

The Winnetka Public Schools District No. 36

Winnetka, Illinois

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2018



Comprehensive Annual Financial Report

of

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

Winnetka, Illinois

For the Fiscal Year Ended June 30, 2018

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, 2018

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

December 20, 2018

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, 2018, is attached. The report was prepared by the Chief Financial Officer (CFO). The report date on the underlying financial statements is December 20, 2018, and an unmodified auditors' opinion on the 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.

A Community of Learners

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.

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 1,693 students in 2017. 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, continuing a downward trend. However, the School Board offered an extended day Kindergarten Program beginning with the 2017-2018 school year which increased the enrollment. Administration evaluated the estimated additional cost of implementing this program and believes it is fiscally manageable without any adverse effect on operations.

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, 2018 did not indicate any instances of material weaknesses in the internal control structure. In addition, no violations of applicable laws and regulations were 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 2018, the District also achieved this objective in regards to its primary Operating Funds; combined balances in the Educational, Operations and Maintenance, Transportation, Municipal Retirement/Social Security, Working Cash and Tort Immunity and Judgment funds. Beginning in fiscal year 2016, the Working Cash Fund 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 \$2.3 million. The increase in all fund balances for the year was \$1.5 million. The District currently has in excess of \$27.6 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 year's the District's equalized assessed property values have become more stable with recent and more moderate fluctuations. The 2017 EAV is back above the 2011 EAV after the 2016 triennial reassessment. 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.

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. 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. 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.

Future Ready D36, the Educational Master Facility Plan process was formally adopted by the Board of Education in October 2018 and will build upon the work of the Enrollment Balancing Project Phase I. This projected work will likely require funding from the community, with an anticipated referendum in April 2019.

The Educational Master Facility Plan, the District's first in 20 years, is a holistic process that will measure, validate, quantify and qualify 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 plan, when complete, will help the District to determine what financing needs are necessary to proceed with this plan.

The District's Crow Island Elementary School is operating beyond its capacity. To address this situation, the Board evaluated potential enrollment balancing concepts to provide relief to the school and balance enrollment across the District. The Board completed Phase I in order to provide temporary relief to Crow Island which has moved the Kindergarten program to Greeley and Hubbard Woods, in addition to leasing a modular classroom to accommodate two additional classrooms at Crow Island.

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.

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, 2017. This was the second 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 2018 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 financial statements as of June 30, 2018 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.

