

The Winnetka Public Schools District No. 36

Winnetka, Illinois

Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2019



Comprehensive Annual Financial Report

of

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

Winnetka, Illinois

For the Fiscal Year Ended June 30, 2019

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, 2019

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INTRODUCTORY SECTION



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

October 10, 2019

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, 2019, is attached. The report was prepared by the Chief Financial Officer (CFO). The report date on the underlying financial statements is October 10, 2019, 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 1,612 students in 2019. 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, 2019 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 2019, the District also achieved this objective in regards to its primary Operating Funds; combined balances in the Educational account, 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 \$3.4 million. The increase in all fund balances for the year was \$3.2 million. The District currently has in excess of \$31.2 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 2018 EAV is down 3.5% from 2017. The prospect of continuing relative economic stability and additional property tax revenue availability is strong.

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.

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 (Continued)

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 Facility Subcommittee is working on funding some of this important work through the use of fund balance, while looking to maintain balances that stay within the threshold set by Board Policy.

The District's Crow Island Elementary School is operating beyond its capacity, resulting in kindergarten students attending schools outside the current boundaries. To address this situation, the Board will make a recommendation in October 2019 to redraw boundaries to address this issue.

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 will be developed in the Spring of 2020.

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, 2018. This was the third 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 2019 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, 2019 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.

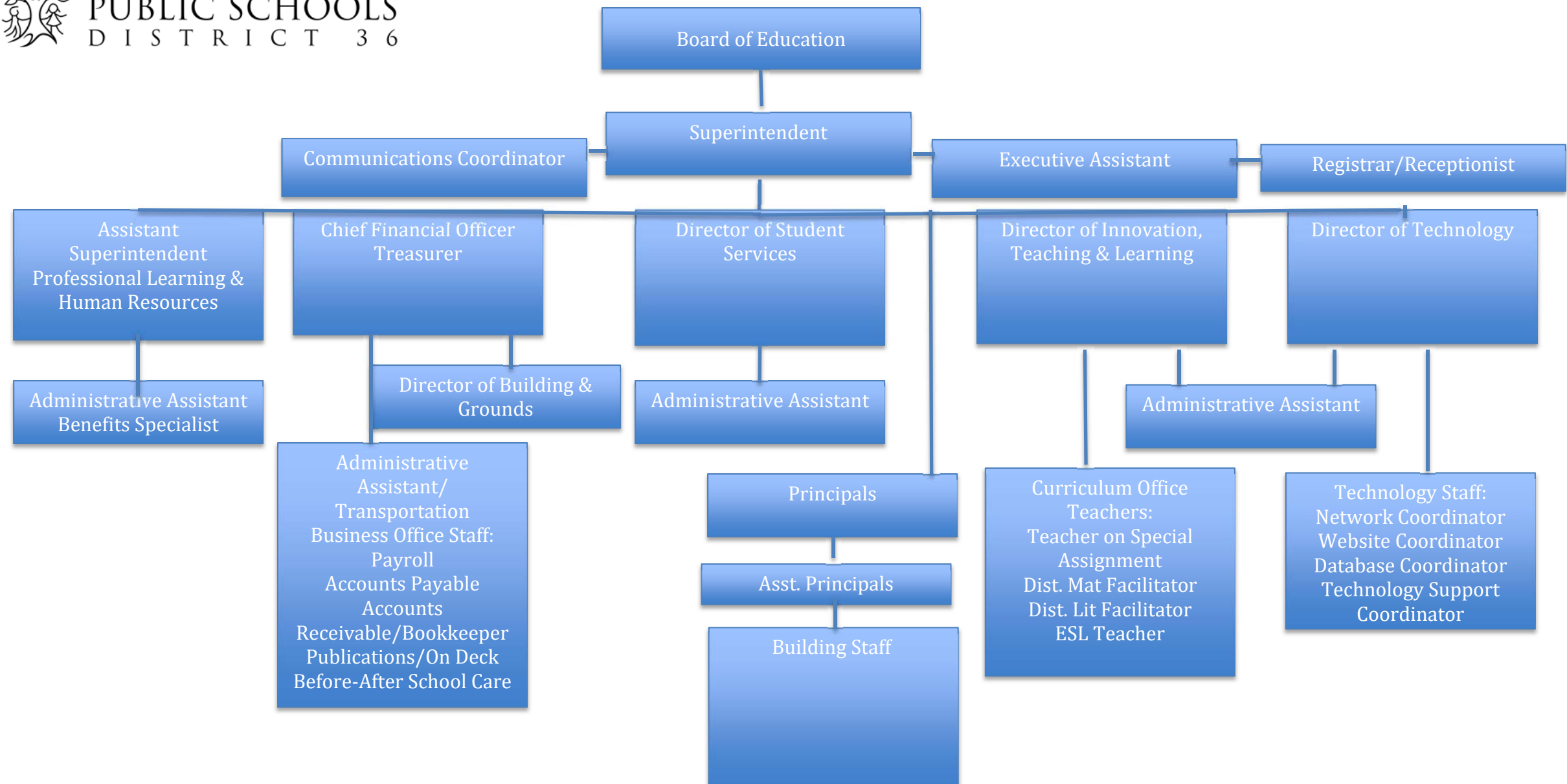
Respectfully submitted,



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, 2019

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



**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, 2018.**

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



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer

FINANCIAL SECTION

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, 2019, 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, 2019, 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 78, the other postemployment benefits data on pages 79 through 81, budgetary comparison schedules and notes to the required supplementary information on pages 82 through 104 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, 2019 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, 2019 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2019 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, 2019 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

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, 2018 (not presented herein), and have issued our report thereon dated December 20, 2018, 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, 2018 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 2018 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 2018 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, 2018.

The other supplemental information and the Introductory and Statistical Sections, as listed in the table of contents, 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 October 10, 2019, 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 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.



Certified Public Accountants

Deerfield, Illinois
October 10, 2019

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(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, 2019. 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 \$16.8 million in fiscal year 2019 and \$16.6 million in fiscal year 2018.

- 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 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 \$115.1 million from \$111.3 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. Another factor contributing to this increase is a delay in addressing deferred maintenance items due to the Educational Master Facility Plan process.
- 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 \$46.3 million accounted for 96% of all fiscal year 2019 governmental activity revenue. General revenues increased by 1.6% 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 4.1% of total fiscal year 2019 governmental activity revenues.
- The District had \$44.1 million in expenses related to governmental activities, of which \$20 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, 2019
(Unaudited)

Financial Highlights
(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 2017 levy affected fiscal years 2018 and 2019, and the tax levy action in 2018 affected fiscal years 2019 and 2020. The anticipated 2019 property tax levy will affect operations of fiscal years 2020 and 2021.

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 will begin in fiscal year 2020.

The 2019 fiscal year was the fourth 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 2019 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, 2019
(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, 2019
(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, 2019 was \$50.9 million. Net position increased \$4.3 million from \$46.6 million at June 30, 2018. The following table presents a summary of the District's condensed Statement of Net Position for the fiscal years ended June 30, 2019 and June 30, 2018 (in millions).

	<u>2019</u>	<u>2018</u>
Current and other asset	\$ 61.3	\$ 56.3
Capital assets	53.8	55.0
Total assets	<u>115.1</u>	<u>111.3</u>
Deferred outflows of resources	<u>5.8</u>	<u>2.5</u>
Long-term liabilities	41.8	40.5
Other liabilities	1.5	1.0
Total liabilities	<u>43.3</u>	<u>41.5</u>
Deferred inflows of resources	<u>26.7</u>	<u>25.7</u>
Net position -		
Net investment in capital assets	43.3	40.5
Restricted	12.2	14.2
Unrestricted	<u>(4.6)</u>	<u>(8.1)</u>
Total net position	\$ <u><u>50.9</u></u>	\$ <u><u>46.6</u></u>

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
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Financial Analysis of the District as a Whole
(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 \$46.6 million in fiscal year 2018 to \$50.9 million in fiscal year 2019.

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 \$16.8 million in fiscal year 2019 and \$16.6 million in fiscal year 2018. The District's total revenues for the fiscal year ended June 30, 2019 were \$48.3 million. The total cost of all programs and services was \$44 million. The resulting increase in net position in fiscal year 2019 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 2019, 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 \$1.4 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 2018 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, 2019 and June 30, 2018 (in millions).

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(Unaudited)

Financial Analysis of the District as a Whole
(Government-wide Financial Statements) (Continued)

	<u>Governmental</u> <u>Activities 2019</u>	<u>Governmental</u> <u>Activities 2018</u>
Revenues		
Program revenues		
Charges for services	\$1.0	\$1.0
Operating grants and contributions	1.0	.8
State retirement contributions	16.8	16.6
General revenues		
Taxes	42.8	42.8
State formula-aid grants	1.1	1.1
Investment earnings	0.9	0.3
Miscellaneous	<u>1.5</u>	<u>1.4</u>
Total revenues	<u>65.1</u>	<u>64.0</u>
Expenses		
Instruction	26.4	24.7
State retirement contributions	16.8	16.6
Support Services		
Pupil and Instructional services	4.7	4.7
Administration and business	4.3	5.0
Operations and maintenance	3.8	3.8
Transportation	0.6	0.5
Nonprogrammed charges	1.3	1.6
Interest and fees	.4	.6
Other	<u>2.5</u>	<u>2.4</u>
Total expenses	<u>60.8</u>	<u>59.9</u>
Increase in net position	4.3	4.1
Beginning of year net position	<u>46.6</u>	<u>45.2</u>
End of year net position	<u>\$50.9</u>	<u>\$46.6</u>

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(Unaudited)

Financial Analysis of the District as a Whole
(Government-wide Financial Statements) (Continued)

Net Cost of Governmental Activities

Summary and Highlights:

- The District had strong financial results in fiscal year 2019 and fiscal year 2018 increasing its net position by \$4.3 million and \$4.1 million, respectively.
- Excluding the non-cash retirement contributions, the cost of all governmental activities was approximately \$44.0 million and \$43.3 million in fiscal years 2019 and 2018 respectively. The \$0.7 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 slightly from \$48.3 million in fiscal year 2019 from \$47.4 million in fiscal year 2018. Revenues were affected by an increase in the consumer price index by 2.1%, 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 \$9.5 million in fiscal year 2019 and \$16.8 million in fiscal year 2018.

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 2019 were \$48.2 million, rising from the \$47.4 million in fiscal year 2018. Total expenditures in the governmental funds were \$45.2 million in fiscal year 2019 compared to \$43.3 in the prior year; an increase of \$1.9 million, driven by instructional expenditures.

General Fund: The General Fund includes the Educational, Working Cash and Tort Immunity and Judgment Accounts. General Fund revenues increased \$1.0 million to \$39.7 million in fiscal year 2019 from \$38.7 million in fiscal year 2018. The increase was caused by increases in special local revenues, an increase in levy receipts, as well as an increase in interest earned. The largest revenue source in the General Fund is property taxes, which is typically in excess of 90% of all other revenue sources.

Expenditures in the General Fund totaled \$34.6 million in the 2019 fiscal year and \$35.4 in the 2018 fiscal year; a \$0.8 million or 2.3% decrease. This decrease was primarily the result of a reduction in salaries and benefits due to staff reduction, in addition to a reduction in tuition payments for special education.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(Unaudited)

Financial Analysis of the District's Funds
(Funds Financial Statements) (Continued)

The General Fund balance at year-end was \$26.3 million, an increase of \$5.2 million over the prior year.

Operations and Maintenance (O&M) Fund: There was a \$1.7 million decrease in the fund balance in the Operations and Maintenance Fund in fiscal year 2019. 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 slight increase in property tax revenues, the expenditures outweighed the revenues significantly, resulting in the overall decrease.

Expenditures increased 8.6%, or approximately \$290,000 in fiscal year 2019. Some of this increase, approximately \$206,000, was for additional capital expenditures for facility needs, in addition to a \$95,000 increase in purchased services.

The resulting fund balance at the end of 2019 was \$2.6 million.

Transportation Fund: Transportation services provided by the District are comparatively minimal. The ending fund balance decreased by \$131,445 to \$518,862. The decrease was largely due to increased expenditures related to special education transportation, resulting in \$95,000 in additional transportation costs.

Municipal Retirement/Social Security Fund: The ending fund balance for fiscal year 2019 increased by \$212,380 during the year to \$1.8 million.

Debt Service Fund: The Debt Service Fund balance increased by \$237,996 to \$4.0 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 \$579,340 due primarily to fiscal year 2019 Health and Life Safety facility improvement projects paid out of this fund.

Fire Prevention and Safety Fund: The ending fund balance remained flat at \$1,103.

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 \$4,486,044. The year ended with an actual \$5,150,408 surplus, resulting in a favorable variance, some of this related to deferring maintenance while an Educational Master Facility Plan was developed, in addition to increasing our levy in the Educational Fund and lowering it in the Operations and Maintenance Fund. Actual revenues were greater than the budgeted amount by \$202,660, resulting from \$100,000 in additional property taxes to budget, the remainder came from State and Federal sources. Actual expenditures were less than the budgeted amount by \$476,397 a variance of 1.35%.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(Unaudited)

General Fund and Other Governmental Funds Budgetary Highlights (Continued)

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 was within 1.35% this year and had a variance of less than 1% in fiscal year 2017 and 2018.

Capital Asset and Debt Administration

Capital Assets

By the end of fiscal year 2019, 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 G to the financial statements.

Total additions for the year for capital assets was \$2.1 million. Depreciation expense for the year was approximately \$3.4 million. The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2019 and June 30, 2018 (in thousands).

	<u>2019</u>	<u>2018</u>
Land	\$ 110	\$ 110
Construction in progress	973	145
Buildings and site improvements	48,937	50,473
Furnishings, equipment and vehicles	<u>3,748</u>	<u>4,298</u>
TOTAL	\$ <u>53,768</u>	\$ <u>55,026</u>

- The increase in construction in progress in 2019 primarily relates to health/life safety work.
- The decrease in buildings and site improvements this resulted from normal annual depreciation.
- Furnishings, equipment and vehicles decreased by \$0.6 million due to depreciation of equipment and technology purchases.
- Net capital asset values decreased by just over \$1.2 million between years.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(Unaudited)

Capital Asset and Debt Administration (Continued)

Long-Term Liabilities

At year-end, the District had \$41.8 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 H to the financial statements.)

	<u>2019</u>		<u>2018</u>
Bonds; general and			
capital appreciation, net	\$ 9.8	\$	13.8
Capital leases	0.7		0.7
Compensated absences	0.1		0.1
Other postemployment benefits liability	25.0		23.6
State pension liabilities	<u>6.2</u>		<u>2.3</u>
TOTAL	\$ <u>41.8</u>	\$	<u>40.5</u>

Capital Asset and Debt Administration (Continued)

- The liability for bonds payable decreased by \$4.0 million in fiscal year 2019 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 2019, 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 2019, 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.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(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 2018 EAV is down 3.5% from 2017. The prospect of continuing relative economic stability and additional property tax revenue availability is strong.

In connection with the last three 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 is working on funding some of this important work through the use of fund balance, 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 tax payers. 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, 2019
(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, 2019

ASSETS

Cash and investments	\$ 39,165,818
Receivables (net of allowance for uncollectibles):	
Interest	342,796
Property taxes	21,550,878
Replacement taxes	47,045
Intergovernmental	179,063
Other current assets	7,401
Capital assets:	
Land	110,383
Construction in progress	973,234
Depreciable buildings, property, and equipment, net	<u>52,684,499</u>
Total assets	<u>115,061,117</u>

DEFERRED OUTFLOW OF RESOURCES

Deferred outflows related to other postemployment benefits	1,988,400
Deferred outflows related to pensions	3,683,628
Deferred loss on refunding of bonds	<u>120,000</u>
Total deferred outflows	<u>5,792,028</u>

LIABILITIES

Accounts payable	842,114
Payroll deductions payable	268,332
Interest payable	19,532
Unearned revenue	341,835
Long-term liabilities:	
Due within one year	4,720,390
Due after one year	<u>37,129,002</u>
Total liabilities	<u>43,321,205</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflows related to other postemployment benefits	3,766,782
Property taxes levied for a future period	21,550,878
Deferred inflows related to pensions	<u>1,353,994</u>
Total deferred inflows	<u>26,671,654</u>

NET POSITION

Net investment in capital assets	43,260,170
Restricted for:	
Operations and maintenance	2,625,655
Debt service	4,006,795
Student transportation	522,619
Retirement benefits	1,843,752
Capital projects	2,848,168
Tort immunity	365,781
Unrestricted	<u>(4,612,654)</u>
Total net position	<u>\$ 50,860,286</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, 2019

Functions / Programs	Expenses	PROGRAM REVENUES		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental activities				
Instruction:				
Regular programs	\$ 19,640,929	\$ 308,770	\$ -	\$ (19,332,159)
Special programs	5,615,798	-	748,033	(4,867,765)
Other instructional programs	1,211,481	326,845	-	(884,636)
State retirement contributions	16,761,981	-	16,761,981	-
Support services:				
Pupils	2,631,201	-	-	(2,631,201)
Instructional staff	2,023,168	-	40,913	(1,982,255)
General administration	1,137,892	-	-	(1,137,892)
School administration	2,067,292	-	-	(2,067,292)
Business	1,091,379	191,631	5,658	(894,090)
Transportation	646,688	137,133	159,833	(349,722)
Operations and maintenance	3,801,024	61,603	-	(3,739,421)
Central	1,851,183	-	-	(1,851,183)
Other supporting services	553,013	-	-	(553,013)
Community services	64,658	-	-	(64,658)
Nonprogrammed charges	1,291,547	-	-	(1,291,547)
Interest and fees	434,808	-	-	(434,808)
Total governmental activities	\$ 60,824,042	\$ 1,025,982	\$ 17,716,418	\$ (42,081,642)
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				\$ 34,487,617
Real estate taxes, levied for specific purposes				3,478,328
Real estate taxes, levied for debt service				4,521,606
Personal property replacement taxes				294,038
State aid-formula grants				1,084,337
Investment earnings				949,589
Miscellaneous				1,547,350
Total general revenues				46,362,865
Change in net position				4,281,223
Net position, beginning of year				46,579,063
Net position, end of year				\$ 50,860,286

The accompanying notes are an integral part of this statement.

