480,457</u>	<u>49,734,029</u>
Expenditures				
Current:				
Instruction:				
Regular programs	16,146,488	-	-	16,146,488
Special programs	5,754,759	-	-	5,754,759
Other instructional programs	1,012,929	-	-	1,012,929
State retirement contributions	10,091,152	-	-	10,091,152
Support services:				
Pupils	2,406,984	-	-	2,406,984
Instructional staff	1,746,422	-	-	1,746,422
General administration	978,832	99,393	-	1,078,225
School administration	1,527,821	-	-	1,527,821
Business	933,757	-	-	933,757
Central	1,207,861	-	-	1,207,861
Other supporting services	602,711	-	-	602,711
Community services	49,135	-	-	49,135
Nonprogrammed charges	1,467,956	-	-	1,467,956
Capital outlay	<u>645,927</u>	<u>-</u>	<u>-</u>	<u>645,927</u>
Total expenditures	<u>44,572,734</u>	<u>99,393</u>	<u>-</u>	<u>44,672,127</u>
Excess of revenues over expenditures	<u>4,514,290</u>	<u>67,155</u>	<u>480,457</u>	<u>5,061,902</u>

(Continued)

The Winnetka Public Schools District No. 36

General Fund

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2020

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Other financing sources (uses)				
Transfers out	\$ (266,863)	\$ -	\$ -	\$ (266,863)
Sale or compensation for fixed assets	<u>21,777</u>	<u>-</u>	<u>-</u>	<u>21,777</u>
Total other financing sources (uses)	<u>(245,086)</u>	<u>-</u>	<u>-</u>	<u>(245,086)</u>
Net change in fund balance	4,269,204	67,155	480,457	4,816,816
Fund balance, beginning of year	<u>20,205,771</u>	<u>363,432</u>	<u>5,680,989</u>	<u>26,250,192</u>
Fund balance, end of year	<u>\$ 24,474,975</u>	<u>\$ 430,587</u>	<u>\$ 6,161,446</u>	<u>\$ 31,067,008</u>

(Concluded)

The Winnetka Public Schools District No. 36
Debt Service Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Revenues				
Local sources				
General levy	\$ 4,589,842	\$ 4,696,543	\$ 106,701	\$ 4,521,606
Interest on investments	<u>80,000</u>	<u>92,649</u>	<u>12,649</u>	<u>86,881</u>
Total local sources	<u>4,669,842</u>	<u>4,789,192</u>	<u>119,350</u>	<u>4,608,487</u>
Total revenues	<u>4,669,842</u>	<u>4,789,192</u>	<u>119,350</u>	<u>4,608,487</u>
Expenditures				
Debt service				
Debt services - interest				
Bonds and other - interest	3,129,402	142,167	2,987,235	197,765
State aid anticipation certificates interest	<u>1,392,592</u>	<u>-</u>	<u>1,392,592</u>	<u>-</u>
Total debt service - interest	<u>4,521,994</u>	<u>142,167</u>	<u>4,379,827</u>	<u>197,765</u>
Principal payments on long-term debt	<u>-</u>	<u>4,620,318</u>	<u>(4,620,318)</u>	<u>4,432,353</u>
Other debt service				
Purchased services	<u>2,950</u>	<u>2,095</u>	<u>855</u>	<u>4,426</u>
Total	<u>2,950</u>	<u>2,095</u>	<u>855</u>	<u>4,426</u>
Total debt service	<u>4,524,944</u>	<u>4,764,580</u>	<u>(239,636)</u>	<u>4,634,544</u>
Total expenditures	<u>4,524,944</u>	<u>4,764,580</u>	<u>(239,636)</u>	<u>4,634,544</u>
Excess of revenues over expenditures	<u>144,898</u>	<u>24,612</u>	<u>(120,286)</u>	<u>(26,057)</u>

The Winnetka Public Schools District No. 36

Debt Service Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			
	Original and Final Budget	Actual	Variance From Final Budget	2019 Actual
Other financing sources				
Transfer to pay principal on capital leases	\$ -	\$ 260,318	\$ 260,318	\$ 257,353
Transfer to pay interest on capital leases	-	6,545	6,545	6,700
Total other financing sources	-	266,863	266,863	264,053
Net change in fund balance	<u>\$ 144,898</u>	291,475	<u>\$ 146,577</u>	237,996
Fund balance, beginning of year		<u>4,000,824</u>		<u>3,762,828</u>
Fund balance, end of year		<u>\$ 4,292,299</u>		<u>\$ 4,000,824</u>

(Concluded)

The Winnetka Public Schools District No. 36

Capital Projects Fund

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL

For the Year Ended June 30, 2020

With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Variance From Final Budget	2019 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
Interest on investments	\$ 2,500	\$ 8,105	\$ 5,605	\$ 50,246
Total local sources	2,500	8,105	5,605	50,246
Total revenues	2,500	8,105	5,605	50,246
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	25,000	61,135	(36,135)	92,339
Capital outlay	2,020,001	2,864,320	(844,319)	537,247
Total support services	2,045,001	2,925,455	(880,454)	629,586
Total expenditures	2,045,001	2,925,455	(880,454)	629,586
Deficiency of revenues over expenditures	\$(2,042,501)	\$(2,917,350)	\$ (874,849)	\$ (579,340)
Fund balance, beginning of year		2,827,289		3,406,629
Fund balance (deficit), end of year		\$ (90,061)		\$ 2,827,289

The Winnetka Public Schools District No. 36
Fire Prevention and Safety Fund
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			2019
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Revenues				
Local sources				
Interest on investments	\$ -	\$ -	\$ -	\$ 2
Total local sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Fund balance, beginning of year		<u>1,103</u>		<u>1,101</u>
Fund balance, end of year		<u>\$ 1,103</u>		<u>\$ 1,103</u>

The Winnetka Public Schools District No. 36
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Cash	\$ 788,175	\$ 752,574	\$ 782,197	\$ 758,552
DW: District Wide				
Mobile Learning Initiative Fee	\$ 28,507	\$ 18,710	\$ 34,703	\$ 12,514
Infosnap Chargeback Fees	(911)	4,155	3,344	(100)
Core Plus More	32,608	7,940	46,086	(5,538)
Foundation	102,496	23,945	15,745	110,696
Archives/Foundation	3,368	-	70	3,298
Artist in Residence	59,840	26,440	14,396	71,884
Teacher Initiative Grant	66,735	2,911	24,740	44,906
Summer Institute	19,437	10,000	119	29,318
Teacher Research	4,087	-	1,953	2,134
Pioneer RM	2,201	63	877	1,387
Keegan/Science Funds	1,925	216	-	2,141
Miscellaneous	3,473	3	4	3,472
Staff Wellness Initiatives	71,454	11,001	33,836	48,619
Music Activity	9	3,936	4,061	(116)
PTA Dues-(Central Board)	10,944	19,173	16,866	13,251
Total District Wide	406,173	128,493	196,800	337,866

(Continued)