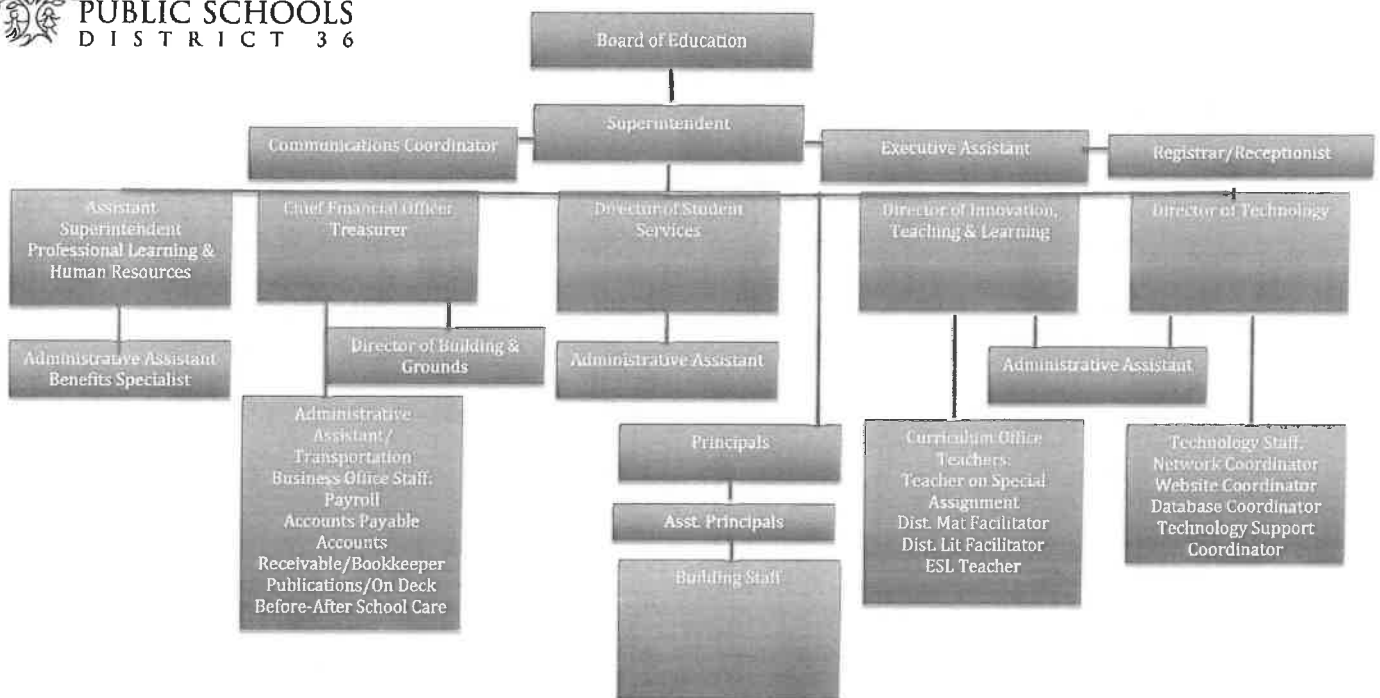
Respectfully submitted,



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, 2018

Board of Education

		<u>Term Expires</u>
Kristen Hertel	President	2019
Dawn Livingston	Vice President	2019
Jennifer Pehlke	Secretary	2019
Matt Hulsizer	Member	2019
Scott Conine	Member	2021
Steve Cirulis	Member	2021
Nat Roberts	Member	2021

District Administration

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

Official Issuing Report

Brad Goldstein	Chief Financial Officer and Treasurer
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Department Issuing Report

Business Office



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

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

The Winnetka Public Schools District 36

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Charles E. Peterson, Jr., SFO, RSBA, MBA
President

John D. Musso, CAE
Executive Director

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The Winnetka Public Schools District No. 36, as of and for the year ended June 30, 2018, 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, 2018, 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.

Emphasis of a Matter

As discussed in Note O to the financial statements, deferred outflows, long-term liabilities, and net position as of July 1, 2017 have been restated as a result of an adjustment due to the implementation of the Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16, the Illinois Municipal Retirement Fund and Teachers' Retirement System of the State of Illinois Pension data on pages 72 through 75, the other postemployment benefits data on pages 76 through 78, budgetary comparison schedules and notes to the required supplementary information on pages 79 through 97 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, 2018 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.

(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, 2018 has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2018 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, 2018 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

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, 2017 (not presented herein), and have issued our report thereon dated January 5, 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, 2017 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 2017 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 2017 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, 2017.

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 December 20, 2018, 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.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
December 20, 2018

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(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, 2018. 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 \$16.6 million in fiscal year 2018 and \$14.8 million in fiscal year 2017.

- 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, which have historically been approved by voters thanks to strong community support.
- 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 \$111.3 million from \$109.9 million (as originally reported). 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 \$45.6 million accounted for 96% of all fiscal year 2018 governmental activity revenue. General revenues increased by 9.4% from the prior year. An increase in the levy for general funds was offset by a decrease in the Debt Service levy. Program specific revenues accounted for \$1.8 million, or 3.7% of total fiscal year 2018 governmental activity revenues.
- The District had \$43.3 million in expenses related to governmental activities, of which \$1.8 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, 2018
(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 2016 levy affected fiscal years 2017 and 2018, and the tax levy action in 2017 affected fiscal years 2018 and 2019. The anticipated 2018 property tax levy will affect operations of fiscal years 2019 and 2020.

The 2018 fiscal year was the third 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 2018 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.

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 WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(Unaudited)

Overview of the Financial Statements (Continued)

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.

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.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(Unaudited)

Overview of the Financial Statements (Continued)

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, 2018 was \$46.6 million. Net position decreased \$19.1 million from \$65.7 million at June 30, 2017 (originally reported). The following table presents a summary of the District's condensed Statement of Net Position for the fiscal years ended June 30, 2018 and June 30, 2017 (in millions).