The Winnetka Public Schools District No. 36

Governmental Funds

BALANCE SHEET

June 30, 2019

	General	Operations and Maintenance	Transportation
ASSETS			
Cash and investments	\$ 26,694,179	\$ 2,837,353	\$ 579,289
Receivables (net of allowance for uncollectibles):			
Interest	235,220	24,976	5,105
Property taxes	17,619,517	920,806	102,034
Replacement taxes	47,045	-	-
Intergovernmental	139,515	-	39,548
Other current assets	6,347	-	960
Total assets	<u>\$ 44,741,823</u>	<u>\$ 3,783,135</u>	<u>\$ 726,936</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 179,089	\$ 235,353	\$ 13,333
Payroll deductions payable	267,011	1,321	-
Unearned revenue	252,885	-	88,950
Total liabilities	<u>698,985</u>	<u>236,674</u>	<u>102,283</u>
DEFERRED INFLOWS			
Unavailable interest revenue	173,129	18,383	3,757
Property taxes levied for a future period	17,619,517	920,806	102,034
Total deferred inflows	<u>17,792,646</u>	<u>939,189</u>	<u>105,791</u>
FUND BALANCES			
Restricted	363,432	2,078,462	518,862
Restricted for future life safety projects	-	528,810	-
Unassigned	25,886,760	-	-
Total fund balance	<u>26,250,192</u>	<u>2,607,272</u>	<u>518,862</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 44,741,823</u>	<u>\$ 3,783,135</u>	<u>\$ 726,936</u>

The accompanying notes are an integral part of this statement.

Municipal Retirement / Soc. Sec.	Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 1,827,681	\$ 3,991,677	\$ 3,234,538	\$ 1,101	\$ 39,165,818
15,977	34,650	26,859	9	342,796
639,789	2,268,732	-	-	21,550,878
-	-	-	-	47,045
-	-	-	-	179,063
94	-	-	-	7,401
<u>\$ 2,483,541</u>	<u>\$ 6,295,059</u>	<u>\$ 3,261,397</u>	<u>\$ 1,110</u>	<u>\$ 61,293,001</u>
\$ -	\$ -	\$ 414,339	\$ -	\$ 842,114
-	-	-	-	268,332
-	-	-	-	341,835
-	-	414,339	-	1,452,281
11,759	25,503	19,769	7	252,307
639,789	2,268,732	-	-	21,550,878
651,548	2,294,235	19,769	7	21,803,185
1,831,993	4,000,824	150,138	1,103	8,944,814
-	-	2,677,151	-	3,205,961
-	-	-	-	25,886,760
1,831,993	4,000,824	2,827,289	1,103	38,037,535
<u>\$ 2,483,541</u>	<u>\$ 6,295,059</u>	<u>\$ 3,261,397</u>	<u>\$ 1,110</u>	<u>\$ 61,293,001</u>

The Winnetka Public Schools District No. 36
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2019

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

Total fund balances - governmental funds.	\$ 38,037,535
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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.	53,768,116
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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.	120,000
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Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the governmental funds:

Net deferred outflows and (inflows) of resources related to:

IMRF pension	\$ 2,115,802	
TRS pension	213,832	
RHP OPEB	(189,956)	
THIS OPEB	<u>(1,588,426)</u>	551,252

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.	(19,532)
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Deferred charges included in the statement of net position are not available to pay for current period expenditures and, accordingly, are not included in the governmental funds balance sheet.	252,307
---	---------

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 balance sheet.	<u>(41,849,392)</u>
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Net position - governmental activities	<u><u>\$ 50,860,286</u></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

For the Year Ended June 30, 2019

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.	Debt Service
Revenues					
Property taxes	\$ 34,690,468	\$ 1,813,930	\$ 202,849	\$ 1,258,698	\$ 4,521,606
Replacement taxes	281,448	-	-	12,590	-
State aid	10,688,040	-	159,833	-	-
Federal aid	662,494	-	-	-	-
Interest	516,791	54,950	11,223	35,113	86,881
Other	2,368,401	82,298	137,133	-	-
Total revenues	49,207,642	1,951,178	511,038	1,306,401	4,608,487
Expenditures					
Current:					
Instruction:					
Regular programs	15,758,092	-	-	269,013	-
Special programs	5,488,949	-	-	181,164	-
Other instructional programs	1,123,721	-	-	30,032	-
State retirement contributions	9,471,593	-	-	-	-
Support services:					
Pupils	2,420,045	-	-	67,505	-
Instructional staff	1,848,253	-	-	50,447	-
General administration	1,089,659	-	-	21,352	-
School administration	1,890,102	-	-	66,867	-
Business	959,531	-	-	63,615	-
Transportation	-	-	642,483	2,063	-
Operations and maintenance	-	3,291,808	-	233,542	-
Central	1,163,472	-	-	79,525	-
Other supporting services	524,270	-	-	21,575	-
Community services	52,512	-	-	7,321	-
Nonprogrammed charges	1,291,547	-	-	-	-
Debt service:					
Principal	-	-	-	-	4,432,353
Interest and other	-	-	-	-	202,191
Capital outlay	960,795	344,302	-	-	-
Total expenditures	44,042,541	3,636,110	642,483	1,094,021	4,634,544
Excess (deficiency) of revenues over expenditures	5,165,101	(1,684,932)	(131,445)	212,380	(26,057)
Other financing sources (uses)					
Transfers in	-	-	-	-	264,053
Transfers out	(264,053)	-	-	-	-
Capital lease proceeds	249,360	-	-	-	-
Total other financing sources (uses)	(14,693)	-	-	-	264,053
Net change in fund balance	5,150,408	(1,684,932)	(131,445)	212,380	237,996
Fund balance, beginning of year	21,099,784	4,292,204	650,307	1,619,613	3,762,828
Fund balance, end of year	\$ 26,250,192	\$ 2,607,272	\$ 518,862	\$ 1,831,993	\$ 4,000,824

The accompanying notes are an integral part of this statement.

Capital Projects	Fire Prevention and Safety	Total
\$ -	\$ -	\$ 42,487,551
-	-	294,038
-	-	10,847,873
-	-	662,494
50,246	2	755,206
-	-	2,587,832
50,246	2	57,634,994
-	-	16,027,105
-	-	5,670,113
-	-	1,153,753
-	-	9,471,593
-	-	2,487,550
-	-	1,898,700
-	-	1,111,011
-	-	1,956,969
-	-	1,023,146
-	-	644,546
-	-	3,525,350
-	-	1,242,997
-	-	545,845
-	-	59,833
-	-	1,291,547
-	-	4,432,353
-	-	202,191
629,586	-	1,934,683
629,586	-	54,679,285
(579,340)	2	2,955,709
-	-	264,053
-	-	(264,053)
-	-	249,360
-	-	249,360
(579,340)	2	3,205,069
3,406,629	1,101	34,832,466
\$ 2,827,289	\$ 1,103	\$ 38,037,535

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, 2019

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

Net change in fund balances - total governmental funds.	\$ 3,205,069
---	--------------

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.	(1,258,122)
--	-------------

Amortization on deferred loss on refunding of bonds, included in the statement of net position, are not available to pay for current period expenditures and, accordingly, are not included in the governmental funds balance sheet.	(80,000)
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Changes in deferred outflows and inflows of resources related to pensions and other postemployment benefits are reported only in the statement of activities:

Deferred outflow and inflows of resources related to IMRF pension	3,364,010
Deferred outflow and inflows of resources related to TRS pension	184,023
Deferred outflow and inflows of resources related to RHP OPEB	57,239
Deferred outflow and inflows of resources related to THIS OPEB	(9,508)

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.	(293)
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Certain revenues and other revenue included in the statement of activities do not provide current financial resources and, therefore, are deferred in the fund financial statements.	194,383
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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.	(1,375,578)
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Change in net position - governmental activities	<u>\$ 4,281,223</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, 2019

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	<u>\$ 788,175</u>
LIABILITIES	
Due to student groups	<u>\$ 788,175</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, 2019

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, 2019

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, 2019

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.

The *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. They account 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, 2019

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. The District had no nonspendable funds at June 30, 2019.
- 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 funds at June 30, 2019.
- 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 funds at June 30, 2019.
- 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, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Fund Balance (Continued)

Governmental fund balances reported on the fund financial statements at June 30, 2019 are as follows:

The restricted fund balance in the General Fund is comprised of \$363,432, representing the remaining unspent portion of the restricted tort immunity levy. The restricted fund balance in the Operations and Maintenance and Capital Projects Fund 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, 2019

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, 2019, 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, 2019, 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 (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, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<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 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, 2019

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.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE B - RECONCILIATION OF THE GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Government Funds Balance Sheet and the Government-wide Statement of Net Position

The governmental funds balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "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 balance sheet." The details of this difference are as follows:

General obligation bonds	\$ (8,060,000)
Capital appreciation bonds	(1,742,623)
TRS net pension liability	(2,302,864)
IMRF net pension liability	(3,883,886)
RHP total other postemployment benefit liability	(1,353,355)
THIS net other postemployment benefit liability	(23,701,269)
Capital leases	(705,323)
Compensated absences	<u>(100,072)</u>
Net adjustment to reduce fund balances - total governmental funds to arrive at net position - governmental activities	<u>\$ (41,849,392)</u>

2. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and change in net position - governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this difference are as follows:

Capital outlay	\$ 2,135,364
Depreciation expense	(3,375,993)
Loss on disposal of capital	<u>(17,493)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	<u>\$ (1,258,122)</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE B - RECONCILIATION OF THE GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(Continued)

2. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that "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". The details of this difference are as follows:

Principal payments:	
General obligation bonds	\$ 2,380,000
Capital appreciation bonds	1,795,000
Proceeds from capital leases	(249,360)
Payment on capital leases	257,353
TRS pension liability, net	(174,437)
IMRF pension liability, net	(3,786,436)
RHP total other postemployment benefit liability, net	(83,299)
THIS other postemployment benefit liability, net	(1,371,380)
Compensated absences, net	9,305
Accretion on capital appreciation bonds	<u>(152,324)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	\$ <u><u>(1,375,578)</u></u>

NOTE C - 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, 2019

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2019, the District's cash and investments consisted of the following:

	<u>Governmental</u>	<u>Fiduciary</u>	<u>Total</u>
Cash and investments	\$ <u>39,165,818</u>	\$ <u>788,175</u>	\$ <u>39,953,993</u>

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

	<u>Total</u>
Deposits with financial institutions*	\$ 25,006,669
Illinois School District Liquid Asset Fund Plus	4,654,340
Illinois School District Liquid Asset - Term Series	8,800,000
Other investments	<u>1,492,984</u>
	<u>\$ 39,953,993</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, 2019

NOTE C - 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	\$ 8,800,000	\$ 8,800,000	\$ -	\$ -	\$ -
United States Treasury Bill	751,797	751,797	-	-	-
Negotiable certificates of deposit	741,187	741,187	-	-	-
	<u>\$ 10,292,984</u>	<u>\$ 10,292,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
ISDLAF+	\$ 4,654,340	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, 2019, the District's investments subject to credit risk were rated as follows:

<u>Investment</u>	<u>Moody's Investor</u>	<u>Standard & Poor's</u>
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, 2019

NOTE C - 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, 2019, the fully collateralized bank balances of the District's deposits with financial institutions totaled \$25,686,837.

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 D - 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 18, 2018. 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, 2019

NOTE D - 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 2.9109 for 2018.

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 2018 tax levy was \$1,390,031,651.

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 2018 property tax levy not received by June 30 is recorded as a receivable, net of estimated uncollectibles 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, 2019

NOTE E - 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 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. Disability and death benefits are also provided.

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. The earliest possible implementation date is July 1, 2020. 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 will begin in 2019 and will be funded by bonds issued by the state of Illinois.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - 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, 2018, 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, 2019, 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 \$14,815,871 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$9,206,591 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, 2019, were \$123,952, and are deferred because they were paid after the June 30, 2018 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, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, 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, 2019

NOTE E - 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. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

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, 2019, the District paid \$1,682 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 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, 2019, 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	\$	2,302,864
State's proportionate share of the net pension liability associated with the District		<u>157,755,810</u>
Total	\$	<u><u>160,058,674</u></u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. 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, 2018, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2018, the District's proportion was 0.0029544787 percent, which was an increase of 0.0001685121 percent from its proportion measured as of June 30, 2017.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - 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, 2019, the District recognized the following pension expense/expenditures and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on- behalf contributions- revenue	\$ 14,815,871	\$ 9,206,591
and expenses/expenditure		
District TRS pension expense	<u>114,659</u>	<u>123,952</u>
Total TRS expense/expenditure	<u>\$ 14,930,530</u>	<u>\$ 9,330,543</u>

At June 30, 2019, 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
Differences between expected and actual experience	\$ 46,283	\$ 502
Net difference between projected and actual earnings on pension plan investments	-	7,051
Changes of assumptions	101,003	65,268
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>113,566</u>	<u>98,151</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>260,852</u>	<u>170,972</u>
District contributions subsequent to the measurement date	<u>123,952</u>	-
Total deferred amounts related to pensions	<u>\$ 384,804</u>	<u>\$ 170,972</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - 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 \$123,952 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, 2020. 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
2020	\$ 41,420
2021	23,018
2022	(5,548)
2023	19,368
2024	11,622
Total	\$ 89,880

Actuarial Assumptions

The total pension liability in the June 30, 2018 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, 2018 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, 2017 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, 2019

NOTE E - 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 %	6.7 %
U.S. equities small/mid cap	2.0	7.9
International equities developed	13.6	7.0
Emerging market equities	3.4	9.4
U.S. bonds core	8.0	2.2
U.S bonds high yield	4.2	4.4
International debt developed	2.2	1.3
Emerging international debt	2.6	4.5
Real estate	16.0	5.4
Real return	4.0	1.8
Absolute return	14.0	3.9
Private equity	15.0	10.2
Total	<u>100.0 %</u>	

Discount Rate

At June 30, 2018, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2017 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, 2018 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, 2019

NOTE E - 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	\$ 2,824,245	\$ 2,302,864	\$ 1,882,995

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2018 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, 2019

NOTE E - 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, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	161
Inactive plan members entitled to but not yet receiving benefits	412
Active plan members	119
	<hr/>
Total	692
	<hr/>

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 2018 was 10.12%. For the fiscal year ended June 30, 2019 the District contributed \$437,491 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, 2019

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Net Pension Liability

The District's net pension liability was measured as of December 31, 2018. 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, 2018:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.39% 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 2018 valuation pursuant to an experience study of the period 2014-2017.
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, 2019

NOTE E - 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
Equities	37%	(6.08%)
International Equities	18%	(14.16%)
Fixed Income	28%	(0.28%)
Real Estate	9%	8.36%
Alternative Investments	7%	4.75% - 12.40%
Cash Equivalents	1%	2.50%
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, 2019

NOTE E - 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 3.71% (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, 2018:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 21,303,350	\$ 21,205,900	\$ 97,450
Changes for the year:			
Service cost	464,891	-	464,891
Interest on the total pension liability	1,567,445	-	1,567,445
Difference between expected and actual experience of the total pension liability	1,269,347	-	1,269,347
Changes of assumptions	597,573	-	597,573
Contributions - employer	-	481,051	(481,051)
Contributions - employees	-	224,725	(224,725)
Net investment income	-	(1,130,313)	1,130,313
Benefit payments, including refunds of employee contributions	(1,273,046)	(1,273,046)	-
Other (net transfer)	-	537,357	(537,357)
Net changes	<u>2,626,210</u>	<u>(1,160,226)</u>	<u>3,786,436</u>
Balances at December 31, 2018	<u>\$ 23,929,560</u>	<u>\$ 20,045,674</u>	<u>\$ 3,883,886</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability 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, 2019