The Winnetka Public Schools District No. 36
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
CI: Crow Island				
Activity Fee	\$ 68,486	\$ 81,358	\$ 56,924	\$ 92,920
Holding	355	-	-	355
Coding Club	1,832	-	1,832	-
Mathcount/Crazy 8s	3,247	3,342	1,826	4,763
Principal's Funds	605	554	494	665
Spanish Club	690	-	-	690
Electronic Music Club	836	-	836	-
PTO Wish List Account	-	3,598	4,842	(1,244)
School Store	102	-	-	102
Total Crow Island	<u>76,153</u>	<u>88,852</u>	<u>66,754</u>	<u>98,251</u>
GR: Greeley				
Activity Fee	46,899	56,367	37,946	65,320
Holding	302	-	-	302
Coding Club	1,991	-	1,991	-
Mathcount/Crazy 8s	1,766	1,834	1,649	1,951
Principal's Funds	571	-	-	571
Basic Math Club	(540)	540	-	-
Cardio Club	2,091	-	-	2,091
PTO Contribution	(77)	-	-	(77)
PTO Wish List Account	-	18,022	30,022	(12,000)
Total Greeley	<u>53,003</u>	<u>76,763</u>	<u>71,608</u>	<u>58,158</u>
HW: Hubbard Woods				
Activity Fee	63,937	68,770	44,466	88,241
Holding	7,943	1,110	150	8,903
Drama/Dance clubs	499	115	119	495
Yoga Club	829	-	-	829
Coding Club	1,431	-	1,431	-
Mathcount/Crazy 8s	1,655	2,839	3,298	1,196
Principal's Fund	210	-	-	210
Knitting Club	1,594	2,741	1,319	3,016
Book Club	742	-	-	742
PTO Contribution	97	-	-	97
PTO Wish List	(800)	5,995	5,195	-
Total Hubbard Woods	<u>78,137</u>	<u>81,570</u>	<u>55,978</u>	<u>103,729</u>

(Continued)

The Winnetka Public Schools District No. 36
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
SK: Skokie				
Activity Fee	\$ 61,071	\$ 92,055	\$ 80,945	\$ 72,181
Archives	2,830	-	-	2,830
Holding	14,005	5,625	15,675	3,955
Drama Club	3,106	-	3,106	-
Art Club	4,565	6,162	6,116	4,611
Chess Club	443	-	443	-
Yoga Club	158	70	73	155
Every Monday Matters Club	83	-	83	-
Memory/Yearbook Club	(73)	2,732	1,979	680
Comic Club	1,037	-	1,037	-
Crazy 8's Math Club	5,141	2,534	2,139	5,536
Principal's Funds	1	-	-	1
Happy Tillers	107	-	107	-
Knitting Club	93	-	-	93
Play it Now Math Club	(2,217)	2,217	-	-
Creative Writing	999	-	-	999
Robotics Club	1,078	3,900	4,791	187
Dungeon and Dragons	1,912	-	-	1,912
Club Pawsome	317	2,214	880	1,651
PTO Contributions	20	38	38	20
Minecraft Club	269	-	-	269
Total Skokie	94,945	117,547	117,412	95,080
CW: Carleton Washburn				
Activity Fee	81,186	92,758	79,608	94,336
Holding	8,352	8,191	8,192	8,351
Coding Club	(560)	560	-	-
Principal's Funds	907	-	405	502
Robotics Club	(555)	5,699	5,144	-
Steam Ambassadors	202	-	202	-
Colab Challenge Club	(1,468)	1,469	-	1
Athletics	(22,400)	108,352	139,359	(53,407)
PTO Contribution	120	-	-	120
PTO Wish List Account	-	24,842	28,488	(3,646)
School Store	3	-	-	3
Student Council	2,583	3,484	224	5,843
Yearbook	11,394	13,994	12,023	13,365
Total Carleton Washburn	79,764	259,349	273,645	65,468
Total	\$ 788,175	\$ 752,574	\$ 782,197	\$ 758,552

(Concluded)

The Winnetka Public Schools District No. 36

GENERAL LONG-TERM DEBT

SCHEDULE OF GENERAL OBLIGATION BONDS

Year Ended June 30, 2020

		Maturity as follows		
		for the Year		
		<u>Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
				<u>Total</u>
General obligation refunding bond	2021		4,390,000	65,670
Series 2016A, December 28, 2016	2022		<u>1,105,000</u>	<u>10,995</u>
				<u>1,115,995</u>
Total			\$ <u>5,495,000</u>	\$ <u>76,665</u>
				\$ <u>5,571,665</u>

Paying Agent:	Amalgamated Bank of Chicago
Principal payment date:	December 1
Interest payment date:	December 1 and June 1
Interest rates:	1.99%
Purpose:	Refunding Bonds

OTHER SUPPLEMENTAL INFORMATION
(Unaudited)

The Winnetka Public Schools District No. 36
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
AND RECONCILIATION TO CASH BASIS FUND BALANCES - ALL FUNDS
For the Year Ended June 30, 2019

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Service</u>	<u>Transportation</u>
Revenues				
Property taxes	\$ 34,896,441	\$ 3,123,178	\$ 4,696,543	\$ 470,948
Replacement taxes	302,929	-	-	-
State aid	11,349,551	50,000	-	209,653
Federal aid	728,051	-	-	-
Interest	566,507	23,968	92,649	9,546
Other	1,243,545	30,307	-	102,647
Total revenues	<u>49,087,024</u>	<u>3,227,453</u>	<u>4,789,192</u>	<u>792,794</u>
Expenditures	<u>44,572,734</u>	<u>3,450,623</u>	<u>4,764,580</u>	<u>615,110</u>
Excess (deficiency) of revenues over expenditures	4,514,290	(223,170)	24,612	177,684
Other financing sources (uses)	<u>(245,086)</u>	<u>-</u>	<u>266,863</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	4,269,204	(223,170)	291,475	177,684
Modified accrual fund balance, beginning of year	<u>20,205,771</u>	<u>2,607,272</u>	<u>4,000,824</u>	<u>518,862</u>
Modified accrual fund balance, end of year	<u>24,474,975</u>	<u>2,384,102</u>	<u>4,292,299</u>	<u>696,546</u>
Add:				
Accounts payable	286,916	156,423	-	19,498
Compensated absences payable	-	1,142	-	-
Payroll deductions payable	311,802	1,319	-	-
Other current liabilities	20,812	-	-	102,145
Unearned revenue	8,006	-	-	-
Unavailable interest revenue	25,524	1,280	4,232	453
Property taxes levied for a future period	16,435,835	2,034,251	2,239,656	339,675
Subtract:				
Receivables				
Interest	70,743	3,546	11,730	1,257
Property taxes	16,435,835	2,034,251	2,239,656	339,675
Replacement taxes	45,335	-	-	-
Intergovernmental	89,087	-	-	51,830
Other current assets	<u>3,535</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash basis fund balance, end of year	<u>\$ 24,919,335</u>	<u>\$ 2,540,720</u>	<u>\$ 4,284,801</u>	<u>\$ 765,555</u>

<u>Municipal Retirement / Social Sec.</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort Immunity and Judgment</u>	<u>Fire Prevention and Safety</u>	<u>Total</u>
\$ 1,225,052	\$ -	\$ 342,163	\$ 155,856	\$ -	\$ 44,910,181
15,011	-	-	-	-	317,940
-	-	-	-	-	11,609,204
-	-	-	-	-	728,051
46,303	8,105	138,294	10,692	-	896,064
-	-	-	-	-	1,376,499
<u>1,286,366</u>	<u>8,105</u>	<u>480,457</u>	<u>166,548</u>	<u>-</u>	<u>59,837,939</u>
<u>1,052,801</u>	<u>2,925,455</u>	<u>-</u>	<u>99,393</u>	<u>-</u>	<u>57,480,696</u>
233,565	(2,917,350)	480,457	67,155	-	2,357,243
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,777</u>
233,565	(2,917,350)	480,457	67,155	-	2,379,020
<u>1,831,993</u>	<u>2,827,289</u>	<u>5,680,989</u>	<u>363,432</u>	<u>1,103</u>	<u>38,037,535</u>
<u>2,065,558</u>	<u>(90,061)</u>	<u>6,161,446</u>	<u>430,587</u>	<u>1,103</u>	<u>40,416,555</u>
-	1,417,708	-	-	-	1,880,545
-	-	-	-	-	1,142
-	-	-	-	-	313,121
-	-	-	-	-	122,957
-	-	-	-	-	8,006
2,099	1,300	6,293	479	-	41,660
544,720	-	48,787	49,305	-	21,692,229
5,817	3,604	17,442	1,327	-	115,466
544,720	-	48,787	49,305	-	21,692,229
-	-	-	-	-	45,335
-	-	-	-	-	140,917
<u>95</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,630</u>
<u>\$ 2,061,745</u>	<u>\$ 1,325,343</u>	<u>\$ 6,150,297</u>	<u>\$ 429,739</u>	<u>\$ 1,103</u>	<u>\$ 42,478,638</u>