	<u>2018</u>	<u>2017*</u>
Current and other asset	\$ 56.3	\$ 55.7
Capital assets	<u>55.0</u>	<u>54.1</u>
Total assets	<u>111.3</u>	<u>109.8</u>
Deferred outflows of resources	<u>2.5</u>	<u>2.1</u>
Long-term liabilities	40.5	23.5
Other liabilities	<u>1.0</u>	<u>1.6</u>
Total liabilities	<u>41.5</u>	<u>25.1</u>
Deferred inflows of resources	<u>25.7</u>	<u>21.1</u>
Net position -		
Net investment in capital assets	40.5	36.4
Restricted	14.2	16.4
Unrestricted	<u>(8.1)</u>	<u>12.9</u>
Total net position	<u>\$ 46.6</u>	<u>\$ 65.7</u>

*2017 balances are as originally reported

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

- Overall results of operations decreased the net position of the District from \$65.7 million in fiscal year 2017 to \$46.6 million in fiscal year 2018. As indicated in Note O, this is primarily due to the implementation of GASB 75 (Note A-2). This required the District to report its proportionate share of the net other postemployment benefit liability related to the Teacher Health Insurance Security (THIS) plan and the total other postemployment benefit OPEB liability related to its unfunded retiree health plan. As a result of this implementation as of July 1, 2017, net position decreased by \$23,141,616. OPEB liabilities (included in long-term liabilities) increased by \$23,308,690, and deferred outflows increased by \$167,074.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(Unaudited)

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

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 \$16.6 million in fiscal year 2018 and \$14.8 million in fiscal year 2017. The District's total revenues for the fiscal year ended June 30, 2018 were \$47.4 million. The total cost of all programs and services was \$43.3 million. The resulting increase in net position in fiscal year 2017 was \$4.1 million. In addition, the County's recent efforts to provide tax receipts on a more timely 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 2018, 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 2017 EAV is almost back to levels seen in 2010, and headed back up towards 2007 levels. 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.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(Unaudited)

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

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, 2018 and June 30, 2017 (in millions).

	<u>Governmental</u> <u>Activities 2018</u>	<u>Governmental</u> <u>Activities 2017 *</u>
Revenues		
Program revenues		
Charges for services	\$ 1.0	\$ 1.0
Operating grants and contributions	.8	1.4
State retirement contributions	16.6	14.8
General revenues		
Taxes	42.8	40.9
State formula-aid grants	1.1	0.4
Investment earnings	0.3	0.3
Miscellaneous	<u>1.4</u>	<u>0.1</u>
Total revenues	<u>64.0</u>	<u>58.9</u>
Expenses		
Instruction	24.7	22.5
State retirement contributions	16.6	14.8
Support Services		
Pupil and Instructional services	4.7	4.6
Administration and business	5.0	4.4
Operations and maintenance	3.8	3.8
Transportation	0.5	0.5
Nonprogrammed charges	1.6	1.7
Interest and fees	.6	2.0
Other	<u>2.4</u>	<u>2.3</u>
Total expenses	<u>59.9</u>	<u>56.6</u>
Increase in net position	\$ 4.1	<u>\$ 2.3</u>
Beginning of year net position	<u>42.5</u>	
End of year net position	<u>\$ 46.6</u>	

* as originally reported

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(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 2018 and fiscal year 2017 increasing its net position by \$4.1 million and \$2.3 million, respectively.
- Excluding the non-cash retirement contributions, the cost of all governmental activities was approximately \$43.3 million and \$41.8 million in fiscal years 2018 and 2017 respectively. The majority of the \$1.5 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. In addition, approximately \$1.6 million in reductions were related to interest and fees on our debt service, a direct result of the refunding of bonds in 2017.
- 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 \$44.1 million in fiscal year 2017 to \$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 capital asset transfers from activity accounts.

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 \$16.6 million in fiscal year 2018 and \$14.8 million in fiscal year 2017.