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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

	1% Lower (6.25%)	Current Discount Rate (7.25%)	1% Higher (8.25%)
Net pension liability	\$ 6,567,325	\$ 3,883,886	\$ 1,641,729

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

For the year ended June 30, 2019, the District recognized pension expense of \$860,309. At June 30, 2019, 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
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 417,665	\$ -
Change of assumptions	196,625	-
Net difference between projected and actual earnings on pension plan investments	2,475,349	1,183,022
Total deferred amounts to be recognized in pension expense in future periods	3,089,639	1,183,022
Pension contributions made subsequent to the measurement date	209,185	-
Total deferred amounts related to pensions	\$ 3,298,824	\$ 1,183,022

The District reported \$209,185 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, 2020.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - 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:

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2020	\$ 1,039,878
2021	173,226
2022	149,587
2023	543,926
2024	-
Thereafter	<u>-</u>
Total	<u>\$ 1,906,617</u>

3. Summary of Pension Items

Below is a summary of the various pension items:

	<u>TRS</u>	<u>IMRF</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 123,952	\$ 209,185	\$ 333,137
Experience	46,283	417,665	463,948
Assumptions	101,003	196,625	297,628
Proportionate share	113,566	-	113,566
Investments	<u>-</u>	<u>2,475,349</u>	<u>2,475,349</u>
	<u>\$ 384,804</u>	<u>\$ 3,298,824</u>	<u>\$ 3,683,628</u>
Net pension liability	<u>\$ 2,302,864</u>	<u>\$ 3,883,886</u>	<u>\$ 6,186,750</u>
Pension expense	<u>\$ 14,930,530</u>	<u>\$ 860,309</u>	<u>\$ 15,790,839</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE E - PENSION LIABILITIES (Continued)

3. Summary of Pension Items (Continued)

	TRS	IMRF	Total
Deferred inflows of resources:			
Investments	\$ 7,051	\$ 1,183,022	\$ 1,190,073
Experience	502	-	502
Assumptions	65,268	-	65,268
Proportionate share	98,151	-	98,151
	<u>\$ 170,972</u>	<u>\$ 1,183,022</u>	<u>\$ 1,353,994</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 F - 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, 2019

NOTE F - 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, 2019. 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, 2019, the District recognized revenue and expenses of \$1,946,110 in the governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$265,002 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, 2019. For the year ended June 30, 2019, the District paid \$196,614 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2018 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, 2019, 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, 2019

NOTE F - 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	\$	23,701,269
State's estimated proportionate share of the net OPEB liability associated with the District*		<u>31,825,693</u>
Total	\$	<u><u>55,526,962</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, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, and rolled forward to June 30, 2018. 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, 2018, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2018, the District's proportion was 0.089962 percent, which was an increase of 0.003911 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, 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	\$ 1,946,110	\$ 265,002
District OPEB pension expense	<u>1,566,752</u>	<u>196,614</u>
Total OPEB expense/expenditure	\$ <u><u>3,512,862</u></u>	\$ <u><u>461,616</u></u>

At June 30, 2019, 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, 2019

NOTE F - 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
Differences between expected and actual experience	\$ -	\$ 85,041
Change of assumptions	-	3,451,303
Net difference between projected and actual earnings on OPEB plan investments	-	727
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>1,762,907</u>	<u>10,876</u>
Total deferred amounts to be recognized in OPEB expense in future periods	<u>1,762,907</u>	<u>3,547,947</u>
District contributions subsequent to the measurement date	<u>196,614</u>	<u>-</u>
Total deferred amounts related to OPEB	<u><u>\$ 1,959,521</u></u>	<u><u>\$ 3,547,947</u></u>

The District reported \$196,614 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, 2020. 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
2020	\$ 319,009
2021	319,009
2022	319,009
2023	318,945
2024	318,811
Thereafter	<u>190,257</u>
Total	<u><u>\$ 1,785,040</u></u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - 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, 2018 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, 2018, contribution rates are 1.18% of pay for active members, 0.88% of pay for school districts, and 1.18% 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	2.75 percent
Salary increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% 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, 2016, 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-2014.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - 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 2018. For fiscal years on and after 2019, trend starts at 8.00% and 9.00% for non-Medicare cost and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.36% 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 1.18 percent, 0.88 percent, 1.18 percent of pay, respectively for fiscal year 2018. 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 3.56 percent at June 30, 2017, and 3.62 percent at June 30, 2018, was used to measure the total OPEB liability. The increase in the single discount rate, from 3.56 percent to 3.62 percent, caused the total OPEB liability for the entire plan to decrease by approximately \$285 million.

Investment Return

During plan year end June 30, 2018, the trust earned \$743,000 in interest, and due to a significant benefit payable, the plan fiduciary net position at June 30, 2018, is a negative \$9.23 million. Given the significant benefit payable, negative plan fiduciary net position 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, 2019

NOTE F - 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 1.301% for plan year end June 30, 2018, and 0.678% for plan year end June 30, 2017.

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 3.62 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 (2.62 percent) or 1-percentage-point higher (4.62 percent) than the current rate:

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
District's proportionate share of the net OPEB liability	\$ 28,498,065	\$ 23,701,269	\$ 19,914,606

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, 2018, 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 2019 decreasing to an ultimate trend rate of 4.86% in 2026, for non-Medicare coverage, and 9.00% in 2019 decreasing to an ultimate trend rate of 4.50% in 2028 for Medicare coverage.

	1% Decrease*	Current Healthcare Trend Rate	1% Increase **
District's proportionate share of the net OPEB liability	\$ 19,217,891	\$ 23,701,269	\$ 29,741,455

* One percentage point decrease in healthcare trend rates are 7.00% in 2019 decreasing to an ultimate trend rate of 3.86% in 2026, for non-Medicare coverage, and 8.00% in 2019 decreasing to an ultimate trend rate of 3.50% in 2028 for Medicare coverage.

** One percentage point increase in healthcare trend rates are 9.00% in 2019 decreasing to an ultimate trend rate of 5.86% in 2026, for non-Medicare coverage, and 10.00% in 2019 decreasing to an ultimate trend rate of 5.50% in 2028 for Medicare coverage.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - 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, 2019 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>11</u>
Total	<u><u>356</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, 2017 using the following actuarial methods and assumptions:

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - OTHER POSTEMPLOYMENT BENEFITS (Continued)

2. Retiree Health Plan (RHP) (Continued)

Total OPEB Liability (Continued)

Actuarial valuation date	July 1, 2017
Measurement date	June 8, 2018
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	3.00%
Discount rate	2.79%
Salary rate increase	4.00%
Healthcare trend rates	Initial:
	5.00% - HMO Plan
	6.50% - PPO 300 Plan
	5.00% - TRIP Plan
	Ultimate:
	5.00% - PPO 300 Plan
	HMO Plan and TRIP Plan - N/A
	(trend rate is constant for all years)
Mortality rates	
IMRF employees and retirees	Same rates as IMRF net pension liability valuation as of December 31, 2017.
TRS employees and retirees	Same rates as TRS net pension liability valuation as of June 30, 2017.
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 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, 2019

NOTE F - 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 2.79% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2019.

Changes in the Total OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2018	\$ 1,270,056	\$ -	\$ 1,270,056
Changes for the year:			
Service cost	71,602	-	71,602
Interest on the total OPEB liability	39,313	-	39,313
Difference between expected and actual experience of the total OPEB liability	-	-	-
Changes of assumptions and other inputs	31,727	-	31,727
Contributions - employer	-	-	-
Contributions - active and inactive employees	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(59,807)	-	(59,807)
Other changes	464	-	464
Net changes	<u>83,299</u>	<u>-</u>	<u>83,299</u>
Balances at June 30, 2019	<u>\$ 1,353,355</u>	<u>\$ -</u>	<u>\$ 1,353,355</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 2.79%, 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 (1.79%)	Current Discount Rate (2.79%)	1% Higher (3.79%)
Total OPEB liability	\$ <u>1,439,332</u>	\$ <u>1,353,355</u>	\$ <u>1,271,108</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE F - 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 (4.00%)-5.00%, 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:

	<u>1% Lower</u>	<u>Current Healthcare Rate</u>	<u>1% Higher</u>
Total OPEB liability	\$ <u>1,277,730</u>	\$ <u>1,353,355</u>	\$ <u>1,439,577</u>

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

For the year ended June 30, 2019 the District recognized OPEB expense of \$85,866. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in OPEB Expense in Future Periods		
Change of assumptions	\$ <u>28,879</u>	\$ <u>218,835</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	\$ <u>28,879</u>	\$ <u>218,835</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, 2019

NOTE F - 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
2020	\$ 25,048
2021	25,048
2022	25,048
2023	25,048
2024	25,048
Thereafter	64,716
Total	<u>\$ 189,956</u>

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2019:

	THIS	RHP	Total
Deferred outflows of resources:			
Employer contributions	\$ 196,614	\$ -	\$ 196,614
Assumptions	-	28,879	28,879
Proportionate share	1,762,907	-	1,762,907
	<u>\$ 1,959,521</u>	<u>\$ 28,879</u>	<u>\$ 1,988,400</u>
OPEB liability	<u>\$ 23,701,269</u>	<u>\$ 1,353,355</u>	<u>\$ 25,054,624</u>
OPEB expense	<u>\$ 3,512,862</u>	<u>\$ 85,866</u>	<u>\$ 3,598,728</u>
Deferred inflows of resources:			
Assumptions	\$ 3,451,303	\$ 218,835	\$ 3,670,138
Investments	727	-	727
Experience	85,041	-	85,041
Proportionate share	10,876	-	10,876
	<u>\$ 3,547,947</u>	<u>\$ 218,835</u>	<u>\$ 3,766,782</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE G - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Increases / Transfers	Decreases / Transfers	Balance June 30, 2019
Capital assets, not being depreciated				
Land	\$ 110,383	\$ -	\$ -	\$ 110,383
Construction in progress	145,165	1,276,500	448,431	973,234
	<u>255,548</u>	<u>1,276,500</u>	<u>448,431</u>	<u>1,083,617</u>
Total capital assets, not being depreciated	<u>255,548</u>	<u>1,276,500</u>	<u>448,431</u>	<u>1,083,617</u>
Capital assets, being depreciated				
Buildings	75,593,903	-	-	75,593,903
Site improvements	3,378,425	499,366	-	3,877,791
Furnishings, equipment, and vehicles	11,136,966	807,929	2,013,151	9,931,744
	<u>90,109,294</u>	<u>1,307,295</u>	<u>2,013,151</u>	<u>89,403,438</u>
Total capital assets, being depreciated	<u>90,109,294</u>	<u>1,307,295</u>	<u>2,013,151</u>	<u>89,403,438</u>
Less accumulated depreciation for:				
Buildings	27,916,296	1,863,998	-	29,780,294
Site improvements	583,085	171,907	-	754,992
Furnishings, equipment, and vehicles	6,839,223	1,340,088	1,995,658	6,183,653
	<u>35,338,604</u>	<u>3,375,993</u>	<u>1,995,658</u>	<u>36,718,939</u>
Total accumulated depreciation	<u>35,338,604</u>	<u>3,375,993</u>	<u>1,995,658</u>	<u>36,718,939</u>
Total capital assets, being depreciated, net	<u>54,770,690</u>	<u>(2,068,698)</u>	<u>17,493</u>	<u>52,684,499</u>
Governmental activities capital assets, net	<u>\$ 55,026,238</u>	<u>\$ (792,198)</u>	<u>\$ 465,924</u>	<u>\$ 53,768,116</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE G - CAPITAL ASSETS (Continued)

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

Governmental activities

General Government

Regular programs	\$ 2,497,107
Special programs	6,845
Other instructional programs	1,552
Pupils	2,085
Instructional staff	13,977
General administration	3,288
School administration	10,947
Business	31,070
Operations and maintenance	272,060
Central	529,894
Other supporting services	7,168
	<u>\$ 3,375,993</u>

NOTE H - LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2019:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions/</u> <u>Accretion</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Bonds payable:				
General obligation bonds	\$ 10,440,000	\$ -	\$ 2,380,000	\$ 8,060,000
Capital appreciation bond	<u>3,385,299</u>	<u>152,324</u>	<u>1,795,000</u>	<u>1,742,623</u>
Total bonds payable	<u>13,825,299</u>	<u>152,324</u>	<u>4,175,000</u>	<u>9,802,623</u>
Capital leases	713,316	249,360	257,353	705,323
Compensated absences	109,377	25,032	34,337	100,072
RHP total other postemployment benefit liability	1,270,056	143,106	59,807	1,353,355
THIS net other postemployment benefit liability	22,329,889	2,422,822	1,051,442	23,701,269
TRS net pension liability	2,128,427	350,866	176,429	2,302,864
IMRF net pension liability	<u>97,450</u>	<u>5,029,569</u>	<u>1,243,133</u>	<u>3,883,886</u>
Total long-term liabilities - governmental activities	<u>\$ 40,473,814</u>	<u>\$ 8,373,079</u>	<u>\$ 6,997,501</u>	<u>\$ 41,849,392</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - LONG-TERM LIABILITIES (Continued)

Due within one year:

General obligation bonds	\$ 2,565,000
Capital appreciation bonds	1,795,000
Capital leases	260,318
Compensated absences	<u>100,072</u>
	<u>\$ 4,720,390</u>

1. Bonds Payable

The bonds payable as of June 30, 2019 are as follows:

	<u>Interest Rate</u>	<u>Face Amount</u>	<u>Carrying Amount</u>
Capital appreciation bond - dated May 17, 2000	4.65% - 6.01%	\$ 1,795,000	\$ 1,742,623
GO refunding bonds, Series 2016A - dated December 28, 2016	1.99%	<u>8,060,000</u>	<u>8,060,000</u>
		<u>\$ 9,855,000</u>	<u>\$ 9,802,623</u>

The summary of activity in bonds payable for the year ended June 30, 2019 is as follows:

	<u>Bonds Payable July 1, 2018</u>	<u>Debt Issued/ Accretion</u>	<u>Debt Retired</u>	<u>Bonds Payable June 30, 2019</u>
Capital appreciation bond dated May 17, 2000, interest at 4.65% to 6.01%.	\$ 3,385,299	\$ 152,324	\$ 1,795,000	\$ 1,742,623
Building bonds dated January 1, 2008, interest at 3.50% to 3.63%.	855,000	-	855,000	-
General obligation refunding school bonds Series 2016A dated December 28, 2016, interest at 1.99%.	<u>9,585,000</u>	<u>-</u>	<u>1,525,000</u>	<u>8,060,000</u>
Total	<u>\$ 13,825,299</u>	<u>\$ 152,324</u>	<u>\$ 4,175,000</u>	<u>\$ 9,802,623</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - LONG-TERM LIABILITIES (Continued)

1. Bonds Payable (Continued)

At June 30, 2019, the District's future cash flow requirements for retirement of bond principal and interest was as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 4,360,000	\$ 134,872	\$ 4,494,872
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>\$ 9,855,000</u>	<u>\$ 211,537</u>	<u>\$ 10,066,537</u>

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$4,000,824 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, 2019, the statutory debt limit for the District was \$95,912,184, of which \$85,351,861 is fully available.

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.

During the fiscal year ended June 30, 2019, the District entered into a new lease agreement for MacBook computers. The provisions of these leases require annual and monthly installment payments.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE H - LONG-TERM LIABILITIES (Continued)

2. Capital Leases (Continued)

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

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 260,318	\$ 6,545	\$ 266,863
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>\$ 705,323</u>	<u>\$ 15,855</u>	<u>\$ 721,178</u>

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

NOTE I - INTERFUND TRANSFERS

The District transferred \$264,053 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 J - 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, 2019

NOTE K - 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 - NSSD). It is also a member of the risk management pools described in Note J. 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, 2019, the District received \$1,251,916 of leasing revenue from NTTEC.

NOTE L - 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.