STATISTICAL SECTION
(Unaudited)

Statistical Section

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

114- 125

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

126 - 131

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

132 - 137

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

138 - 139

Operating Information

These schedules contain information about the District's services and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

140- 146

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

The Winnetka Public Schools District No. 36

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017****</u>
Governmental activities				
Net investment in capital				
assets	\$ 47,598,602	\$ 43,260,170	\$ 40,487,623	36,399,526
Restricted	9,864,870	12,212,770	14,191,577	16,371,115
Unrestricted	<u>(2,226,584)</u>	<u>(4,612,654)</u>	<u>(8,100,137)</u>	<u>(11,169,646)</u>
Total net position	<u>\$ 55,236,888</u>	<u>\$ 50,860,286</u>	<u>\$ 46,579,063</u>	<u>41,600,995</u>

*As restated, due to the implementation of GASB 65.

**As restated, due to the implementation of GASB 68 and GASB 71.

***As restated, due to change in accounting policy.

****As restated, due to the implementation of GASB 75.

<u>2016</u>	<u>2015***</u>	<u>2014**</u>	<u>2013*</u>	<u>2012</u>	<u>2011</u>
\$ 10,390,195	\$ 10,076,852	\$ 11,245,511	\$ 9,556,266	\$ 7,312,074	\$ 8,256,074
22,396,381	25,007,476	26,613,574	17,683,410	14,596,669	3,374,099
<u>30,519,074</u>	<u>23,977,221</u>	<u>19,112,319</u>	<u>25,046,346</u>	<u>21,394,952</u>	<u>28,438,245</u>
<u>\$ 63,305,650</u>	<u>\$ 59,061,549</u>	<u>\$ 56,971,404</u>	<u>\$ 52,286,022</u>	<u>\$ 43,303,695</u>	<u>\$ 40,068,418</u>

The Winnetka Public Schools District No. 36

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015
Expenses						
Instruction:						
Regular programs	\$ 19,792,614	\$ 19,640,929	\$ 18,508,129	\$ 16,767,050	\$ 16,275,527	\$ 14,411,703
Special programs	5,706,623	5,615,798	5,012,610	4,507,631	3,884,643	4,096,573
Other instructional programs	1,305,842	1,211,481	1,168,647	1,192,392	1,124,742	1,785,282
State retirement contributions	19,227,395	16,761,981	16,554,564	14,802,063	10,115,191	9,293,373
Support services:						
Pupils	2,571,737	2,631,201	2,438,756	2,258,751	2,134,289	2,068,108
Instructional staff	2,210,518	2,023,168	2,235,593	2,319,101	1,879,641	1,619,346
District administration	1,116,989	1,137,892	1,178,340	1,136,259	934,245	1,255,565
School administration	1,633,056	2,067,292	2,222,316	1,946,252	1,970,544	1,713,856
Business	1,152,762	1,091,379	1,640,909	1,285,841	1,282,569	995,253
Transportation	645,670	646,688	549,259	455,937	420,414	373,312
Operations and maintenance	4,084,787	3,801,024	3,843,036	3,848,673	3,538,490	3,404,521
Central	2,510,834	1,851,183	1,795,436	1,827,777	1,736,295	1,926,853
Other supporting services	632,063	553,013	545,948	497,926	522,039	470,904
Community services	57,112	64,658	46,189	29,951	33,508	33,726
Nonprogrammed charges	1,467,956	1,291,547	1,583,736	1,663,491	1,355,615	1,238,774.00
Interest and fees	270,975	434,808	561,084	2,020,612	2,398,534	2,531,804
Total expenses	<u>64,386,933</u>	<u>60,824,042</u>	<u>59,884,552</u>	<u>56,559,707</u>	<u>49,606,286</u>	<u>47,218,953</u>
Program revenues						
Charges for services						
Instruction:						
Regular programs	318,372	308,770	336,513	177,566	151,524	122,273
Special programs	-	-	-	-	-	371,636
Other instructional programs	207,723	326,845	278,806	391,367	367,818	-
Support services:						
Transportation	102,647	137,133	118,679	131,171	114,749	113,060
Business	136,254	191,631	205,483	200,698	315,505	338,884
Operations and maintenance	30,307	61,603	59,111	75,568	74,941	75,937
Operating grants and contributions						
Instruction:						
Regular programs	-	-	-	-	-	-
Special programs	879,304	748,033	587,712	1,269,773	1,209,224	1,113,739
Other programs	-	-	-	-	-	-
State retirement contributions	19,227,395	16,761,981	16,554,564	16,761,981	10,115,191	9,293,373
Support services:						
Pupils	-	-	-	-	-	-
Instructional staff	16,577	40,913	42,112	28,574	30,531	31,284
Operations and maintenance	-	-	-	-	-	-
Transportation	209,653	159,833	120,978	104,423	73,321	64,069
Business	4,506	5,658	7,090	6,740	6,380	7,531
Capital grants and contributions						
Support services:						
Business	50,000	-	-	-	-	-
Total program revenues	<u>21,182,738</u>	<u>18,742,400</u>	<u>18,311,048</u>	<u>12,459,184</u>	<u>12,459,184</u>	<u>11,531,786</u>
Net expense	<u>(43,204,195)</u>	<u>(42,081,642)</u>	<u>(41,573,504)</u>	<u>(44,100,523)</u>	<u>(37,147,102)</u>	<u>(35,687,167)</u>
General revenues						
Taxes:						
Property taxes	44,910,181	42,487,551	42,557,599	40,570,760	40,529,623	38,657,878
Replacement taxes	317,940	294,038	264,234	357,956	253,661	317,462
State-aid formula grants	1,086,063	1,084,337	1,082,637	373,274	351,405	333,924
Investment earnings	685,417	949,589	290,054	287,346	339,246	22,150
Miscellaneous	581,196	1,547,350	1,439,735	136,702	248,489	260,630
Total general revenues	<u>47,580,797</u>	<u>46,362,865</u>	<u>45,634,259</u>	<u>41,726,038</u>	<u>41,722,424</u>	<u>39,592,044</u>
Change in net position	<u>\$ 4,376,602</u>	<u>\$ 4,281,223</u>	<u>\$ 4,060,755</u>	<u>\$ (2,374,485)</u>	<u>\$ 4,575,322</u>	<u>\$ 3,904,877</u>