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 2018 were \$47.4 million, rising from the \$44.0 million in fiscal year 2017. Total expenditures in the governmental funds were \$46.6 million in fiscal year 2018 compared to \$75.0 in the prior year; a decrease of \$28.4 million, primarily due to the early payment of \$30 million in bonds in fiscal year 2017.

General Fund: The General Fund includes the Educational, Working Cash and Tort Immunity and Judgment Accounts. General Fund revenues increased \$2.6 million from \$36.1 million in fiscal year 2017 to \$38.7 million in fiscal year 2018. The increase was caused by booking of capital assets donated through activity accounts in the amount of \$1.2 million, as well as \$1.3 million in additional property taxes collected due to an change in the levy to move funds from the Operations and Maintenance Fund into the Educational Fund. The largest revenue source in the General Fund is property taxes, which is typically in excess of 90% of all other revenue sources.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(Unaudited)

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

Expenditures in the General Fund totaled \$35.4 million in the 2018 fiscal year and \$32.0 in the 2017 fiscal year; a \$3.4 million or 10.6% increase. This increase was primarily the result of a \$2.1 million increase in capital expenditures, including those related to special support services. The remaining increased costs in fiscal 2018 consisted primarily of instructional and special services costs related to staffing the extended day kindergarten program, as well as increased tuition with private facilities and NSSD.

The General Fund balance at year-end was \$21.1 million, an increase of \$3.7 million over the prior year.

Operations and Maintenance (O&M) Fund: There was a \$1.4 million decrease in the fund balance in the Operations and Maintenance Fund in fiscal year 2018. 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 an increase of \$0.9 million in property tax revenues, the expenditures outweighed the revenues significantly, resulting in the overall decrease. This is primarily due to facility improvements paid of the O&M Fund.

Expenditures decreased 15.7%, or approximately \$622,000 in fiscal year 2018. Some of this decrease, approximately \$252,000, was for additional capital expenditures for facility needs in fiscal year 2017. The reduction in expenditures for purchased services is the result of a more skilled maintenance staff.

The resulting fund balance at the end of 2018 was \$4.3 million.

Transportation Fund: Transportation services provided by the District are comparatively minimal. The ending fund balance decreased by \$103,304 to \$650,307. The decrease was partially due to increased expenditures related to special education transportation and the extended day kindergarten program, resulting in \$97,000 in additional transportation costs.

Municipal Retirement/Social Security Fund: The ending fund balance for fiscal year 2018 increased by \$164,887 during the year to \$1.6 million.

Debt Service Fund: The Debt Service Fund balance increased by \$567,000 to \$3.8 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 \$1.4 million due primarily to fiscal year 2018 Health and Life Safety facility improvement projects paid out of this fund.

Fire Prevention and Safety Fund: The ending fund balance remained flat.

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 \$596,506. The year ended with an actual \$3,274,227 surplus, resulting in a favorable variance, some of this related to deferring maintenance while an Educational Master Facility Plan was developed. Actual revenues were greater than the budgeted amount by \$3.0 million, resulting from \$1.6 million in additional property taxes to budget, the \$1.2 million in capital assets recorded for the activity account purchases, and \$188,000 in additional state payments. Actual expenditures were greater than the budgeted amount by \$298,026, a variance of less than 1%.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(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. This includes using more reasonable collection assumptions and improved trending of the County's revised timing of tax distributions in determining budgeted revenues. In addition, there is an ongoing effort to reduce the effect of optimistic project timelines and conservative expenditure estimates to protect against exceeding an individual's budget for the year. More detail of budget variances is provided in supplemental schedules to the financials.

Capital Asset and Debt Administration

Capital Assets

By the end of fiscal year 2018, 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, other than the decrease in construction in progress projects, was \$3.8 million. Depreciation expense for the year was approximately \$2.9 million. The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2018 and June 30, 2017 (in thousands).