NOTE M - CONSTRUCTION COMMITMENTS

The District has contracts for construction projects which have been approved by the Board of Education at June 30, 2019. Future commitments approximate \$491,000 at June 30, 2019.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019

NOTE N - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 10, 2019, the date that these financial statements were available to be issued. Management has determined that no events or transactions 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

Five Most Recent Fiscal Years

	2019	2018	2017
Total pension liability			
Service cost	\$ 464,891	\$ 559,496	\$ 554,430
Interest on the total pension liability	1,567,445	1,599,067	1,498,893
Difference between expected and actual experience of the total pension liability	1,269,347	(587,091)	426,151
Assumption changes	597,573	(703,267)	(46,711)
Benefit payments and refunds	(1,273,046)	(1,212,007)	(1,094,150)
Net change in total pension liability	2,626,210	(343,802)	1,338,613
Total pension liability, beginning	21,303,350	21,647,152	20,308,539
Total pension liability, ending	<u>\$ 23,929,560</u>	<u>\$ 21,303,350</u>	<u>\$ 21,647,152</u>
Plan fiduciary net position			
Contributions, employer	\$ 481,051	\$ 465,289	\$ 510,112
Contributions, employee	224,725	212,785	232,733
Net investment income	(1,130,313)	3,357,409	1,231,024
Benefit payments, including refunds of employee contributions	(1,273,046)	(1,212,007)	(1,094,150)
Other (net transfer)	537,357	(721,209)	117,327
Net change in plan fiduciary net position	(1,160,226)	2,102,267	997,046
Plan fiduciary net position, beginning	21,205,900	19,103,633	18,106,587
Plan fiduciary net position, ending	<u>\$ 20,045,674</u>	<u>\$ 21,205,900</u>	<u>\$ 19,103,633</u>
Net pension liability	<u>\$ 3,883,886</u>	<u>\$ 97,450</u>	<u>\$ 2,543,519</u>
Plan fiduciary net position as a percentage of the total pension liability	83.77%	99.54%	88.25%
Covered Valuation Payroll	\$ 4,753,464	\$ 4,728,548	\$ 5,090,941
Net pension liability as a percentage of covered valuation payroll	81.71%	2.06%	49.96%

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>2016</u>	<u>2015</u>
\$	507,306	\$ 490,411
	1,391,496	1,280,861
	588,517	(91,424)
	44,185	776,459
	(1,045,189)	(934,051)
	<u>1,486,315</u>	<u>1,522,256</u>
	<u>18,822,224</u>	<u>17,299,968</u>
\$	<u><u>20,308,539</u></u>	\$ <u><u>18,822,224</u></u>
\$	495,392	\$ 430,579
	215,508	195,679
	89,215	1,055,626
	(1,045,189)	(934,051)
	<u>341,453</u>	<u>(196,870)</u>
	<u>96,379</u>	<u>550,963</u>
	<u>18,010,208</u>	<u>17,459,245</u>
\$	<u><u>18,106,587</u></u>	\$ <u><u>18,010,208</u></u>
\$	<u><u>2,201,952</u></u>	\$ <u><u>812,016</u></u>
	89.16%	95.69%
\$	4,753,782	\$ 4,331,784
	46.32%	18.75%

The Winnetka Public Schools District No. 36

MULTIYEAR SCHEDULE OF CONTRIBUTIONS

Illinois Municipal Retirement Fund

Five Most Recent Fiscal Years

		Actuarially Determined Contribution		Actual Contribution		Contribution Deficiency (Excess)		Covered Valuation Payroll		Actual Contribution as a % of Covered Valuation Payroll
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 10.12% and covered valuation payroll of \$4,753,464 (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
Five Most Recent Fiscal Years

	<u>2019</u>		<u>2018</u>		<u>2017</u>
District's proportion of the net pension liability	0.0029544787 %		0.0027859666 %		0.0028011082 %
District's proportion of the net of the net pension liability	\$ 2,302,864	\$	2,128,427	\$	2,211,084
State's proportionate share of the net pension liability associated with the District	<u>157,755,810</u>		<u>146,525,271</u>		<u>148,456,143</u>
Total	<u>\$ 160,058,674</u>	<u>\$</u>	<u>148,653,698</u>	<u>\$</u>	<u>150,667,227</u>
District's covered-employee payroll	\$ 21,114,438	\$	19,889,741	\$	19,093,844
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.91 %		10.70 %		11.58 %
Plan fiduciary net position as a percentage of the total pension liability	40.00 %		39.30 %		36.40 %

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>2016</u>	<u>2015</u>
0.0030924316 %	0.0029798549 %

\$ 2,025,854	\$ 1,813,488
--------------	--------------

<u>120,970,056</u>	<u>113,090,942</u>
\$ <u>122,995,910</u>	\$ <u>114,904,430</u>

\$ 18,465,844	\$ 18,247,417
---------------	---------------

10.97 %	9.94 %
---------	--------

41.50 %	43.00 %
---------	---------

The Winnetka Public Schools District No. 36
MULTIYEAR SCHEDULE OF DISTRICT CONTRIBUTIONS
Teacher's Retirement System of the State of Illinois
Five Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 122,464	\$ 115,361	\$ 110,744
Contributions in relation to the contractually required contributions	<u>122,756</u>	<u>114,781</u>	<u>108,479</u>
Contribution deficiency (excess)	\$ <u>(292)</u>	\$ <u>580</u>	\$ <u>2,265</u>
District's covered-employee payroll	\$ 21,371,096	\$ 21,114,438	\$ 19,889,741
Contributions as a percentage of covered-employee payroll	0.57 %	0.54 %	0.55 %

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>2016</u>	<u>2015</u>
\$ 107,102	\$ 105,835
<u>108,359</u>	<u>106,320</u>
\$ <u>(1,257)</u>	\$ <u>(485)</u>
\$ 19,093,844	\$ 18,465,844
0.57 %	0.58 %

The Winnetka Public Schools District No. 36

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

Retiree Health Plan

Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 71,602	\$ 65,429
Interest on the total OPEB liability	39,313	39,284
Difference between expected and actual experience of the total OPEB liability	-	-
Changes in assumptions and other inputs	31,727	(98,625)
Benefit payments, including the implicit rate subsidy	(59,807)	(61,640)
Other changes	464	(176,930)
Net change in total OPEB liability	83,299	(232,482)
Total OPEB liability, beginning	1,270,056	1,502,538
Total OPEB liability, ending	<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	-	-
Plan fiduciary net position, beginning	-	-
Plan fiduciary net position, ending	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability	<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 %
Covered Valuation Payroll	\$ 24,038,164	\$ 24,038,164
Net OPEB liability as a percentage of covered valuation payroll	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
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) LIABILITY
Teacher Health Insurance Security Fund
Two Most Recent Fiscal Years

	<u>2019</u>		<u>2018</u>
District's proportion of the net OPEB liability	0.08996200	%	0.08605100
			%
District's proportionate share of the net OPEB liability	\$ 23,701,269	\$	22,329,889
State's proportionate share of the net OPEB liability associated with the District	<u>31,825,693</u>		<u>29,324,693</u>
Total	<u>\$ 55,526,962</u>	<u>\$</u>	<u>51,654,582</u>
District's covered payroll	\$ 21,114,438	\$	19,889,741
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	112.25%		112.27%
Plan fiduciary net position as a percentage of the total OPEB liability	-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
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teacher Health Insurance Security Fund
Two Most Recent Fiscal Years

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 187,671	\$ 167,074
Contributions in relation to the contractually required contribution	<u>185,807</u>	<u>166,284</u>
Contribution due	\$ <u>(1,864)</u>	\$ <u>(790)</u>
District's covered payroll	\$ 21,371,096	\$ 21,114,438
Contributions as a percentage of covered payroll	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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Revenues				
Local sources				
General levy	\$35,273,103	\$34,690,468	\$ (582,635)	\$34,406,724
Corporate personal property replacement taxes	251,058	281,448	30,390	251,994
Regular tuition from pupils or parents	45,000	105,084	60,084	147,189
Regular tuition from other sources (in state)	105,000	140,372	35,372	128,339
Regular tuition from other sources	45,000	-	(45,000)	-
Summer school tuition from pupils or parents	362,300	326,845	(35,455)	278,806
Interest on investments	159,700	516,791	357,091	124,189
Sales to pupils - lunch	155,000	154,290	(710)	160,876
Sales to pupils - other	36,900	37,341	441	44,607
Admissions - athletic	31,100	32,280	1,180	30,849
Fees	30,500	31,034	534	30,136
Contributions and donations from private sources	-	99,653	99,653	1,192,740
Other	1,263,916	1,441,502	177,586	185,750
Total local sources	37,758,577	37,857,108	98,531	36,982,199
State sources				
Evidenced Based Funding	1,082,637	1,084,337	1,700	1,082,637
Special Education - Private Facility Tuition	55,463	107,945	52,482	55,464
Special Education - Orphanage - Individual	-	22,940	22,940	-
Other state sources	1,100	1,225	125	2,387
Total state sources	1,139,200	1,216,447	77,247	1,140,488

(Continued)

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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Federal sources				
Special Milk Program	\$ 6,700	\$ 5,658	\$ (1,042)	\$ 7,090
Federal - Special Education - Pre-School Flow Through	9,026	9,711	685	8,803
Federal - Special Education - I.D.E.A. - Flow Through	427,921	427,899	(22)	422,773
Federal - Special Education - I.D.E.A. - Room and Board	160,965	179,538	18,573	100,672
Title II - Teacher Quality	<u>31,000</u>	<u>39,688</u>	<u>8,688</u>	<u>39,725</u>
Total federal sources	<u>635,612</u>	<u>662,494</u>	<u>26,882</u>	<u>579,063</u>
Total revenues	<u>39,533,389</u>	<u>39,736,049</u>	<u>202,660</u>	<u>38,701,750</u>
Expenditures				
Instruction				
Regular programs				
Salaries	13,998,075	13,658,539	339,536	13,278,047
Employee benefits	1,891,516	2,009,120	(117,604)	1,939,597
Purchased services	-	326	(326)	216
Supplies and materials	213,757	191,307	22,450	186,121
Capital outlay	-	349,013	(349,013)	1,936,361
Non-capitalized equipment	<u>23,500</u>	<u>12,963</u>	<u>10,537</u>	<u>9,572</u>
Total	<u>16,126,848</u>	<u>16,221,268</u>	<u>(94,420)</u>	<u>17,349,914</u>
Special education programs				
Salaries	3,286,924	3,315,254	(28,330)	3,158,420
Employee benefits	651,683	676,098	(24,415)	679,860
Purchased services	247,428	238,888	8,540	117,559
Supplies and materials	53,210	40,222	12,988	50,963

(Continued)

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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Special education programs (Continued)				
Non-capitalized equipment	\$ -	\$ 1,767	\$ (1,767)	\$ 1
Total	4,239,245	4,272,229	(32,984)	4,006,803
Special education programs pre-K				
Purchased services	1,722	1,722	-	3,320
Other objects	7,326	7,989	(663)	5,483
Total	9,048	9,711	(663)	8,803
Interscholastic programs				
Salaries	531,289	511,141	20,148	511,983
Employee benefits	54,121	46,571	7,550	71,345
Purchased services	6,600	4,137	2,463	3,935
Supplies and materials	3,150	3,276	(126)	2,876
Non-capitalized equipment	3,000	3,350	(350)	-
Total	598,160	568,475	29,685	590,139
Summer school programs				
Salaries	277,000	282,155	(5,155)	226,128
Employee benefits	2,500	2,058	442	1,738
Supplies and materials	20,000	11,332	8,668	18,845
Other objects	5,500	-	5,500	-
Total	305,000	295,545	9,455	246,711
Gifted programs				
Other objects	35,000	27,671	7,329	22,876
Total	35,000	27,671	7,329	22,876

(Continued)

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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Bilingual programs				
Salaries	\$ 100,555	\$ 100,555	\$ -	\$ 95,556
Employee benefits	19,588	17,312	2,276	10,709
Total	120,143	117,867	2,276	106,265
Special education programs K-12 - private tuition	998,000	1,207,009	(209,009)	836,588
Total instruction	22,431,444	22,719,775	(288,331)	23,168,099
Support services				
Pupils				
Attendance and social work services				
Salaries	642,568	641,440	1,128	571,030
Employee benefits	96,035	85,861	10,174	91,206
Supplies and materials	1,625	1,188	437	504
Total	740,228	728,489	11,739	662,740
Health services				
Salaries	243,511	236,781	6,730	232,902
Employee benefits	48,760	63,200	(14,440)	65,453
Purchased services	-	250	(250)	406
Supplies and materials	19,045	11,890	7,155	17,132
Other objects	1,250	760	490	559
Non-capitalized equipment	3,000	-	3,000	-
Total	315,566	312,881	2,685	316,452
Psychological services				
Salaries	684,495	700,146	(15,651)	559,421
Employee benefits	68,468	73,521	(5,053)	53,518

(Continued)

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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Psychological services (Continued)				
Purchased services	\$ 60,140	\$ 31,521	\$ 28,619	\$ 129,388
Supplies and materials	7,300	4,368	2,932	3,546
Other objects	<u>2,080</u>	<u>1,939</u>	<u>141</u>	<u>1,820</u>
Total	<u>822,483</u>	<u>811,495</u>	<u>10,988</u>	<u>747,693</u>
Speech pathology and audiology services				
Salaries	500,050	499,550	500	463,548
Employee benefits	62,811	62,933	(122)	60,757
Supplies and materials	<u>1,600</u>	<u>1,352</u>	<u>248</u>	<u>945</u>
Total	<u>564,461</u>	<u>563,835</u>	<u>626</u>	<u>525,250</u>
Instructional staff				
Improvement of instruction services				
Salaries	665,725	580,547	85,178	614,309
Employee benefits	72,186	76,514	(4,328)	70,906
Purchased services	226,500	155,126	71,374	163,994
Supplies and materials	182,387	148,559	33,828	147,952
Capital outlay	-	-	-	19,072
Other objects	164,750	142,279	22,471	193,479
Non-capitalized equipment	<u>16,050</u>	<u>6,157</u>	<u>9,893</u>	<u>20,910</u>
Total	<u>1,327,598</u>	<u>1,109,182</u>	<u>218,416</u>	<u>1,230,622</u>
Educational media services				
Salaries	578,554	582,886	(4,332)	733,363
Employee benefits	96,649	80,756	15,893	87,341
Supplies and materials	67,925	54,239	13,686	61,544
Capital outlay	2,600	-	2,600	2,541

(Continued)

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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Educational media services (Continued)				
Non-capitalized equipment	\$ 9,900	\$ 6,050	\$ 3,850	\$ 6,226
Total	755,628	723,931	31,697	891,015
Assessment and testing				
Other objects	34,158	18,485	15,673	19,915
Total	34,158	18,485	15,673	19,915
Total instructional staff	2,117,384	1,851,598	265,786	2,141,552
General administration				
Board of education services				
Salaries	3,000	-	3,000	-
Employee benefits	25,000	20,161	4,839	19,191
Purchased services	468,249	432,329	35,920	461,679
Supplies and materials	9,846	9,773	73	9,733
Other objects	37,060	31,591	5,469	30,156
Total	543,155	493,854	49,301	520,759
Executive administration services				
Salaries	378,055	378,054	1	366,424
Employee benefits	51,137	66,745	(15,608)	45,739
Purchased services	22,106	25,012	(2,906)	17,995
Supplies and materials	7,400	5,591	1,809	7,300
Other objects	23,100	17,947	5,153	29,616
Non-capitalized equipment	2,200	-	2,200	-
Total	483,998	493,349	(9,351)	467,074

(Continued)

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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Tort immunity services				
Purchased services	\$ 201,006	\$ 102,456	\$ 98,550	\$ 111,645
Total	<u>201,006</u>	<u>102,456</u>	<u>98,550</u>	<u>111,645</u>
Total general administration	<u>1,228,159</u>	<u>1,089,659</u>	<u>138,500</u>	<u>1,099,478</u>
School administration				
Office of the principal services				
Salaries	1,617,125	1,599,007	18,118	1,823,225
Employee benefits	166,863	177,501	(10,638)	129,374
Purchased services	68,350	56,048	12,302	49,295
Supplies and materials	13,200	8,325	4,875	10,070
Capital outlay	-	-	-	-
Other objects	20,435	17,643	2,792	15,569
Non-capitalized equipment	<u>6,000</u>	<u>4,375</u>	<u>1,625</u>	<u>5,153</u>
Total	<u>1,891,973</u>	<u>1,862,899</u>	<u>29,074</u>	<u>2,032,686</u>
Total school administration	<u>1,891,973</u>	<u>1,862,899</u>	<u>29,074</u>	<u>2,032,686</u>
Business				
Direction of business support services				
Salaries	573,301	559,383	13,918	562,630
Employee benefits	85,275	84,517	758	75,257
Purchased services	38,765	28,238	10,527	34,780
Supplies and materials	36,700	34,578	2,122	33,549
Capital outlay	10,000	26,315	(16,315)	-
Other objects	6,800	5,252	1,548	5,177
Non-capitalized equipment	<u>1,200</u>	<u>-</u>	<u>1,200</u>	<u>-</u>
Total	<u>752,041</u>	<u>738,283</u>	<u>13,758</u>	<u>711,393</u>

(Continued)