	2014	2013	2012	2011
\$ 15,475,637	\$ 15,060,731	\$ 15,579,085	\$ 14,388,572	
5,117,689	5,220,785	5,627,641	5,131,106	
946,929	1,158,789	1,011,961	2,025,314	
6,638,410	5,183,547	4,511,952	4,056,420	
1,986,412	2,017,133	2,104,614	2,043,737	
1,576,563	1,757,435	1,460,331	1,466,315	
1,523,369	1,437,516	1,201,788	1,251,988	
1,847,155	1,732,877	1,751,729	1,798,570	
974,729	474,332	1,505,522	1,426,446	
360,515	910,372	474,055	467,560	
3,393,337	3,400,270	3,229,606	3,042,112	
1,616,835	1,342,660	1,241,299	1,391,509	
393,786	374,908	324,064	363,874	
31,526	52,832.00	14,828.00	32,641	
-	-	-	-	
2,627,756	2,818,877	2,868,892	2,944,220	
44,510,648	42,943,064	42,907,367	41,830,384	
116,625	259,530	98,181	277,516	
348,045	336,482	323,145	346,472	
-	-	-	-	
112,357	119,591	133,981	133,065	
320,814	331,050	336,672	324,086	
30,394	24,690	31,076	26,755	
-	-	-	15,252	
1,443,175	1,061,204	1,141,633	1,108,821	
-	-	-	-	
6,638,410	5,183,547	4,511,952	4,056,420	
-	-	-	-	
86,157	80,680	47,883	20,927	
156,430	135,015	114,546	173,974	
8,391	11,875	12,661	17,137	
-	-	-	-	
9,260,798	7,543,664	6,751,730	6,500,425	
(35,249,850)	(35,399,400)	(36,155,637)	(35,329,959)	
39,461,732	38,776,530	38,448,372	36,287,792	
295,308	291,920	285,707	310,574	
341,418	343,789	372,679	402,054	
93,653	113,342	93,278	161,071	
176,883	412,113	190,878	135,801	
40,368,994	39,937,694	39,390,914	37,297,292	
\$ 5,119,144	\$ 4,538,294	\$ 3,235,277	\$ 1,967,333	

The Winnetka Public Schools District No. 36
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	430,587	363,432	256,029	161,285
Assigned	-	-	-	-
Unassigned	<u>30,636,421</u>	<u>25,886,760</u>	<u>20,843,755</u>	<u>17,256,957</u>
 Total General Fund	 <u>\$ 31,067,008</u>	 <u>\$ 26,250,192</u>	 <u>\$ 21,099,784</u>	 <u>\$ 17,418,242</u>
All other governmental funds				
Restricted	\$ 9,439,608	\$ 11,787,343	\$ 13,732,682	\$ 15,949,317
Assigned	-	-	-	-
Unassigned	<u>(90,061)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total all other governmental funds	 <u>\$ 9,349,547</u>	 <u>\$ 11,787,343</u>	 <u>\$ 13,732,682</u>	 <u>\$ 15,949,317</u>
 Total all governmental funds	 <u>\$ 40,416,555</u>	 <u>\$ 38,037,535</u>	 <u>\$ 34,832,466</u>	 <u>\$ 33,367,559</u>

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54), which was adopted by the District as of the fiscal year ended June 30, 2011. In the fund financial statements, governmental funds now report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,785
95,721	48,103	46,420	35,427	20,537	7,080
-	18,213,357	-	-	-	-
<u>41,616,387</u>	<u>18,698,914</u>	<u>33,171,424</u>	<u>30,421,356</u>	<u>27,842,702</u>	<u>24,611,825</u>
<u>\$ 41,712,108</u>	<u>\$ 36,960,374</u>	<u>\$ 33,217,844</u>	<u>\$ 30,456,783</u>	<u>\$ 27,863,239</u>	<u>\$ 24,724,690</u>
\$ 15,113,941	\$ 10,393,433	\$ 24,058,952	\$ 25,206,546	\$ 23,932,294	\$ 23,756,579
7,340,000	14,733,374	2,679,311	-	-	-
-	-	-	-	(20,953)	(236)
<u>\$ 22,453,941</u>	<u>\$ 25,126,807</u>	<u>\$ 26,738,263</u>	<u>\$ 25,206,546</u>	<u>\$ 23,911,341</u>	<u>\$ 23,756,343</u>
<u>\$ 64,166,049</u>	<u>\$ 62,087,181</u>	<u>\$ 59,956,107</u>	<u>\$ 55,663,329</u>	<u>\$ 51,774,580</u>	<u>\$ 48,481,033</u>

The Winnetka Public Schools District No. 36
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Local Sources				
Property taxes	\$ 44,910,181	\$ 42,487,551	\$ 42,557,599	\$ 40,570,760
Replacement taxes	317,940	294,038	264,234	357,956
Other local sources	<u>2,272,563</u>	<u>3,343,038</u>	<u>2,692,807</u>	<u>1,406,769</u>
Total local sources	<u>\$ 47,500,684</u>	<u>\$ 46,124,627</u>	<u>\$ 45,514,640</u>	<u>\$ 42,335,485</u>
State sources	\$ 1,518,052	\$ 1,376,280	\$ 1,261,466	\$ 1,254,042
Federal sources	728,051	662,494	579,063	528,742
On-behalf sources	<u>10,091,152</u>	<u>9,471,593</u>	<u>16,554,564</u>	<u>14,802,063</u>
Total	<u>\$ 59,837,939</u>	<u>\$ 57,634,994</u>	<u>\$ 63,909,733</u>	<u>\$ 58,920,332</u>

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$	40,529,623	\$ 38,657,878	\$ 39,461,732	\$ 38,776,530	\$ 38,448,372	\$ 36,287,792
	253,661	317,462	295,308	291,920	285,707	310,574
	<u>1,596,352</u>	<u>1,303,767</u>	<u>1,199,594</u>	<u>1,587,375</u>	<u>1,210,380</u>	<u>1,279,427</u>
\$	<u>42,379,636</u>	<u>40,279,107</u>	<u>40,956,634</u>	<u>40,655,825</u>	<u>39,944,459</u>	<u>37,877,793</u>
\$	1,166,705	\$ 1,018,009	\$ 1,301,123	\$ 1,346,646	\$ 1,394,019	\$ 1,448,960
	504,156	532,538	734,448	288,709	298,647	401,941
	<u>10,115,191</u>	<u>9,293,373</u>	<u>6,638,410</u>	<u>5,183,547</u>	<u>4,511,952</u>	<u>4,056,420</u>
\$	<u>54,165,688</u>	<u>51,123,027</u>	<u>49,630,615</u>	<u>47,474,727</u>	<u>46,149,077</u>	<u>43,785,114</u>

The Winnetka Public Schools District No. 36
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Current expenditures	\$ 48,870,525	\$ 48,110,058	\$ 54,472,285	\$ 51,814,408
Capital outlay	<u>3,845,591</u>	<u>1,934,683</u>	<u>3,986,185</u>	<u>2,505,689</u>
Debt service				
Principal	4,620,318	4,432,353	4,465,026	33,601,123
Interest and other	<u>144,262</u>	<u>202,191</u>	<u>264,951</u>	<u>1,890,640</u>
Total debt service	<u>4,764,580</u>	<u>4,634,544</u>	<u>4,729,977</u>	<u>35,491,763</u>
Total expenditures	<u>\$ 57,480,696</u>	<u>\$ 54,679,285</u>	<u>\$ 63,188,447</u>	<u>\$ 89,811,860</u>
Debt service required as a percentage of noncapital expenditures	8.88%	8.79%	7.99%	40.65%
Debt service as a percentage of total expenditures	8.29%	8.48%	7.49%	39.52%

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$	44,897,512	\$ 43,379,689	\$ 38,805,166	\$ 37,859,000	\$ 36,187,034	\$ 35,129,653
	<u>2,434,419</u>	<u>324,359</u>	<u>1,779,019</u>	<u>925,352</u>	<u>2,704,985</u>	<u>4,715,846</u>
	3,648,313	3,240,666	2,660,189	2,679,891	2,560,496	1,764,716
	2,004,735	2,047,239	2,093,463	2,121,735	2,174,237	2,279,722
	<u>5,653,048</u>	<u>5,287,905</u>	<u>4,753,652</u>	<u>4,801,626</u>	<u>4,734,733</u>	<u>4,044,438</u>
\$	<u><u>52,984,979</u></u>	<u><u>48,991,953</u></u>	<u><u>45,337,837</u></u>	<u><u>43,585,978</u></u>	<u><u>43,626,752</u></u>	<u><u>43,889,937</u></u>
	11.18%	10.87%	10.91%	11.26%	11.57%	10.32%
	10.67%	10.79%	10.48%	11.02%	10.85%	9.21%