	<u>2018</u>	<u>2017</u>
Land	\$ 110	\$ 110
Construction in progress	145	737
Buildings and site improvements	50,473	50,478
Furnishings, equipment and vehicles	<u>4,298</u>	<u>2,789</u>
TOTAL	\$ <u>55,026</u>	\$ <u>54,114</u>

- There was a slight decrease in buildings and site improvements this resulted from health and life safety related improvements to school facilities in the amount of \$2.0 million being offset by annual depreciation of just slightly more than \$2.0 million.
- Furnishings, equipment and vehicles increased by \$1.5 million due to additions of \$2.4 million related primarily equipment and technology purchases, as well as the value of donated furnishings. Offsetting depreciation for the year was \$0.9 million.
- Net capital asset values increased by just over \$0.9 million between years.

THE WINNETKA PUBLIC SCHOOLS DISTRICT NO. 36
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(Unaudited)

Capital Asset and Debt Administration (Continued)

Long-Term Liabilities

At year-end, the District had \$40.5 million in general obligation bonds and other long-term liabilities outstanding as shown in the following schedule (in millions). (More detailed information about the District's long-term liabilities is presented in Note H to the financial statements.)

	<u>2018</u>	<u>2017</u> *
Bonds; general and capital appreciation, net	\$ 13.8	\$ 17.7
Capital leases	0.7	0.3
Compensated absences	0.1	0.1
Other postemployment benefits liability	23.6	24.0
State pension liabilities (See Note E)	<u>2.3</u>	<u>4.7</u>
TOTAL	\$ <u>40.5</u>	\$ <u>46.8</u>

*2017 balances have been restated due to the implementation of GASB75

- The liability for bonds payable decreased by \$3.9 million in fiscal year 2018 due to payments on bonds.
- Capital lease principal obligations increased in total by \$413,595 in fiscal year 2018 due to additional lease agreements less the scheduled payments for each lease agreement.
- 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 2018, in accordance with the implementation of GASB 68 and GASB 71 (See Note E).
- The liabilities for OPEB and the THIS Fund were first recorded in fiscal year 2018 and are to be recorded annually in future fiscal years, including fiscal year 2018, 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 effect 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, 2018
(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 year's the District's equalized assessed property values have become more stable with recent and more moderate fluctuations. The 2017 EAV is back above the 2011 EAV after the 2016 triennial reassessment. 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. 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.

Future Ready D36, the Educational Master Facility Plan process will be adopted will be formally adopted by the Board of Education in October 2018 and will build upon the work of the Enrollment Balancing Project Phase I. This projected work will likely require funding from the community, with an anticipated referendum in April 2019.

The Educational Master Facility Plan, the District's first in 20 years, is a holistic process that will measure, validate, quantify and qualify 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 plan, when complete, will help the District to determine what financing needs are necessary to proceed with this plan.

A non-fee based extended day Kindergarten Program was implemented in the 2017-2018 school year. The District incurred additional costs related to the need to add staff and make some modifications to facilities and transportation operations.

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, 2018
(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, 2018

ASSETS	
Cash and investments	\$ 35,541,107
Receivables (net of allowance for uncollectibles):	
Interest	57,924
Property taxes	20,438,098
Replacement taxes	45,022
Intergovernmental	142,568
Other current assets	78,113
Capital assets:	
Land	110,383
Construction in progress	145,165
Depreciable buildings, property, and equipment, net	<u>54,770,690</u>
Total assets	<u>111,329,070</u>
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflows related to other postemployment benefits	1,092,644
Deferred outflows related to pensions	1,192,228
Deferred loss on refunding of bonds	<u>200,000</u>
Total deferred outflows	<u>2,484,872</u>
LIABILITIES	
Accounts payable	441,473
Other current liabilities	3,255
Payroll deductions payable	218,601
Interest payable	19,239
Unearned revenue	357,753
Long-term liabilities:	
Due within one year	4,513,992
Due after one year	<u>35,959,822</u>
Total liabilities	<u>41,514,135</u>
DEFERRED INFLOW OF RESOURCES	
Deferred inflows related to other postemployment benefits	2,918,757
Property taxes levied for a future period	20,391,360
Deferred inflows related to pensions	<u>2,410,627</u>
Total deferred inflows	<u>25,720,744</u>
NET POSITION	
Net investment in capital assets	40,487,623
Restricted for:	
Operations and maintenance	4,298,111
Debt service	3,949,814
Student transportation	651,302
Retirement benefits	1,622,477
Capital projects	3,413,402
Tort immunity	256,471
Unrestricted	<u>(8,100,137)</u>
Total net position	<u>\$ 46,579,063</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, 2018