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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Original and Final Budget	Actual	Variance From Final Budget	Actual
Food services				
Salaries	\$ 20,946	\$ 22,255	\$ (1,309)	\$ 20,125
Employee benefits	2,640	2,943	(303)	2,647
Purchased services	215,000	221,401	(6,401)	165,465
Supplies and materials	600	363	237	-
Capital outlay	15,000	-	15,000	12,538
Non-capitalized equipment	2,000	-	2,000	45
Total	256,186	246,962	9,224	200,820
Total business	1,008,227	985,245	22,982	912,213
Central				
Information services				
Salaries	101,238	101,199	39	96,841
Employee benefits	15,280	15,949	(669)	15,931
Purchased services	41,514	31,455	10,059	17,620
Supplies and materials	3,100	-	3,100	10
Other objects	800	508	292	322
Non-capitalized equipment	600	-	600	-
Total	162,532	149,111	13,421	130,724
Staff services				
Salaries	2,000	-	2,000	-
Employee benefits	22,500	17,063	5,437	16,106
Purchased services	12,400	5,093	7,307	15,932
Total	36,900	22,156	14,744	32,038
Data processing services				
Salaries	547,747	546,191	1,556	626,148
Employee benefits	56,430	56,708	(278)	65,231
Purchased services	158,525	120,168	38,357	169,259
Supplies and materials	220,304	231,144	(10,840)	154,822

(Continued)

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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Data processing services (Continued)				
Capital outlay	\$ 685,105	\$ 585,467	\$ 99,638	\$ 418,862
Other objects	4,915	3,741	1,174	3,561
Non-capitalized equipment	<u>72,150</u>	<u>62,057</u>	<u>10,093</u>	<u>90,347</u>
 Total	 <u>1,745,176</u>	 <u>1,605,476</u>	 <u>139,700</u>	 <u>1,528,230</u>
 Total central	 <u>1,944,608</u>	 <u>1,776,743</u>	 <u>167,865</u>	 <u>1,690,992</u>
Other supporting services				
Salaries	320,323	403,872	(83,549)	394,841
Employee benefits	53,564	52,897	667	46,012
Purchased services	59,400	15,847	43,553	22,458
Supplies and materials	36,989	40,343	(3,354)	26,385
Other objects	15,400	11,311	4,089	16,603
Non-capitalized equipment	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
 Total	 <u>487,676</u>	 <u>524,270</u>	 <u>(36,594)</u>	 <u>506,942</u>
 Total support services	 <u>11,120,765</u>	 <u>10,507,114</u>	 <u>613,651</u>	 <u>10,635,998</u>
Community services				
Salaries	40,146	46,515	(6,369)	35,387
Employee benefits	2,940	2,825	115	2,553
Supplies and materials	1,500	302	1,198	22
Other objects	<u>1,300</u>	<u>2,870</u>	<u>(1,570)</u>	<u>1,728</u>
 Total	 <u>45,886</u>	 <u>52,512</u>	 <u>(6,626)</u>	 <u>39,690</u>

(Continued)

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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Payments for regular programs - tuition				
Other objects	\$ -	\$ 1,760	\$ (1,760)	\$ -
Payments for special education programs - tuition				
Other objects	1,449,250	1,289,787	159,463	1,583,736
Total payments to other districts and other government units	1,449,250	1,291,547	157,703	1,583,736
Total expenditures	35,047,345	34,570,948	476,397	35,427,523
Excess of revenues over expenditures	4,486,044	5,165,101	679,057	3,274,227
Other financing sources (uses)				
Capital lease proceeds	-	249,360	249,360	743,621
Transfer to Debt Service Fund for principal on capital leases	-	(257,353)	(257,353)	(330,026)
Transfer to Debt Service Fund for interest on capital leases	-	(6,700)	(6,700)	(6,280)
Total other financing sources (uses)	-	(14,693)	(14,693)	407,315
Net change to fund balance	\$ 4,486,044	5,150,408	\$ 664,364	3,681,542
Fund balance, beginning of year		21,099,784		17,418,242
Fund balance, end of year		\$26,250,192		\$21,099,784

(Concluded)

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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 1,844,891	\$ 1,813,930	\$ (30,961)	\$ 1,802,340
Interest on investments	39,500	54,950	15,450	18,443
Rentals	137,351	61,603	(75,748)	59,111
Contributions and donations from private sources	-	-	-	44,839
Other	<u>500</u>	<u>20,695</u>	<u>20,195</u>	<u>16,406</u>
Total local sources	<u>2,022,242</u>	<u>1,951,178</u>	<u>(71,064)</u>	<u>1,941,139</u>
Federal sources				
Other Unrestricted Grants-In-Aid Received				
Directly From Federal Government	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
Total federal sources	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
Total revenues	<u>2,037,242</u>	<u>1,951,178</u>	<u>(86,064)</u>	<u>1,941,139</u>
Operation and maintenance of plant services				
Salaries	1,413,439	1,403,363	10,076	1,437,691
Employee benefits	262,424	259,451	2,973	272,290
Purchased services	832,378	705,233	127,145	610,343
Supplies and materials	746,400	723,652	22,748	709,661
Capital outlay	505,000	510,678	(5,678)	304,436
Other objects	-	11	(11)	6
Non-capitalized equipment	<u>79,000</u>	<u>33,722</u>	<u>45,278</u>	<u>11,847</u>
Total business	<u>3,838,641</u>	<u>3,636,110</u>	<u>202,531</u>	<u>3,346,274</u>

(Continued)

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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Total support services	<u>3,838,641</u>	<u>3,636,110</u>	<u>202,531</u>	<u>3,346,274</u>
Total expenditures	<u>3,838,641</u>	<u>3,636,110</u>	<u>202,531</u>	<u>3,346,274</u>
Net change in fund balance	<u>\$ (1,801,399)</u>	(1,684,932)	<u>\$ 116,467</u>	(1,405,135)
Fund balance, beginning of year		<u>4,292,204</u>		<u>5,697,339</u>
Fund balance, end of year		<u>\$ 2,607,272</u>		<u>\$ 4,292,204</u>

(Concluded)

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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 205,931	\$ 202,849	\$ (3,082)	\$ 200,885
Regular transportation fees from pupils or parents	125,000	137,133	12,133	118,679
Interest on investments	<u>5,200</u>	<u>11,223</u>	<u>6,023</u>	<u>3,271</u>
Total local sources	<u>336,131</u>	<u>351,205</u>	<u>15,074</u>	<u>322,835</u>
State sources				
Transportation - Special Education	<u>125,000</u>	<u>159,833</u>	<u>34,833</u>	<u>120,978</u>
Total state sources	<u>125,000</u>	<u>159,833</u>	<u>34,833</u>	<u>120,978</u>
Total revenues	<u>461,131</u>	<u>511,038</u>	<u>49,907</u>	<u>443,813</u>
Expenditures				
Business				
Pupil transportation services				
Salaries	17,804	17,553	251	17,233
Employee benefits	2,263	3,290	(1,027)	2,140
Purchased services	540,000	620,471	(80,471)	526,758
Other objects	<u>6,000</u>	<u>1,169</u>	<u>4,831</u>	<u>986</u>
Total support services	<u>566,067</u>	<u>642,483</u>	<u>(76,416)</u>	<u>547,117</u>
Total expenditures	<u>566,067</u>	<u>642,483</u>	<u>(76,416)</u>	<u>547,117</u>

(Continued)

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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018
	Original and Final Budget	Actual		Actual
Net change in fund balance	<u>\$ (104,936)</u>	(131,445)	<u>\$ (26,509)</u>	(103,304)
Fund balance, beginning of year		<u>650,307</u>		<u>753,611</u>
Fund balance, end of year		<u>\$ 518,862</u>		<u>\$ 650,307</u>

(Concluded)

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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Revenues				
Local sources				
General levy	\$ 1,280,077	\$ 352,406	\$ (927,671)	\$ 349,373
Social security/Medicare only levy	-	906,292	906,292	899,464
Corporate personal property replacement taxes	-	12,590	12,590	12,240
Interest on investments	<u>14,100</u>	<u>35,113</u>	<u>21,013</u>	<u>9,762</u>
Total local sources	<u>1,294,177</u>	<u>1,306,401</u>	<u>12,224</u>	<u>1,270,839</u>
Total revenues	<u>1,294,177</u>	<u>1,306,401</u>	<u>12,224</u>	<u>1,270,839</u>
Expenditures				
Instruction				
Regular programs	256,161	261,678	(5,517)	251,230
Pre-K programs	10,954	-	10,954	-
Special education programs	209,305	188,465	20,840	192,210
Interscholastic programs	9,147	8,601	546	8,642
Summer school programs	15,844	20,174	(4,330)	16,344
Bilingual programs	<u>1,458</u>	<u>1,291</u>	<u>167</u>	<u>1,279</u>
Total instruction	<u>502,869</u>	<u>480,209</u>	<u>22,660</u>	<u>469,705</u>
Support services				
Pupils				
Attendance and social work services	8,635	10,223	(1,588)	9,455
Health services	32,144	32,884	(740)	26,646
Psychological services	19,530	17,577	1,953	15,065

(Continued)

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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Pupils (Continued)				
Speech pathology and audiology services	\$ 7,251	\$ 6,821	\$ 430	\$ 6,337
Total pupils	67,560	67,505	55	57,503
Instructional staff				
Improvement of instruction services	26,491	24,966	1,525	25,431
Educational media services	25,956	25,480	476	30,988
Total instructional staff	52,447	50,446	2,001	56,419
General administration				
Board of education services	-	-	-	490
Executive administration services	21,505	21,352	153	21,519
Total general administration	21,505	21,352	153	22,009
School administration				
Office of the principal services	70,592	66,868	3,724	69,983
Total school administration	70,592	66,868	3,724	69,983
Business				
Direction of business support services	63,686	61,298	2,388	64,249
Operation and maintenance of plant services	237,456	233,542	3,914	249,791
Pupil transportation services	2,993	2,063	930	2,142
Food services	2,447	2,317	130	2,304
Total business	306,582	299,220	7,362	318,486

(Continued)

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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Central				
Information services	\$ 17,018	\$ 19,257	\$ (2,239)	\$ 16,536
Data processing services	<u>66,426</u>	<u>60,268</u>	<u>6,158</u>	<u>68,196</u>
Total central	<u>83,444</u>	<u>79,525</u>	<u>3,919</u>	<u>84,732</u>
Other support services	<u>21,047</u>	<u>21,575</u>	<u>(528)</u>	<u>21,641</u>
Total support services	<u>623,177</u>	<u>606,491</u>	<u>16,686</u>	<u>630,773</u>
Community services	<u>6,748</u>	<u>7,321</u>	<u>(573)</u>	<u>5,474</u>
Total expenditures	<u>1,132,794</u>	<u>1,094,021</u>	<u>38,773</u>	<u>1,105,952</u>
Net change in fund balance	<u>\$ 161,383</u>	212,380	<u>\$ 50,997</u>	164,887
Fund balance, beginning of year		<u>1,619,613</u>		<u>1,454,726</u>
Fund balance, end of year		<u>\$ 1,831,993</u>		<u>\$ 1,619,613</u>

(Concluded)

The Winnetka Public Schools District No. 36
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

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 25, 2018.
- 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, 2019:

<u>Funds</u>	<u>Variance</u>
Transportation	\$ 76,416
Debt Service	260,879
Capital Projects	379,586

The Winnetka Public Schools District No. 36
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

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	\$ 39,736,049	\$ 34,570,948
To adjust for on-behalf payments	9,471,593	-
To adjust for on-behalf payments	<u>-</u>	<u>9,471,593</u>
General fund - GAAP basis	<u>\$ 49,207,642</u>	<u>\$ 44,042,541</u>

4. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

For the 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.

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.

For the 2014 measurement year, the assumed investment rate of return was also 7.50 percent, including an inflation rate of 3.00 percent and real return of 4.50 percent. However, salary increases were assumed to vary by age.

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 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, 2019

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 IMRF CONTRIBUTION RATE* (Continued)

Methods and Assumptions Used to Determine the 2018 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): 25-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% 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 2014 calculation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF mortality table was used with fully generational projections scale MP-2014 (base year 2012). 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-2014 (base year 2012). 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-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes	There were no benefit changes during the year.
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* Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation.

The Winnetka Public Schools District No. 36
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 IMRF CONTRIBUTION RATE* (Continued)

Change in Assumptions:

For the 2018 measurement year, 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 2018 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, 2017
Measurement Date	June 30, 2018
Fiscal Year End	June 30, 2019

Methods and Assumptions Used to Determine the 2018 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	3.62%
Price Inflation	2.75%
Salary Increases	Depends on service and ranges from 9.25% at 1 year of service to 3.25% 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, 2016, actuarial valuation.

The Winnetka Public Schools District No. 36
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

6. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 THIS CONTRIBUTION RATE (Continued)

Mortality	Retirement and Beneficiary Annuitants: RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. Disabled Annuitants: RP-2014 Diasabled Annutant Table. Pre-Retirement: RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2018. For fiscal years on and after 2019, 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%. Additonal trend rate of 0.36% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.

Methods and Assumptions Used to Determine the 2018 Contribution Rate: (Continued)

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 3.56% used in the Fiscal Year 2018 valuation to 3.62%, 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".

7. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 RHP CONTRIBUTION RATE

Valuation Date:

Valuation Date	July 1, 2017
Measurement Date	June 8, 2018
Fiscal Year End	June 30, 2019

The Winnetka Public Schools District No. 36
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

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

Methods and Assumptions Used to Determine the 2019 Contribution Rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-line
Remaining Amortization Period	9.72 years
Municipal Bond Index	2.79%
Asset Valuation Method	Market value
Investment Rate of Return	Not applicable
Price Inflation	2.75%
Salary Increases	4.00%
Retirement Rates	IMRF Employees: Rates from the December 31, 2017 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, 2017 IMRF
Healthcare Cost Trend Rates	6.50, Initial 5.00, Ultimate

Change in Assumptions:

The Discount Rate was changed from 3.17% used in the Fiscal Year 2018 valuation to 2.79%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2019.

SUPPLEMENTARY FINANCIAL INFORMATION

The Winnetka Public Schools District No. 36

General Fund
COMBINING BALANCE SHEET
June 30, 2019

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 20,663,758	\$ 362,590	\$ 5,667,831	\$ 26,694,179
Receivables (net of allowance for uncollectibles):				
Interest	182,183	3,191	49,846	235,220
Property taxes	17,224,205	102,034	293,278	17,619,517
Replacement taxes	47,045	-	-	47,045
Intergovernmental	139,515	-	-	139,515
Other current assets	<u>6,347</u>	<u>-</u>	<u>-</u>	<u>6,347</u>
Total assets	<u>\$ 38,263,053</u>	<u>\$ 467,815</u>	<u>\$ 6,010,955</u>	<u>\$ 44,741,823</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 179,089	\$ -	\$ -	\$ 179,089
Payroll deductions payable	267,011	-	-	267,011
Unearned revenue	<u>252,885</u>	<u>-</u>	<u>-</u>	<u>252,885</u>
Total liabilities	<u>698,985</u>	<u>-</u>	<u>-</u>	<u>698,985</u>
DEFERRED INFLOWS				
Unavailable interest revenue	134,092	2,349	36,688	173,129
Property taxes levied for a future period	<u>17,224,205</u>	<u>102,034</u>	<u>293,278</u>	<u>17,619,517</u>
Total deferred inflows	<u>17,358,297</u>	<u>104,383</u>	<u>329,966</u>	<u>17,792,646</u>
FUND BALANCES				
Restricted	-	363,432	-	363,432
Unassigned	<u>20,205,771</u>	<u>-</u>	<u>5,680,989</u>	<u>25,886,760</u>
Total fund balance	<u>20,205,771</u>	<u>363,432</u>	<u>5,680,989</u>	<u>26,250,192</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 38,263,053</u>	<u>\$ 467,815</u>	<u>\$ 6,010,955</u>	<u>\$ 44,741,823</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, 2019

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 33,909,896	\$ 202,851	\$ 577,721	\$ 34,690,468
Replacement taxes	281,448	-	-	281,448
State aid	10,688,040	-	-	10,688,040
Federal aid	662,494	-	-	662,494
Interest	400,251	7,008	109,532	516,791
Other	2,368,401	-	-	2,368,401
Total revenues	48,310,530	209,859	687,253	49,207,642
Expenditures				
Current:				
Instruction:				
Regular programs	15,758,092	-	-	15,758,092
Special programs	5,488,949	-	-	5,488,949
Other instructional programs	1,123,721	-	-	1,123,721
State retirement contributions	9,471,593	-	-	9,471,593
Support services:				
Pupils	2,420,045	-	-	2,420,045
Instructional staff	1,848,253	-	-	1,848,253
General administration	987,203	102,456	-	1,089,659
School administration	1,890,102	-	-	1,890,102
Business	959,531	-	-	959,531
Central	1,163,472	-	-	1,163,472
Other supporting services	524,270	-	-	524,270
Community services	52,512	-	-	52,512
Nonprogrammed charges	1,291,547	-	-	1,291,547
Capital outlay	960,795	-	-	960,795
Total expenditures	43,940,085	102,456	-	44,042,541
Excess of revenues over expenditures	4,370,445	107,403	687,253	5,165,101