The Winnetka Public Schools District No. 36
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCE
LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Excess of revenues over (under) expenditures	\$ 2,357,243	\$ 2,955,709	\$ 721,286	\$ (30,891,528)
Other financing sources (uses)				
Debt issuance	-	-	-	10,745,000
Capital lease proceeds	-	249,360	743,621	-
Deposit with escrow agent	-	-	-	(10,651,962)
Transfers in	266,863	264,053	336,306	28,881,342
Transfers out	(266,863)	(264,053)	(336,306)	(28,881,342)
Other	<u>21,777</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>21,777</u>	<u>249,360</u>	<u>743,621</u>	<u>93,038</u>
Net change in fund balances	<u>\$ 2,379,020</u>	<u>\$ 3,205,069</u>	<u>\$ 1,464,907</u>	<u>\$ (30,798,490)</u>

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 1,180,709	\$ 2,131,074	\$ 4,292,778	\$ 3,888,749	\$ 2,522,325	\$ (104,823)
-	-	-	-	-	-
898,159	-	-	-	771,222	-
-	-	-	-	-	-
1,999,442	193,697	2,193,697	193,696	460,916	177,559
(1,999,442)	(193,697)	(2,193,697)	(193,696)	(460,916)	(177,559)
-	-	-	-	-	-
<u>898,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>771,222</u>	<u>-</u>
\$ <u><u>2,078,868</u></u>	\$ <u><u>2,131,074</u></u>	\$ <u><u>4,292,778</u></u>	\$ <u><u>3,888,749</u></u>	\$ <u><u>3,293,547</u></u>	\$ <u><u>(104,823)</u></u>

The Winnetka Public Schools District No. 36
PROPERTY TAX RATES - LEVIES AND COLLECTIONS
LAST TEN TAX LEVY YEARS

	2019	2018	2017	2016
Assessed valuation	\$ 1,453,811,685	\$ 1,390,031,651	\$ 1,439,727,920	\$ 1,403,428,580
Rates Extended				
Educational	2.3855	2.5707	2.3946	2.3845
Tort Immunity	0.0072	0.0154	0.0143	0.0142
Operations and Maintenance	0.2951	0.1375	0.1281	0.13
Debt Service	0.3250	0.3415	0.3207	0.3792
Transportation	0.0492	0.0154	0.0143	0.0142
Municipal Retirement	0.0302	0.0267	0.0249	0.0248
Social Security	0.0490	0.0687	0.0640	0.0638
Working Cash	0.0070	0.0438	0.0408	0.0405
Life Safety	-	-	-	-
Total rates extended	3.1482	3.2197	3.0017	3.0488
Levies Extended				
Educational	\$ 34,680,677	\$ 35,733,083	\$ 34,475,724	\$ 33,464,754
Tort Immunity	104,674	213,391	205,881	199,286
Operations and Maintenance	4,290,198	1,911,554	1,844,291	1,790,774
Debt Service	4,724,319	4,746,414	4,616,572	5,321,873
Transportation	715,275	213,391	205,881	199,286
Municipal Retirement	439,051	371,567	358,492	348,050
Social Security	712,367	955,030	921,425	895,387
Working Cash	101,766	608,832	587,408	568,388
Life Safety	-	-	-	-
Total levies extended	\$ 45,768,327	\$ 44,753,262	\$ 43,215,674	\$ 42,787,798
Total Collections	\$ 23,618,414	\$ 44,098,775	\$ 42,072,704	\$ 41,794,095
Percentage of extensions collected	51.60%	98.54%	97.36%	97.68%

Source of information: Cook County levy, rate and extension reports

Note: Tax Rates are expressed in dollars per \$100 of assessed valuation.

Note: Only nine years of information available.

2015	2014	2013	2012	2011	2010
\$ 1,166,176,735	\$ 1,205,882,706	\$ 1,190,024,957	\$ 1,300,923,928	\$ 1,399,861,177	\$ 1,558,804,754
2.9663	2.7098	2.4746	2.2280	2.0187	1.7812
0.0198	0.0137	0.0095	0.0088	0.0077	0.0067
-	0	0.3911	0.3522	0.3132	0.2746
0.3724	0.4627	0.2743	0.3678	0.3456	0.2986
0.0000	0.0298	0.0288	0.0266	0.0184	0.0156
0.0618	0.0641	0.0552	0.0495	0.0401	0.0286
0.0707	0.0555	0.0494	0.0533	0.0379	0.0266
0.0500	0.05	0.0476	0.0076	0.0001	0.0001
0.0001	-	-	-	-	-
3.5411	3.3856	3.3305	3.0938	2.7817	2.4320
\$ 34,592,550	\$ 32,677,574	\$ 29,448,357	\$ 28,984,585	\$ 28,258,305	\$ 27,764,950
230,720	164,800	113,052	114,481	107,120	104,412
-	103	4,654,187	4,581,854	4,384,910	4,280,704
4,343,174	5,579,916	3,263,721	4,785,145	4,837,488	4,654,882
-	359,573	342,727	346,045	257,500	242,614
721,000	772,500	656,893	643,957	561,350	445,503
824,000	669,500	587,872	693,392	530,450	414,099
583,088	602,837	566,451	98,870	2,060	2,054
1,030	-	-	-	-	-
\$ 41,295,562	\$ 40,826,803	\$ 39,633,260	\$ 40,248,329	\$ 38,939,183	\$ 37,909,218
\$ 40,296,172	\$ 39,957,815	\$ 37,485,043	\$ 39,277,854	\$ 38,185,218	\$ 37,573,443
97.58%	97.87%	94.58%	97.59%	98.06%	99.11%

The Winnetka Public Schools District No. 36
EQUALIZED ASSESSED VALUATION AND ESTIMATED
ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN TAX LEVY YEARS

Tax Levy Year	Equalized Assessed Valuation	Amount of Increase (Decrease) Over Previous Year	Percentage Increase (Decrease) Over Previous Year	Actual Estimated Value	Total Direct Rate
2019	\$1,453,811,685	\$ 63,780,034	4.59%	\$4,361,435,055	3.149
2018	1,390,031,651	(49,696,269)	-3.45%	4,170,094,953	3.220
2017	1,439,727,920	36,299,340	2.59%	4,319,183,760	3.002
2016	1,403,428,580	237,251,845	20.34%	4,210,285,740	3.049
2015	1,166,176,735	(39,705,971)	-3.29%	3,498,530,205	3.542
2014	1,205,882,706	15,857,749	1.33%	3,617,648,118	3.386
2013	1,190,024,957	(110,898,971)	-8.52%	3,570,074,871	3.331
2012	1,300,923,928	(98,937,249)	-7.07%	3,902,771,784	3.094
2011	1,399,861,177	(158,943,577)	-10.20%	4,199,583,531	2.782
2010	1,558,804,754	(261,655,346)	-14.37%	4,676,414,262	2.432

Source of information: Cook County Levy, Rate, and Extension Reports

Note: The county assesses property at approximately 33.3% of actual value for all types of real property. Estimated actual value is calculated by dividing assessed value by that percentage. Tax rates are per \$100 of assessed value.