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	\$ 18,508,129	\$ 336,513	\$ -	\$ (18,171,616)
Special programs	5,012,610	-	587,712	(4,424,898)
Other instructional programs	1,168,647	278,806	-	(889,841)
State retirement contributions	16,554,564	-	16,554,564	-
Support services:				
Pupils	2,438,756	-	-	(2,438,756)
Instructional staff	2,235,593	-	42,112	(2,193,481)
General administration	1,178,340	-	-	(1,178,340)
School administration	2,222,316	-	-	(2,222,316)
Business	1,640,909	205,483	7,090	(1,428,336)
Transportation	549,259	118,679	120,978	(309,602)
Operations and maintenance	3,843,036	59,111	-	(3,783,925)
Central	1,795,436	-	-	(1,795,436)
Other supporting services	545,948	-	-	(545,948)
Community services	46,189	-	-	(46,189)
Nonprogrammed charges	1,583,736	-	-	(1,583,736)
Interest and fees	561,084	-	-	(561,084)
Total governmental activities	<u>\$ 59,884,552</u>	<u>\$ 998,592</u>	<u>\$ 17,312,456</u>	<u>\$ (41,573,504)</u>
General revenues:				
Taxes:				
Real estate taxes, levied for general purposes				\$ 34,938,384
Real estate taxes, levied for specific purposes				2,626,617
Real estate taxes, levied for debt service				4,992,598
Personal property replacement taxes				264,234
State aid-formula grants				1,082,637
Investment earnings				290,054
Miscellaneous				1,439,735
Total general revenues				<u>45,634,259</u>
Change in net position				4,060,755
Net position, beginning of year (as restated, see Note O)				<u>42,518,308</u>
Net position, end of year				\$ 46,579,063

The accompanying notes are an integral part of this statement.

The Winnetka Public Schools District No. 36

Governmental Funds

BALANCE SHEET

June 30, 2018

	General	Operations and Maintenance	Transportation
ASSETS			
Cash and investments	\$ 21,500,895	\$ 4,477,448	\$ 706,055
Receivables (net of allowance for uncollectibles):			
Interest	36,261	5,907	995
Property taxes	16,610,284	868,570	97,458
Replacement taxes	45,022	-	-
Intergovernmental	112,293	-	30,275
Other current assets	<u>62,172</u>	<u>-</u>	<u>15,847</u>
Total assets	<u>\$ 38,366,927</u>	<u>\$ 5,351,925</u>	<u>\$ 850,630</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 157,083	\$ 185,917	\$ 25,462
Other current liabilities	3,255	-	-
Payroll deductions payable	217,280	1,321	-
Unearned revenue	<u>281,122</u>	<u>-</u>	<u>76,631</u>
Total liabilities	<u>658,740</u>	<u>187,238</u>	<u>102,093</u>
DEFERRED INFLOWS			
Unavailable interest revenue	36,261	5,907	995
Property taxes levied for a future period	<u>16,572,142</u>	<u>866,576</u>	<u>97,235</u>
Total deferred inflows	<u>16,608,403</u>	<u>872,483</u>	<u>98,230</u>
FUND BALANCES			
Restricted	256,029	3,763,394	650,307
Restricted for future life safety projects	-	528,810	-
Unassigned	<u>20,843,755</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>21,099,784</u>	<u>4,292,204</u>	<u>650,307</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 38,366,927</u>	<u>\$ 5,351,925</u>	<u>\$ 850,630</u>

The accompanying notes are an integral part of this statement.