(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, 2019

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Other financing sources (uses)				
Transfers out	\$ (264,053)	\$ -	\$ -	\$ (264,053)
Capital lease proceeds	<u>249,360</u>	<u>-</u>	<u>-</u>	<u>249,360</u>
Total other financing sources (uses)	<u>(14,693)</u>	<u>-</u>	<u>-</u>	<u>(14,693)</u>
Net change in fund balance	4,355,752	107,403	687,253	5,150,408
Fund balance, beginning of year	<u>15,850,019</u>	<u>256,029</u>	<u>4,993,736</u>	<u>21,099,784</u>
Fund balance, end of year	<u>\$ 20,205,771</u>	<u>\$ 363,432</u>	<u>\$ 5,680,989</u>	<u>\$ 26,250,192</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, 2019

With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ 4,616,993	\$ 4,521,606	\$ (95,387)	\$ 4,898,813
Interest on investments	<u>38,000</u>	<u>86,881</u>	<u>48,881</u>	<u>63,604</u>
Total local sources	<u>4,654,993</u>	<u>4,608,487</u>	<u>(46,506)</u>	<u>4,962,417</u>
Total revenues	<u>4,654,993</u>	<u>4,608,487</u>	<u>(46,506)</u>	<u>4,962,417</u>
Expenditures				
Debt service				
Debt services - interest				
Bonds and other - interest	<u>1,385,604</u>	<u>197,765</u>	<u>1,187,839</u>	<u>261,317</u>
Total debt service - interest	<u>1,385,604</u>	<u>197,765</u>	<u>1,187,839</u>	<u>261,317</u>
Principal payments on long-term debt	<u>2,982,061</u>	<u>4,432,353</u>	<u>(1,450,292)</u>	<u>4,465,026</u>
Other debt service				
Purchased services	<u>6,000</u>	<u>4,426</u>	<u>1,574</u>	<u>3,634</u>
Total	<u>6,000</u>	<u>4,426</u>	<u>1,574</u>	<u>3,634</u>
Total debt service	<u>4,373,665</u>	<u>4,634,544</u>	<u>(260,879)</u>	<u>4,729,977</u>
Total expenditures	<u>4,373,665</u>	<u>4,634,544</u>	<u>(260,879)</u>	<u>4,729,977</u>

(Continued)

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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			
	Original and Final Budget	Actual	Variance From Final Budget	2018 Actual
Excess (deficiency) of revenues over expenditures	<u>\$ 281,328</u>	<u>\$ (26,057)</u>	<u>\$ (307,385)</u>	<u>\$ 232,440</u>
Other financing sources				
Transfer to pay for principal on capital leases	-	257,353	257,353	330,026
Transfer to pay for interest on capital leases	<u>-</u>	<u>6,700</u>	<u>6,700</u>	<u>6,280</u>
Total other financing sources	<u>-</u>	<u>264,053</u>	<u>264,053</u>	<u>336,306</u>
Net change in fund balance	<u>\$ 281,328</u>	237,996	<u>\$ (43,332)</u>	568,746
Fund balance, beginning of year		<u>3,762,828</u>		<u>3,194,082</u>
Fund balance, end of year		<u>\$ 4,000,824</u>		<u>\$ 3,762,828</u>

(Concluded)

The Winnetka Public Schools District No. 36
 Capital Projects Fund
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended June 30, 2019
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
Interest on investments	\$ 38,000	\$ 50,246	\$ 12,246	\$ 35,211
Total local sources	38,000	50,246	12,246	35,211
Total revenues	38,000	50,246	12,246	35,211
Expenditures				
Support services				
Purchased services	50,000	92,339	(42,339)	(1,313)
Capital outlay	200,000	537,247	(337,247)	1,478,353
Total support services	250,000	629,586	(379,586)	1,477,040
Total expenditures	250,000	629,586	(379,586)	1,477,040
Net change in fund balance	\$ (212,000)	(579,340)	\$ (367,340)	(1,441,829)
Fund balance, beginning of year		3,406,629		4,848,458
Fund balance, end of year		\$ 2,827,289		\$ 3,406,629

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, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Variance From Final Budget	2018 Actual
	Original and Final Budget	Actual		
Revenues				
Local sources				
Interest on investments	\$ -	\$ 2	\$ 2	\$ -
Total local sources	-	2	2	-
Total revenues	-	2	2	-
Net change in fund balance	<u>\$ -</u>	2	<u>\$ 2</u>	-
Fund balance, beginning of year		<u>1,101</u>		<u>1,101</u>
Fund balance, end of year		<u>\$ 1,103</u>		<u>\$ 1,101</u>

The Winnetka Public Schools District No. 36
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Cash	\$ 667,508	\$ 1,286,281	\$ 1,165,614	\$ 788,175
DW: District Wide				
Mobile Learning Initiative Fee	\$ 32,423	\$ 26,512	\$ 30,428	\$ 28,507
Infosnap Chargeback Fees	-	2,235	3,146	(911)
Core Plus More	17,866	78,419	63,677	32,608
Foundation	118,592	100	16,196	102,496
Archives/Foundation	3,427	-	59	3,368
Artist in Residence	29,015	50,950	20,125	59,840
Teacher Initiative Grant	23,038	63,755	20,058	66,735
Summer Institute	10,551	20,060	11,174	19,437
Teacher Research	4,087	-	-	4,087
Pioneer RM	3,180	123	1,102	2,201
Keegan/Science Funds	3,646	183	1,904	1,925
Miscellaneous	2,683	790		3,473
Staff Wellness Initiatives	47,761	42,272	18,579	71,454
Music Activity	9	-	-	9
PTA Dues-(Central Board)	3,724	19,547	12,327	10,944
Due to Winnetka Public Schools District No. 36	27,865	306,109	333,974	-
Total District Wide	327,867	611,055	532,749	406,173

(Continued)

The Winnetka Public Schools District No. 36
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
CI: Crow Island				
Activity Fee	\$ 56,597	\$ 74,969	\$ 63,080	\$ 68,486
Holding	355	-	-	355
Coding Club	1,832	-	-	1,832
Mathcount/Crazy 8s	2,210	3,612	2,575	3,247
Principal's Funds	971	168	534	605
Stewardship Fund	3,246	-	3,246	-
Spanish Club	-	1,536	846	690
Electronic Music Club	836	-	-	836
PTO Wish List Account	(2,867)	12,144	9,277	-
School Store	102	-	-	102
Total Crow Island	<u>63,282</u>	<u>92,429</u>	<u>79,558</u>	<u>76,153</u>
GR: Greeley				
Activity Fee	37,647	58,271	49,019	46,899
Holding	304	537	539	302
Coding Club	1,991	-	-	1,991
Mathcount/Crazy 8s	1,909	1,575	1,718	1,766
Principal's Funds	-	871	300	571
Basic Math Club	(540)	-	-	(540)
Cardio Club	-	2,738	647	2,091
PTO Contribution	(77)	-	-	(77)
PTO Wish List Account	119	-	119	-
Total Greeley	<u>41,353</u>	<u>63,992</u>	<u>52,342</u>	<u>53,003</u>
HW: Hubbard Woods				
Activity Fee	41,988	72,439	50,490	63,937
Holding	4,846	5,313	2,216	7,943
Drama/Dance clubs	98	1,264	863	499
Yoga Club	-	2,967	2,138	829
Coding Club	1,431	-	-	1,431
Mathcount/Crazy 8s	1,160	3,629	3,134	1,655
Principal's Fund	210	-	-	210
Knitting Club	759	2,162	1,327	1,594
Book Club	742	226	226	742
PTO Contribution	97	-	-	97
PTO Wish List	(1,657)	18,732	17,875	(800)
Total Hubbard Woods	<u>49,674</u>	<u>106,732</u>	<u>78,269</u>	<u>78,137</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, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
SK: Skokie				
Activity Fee	\$ 78,377	\$ 87,874	\$ 105,180	\$ 61,071
Archives	2,830	-	-	2,830
Holding	4,553	28,221	18,769	14,005
Drama Club	3,106	159	159	3,106
Art Club	2,532	10,792	8,759	4,565
Chess Club	443	-	-	443
Yoga Club	158	-	-	158
Every Monday Matters Club	83	-	-	83
Memory/Yearbook Club	150	1,581	1,804	(73)
Comic Club	1,037	-	-	1,037
Crazy 8's Math Club	5,045	2,316	2,220	5,141
Principal's Funds	1	-	-	1
Happy Tillers	107	-	-	107
Knitting Club	-	444	351	93
Play it Now Math Club	(2,217)	-	-	(2,217)
Creative Writing	717	1,524	1,242	999
Robotics Club	(278)	3,703	2,347	1,078
Dungeon and Dragons	1,610	1,214	912	1,912
Club Pawsome	-	2,529	2,212	317
PTO Contributions	20	-	-	20
Minecraft Club	-	741	472	269
Total Skokie	98,274	141,098	144,427	94,945
CW: Carleton Washburn				
Activity Fee	63,678	93,461	75,953	81,186
Holding	5,914	14,624	12,186	8,352
Coding Club	(560)	-	-	(560)
Principal's Funds	829	505	427	907
Robotics Club	1,966	2,590	5,111	(555)
Steam Ambassadors	202	-	-	202
Colab Challenge Club	(1,468)	-	-	(1,468)
Athletics	7,116	102,672	132,188	(22,400)
PTO Contribution	120	-	-	120
PTO Wish List Account	-	38,112	38,112	-
School Store	3	-	-	3
Student Council	319	2,913	649	2,583
Yearbook	8,939	15,639	13,184	11,394
Wash/Skokie "The Word"	-	459	459	-
Total Carleton Washburn	87,058	270,975	278,269	79,764
Total	\$ 667,508	\$ 1,286,281	\$ 1,165,614	\$ 788,175

(Concluded)

The Winnetka Public Schools District No. 36

GENERAL LONG-TERM DEBT

SCHEDULE OF GENERAL OBLIGATION BONDS

Year Ended June 30, 2019

Maturity as follows				
for the Year				
	<u>Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Capital appreciation bond	2020	\$ <u>1,795,000</u>	\$ <u>-</u>	\$ <u>1,795,000</u>
May 17, 2000				

Paying Agent:	U.S. Bank N.A.
Principal payment date:	December 1
Interest payment date:	December 1 and June 1
Interest rates:	4.65%-6.01%
Purpose:	Capital Appreciation Bond

The Winnetka Public Schools District No. 36
GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2019

	Maturity as follows for the Year Ended June 30,	Principal	Interest	Total
General obligation refunding bond	2020	\$ 2,565,000	\$ 134,872	\$ 2,699,872
Series 2016A, December 28, 2016	2021	4,390,000	65,670	4,455,670
	2022	1,105,000	10,995	1,115,995
Total		\$ 8,060,000	\$ 211,537	\$ 8,271,537

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	\$ 33,909,896	\$ 1,813,930	\$ 4,521,606	\$ 202,849
Replacement taxes	281,448	-	-	-
State aid	10,688,040	-	-	159,833
Federal aid	662,494	-	-	-
Interest	400,251	54,950	86,881	11,223
Other	2,368,401	82,298	-	137,133
Total revenues	<u>48,310,530</u>	<u>1,951,178</u>	<u>4,608,487</u>	<u>511,038</u>
Expenditures	<u>43,940,085</u>	<u>3,636,110</u>	<u>4,634,544</u>	<u>642,483</u>
Excess (deficiency) of revenues over expenditures	4,370,445	(1,684,932)	(26,057)	(131,445)
Other financing sources (uses)	<u>(14,693)</u>	<u>-</u>	<u>264,053</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	4,355,752	(1,684,932)	237,996	(131,445)
Modified accrual fund balance, beginning of year	<u>15,850,019</u>	<u>4,292,204</u>	<u>3,762,828</u>	<u>650,307</u>
Modified accrual fund balance, end of year	<u>20,205,771</u>	<u>2,607,272</u>	<u>4,000,824</u>	<u>518,862</u>
Add:				
Accounts payable	179,089	235,353	-	13,333
Unearned revenue	252,885	-	-	88,950
Unavailable interest revenue	134,092	18,383	25,503	3,757
Property taxes levied for a future period	17,224,205	920,806	2,268,732	102,034
Subtract:				
Receivables				
Interest	182,183	24,976	34,650	5,105
Property taxes	17,224,205	920,806	2,268,732	102,034
Replacement taxes	47,045	-	-	-
Intergovernmental	139,515	-	-	39,548
Other current assets	<u>6,347</u>	<u>-</u>	<u>-</u>	<u>960</u>
Cash basis fund balance, end of year	<u>\$ 20,396,747</u>	<u>\$ 2,836,032</u>	<u>\$ 3,991,677</u>	<u>\$ 579,289</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>
\$ 1,258,698	\$ -	\$ 577,721	\$ 202,851	\$ -	\$ 42,487,551
12,590	-	-	-	-	294,038
-	-	-	-	-	10,847,873
-	-	-	-	-	662,494
35,113	50,246	109,532	7,008	2	755,206
-	-	-	-	-	2,587,832
<u>1,306,401</u>	<u>50,246</u>	<u>687,253</u>	<u>209,859</u>	<u>2</u>	<u>57,634,994</u>
<u>1,094,021</u>	<u>629,586</u>	<u>-</u>	<u>102,456</u>	<u>-</u>	<u>54,679,285</u>
212,380	(579,340)	687,253	107,403	2	2,955,709
-	-	-	-	-	249,360
212,380	(579,340)	687,253	107,403	2	3,205,069
<u>1,619,613</u>	<u>3,406,629</u>	<u>4,993,736</u>	<u>256,029</u>	<u>1,101</u>	<u>34,832,466</u>
<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>
-	414,339	-	-	-	842,114
-	-	-	-	-	341,835
11,759	19,769	36,688	2,349	7	252,307
639,789	-	293,278	102,034	-	21,550,878
15,977	26,859	49,846	3,191	9	342,796
639,789	-	293,278	102,034	-	21,550,878
-	-	-	-	-	47,045
-	-	-	-	-	179,063
-	-	-	-	-	7,307
<u>\$ 1,827,775</u>	<u>\$ 3,234,538</u>	<u>\$ 5,667,831</u>	<u>\$ 362,590</u>	<u>\$ 1,101</u>	<u>\$ 38,897,580</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.

<u>Contents</u>	<u>Page</u>
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.	120- 131
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	132 - 137
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.	138 - 143
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.	144 - 149
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.	150 - 152

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>2019</u>	<u>2018</u>	<u>2017****</u>	<u>2016</u>
Governmental activities				
Net investment in capital				
assets	\$ 43,260,170	\$ 40,487,623	\$ 36,399,526	\$ 10,390,195
Restricted	12,212,770	14,191,577	16,371,115	22,396,381
Unrestricted	<u>(4,612,654)</u>	<u>(8,100,137)</u>	<u>(11,169,646)</u>	<u>30,519,074</u>
Total net position	<u>\$ 50,860,286</u>	<u>\$ 46,579,063</u>	<u>\$ 41,600,995</u>	<u>\$ 63,305,650</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>2015***</u>	<u>2014**</u>	<u>2013*</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 10,076,852	\$ 11,245,511	\$ 9,556,266	\$ 7,312,074	\$ 8,256,074	\$ 9,548,225
25,007,476	26,613,574	17,683,410	14,596,669	3,374,099	3,278,578
<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>25,274,282</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>	<u>\$ 38,101,085</u>