The Winnetka Public Schools District No. 36
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING
VILLAGE OF WINNETKA GOVERNMENTS*
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015
District direct rates					
Education	2.3855	2.5707	2.3946	2.3845	2.9663
Liability insurance	0.0072	0.0154	0.0143	0.0142	0.0198
Operations and maintenance	0.2951	0.1375	0.1281	0.1276	0.0000
Limited bonds	0.3250	0.3415	0.3207	0.3792	0.3724
Transportation	0.0492	0.0154	0.0143	0.0142	0.0000
Municipal retirement	0.0302	0.0267	0.0249	0.0248	0.0618
Social security	0.0490	0.0687	0.0640	0.0638	0.0707
Working cash	<u>0.0070</u>	<u>0.0438</u>	<u>0.0408</u>	<u>0.0405</u>	<u>0.0500</u>
Total direct	3.1482	3.2197	3.0017	3.0488	3.5410
Overlapping rates					
County of Cook	0.4540	0.4890	0.4960	0.5330	0.5520
Forest Preserve District of Cook County	0.0590	0.0600	0.0620	0.0630	0.0690
Consolidated Elections - Cook County	0.0300	0.0000	0.0310	0.0000	0.0340
New Trier Township	0.0510	0.0530	0.0500	0.0490	0.0580
General Assistance	0.0080	0.0080	0.0070	0.0070	0.0080
Metropolitan Water Reclamation	0.3890	0.3960	0.4020	0.4060	0.4260
North Shore Mosquito Abatement District	0.0090	0.0100	0.0100	0.0100	0.0120
New Trier High School District 203	2.0280	2.1110	1.9930	1.9740	2.3800
Community College District 535	0.2210	0.2460	0.2320	0.2310	0.2710
SD 35 Bond / Part assumed by SD 36 per annex	0.0000	0.0000	0.0000	0.0000	0.0000
Winnetka Park District	0.3750	0.3830	0.3570	0.3540	0.4190
Village of Winnetka	1.0070	1.0390	0.9940	1.0130	1.2030
Winnetka Public Library	<u>0.2170</u>	<u>0.2250</u>	<u>0.2100</u>	<u>0.2090</u>	<u>0.2460</u>
Total direct and overlapping rate	<u>7.9962</u>	<u>8.2397</u>	<u>7.8457</u>	<u>7.8978</u>	<u>9.2190</u>

Source of information: Cook County Levy, Rate, and Extension Reports

*Tax rates are per \$100 of equalized assessed value.

2014	2013	2012	2011	2010
2.7098	2.4746	2.2280	2.0187	1.7812
0.0137	0.0095	0.0088	0.0077	0.0067
0.0000	0.3911	0.3522	0.3132	0.2746
0.4627	0.2743	0.3678	0.3456	0.2986
0.0298	0.0288	0.0266	0.0184	0.0156
0.0641	0.0552	0.0495	0.0401	0.0286
0.0555	0.0494	0.0533	0.0379	0.0266
<u>0.0500</u>	<u>0.0476</u>	<u>0.0076</u>	<u>0.0001</u>	<u>0.0001</u>
3.3856	3.3305	3.0938	2.7817	2.4320
0.5680	0.5600	0.5310	0.4620	0.4230
0.0690	0.0690	0.0630	0.0580	0.0510
0.0000	0.0310	0.0000	0.0250	0.0000
0.0550	0.0540	0.0470	0.0420	0.0370
0.0070	0.0070	0.0060	0.0050	0.0040
0.4300	0.4170	0.3700	0.3200	0.2740
0.0110	0.0070	0.0100	0.0100	0.0090
2.2680	2.1110	1.8640	1.6740	1.4740
0.2580	0.2560	0.2190	0.1960	0.1600
0.0000	0.0000	0.0000	0.0000	0.0000
0.3950	0.3910	0.3470	0.3100	0.2710
1.1540	1.1620	1.0380	0.9360	0.8170
<u>0.2330</u>	<u>0.2300</u>	<u>0.2030</u>	<u>0.1870</u>	<u>0.1640</u>
<u>8.8336</u>	<u>8.6255</u>	<u>7.7918</u>	<u>7.0067</u>	<u>6.1160</u>

The Winnetka Public Schools District No. 36
PRINCIPAL PROPERTY TAXPAYERS IN THE DISTRICT
CURRENT TAX LEVY YEAR AND NINE YEARS AGO

Taxpayer	Tax Levy year 2019 Equalized Assessed Valuation	Percentage of Total 2019 Equalized Assessed Valuation
Individual	\$ 8,446,747	0.58%
Individual	6,123,237	0.42%
Individual	4,405,359	0.30%
Individual	4,228,200	0.29%
Individual	3,975,041	0.27%
CLTC 008002377320	3,623,177	0.25%
Individual	3,591,260	0.25%
Individual	3,489,200	0.24%
Individual	3,457,593	0.24%
CLTC 000000128287	3,314,240	0.23%
	<u>\$ 44,654,054</u>	<u>3.09%</u>
Taxpayer	Tax Levy year 2010 Equalized Assessed Valuation	Percentage of Total 2010 Equalized Assessed Valuation
Winnetka IV LLC	\$ 6,047,815	0.39%
Individual	3,909,973	0.25%
ICG Inc	3,809,686	0.24%
Individual	3,762,935	0.24%
319 Sheridan LLC	3,592,215	0.23%
Individual	3,281,102	0.21%
Individual	3,181,000	0.20%
NTP Winnetka LLC	2,902,400	0.19%
Hulsizer & Makowiec	2,671,817	0.17%
Individual	2,650,811	0.17%
	<u>\$ 35,809,754</u>	<u>2.30%</u>

*The figures above are totals of numerous parcels with 2019 equalized assessed valuations of approximately \$100,000 and over as recorded in the Cook County Assessor's office. They were compiled from a meticulous page by page search of a listing of such records. It is possible, however, that certain parcels may have been overlooked.

Sources: Cook County Clerk's and Assessor's Offices

The Winnetka Public Schools District No. 36
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL DEBT
June 30, 2020

<u>Jurisdiction overlapping</u>	<u>Outstanding Bonds</u>	<u>Overlapping percent</u>	<u>Direct and overlapping debt</u>
Governmental			
Cook County	\$ 2,803,851,750	0.873%	\$ 24,477,626
Cook County Forest Preserve	140,990,000	0.873%	1,230,843
Metropolitan Water Reclamation District	2,274,859,669 (1)	0.888%	20,200,754
Municipalities			
Village of Glencoe	17,800,000 (2)	2.799%	498,222
Village of Winnetka	13,060,000	95.408%	12,460,285
Park Districts			
Glencoe Park District	5,675,000	1.222%	69,349
Winnetka Park District	5,640,000	90.624%	5,111,194
School Districts			
New Trier Township High School #203	81,970,000 (2)	25.293%	20,732,672
Oakton Community College #535	30,000,000 (3)	5.696%	<u>1,708,800</u>
Total Overlapping General Obligation Bonded Debt:			86,489,743
Direct Debt:			
School District #36	5,495,000	100.000%	<u>5,495,000</u>
Total Direct and Overlapping Debt			<u>\$ 91,984,743</u>

(1) Includes IEPA Revolving Loan Fund Bonds

(2) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.

(3) Excludes outstanding Debt Certificates.