The Winnetka Public Schools District No. 36

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014
Expenses						
Instruction:						
Regular programs	\$ 19,640,929	\$ 18,508,129	\$ 16,767,050	\$ 16,275,527	\$ 14,411,703	\$ 15,475,637
Special programs	5,615,798	5,012,610	4,507,631	3,884,643	4,096,573	5,117,689
Other instructional programs	1,211,481	1,168,647	1,192,392	1,124,742	1,785,282	946,929
State retirement contributions	16,761,981	16,554,564	14,802,063	10,115,191	9,293,373	6,638,410
Support services:						
Pupils	2,631,201	2,438,756	2,258,751	2,134,289	2,068,108	1,986,412
Instructional staff	2,023,168	2,235,593	2,319,101	1,879,641	1,619,346	1,576,563
District administration	1,137,892	1,178,340	1,136,259	934,245	1,255,565	1,523,369
School administration	2,067,292	2,222,316	1,946,252	1,970,544	1,713,856	1,847,155
Business	1,091,379	1,640,909	1,285,841	1,282,569	995,253	974,729
Transportation	646,688	549,259	455,937	420,414	373,312	360,515
Operations and maintenance	3,801,024	3,843,036	3,848,673	3,538,490	3,404,521	3,393,337
Central	1,851,183	1,795,436	1,827,777	1,736,295	1,926,853	1,616,835
Other supporting services	553,013	545,948	497,926	522,039	470,904	393,786
Community services	64,658	46,189	29,951	33,508	33,726	31,526
Nonprogrammed charges	1,291,547	1,583,736	1,663,491	1,355,615	1,238,774.00	-
Interest and fees	434,808	561,084	2,020,612	2,398,534	2,531,804	2,627,756
Total expenses	60,824,042	59,884,552	56,559,707	49,606,286	47,218,953	44,510,648
Program revenues						
Charges for services						
Instruction:						
Regular programs	308,770	336,513	177,566	151,524	122,273	116,625
Special programs	-	-	-	-	371,636	348,045
Other instructional programs	326,845	278,806	391,367	367,818	-	-
Support services:						
Transportation	137,133	118,679	131,171	114,749	113,060	112,357
Business	191,631	205,483	200,698	315,505	338,884	320,814
Operations and maintenance	61,603	59,111	75,568	74,941	75,937	30,394
Operating grants and contributions						
Instruction:						
Regular programs	-	-	-	-	-	-
Special programs	748,033	587,712	1,269,773	1,209,224	1,113,739	1,443,175
Other programs	-	-	-	-	-	-
State retirement contributions	16,761,981	16,554,564	16,761,981	10,115,191	9,293,373	6,638,410
Support services:						
Pupils	-	-	-	-	-	-
Instructional staff	40,913	42,112	28,574	30,531	31,284	86,157
Transportation	159,833	120,978	104,423	73,321	64,069	156,430
Business	5,658	7,090	6,740	6,380	7,531	8,391
Total program revenues	18,742,400	18,311,048	12,459,184	12,459,184	11,531,786	9,260,798
Net expense	(42,081,642)	(41,573,504)	(44,100,523)	(37,147,102)	(35,687,167)	(35,249,850)
General revenues						
Taxes:						
Property taxes	42,487,551	42,557,599	40,570,760	40,529,623	38,657,878	39,461,732
Replacement taxes	294,038	264,234	357,956	253,661	317,462	295,308
State-aid formula grants	1,084,337	1,082,637	373,274	351,405	333,924	341,418
Investment earnings	949,589	290,054	287,346	339,246	22,150	93,653
Miscellaneous	1,547,350	1,439,735	136,702	248,489	260,630	176,883
Total general revenues	46,362,865	45,634,259	41,726,038	41,722,424	39,592,044	40,368,994
Change in net position	\$ 4,281,223	\$ 4,060,755	\$ (2,374,485)	\$ 4,575,322	\$ 3,904,877	\$ 5,119,144

	2013	2012	2011	2010
\$	15,060,731	\$ 15,579,085	\$ 14,388,572	\$ 13,973,007
	5,220,785	5,627,641	5,131,106	5,353,034
	1,158,789	1,011,961	2,025,314	1,498,133
	5,183,547	4,511,952	4,056,420	4,047,793
	2,017,133	2,104,614	2,043,737	1,967,340
	1,757,435	1,460,331	1,466,315	1,453,439
	1,437,516	1,201,788	1,251,988	1,455,200
	1,732,877	1,751,729	1,798,570	1,808,790
	474,332	1,505,522	1,426,446	1,556,609
	910,372	474,055	467,560	469,319
	3,400,270	3,229,606	3,042,112	3,111,360
	1,342,660	1,241,299	1,391,509	1,401,539
	374,908	324,064	363,874	158,378
	52,832.00	14,828.00	32,641	57,533
	-	-	-	112,818
	<u>2,818,877</u>	<u>2,868,892</u>	<u>2,944,220</u>	<u>2,974,620</u>
	<u>42,943,064</u>	<u>42,907,367</u>	<u>41,830,384</u>	<u>41,398,912</u>
	259,530	98,181	277,516	646,997
	336,482	323,145	346,472	265,687
	-	-	-	-
	119,591	133,981	133,065	129,973
	331,050	336,672	324,086	187,706
	24,690	31,076	26,755	23,585
	-	-	15,252	-
	1,061,204	1,141,633	1,108,821	1,122,306
	-	-	-	62,763
	5,183,547	4,511,952	4,056,420	4,047,793
	-	-	-	4,631
	80,680	47,883	20,927	34,166
	135,015	114,546	173,974	150,275
	<u>11,875</u>	<u>12,661</u>	<u>17,137</u>	<u>54,505</u>
	<u>7,543,664</u>	<u>6,751,730</u>	<u>6,500,425</u>	<u>6,730,387</u>
	<u>(35,399,400)</u>	<u>(36,155,637)</u>	<u>(35,329,959)</u>	<u>(34,668,525)</u>
	38,776,530	38,448,372	36,287,792	37,542,177
	291,920	285,707	310,574	239,489
	343,789	372,679	402,054	394,028
	113,342	93,278	161,071	318,098
	<u>412,113</u>	<u>190,878</u>	<u>135,801</u>	<u>123,378</u>
	<u>39,937,694</u>	<u>39,390,914</u>	<u>37,297,292</u>	<u>38,617,170</u>
\$	<u>4,538,294</u>	<u>\$ 3,235,277</u>	<u>\$ 1,967,333</u>	<u>\$ 3,948,645</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	363,432	256,029	161,285	95,721
Assigned	-	-	-	-
Unassigned	25,886,760	20,843,755	17,256,957	41,616,387
Undesignated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Fund	<u>\$ 26,250,192</u>	<u>\$ 21,099,784</u>	<u>\$ 17,418,242</u>	<u>\$ 41,712,108</u>
All other governmental funds				
Restricted	\$ 11,787,343	\$ 13,732,682	\$ 15,949,317	\$ 15,113,941
Assigned	-	-	-	7,340,000
Unassigned	-	-	-	-
Unreserved, reported in:				
Operations and Maintenance	-	-	-	-
Debt Service	-	-	-	-
Transportation	-	-	-	-
Municipal Retirement/Social Security	-	-	-	-
Capital Projects	-	-	-	-
Working Cash	-	-	-	-
Tort Immunity and Judgment	-	-	-	-
Fire Prevention and Safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 11,787,343</u>	<u>\$ 13,732,682</u>	<u>\$ 15,949,317</u>	<u>\$ 22,453,941</u>
Total all governmental funds	<u>\$ 38,037,535</u>	<u>\$ 34,832,466</u>	<u>\$ 33,367,559</u>	<u>\$ 64,166,049</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ -	\$ -	\$ -	\$ -	\$ 105,785	\$ -
48,103	46,420	35,427	20,537	7,080	-
18,213,357	-	-	-	-	-
18,698,914	33,171,424	30,421,356	27,842,702	24,611,825	-
-	-	-	-	-	19,652,843
<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>	<u>\$ 19,652,843</u>
\$ 10,393,433	\$ 24,058,952	\$ 25,206,546	\$ 23,932,294	\$ 23,756,579	\$ -
14,733,374	2,679,311	-	-	-	-
-	-	-	(20,953)	(236)	-
-	-	-	-	-	8,046,409
-	-	-	-	-	2,175,037
-	-	-	-	-	364,495
-	-	-	-	-	169,479
-	-	-	-	-	15,573,909
-	-	-	-	-	2,596,559
-	-	-	-	-	7,101
-	-	-	-	-	24
<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>\$ 28,933,013</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>	<u>\$ 48,585,856</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Local Sources				
Property taxes	\$ 42,487,551	\$ 42,557,599	\$ 40,570,760	\$ 40,529,623
Replacement taxes	294,038	264,234	357,956	253,661
Other local sources	<u>3,343,038</u>	<u>2,692,807</u>	<u>1,406,769</u>	<u>1,596,352</u>
Total local sources	<u>\$ 46,124,627</u>	<u>\$ 45,514,640</u>	<u>\$ 42,335,485</u>	<u>\$ 42,379,636</u>
State sources	\$ 1,376,280	\$ 1,261,466	\$ 1,254,042	\$ 1,166,705
Federal sources	662,494	579,063	528,742	504,156
On-behalf sources	<u>9,471,593</u>	<u>16,554,564</u>	<u>14,802,063</u>	<u>10,115,191</u>
Total	<u>\$ 57,634,994</u>	<u>\$ 63,909,733</u>	<u>\$ 58,920,332</u>	<u>\$ 54,165,688</u>

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 38,657,878	\$ 39,461,732	\$ 38,776,530	\$ 38,448,372	\$ 36,287,792	\$ 37,542,177
317,462	295,308	291,920	285,707	310,574	239,489
<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>1,318,165</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>	<u>\$ 39,099,831</u>
\$ 1,018,009	\$ 1,301,123	\$ 1,346,646	\$ 1,394,019	\$ 1,448,960	\$ 1,422,004
532,538	734,448	288,709	298,647	401,941	744,504
<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>4,081,218</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>	<u>\$ 45,347,557</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Current expenditures	\$ 48,110,058	\$ 54,472,285	\$ 51,814,408	\$ 44,897,512
Capital outlay	<u>1,934,683</u>	<u>3,986,185</u>	<u>2,505,689</u>	<u>2,434,419</u>
Debt service				
Principal	4,432,353	4,465,026	33,601,123	3,648,313
Interest and other	<u>202,191</u>	<u>264,951</u>	<u>1,890,640</u>	<u>2,004,735</u>
Total debt service	<u>4,634,544</u>	<u>4,729,977</u>	<u>35,491,763</u>	<u>5,653,048</u>
Total expenditures	<u>\$ 54,679,285</u>	<u>\$ 63,188,447</u>	<u>\$ 89,811,860</u>	<u>\$ 52,984,979</u>
Debt service required as a percentage of noncapital expenditures	8.79%	7.99%	40.65%	11.18%
Debt service as a percentage of total expenditures	8.48%	7.49%	39.52%	10.67%

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 43,379,689	\$ 38,805,166	\$ 37,859,000	\$ 36,187,034	\$ 35,129,653	\$ 35,419,902
<u>324,359</u>	<u>1,779,019</u>	<u>925,352</u>	<u>2,704,985</u>	<u>4,715,846</u>	<u>5,706,736</u>
3,240,666	2,660,189	2,679,891	2,560,496	1,764,716	1,857,362
2,047,239	2,093,463	2,121,735	2,174,237	2,279,722	2,355,381
<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>4,212,743</u>
<u>\$ 48,991,953</u>	<u>\$ 45,337,837</u>	<u>\$ 43,585,978</u>	<u>\$ 43,626,752</u>	<u>\$ 43,889,937</u>	<u>\$ 45,339,381</u>
10.87%	10.91%	11.26%	11.57%	10.32%	10.63%
10.79%	10.48%	11.02%	10.85%	9.21%	9.29%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess of revenues over (under) expenditures	\$ 2,955,709	\$ 721,286	\$ (30,891,528)	\$ 1,180,709
Other financing sources (uses)				
Debt issuance	-	-	10,745,000	-
Capital lease proceeds	249,360	743,621	-	898,159
Deposit with escrow agent	-	-	(10,651,962)	-
Transfers in	264,053	336,306	28,881,342	1,999,442
Transfers out	<u>(264,053)</u>	<u>(336,306)</u>	<u>(28,881,342)</u>	<u>(1,999,442)</u>
Total other financing sources (uses)	<u>249,360</u>	<u>743,621</u>	<u>93,038</u>	<u>898,159</u>
Net change in fund balances	<u>\$ 3,205,069</u>	<u>\$ 1,464,907</u>	<u>\$ (30,798,490)</u>	<u>\$ 2,078,868</u>

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 2,131,074	\$ 4,292,778	\$ 3,888,749	\$ 2,522,325	\$ (104,823)	\$ (1,924)
-	-	-	-	-	-
-	-	-	771,222	-	-
-	-	-	-	-	-
193,697	2,193,697	193,696	460,916	177,559	1,571,374
(193,697)	(2,193,697)	(193,696)	(460,916)	(177,559)	(1,571,374)
<u>-</u>	<u>-</u>	<u>-</u>	<u>771,222</u>	<u>-</u>	<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>	\$ <u><u>(1,924)</u></u>

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

	2018	2017	2016	2015
Assessed valuation	\$ 1,390,031,651	\$ 1,439,727,920	\$ 1,403,428,580	\$ 1,166,176,735
Rates Extended				
Educational	2.5707	2.3946	2.3845	2.9663
Tort Immunity	0.0154	0.0143	0.0142	0.0198
Operations and Maintenance	0.1375	0.1281	0.13	-
Debt Service	0.3415	0.3207	0.3792	0.3724
Transportation	0.0154	0.0143	0.0142	0.0000
Municipal Retirement	0.0267	0.0249	0.0248	0.0618
Social Security	0.0687	0.0640	0.0638	0.0707
Working Cash	0.0438	0.0408	0.0405	0.0500
Life Safety	-	-	0.0000	0.0001
Total rates extended	3.2197	3.0017	3.0488	3.5411
Levies Extended				
Educational	\$ 35,733,083	\$ 34,475,724	\$ 33,464,754	\$ 34,592,550
Tort Immunity	213,391	205,881	199,286	230,720
Operations and Maintenance	1,911,554	1,844,291	1,790,774	-
Debt Service	4,746,414	4,616,572	5,321,873	4,343,174
Transportation	213,391	205,881	199,286	-
Municipal Retirement	371,567	358,492	348,050	721,000
Social Security	955,030	921,425	895,387	824,000
Working Cash	608,832	587,408	568,388	583,088
Life Safety	-	-	-	1,030
Total levies extended	\$ 44,753,262	\$ 43,215,674	\$ 42,787,798	\$ 41,295,562
Total Collections	\$ 22,807,007	\$ 42,072,704	\$ 41,794,095	\$ 40,296,172
Percentage of extensions collected	50.96%	97.36%	97.68%	97.58%

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.

2014	2013	2012	2011	2010	2009
\$ 1,205,882,706	\$ 1,190,024,957	\$ 1,300,923,928	\$ 1,399,861,177	\$ 1,558,804,754	\$ 1,820,460,100
2.7098	2.4746	2.2280	2.0187	1.7812	1.4664
0.0137	0.0095	0.0088	0.0077	0.0067	0.0056
0	0.3911	0.3522	0.3132	0.2746	0.2290
0.4627	0.2743	0.3678	0.3456	0.2986	0.2244
0.0298	0.0288	0.0266	0.0184	0.0156	0.0130
0.0641	0.0552	0.0495	0.0401	0.0286	0.0238
0.0555	0.0494	0.0533	0.0379	0.0266	0.0221
0.05	0.0476	0.0076	0.0001	0.0001	0.0001
-	-	-	-	-	-
3.3856	3.3305	3.0938	2.7817	2.4320	1.9844
\$ 32,677,574	\$ 29,448,357	\$ 28,984,585	\$ 28,258,305	\$ 27,764,950	\$ 26,694,478
164,800	113,052	114,481	107,120	104,412	101,667
103	4,654,187	4,581,854	4,384,910	4,280,704	4,168,164
5,579,916	3,263,721	4,785,145	4,837,488	4,654,882	4,084,312
359,573	342,727	346,045	257,500	242,614	236,236
772,500	656,893	643,957	561,350	445,503	433,791
669,500	587,872	693,392	530,450	414,099	403,212
602,837	566,451	98,870	2,060	2,054	2,000
-	-	-	-	-	-
\$ 40,826,803	\$ 39,633,260	\$ 40,248,329	\$ 38,939,183	\$ 37,909,218	\$ 36,123,860
\$ 39,957,815	\$ 37,485,043	\$ 39,277,854	\$ 38,185,218	\$ 37,573,443	\$ 35,933,237
97.87%	94.58%	97.59%	98.06%	99.11%	99.47%

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
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
2009	1,820,460,100	94,638,117	5.48%	5,461,380,300	1.985

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

	2018	2017	2016	2015	2014
District direct rates					
Education	2.5707	2.3946	2.3845	2.9663	2.7098
Liability insurance	0.0154	0.0143	0.0142	0.0198	0.0137
Operations and maintenance	0.1375	0.1281	0.1276	0.0000	0.0000
Limited bonds	0.3415	0.3207	0.3792	0.3724	0.4627
Transportation	0.0154	0.0143	0.0142	0.0000	0.0298
Municipal retirement	0.0267	0.0249	0.0248	0.0618	0.0641
Social security	0.0687	0.0640	0.0638	0.0707	0.0555
Working cash	<u>0.0438</u>	<u>0.0408</u>	<u>0.0405</u>	<u>0.0500</u>	<u>0.0500</u>
Total direct	3.2197	3.0017	3.0488	3.5410	3.3856
Overlapping rates					
County of Cook	0.4890	0.4960	0.5330	0.5520	0.5680
Forest Preserve District of Cook County	0.0600	0.0620	0.0630	0.0690	0.0690
Consolidated Elections - Cook County	0.0000	0.0310	0.0000	0.0340	0.0000
New Trier Township	0.0530	0.0500	0.0490	0.0580	0.0550
General Assistance	0.0080	0.0070	0.0070	0.0080	0.0070
Metropolitan Water Reclamation	0.3960	0.4020	0.4060	0.4260	0.4300
North Shore Mosquito Abatement District	0.0100	0.0100	0.0100	0.0120	0.0110
New Trier High School District 203	2.1110	1.9930	1.9740	2.3800	2.2680
Community College District 535	0.2460	0.2320	0.2310	0.2710	0.2580
SD 35 Bond / Part assumed by SD 36 per annex	0.0000	0.0000	0.0000	0.0000	0.0000
Winnetka Park District	0.3830	0.3570	0.3540	0.4190	0.3950
Village of Winnetka	1.0390	0.9940	1.0130	1.2030	1.1540
Winnetka Public Library	<u>0.2250</u>	<u>0.2100</u>	<u>0.2090</u>	<u>0.2460</u>	<u>0.2330</u>
Total direct and overlapping rate	<u>8.2397</u>	<u>7.8457</u>	<u>7.8978</u>	<u>9.2190</u>	<u>8.8336</u>

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

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

2013	2012	2011	2010	2009
2.4746	2.2280	2.0187	1.7812	1.4664
0.0095	0.0088	0.0077	0.0067	0.0056
0.3911	0.3522	0.3132	0.2746	0.2290
0.2743	0.3678	0.3456	0.2986	0.2244
0.0288	0.0266	0.0184	0.0156	0.0130
0.0552	0.0495	0.0401	0.0286	0.0238
0.0494	0.0533	0.0379	0.0266	0.0221
<u>0.0476</u>	<u>0.0076</u>	<u>0.0001</u>	<u>0.0001</u>	<u>0.0001</u>
3.3305	3.0938	2.7817	2.4320	1.9844
0.5600	0.5310	0.4620	0.4230	0.3940
0.0690	0.0630	0.0580	0.0510	0.0490
0.0310	0.0000	0.0250	0.0000	0.0210
0.0540	0.0470	0.0420	0.0370	0.0300
0.0070	0.0060	0.0050	0.0040	0.0030
0.4170	0.3700	0.3200	0.2740	0.2610
0.0070	0.0100	0.0100	0.0090	0.0080
2.1110	1.8640	1.6740	1.4740	1.2370
0.2560	0.2190	0.1960	0.1600	0.1400
0.0000	0.0000	0.0000	0.0000	0.0000
0.3910	0.3470	0.3100	0.2710	0.2280
1.1620	1.0380	0.9360	0.8170	0.6820
<u>0.2300</u>	<u>0.2030</u>	<u>0.1870</u>	<u>0.1640</u>	<u>0.1390</u>
<u>8.6255</u>	<u>7.7918</u>	<u>7.0067</u>	<u>6.1160</u>	<u>5.1764</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 2018	Percentage of Total 2018
	Equalized Assessed Valuation	Equalized Assessed Valuation
Individual	\$ 8,140,756	0.59%
Individual	4,698,162	0.34%
Individual	4,511,895	0.32%
Individual	4,180,777	0.30%
Individual	3,976,234	0.29%
Individual	3,539,089	0.25%
Individual	3,337,535	0.24%
Individual	3,326,666	0.24%
Individual	3,226,954	0.23%
AH2 Signal Hill Ltd	3,105,304	0.22%
	<u>\$ 42,043,372</u>	<u>3.04%</u>
Taxpayer	Tax Levy year 2009	Percentage of Total 2009
	Equalized Assessed Valuation	Equalized Assessed Valuation
Individual	\$ 4,638,673	0.25%
Individual	4,600,672	0.25%
Individual	4,461,200	0.25%
Winnetka I LLC & Winnetka II LLC & Winnetka III LLC	4,357,280	0.24%
Individual	4,204,874	0.23%
Individual	3,496,445	0.19%
Individual	3,246,276	0.18%
Individual	3,185,826	0.18%
Individual	3,026,535	0.17%
Individual	3,021,702	0.17%
	<u>\$ 38,239,483</u>	<u>2.13%</u>

*The figures above are totals of numerous parcels with 2018 and 2009 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, 2019

<u>Jurisdiction overlapping</u>	<u>Outstanding Bonds</u>	<u>Overlapping percent</u>	<u>Direct and overlapping debt</u>
Governmental			
Cook County	\$ 2,950,121,750	0.878%	\$ 25,902,069
Cook County Forest Preserve	145,190,000	0.878%	1,274,768
Metropolitan Water Reclamation District	2,377,123,381 (1)	8.940%	212,514,830
Municipalities			
Village of Glencoe	17,635,000	2.932%	517,058
Village of Winnetka	13,765,000	95.389%	13,130,296
Park Districts			
Glencoe Park District	6,620,000	1.205%	79,771
Winnetka Park District	5,770,000	91.265%	5,265,991
School Districts			
New Trier Township High School #203	4,960,000 (2)	25.723%	1,275,861
Oakton Community College #535	32,130,000 (3)	6.233%	<u>2,002,663</u>
Total Overlapping General Obligation Bonded Debt:			261,963,306
Direct Debt:			
School District #36	8,624,402 (4)	100.000%	<u>86,244,025</u>
Total Direct and Overlapping Debt			<u>\$ 348,207,331</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.

(4) Includes original principal amounts of Capital Appreciation Bonds

Source: Cook County Clerk's Office

The Winnetka Public Schools District No. 36

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

<hr/>				
Summary	2019	2018	2017	2016
	<hr/>			
Debt Limit	\$ 95,912,184	\$ 99,341,226	\$ 96,836,572	\$ 80,466,195
Debt Subject to 6.9% Legal Limit	<u>10,560,323</u>	<u>14,743,316</u>	<u>18,464,721</u>	<u>51,745,844</u>
Legal Debt Margin	<u>\$ 85,351,861</u>	<u>\$ 84,597,910</u>	<u>\$ 78,371,851</u>	<u>\$ 28,720,351</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.01%	14.84%	19.07%	64.31%
Detail				
Equalized Assessed Valuation	\$1,390,031,651	\$1,439,727,920	\$1,403,428,580	\$1,166,176,735
Debt Limit - 6.9% of Equalized Assessed Valuation	95,912,184	99,341,226	96,836,572	80,466,195
Total Debt Outstanding	41,849,392	41,560,477	23,530,399	55,929,399
Add: Capital Appreciation	52,377	204,701	450,742	784,899
Less: Exempted Debt	<u>(31,341,446)</u>	<u>(27,021,862)</u>	<u>(5,516,420)</u>	<u>(4,968,454)</u>
Net, Debt Subject to 6.9% of Legal Limit	<u>10,560,323</u>	<u>14,743,316</u>	<u>18,464,721</u>	<u>51,745,844</u>
Legal Debt Margin	<u>\$ 85,351,861</u>	<u>\$ 84,597,910</u>	<u>\$ 78,371,851</u>	<u>\$ 28,720,351</u>

2015	2014	2013	2012	2011	2010
\$ 83,205,907	\$ 82,111,722	\$ 89,763,751	\$ 96,590,421	\$ 107,557,528	\$ 125,611,747
<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>66,630,734</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>	<u>\$ 58,981,013</u>
65.50%	70.31%	67.28%	65.30%	60.31%	53.04%
\$1,205,882,706	\$1,190,024,957	\$1,300,923,928	\$1,399,861,177	\$1,558,804,754	\$1,820,460,100
83,205,907	82,111,722	89,763,751	96,590,421	107,557,528	125,611,747
56,611,651	56,731,900	58,756,977	60,696,340	61,673,981	62,689,828
1,201,734	1,708,606	2,311,152	2,988,729	3,673,522	4,316,653
<u>(3,317,387)</u>	<u>(703,842)</u>	<u>(671,276)</u>	<u>(608,325)</u>	<u>(481,485)</u>	<u>(375,747)</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>66,630,734</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>	<u>\$ 58,981,013</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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Capital Appreciation Bonds</u>	<u>Capital Leases</u>	<u>Total Limited Debt</u>	<u>Equalized Assessed Valuation</u>
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
2010	51,935,000	10,043,437	335,734	62,314,171	1,820,460,100

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
\$ 4,170,094,953	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
5,461,380,300	0.95		5,079

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>	
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	
2010	2009	41,268,263	4,212,743	10.21	

(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

2019***		
Employer	Employees	Percentage of Total Employment
New Trier School District 203	687	13.7%
Botanic Gardens - Cook County Forest Preserve*	650	13.0%
Winnetka School District 36	340	8.0%
Glencoe Park District	250	5.0%
Winnetka Park District	156	3.1%
Village of Winnetka	130	2.6%
Coldwell Banker Residential Brokerage	122	2.4%
North Shore Country Day School	95	1.9%
Village of Glencoe	75	1.5%
Baird & Warner, Inc.	55	1.1%
Total	2,560	52.3%

Data Sources

(1) Phone Canvass

(2) Illinois Services Directory, 2019

2009**		
Employer	Employees	Percentage of Total Employment
New Trier High School East	517	10.41%
Winnetka School District 36	221	4.45%
Village of Winnetka	160	3.22%
Dyson, Dyson & Dunn, Inc.	150	3.02%
Coldwell Banker	118	2.38%
North Shore Country Day School	115	2.31%
Harris Bank Winnetka	80	1.61%
United States Post Office	76	1.53%
V.J. Killian Co.	45	0.91%
Sacred Heart School - Faith, Hope & Charity	43	0.87%
Total	1,525	30.71%

** The 2010 information is not available, therefor 2009 information was used.

*** Using IDES Reports the estimated number of persons employed in the District in 2018 was 5,011.
and the estimate in 2007 was determined by staff.

Data Source - Winnetka Park District's 2009 Official Statement which lists the 2007 Illinois
Manufacturers and Services Directories and selective telephone survey.

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
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

		2019	2018	2017	2016
<hr/>					
Crow Island School					
Built	1940				
Additions	1				
Square Feet		66,725	66,725	66,725	66,725
Student Enrollment		309	309	380	385
Greeley School					
Built	1913				
Additions	4				
Square Feet		68,277	68,277	68,277	68,277
Student Enrollment		266	274	223	245
Hubbard Woods School					
Built	1918				
Additions	6				
Square Feet		48,910	48,910	48,910	48,910
Student Enrollment		296	281	247	246
Skokie School					
Built	1921				
Additions	3				
Square Feet		106,837	106,837	106,837	106,837
Student Enrollment		352	367	395	419
Carleton Washburne School					
Built	1967				
Additions	3				
Square Feet		155,034	155,034	155,034	155,034
Student Enrollment		394	414	448	436
Total Square Footage		445,783	445,783	445,783	445,783
Total Student Enrollment		1,617	1,645	1,693	1,731

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

2015	2014	2013	2012	2011	2010
66,725 385	66,725 370	66,725 348	66,725 343	66,725 355	66,725 354
68,277 268	68,277 278	68,277 274	68,277 280	68,277 267	68,277 248
48,910 244	48,910 276	48,910 288	48,910 293	48,910 320	48,910 352
106,837 439	106,837 433	106,837 440	106,837 404	106,837 445	106,837 453
155,034 440	155,034 422	155,034 455	155,034 463	155,034 479	155,034 489
445,783	445,783	445,783	445,783	445,783	445,783
1,776	1,779	1,805	1,783	1,866	1,896

The Winnetka Public Schools District No. 36

NUMBER OF EMPLOYEES BY TYPE

LAST EIGHT FISCAL YEARS

	2019	2018	2017	2016	2015
Administration					
Superintendent	1.0	1.0	1.0	1.0	1.0
District Administrators	5.0	5.0	5.0	5.0	5.0
Principals and Assistants	<u>7.0</u>	<u>7.5</u>	<u>7.0</u>	<u>7.0</u>	<u>6.0</u>
Total Administration	13.0	13.5	13.0	13.0	12.0
Teachers					
Regular Classroom Teachers	145.2	145.7	142.1	142.0	144.2
Special Education Teachers	28.0	28.6	28.0	24.3	22.3
Psychologists	3.5	4.0	3.5	3.1	3.1
Librarians / Media Specialists	5.0	5.0	5.0	5.0	5.0
Social Workers	9.1	7.5	7.0	7.5	7.0
ELL / Bilingual Teachers	1.5	1.5	1.5	1.0	1.0
Speech / Language Therapists	6.0	6.5	6.0	6.0	6.0
Reading Specialists	5.6	5.6	5.6	3.6	5.6
Certified Nurses	<u>-</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total Teachers	203.9	205.4	199.7	193.5	195.1
Other Supporting Staff					
Secretarial/Clerical/Paraprofessionals	91.7	95.0	103.8	106.5	103.2
Custodial/Maintenance/Technology	<u>26.5</u>	<u>26.5</u>	<u>26.5</u>	<u>26.5</u>	<u>27.5</u>
Total Support Staff	118.2	121.5	130.3	133.0	130.7
Total Staff	<u>335.1</u>	<u>340.4</u>	<u>343.0</u>	<u>339.5</u>	<u>337.8</u>
Function					
	2019	2018			
Instruction					
Regular and Special	145.7	145.7			
Support Services					
Pupils	130.1	130.1			
Instructional Staff					
Instructional Staff	28.6	28.6			
General Administration					
General Administration	6.0	6.0			
School Administration					
School Administration	7.0	7.5			
Maintenance and Security					
Maintenance and Security	<u>22.5</u>	<u>22.5</u>			
Total	<u>339.9</u>	<u>340.4</u>			

Source of information: District Personnel Records, Teacher Service Records

Note: Only eight years of information available.

2014	2013	2012
1.0	1.0	1.0
5.0	5.0	5.0
<u>7.0</u>	<u>7.0</u>	<u>7.0</u>
13.0	13.0	13.0
143.5	141.7	149.9
23.5	23.5	24.5
2.6	3.1	3.1
5.0	5.0	5.0
6.5	7.5	6.5
1.0	0.5	0.5
7.0	6.0	6.8
5.3	6.1	3.3
<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
195.4	194.4	200.6
110.8	113.8	116.9
<u>27.0</u>	<u>28.0</u>	<u>26.5</u>
137.8	141.8	143.4
<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	2019	2018	2017	2016	2015
Instruction					
Student Enrollment	1,617	1,645	1,693	1,731	1,776
Support Services					
Pupil					
English Language Learners Program - number of languages served	8	11	6	14	12
Instructional Staff					
ISTAT - overall student performance* (meeting or exceeding Illinois Learning Standards)	72.4%	68.0%	69.0%	66.2%	62.2%
School Administration					
Average Daily Attendance	1,549	1,605	1,559	1,625	1,658
Fiscal					
Purchase Orders Processed	3,480	2,717	2,524	2,400	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	380	334	329	309	294
Avg. number of bus runs to/from school	30	29	27	27	29
Extra Curricular Activities					
Number of competitive sports	7	7	7	7	7
Number of student clubs	35	31	30	26	20

N/A - information not available.

2014	2013	2012	2011	2010
1,779	1,805	1,783	1,891	1,937
12	12	10	10	N/A
86.3%	95.3%	96.0%	96.0%	N/A
1,667	1,708	1,682	1,736	1,777
2,350	2,350	2,300	2,300	2,250
445,783	445,783	445,783	445,783	445,783
293 29	305 29	340 29	354 29	357 29
7 18	7 20	7 16	7 15	6 14

The Winnetka Public Schools District No. 36

OPERATING COSTS AND TUITION CHARGE

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>1,518.00</u>	<u>1,559.87</u>
Operating costs:		
Educational	\$ 34,468,492	\$ 35,315,877
Operations and Maintenance	3,636,110	3,346,274
Debt Service	4,634,544	4,729,977
Transportation	642,483	547,117
Municipal Retirement/Social Security	1,094,021	1,105,952
Tort Immunity and Judgment	<u>102,456</u>	<u>111,645</u>
Subtotal	<u>44,578,106</u>	<u>45,156,842</u>
Less Revenues/Expenditures of Non-Regular Programs:		
Tuition	1,207,009	836,588
Payments to Other District and Govt Units	1,291,547	1,583,736
Non-capitalized equipment	130,441	144,101
Summer school	315,719	263,055
Adult/continuing education	-	-
Capital outlay	1,471,473	2,739,176
Debt principal retired	4,432,353	4,465,026
Special education programs Pre-K	9,711	8,803
Community services	<u>59,833</u>	<u>45,164</u>
Subtotal	<u>8,918,086</u>	<u>10,085,649</u>
Operating costs	<u>\$ 35,660,020</u>	<u>\$ 35,071,193</u>
Operating costs per pupil - based on ADA	<u>\$ 23,491</u>	<u>\$ 22,483</u>
Tuition Charge		
Operating costs	\$ 35,660,020	\$ 35,071,193
Less - revenues from specific programs, such as special education or lunch programs	<u>2,106,144</u>	<u>1,900,924</u>
Net operating costs	33,553,876	33,170,269
Depreciation allowance	<u>3,389,037</u>	<u>2,901,542</u>
Allowance tuition costs	<u>\$ 36,942,913</u>	<u>\$ 36,071,811</u>
Tuition charge per pupil - based on ADA	<u>\$ 24,337</u>	<u>\$ 23,125</u>