Source: Cook County Clerk's Office

The Winnetka Public Schools District No. 36
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

<hr/>				
Summary				
	2020	2019	2018	2017
	<hr/>			
Debt Limit	\$ 100,313,006	\$ 95,912,184	\$ 99,341,226	\$ 96,836,572
Debt Subject to 6.9% Legal Limit	<u>5,940,005</u>	<u>10,560,323</u>	<u>14,743,316</u>	<u>18,464,721</u>
Legal Debt Margin	<u>\$ 94,373,001</u>	<u>\$ 85,351,861</u>	<u>\$ 84,597,910</u>	<u>\$ 78,371,851</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.92%	11.01%	14.84%	19.07%
Detail				
Equalized Assessed Valuation	\$1,453,811,685	\$1,390,031,651	\$1,439,727,920	\$1,403,428,580
Debt Limit - 6.9% of Equalized Assessed Valuation	100,313,006	95,912,184	99,341,226	96,836,572
Total Debt Outstanding	35,498,908	41,849,392	41,560,477	23,530,399
Add: Capital Appreciation	-	52,377	204,701	450,742
Less: Exempted Debt	<u>(29,558,903)</u>	<u>(31,341,446)</u>	<u>(27,021,862)</u>	<u>(5,516,420)</u>
Net, Debt Subject to 6.9% of Legal Limit	<u>5,940,005</u>	<u>10,560,323</u>	<u>14,743,316</u>	<u>18,464,721</u>
Legal Debt Margin	<u>\$ 94,373,001</u>	<u>\$ 85,351,861</u>	<u>\$ 84,597,910</u>	<u>\$ 78,371,851</u>

2016	2015	2014	2013	2012	2011
\$ 80,466,195	\$ 83,205,907	\$ 82,111,722	\$ 89,763,751	\$ 96,590,421	\$ 107,557,528
<u>51,745,844</u>	<u>54,495,998</u>	<u>57,736,664</u>	<u>60,396,853</u>	<u>63,076,744</u>	<u>64,866,018</u>
<u>\$ 28,720,351</u>	<u>\$ 28,709,909</u>	<u>\$ 24,375,058</u>	<u>\$ 29,366,898</u>	<u>\$ 33,513,677</u>	<u>\$ 42,691,510</u>
64.31%	65.50%	70.31%	67.28%	65.30%	60.31%
\$ 1,166,176,735	\$ 1,205,882,706	\$1,190,024,957	\$ 1,300,923,928	\$ 1,399,861,177	\$ 1,558,804,754
80,466,195	83,205,907	82,111,722	89,763,751	96,590,421	107,557,528
55,929,399	56,611,651	56,731,900	58,756,977	60,696,340	61,673,981
784,899	1,201,734	1,708,606	2,311,152	2,988,729	3,673,522
<u>(4,968,454)</u>	<u>(3,317,387)</u>	<u>(703,842)</u>	<u>(671,276)</u>	<u>(608,325)</u>	<u>(481,485)</u>
<u>51,745,844</u>	<u>54,495,998</u>	<u>57,736,664</u>	<u>60,396,853</u>	<u>63,076,744</u>	<u>64,866,018</u>
<u>\$ 28,720,351</u>	<u>\$ 28,709,909</u>	<u>\$ 24,375,058</u>	<u>\$ 29,366,898</u>	<u>\$ 33,513,677</u>	<u>\$ 42,691,510</u>

The Winnetka Public Schools District No. 36
RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Capital Appreciation Bonds	Capital Leases	Total Limited Debt	Equalized Assessed Valuation
2020	\$ 5,495,000	\$ -	\$ 445,005	\$ 5,940,005	\$ 1,453,811,685
2019	8,060,000	1,742,623	705,323	10,507,946	1,390,031,651
2018	10,440,000	3,385,299	713,316	14,538,615	1,439,727,920
2017	12,780,000	4,934,258	299,721	18,013,979	1,403,428,580
2016	43,945,000	6,395,101	620,844	50,960,945	1,166,176,735
2015	45,455,000	7,773,266	65,998	53,294,264	1,205,882,706
2014	46,715,000	9,061,394	251,664	56,028,058	1,190,024,957
2013	47,400,000	10,253,848	431,853	58,085,701	1,300,923,928
2012	48,110,000	11,371,271	606,744	60,088,015	1,399,861,177
2011	50,335,000	10,686,478	171,018	61,192,496	1,558,804,754

Note: See Demographic and Economic Statistics for population data.

Actual Estimated Value	Ratio of General Obligation Bonded Debt to Actual Estimated Value		Debt Outstanding per Capita
\$ 4,361,435,055	0.13	%	\$ 498
4,170,094,953	0.19		881
4,319,183,760	0.24		1,218
4,210,285,740	0.30		1,510
3,498,530,205	1.26		4,271
3,617,648,118	1.26		4,466
3,570,074,871	1.31		4,696
3,902,771,784	1.21		4,868
4,199,583,531	1.15		5,036
4,676,414,262	1.08		4,987

The Winnetka Public Schools District No. 36
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

<u>Fiscal Year Ended June 30,</u>	<u>Tax Levy Year</u>	<u>Total General Expenditures (A)</u>	<u>Debt Service Fund Expenditures (B)</u>	<u>Percentage of Service Fund Expenditures to Total General Expenditures</u>	
2020	2019	\$ 47,389,544	\$ 4,764,580	10.05	%
2019	2018	44,042,541	4,634,544	10.52	
2018	2017	46,633,883	4,729,977	10.14	
2017	2016	75,009,797	35,491,763	47.32	
2016	2015	42,869,788	5,653,048	13.19	
2015	2014	39,698,580	5,287,905	13.32	
2014	2013	38,699,427	4,753,652	12.28	
2013	2012	38,402,431	4,801,626	12.50	
2012	2011	39,114,800	4,734,733	12.10	
2011	2010	39,833,517	4,044,438	10.15	

(A) Includes expenditures of all Governmental Fund Types (excludes State retirement contributions).

(B) Debt Service Fund expenditures represent payment of principal, interest and other charges on General Bonded Debt.

The Winnetka Public Schools District No. 36

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

2020***		
Employer	Employees	Percentage of Total Employment
New Trier School District 203	694	13.9%
Botanic Gardens - Cook County Forest Preserve	550	11.0%
Winnetka Park District	341	6.8%
Winnetka School District 36	340	6.8%
Glencoe Park District	249	5.0%
Village of Winnetka	155	3.1%
Coldwell Banker Residential Brokerage	130	2.6%
North Shore Country Day School	115	2.3%
Village of Glencoe	96	1.9%
The Grand Food Center	76	1.5%
Baird & Warner, Inc.	65	1.3%
BMO Harris Bank	65	1.3%
Total	2,876	57.8%

* Calculating overlapping percentages to the Illinois Department of Security the number of persons employed in the District in 2019 was 4,979.

Data Sources

- (1) Village Records / School District Records
- (2) Employer Website
- (3) Data Axle / Mergent Intellect

2011**		
Employer	Employees	Percentage of Total Employment
New Trier School District 203	708	14.8%
Winnetka School District 36	357	7.4%
Winnetka Park District	312	6.5%
Glencoe Park District	255	5.3%
Botanic Gardens - Cook County Forest Preserve	248	5.2%
Coldwell Banker Residential Brokerage	160	3.3%
Village of Winnetka	153	3.2%
Dyson, Dyson, & Dunn, Inc.	150	3.1%
North Shore Country Day School	115	2.4%
Village of Glencoe	94	2.0%
The Grand Food Center	75	1.6%
BMO Harris Bank	65	1.4%
Total	2,692	56.2%

* Calculating overlapping percentages to the Illinois Department of Security the number of persons employed in the District in 2011 was 4,794.

Data Sources

- (1) Village Records / School District Records
- (2) Winnetka Park District 2011 Official Statement of Bond Issue

The Winnetka Public Schools District No. 36
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS

Year	Population	Estimated Actual Valuation	Per Capita Estimated Actual Valuation	Unemployment Rate
2019	11,932	\$ 4,361,435,055	\$ 365,524	2.7 %
2018	11,932	4,319,183,760	361,983	2.7
2017	11,932	4,210,285,740	352,857	3.6
2016	11,932	3,498,530,205	293,206	4.2
2015	11,932	3,617,648,118	303,189	4.1
2014	11,932	3,570,074,871	299,202	4.6
2013	11,932	3,902,771,784	327,084	6.4
2012	11,932	4,199,583,531	351,960	6.3
2011	11,932	4,676,414,262	391,922	6.4
2010	11,932	5,461,380,300	457,709	6.3
2009	12,270	5,177,465,949	421,961	5.9

Sources of information: Unemployment rates obtained from Illinois Department of Employment Security.

The Winnetka Public Schools District No. 36
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

		2020	2019	2018	2017
<hr/>					
Crow Island School					
Built	1940				
Additions	1				
Square Feet		66,725	66,725	66,725	66,725
Student Enrollment		309	309	309	380
Greeley School					
Built	1913				
Additions	4				
Square Feet		68,277	68,277	68,277	68,277
Student Enrollment		274	266	274	223
Hubbard Woods School					
Built	1918				
Additions	6				
Square Feet		48,910	48,910	48,910	48,910
Student Enrollment		281	296	281	247
Skokie School					
Built	1921				
Additions	3				
Square Feet		106,837	106,837	106,837	106,837
Student Enrollment		367	352	367	395
Carleton Washburne School					
Built	1967				
Additions	3				
Square Feet		155,034	155,034	155,034	155,034
Student Enrollment		414	394	414	448
Total Square Footage		445,783	445,783	445,783	445,783
Total Student Enrollment		1,645	1,617	1,645	1,693

Source of Information: Architect's Data and Sixth Day Enrollment Forms

2016	2015	2014	2013	2012	2011
66,725 385	66,725 385	66,725 370	66,725 348	66,725 343	66,725 355
68,277 245	68,277 268	68,277 278	68,277 274	68,277 280	68,277 267
48,910 246	48,910 244	48,910 276	48,910 288	48,910 293	48,910 320
106,837 419	106,837 439	106,837 433	106,837 440	106,837 404	106,837 445
155,034 436	155,034 440	155,034 422	155,034 455	155,034 463	155,034 479
445,783	445,783	445,783	445,783	445,783	445,783
1,731	1,776	1,779	1,805	1,783	1,866

The Winnetka Public Schools District No. 36

NUMBER OF EMPLOYEES BY TYPE LAST NINE FISCAL YEARS

	2020	2019	2018	2017
Administration				
Superintendent	1.0	1.0	1.0	1.0
District Administrators	5.0	5.0	5.0	5.0
Principals and Assistants	7.0	7.0	7.5	7.0
Total Administration	13.0	13.0	13.5	13.0
Teachers				
Regular Classroom Teachers	145.5	145.2	145.7	142.1
Special Education Teachers	32.0	28.0	28.6	28.0
Psychologists	4.0	3.5	4.0	3.5
Librarians / Media Specialists	5.0	5.0	5.0	5.0
Social Workers	7.8	9.1	7.5	7.0
ELL / Bilingual Teachers	1.5	1.5	1.5	1.5
Speech / Language Therapists	7.0	6.0	6.5	6.0
Reading Specialists	5.0	5.6	5.6	5.6
Certified Nurses	1.0	-	1.0	1.0
Total Teachers	208.8	203.9	205.4	199.7
Other Supporting Staff				
Secretarial/Clerical/Paraprofessionals	90.0	91.7	95.0	103.8
Custodial/Maintenance/Technology	26.5	26.5	26.5	26.5
Total Support Staff	116.5	118.2	121.5	130.3
Total Staff	338.3	335.1	340.4	343.0
Function				
Instruction				
Regular and Special	145.5	145.7		
Support Services	121.3	130.1		
Pupils				
Instructional Staff	32.0	28.6		
General Administration	6.0	6.0		
School Administration	7.0	7.0		
Maintenance and Security	26.5	22.5		
Total	338.3	339.9		

Source of information: District Personnel Records, Teacher Service Records

Note: Only eight years of information available.

2016	2015	2014	2013	2012
1.0	1.0	1.0	1.0	1.0
5.0	5.0	5.0	5.0	5.0
<u>7.0</u>	<u>6.0</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>
13.0	12.0	13.0	13.0	13.0
142.0	144.2	143.5	141.7	149.9
24.3	22.3	23.5	23.5	24.5
3.1	3.1	2.6	3.1	3.1
5.0	5.0	5.0	5.0	5.0
7.5	7.0	6.5	7.5	6.5
1.0	1.0	1.0	0.5	0.5
6.0	6.0	7.0	6.0	6.8
3.6	5.6	5.3	6.1	3.3
<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
193.5	195.1	195.4	194.4	200.6
106.5	103.2	110.8	113.8	116.9
<u>26.5</u>	<u>27.5</u>	<u>27.0</u>	<u>28.0</u>	<u>26.5</u>
133.0	130.7	137.8	141.8	143.4
<u>339.5</u>	<u>337.8</u>	<u>346.2</u>	<u>349.2</u>	<u>357.0</u>

The Winnetka Public Schools District No. 36

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

Function	2020	2019	2018	2017	2016
Instruction					
Student Enrollment	1,618	1,617	1,645	1,693	1,731
Support Services					
Pupil					
English Language Learners Program - number of languages served	11	8	11	6	14
Instructional Staff					
ISTAT - overall student performance* (meeting or exceeding Illinois Learning Standards)	73.0%	72.4%	68.0%	69.0%	66.2%
School Administration					
Average Daily Attendance	1,590	1,549	1,605	1,559	1,625
Fiscal					
Purchase Orders Processed	1,712	3,480	2,717	2,524	2,400
Maintenance					
District Square Footage Maintained by Custodians and Maintenance	445,783	445,783	445,783	445,783	445,783
Transportation					
Avg. number of students transported per year	387	380	334	329	309
Avg. number of bus runs to/from school	32	30	29	27	27
Extra Curricular Activities					
Number of competitive sports	6	7	7	7	7
Number of student clubs	19	35	31	30	26

N/A - information not available.

2015	2014	2013	2012	2011
1,776	1,779	1,805	1,783	1,891
12	12	12	10	10
62.2%	86.3%	95.3%	96.0%	96.0%
1,658	1,667	1,708	1,682	1,736
2,400	2,350	2,350	2,300	2,300
445,783	445,783	445,783	445,783	445,783
294	293	305	340	354
29	29	29	29	29
7	7	7	7	7
20	18	20	16	15

The Winnetka Public Schools District No. 36

OPERATING COSTS AND TUITION CHARGE

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>1,666.10</u>	<u>1,518.00</u>
Operating costs:		
Educational	\$ 34,481,582	\$ 34,468,492
Operations and Maintenance	3,450,623	3,636,110
Debt Service	4,764,580	4,634,544
Transportation	615,110	642,483
Municipal Retirement/Social Security	1,052,801	1,094,021
Tort Immunity and Judgment	<u>99,393</u>	<u>102,456</u>
Subtotal	<u>44,464,089</u>	<u>44,578,106</u>
Less Revenues/Expenditures of Non-Regular Programs:		
Tuition	1,150,729	1,207,009
Payments to Other District and Govt Units	1,467,956	1,291,547
Non-capitalized equipment	139,650	130,441
Summer school	206,609	315,719
Capital outlay	610,723	1,471,473
Debt principal retired	4,620,318	4,432,353
Special education programs Pre-K	10,787	9,711
Community services	<u>55,821</u>	<u>59,833</u>
Subtotal	<u>8,262,593</u>	<u>8,918,086</u>
Operating costs	<u>\$ 36,201,496</u>	<u>\$ 35,660,020</u>
Operating costs per pupil - based on ADA	<u>\$ 21,728</u>	<u>\$ 23,491</u>
Tuition Charge		
Operating costs	\$ 36,201,496	\$ 35,660,020
Less - revenues from specific programs, such as special education or lunch programs	<u>2,254,861</u>	<u>2,106,144</u>
Net operating costs	33,946,635	33,553,876
Depreciation allowance	<u>3,210,496</u>	<u>3,389,037</u>
Allowance tuition costs	<u>\$ 37,157,131</u>	<u>\$ 36,942,913</u>
Tuition charge per pupil - based on ADA	<u>\$ 22,302</u>	<u>\$ 24,337</u>