Municipal Retirement / Soc. Sec.	Debt Service	Capital Projects	Fire Prevention and Safety	Total
\$ 1,618,133	\$ 3,757,835	\$ 3,479,640	\$ 1,101	\$ 35,541,107
2,864	6,225	5,671	1	57,924
602,343	2,259,443	-	-	20,438,098
-	-	-	-	45,022
-	-	-	-	142,568
94	-	-	-	78,113
<u>\$ 2,223,434</u>	<u>\$ 6,023,503</u>	<u>\$ 3,485,311</u>	<u>\$ 1,102</u>	<u>\$ 56,302,832</u>
\$ -	\$ -	\$ 73,011	\$ -	\$ 441,473
-	-	-	-	3,255
-	-	-	-	218,601
-	-	-	-	357,753
-	-	73,011	-	1,021,082
2,864	6,225	5,671	1	57,924
600,957	2,254,450	-	-	20,391,360
603,821	2,260,675	5,671	1	20,449,284
1,619,613	3,762,828	729,478	1,101	10,782,750
-	-	2,677,151	-	3,205,961
-	-	-	-	20,843,755
1,619,613	3,762,828	3,406,629	1,101	34,832,466
<u>\$ 2,223,434</u>	<u>\$ 6,023,503</u>	<u>\$ 3,485,311</u>	<u>\$ 1,102</u>	<u>\$ 56,302,832</u>

The Winnetka Public Schools District No. 36
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2018

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

Total fund balances - governmental funds.	\$ 34,832,466
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.	55,026,238
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.	200,000
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:	
Deferred outflows of resources related to pensions and other postemployment benefits.	\$ 1,724,248
Deferred outflows of 2017 employer contributions related to pensions and other postemployment benefits.	<u>560,624</u> 2,284,872
Deferred inflows of resources related to pensions and other postemployment benefits.	(5,329,384)
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.	(19,239)
Certain revenue receivables of the District recognized in the statement of net position do not provide current financial resources and are deferred in the governmental funds balance sheet.	57,924
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>(40,473,814)</u>
Net position - governmental activities	<u>\$ 46,579,063</u>

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, 2018

	General	Operations and Maintenance	Transportation	Municipal Retirement / Soc. Sec.	Debt Service
Revenues					
Property taxes	\$ 34,406,724	\$ 1,802,340	\$ 200,885	\$ 1,248,837	\$ 4,898,813
Replacement taxes	251,994	-	-	12,240	-
State aid	17,695,052	-	120,978	-	-
Federal aid	579,063	-	-	-	-
Interest	124,189	18,443	3,271	9,762	63,604
Other	2,199,292	120,356	118,679	-	-
Total revenues	55,256,314	1,941,139	443,813	1,270,839	4,962,417
Expenditures					
Current:					
Instruction:					
Regular programs	15,307,149	-	-	257,397	-
Special programs	4,852,194	-	-	186,018	-
Other instructional programs	1,072,395	-	-	26,290	-
State retirement contributions	16,554,564	-	-	-	-
Support services:					
Pupils	2,255,906	-	-	57,503	-
Instructional staff	2,135,240	-	-	56,419	-
General administration	1,099,478	-	-	22,009	-
School administration	2,013,990	-	-	69,983	-
Business	929,755	-	-	66,553	-
Transportation	-	-	547,117	2,142	-
Operations and maintenance	-	3,240,260	-	249,791	-
Central	1,228,560	-	-	84,732	-
Other supporting services	506,299	-	-	21,641	-
Community services	39,690	-	-	5,474	-
Nonprogrammed charges	1,583,736	-	-	-	-
Debt service:					
Principal	-	-	-	-	4,465,026
Interest and other	-	-	-	-	264,951
Capital outlay	2,403,131	106,014	-	-	-
Total expenditures	51,982,087	3,346,274	547,117	1,105,952	4,729,977
Excess (deficiency) of revenues over expenditures	3,274,227	(1,405,135)	(103,304)	164,887	232,440
Other financing sources (uses)					
Transfers in	-	-	-	-	336,306
Transfers out	(336,306)	-	-	-	-
Capital lease proceeds	743,621	-	-	-	-
Total other financing sources (uses)	407,315	-	-	-	336,306
Net change in fund balance	3,681,542	(1,405,135)	(103,304)	164,887	568,746
Fund balance, beginning of year	17,418,242	5,697,339	753,611	1,454,726	3,194,082
Fund balance, end of year	\$ 21,099,784	\$ 4,292,204	\$ 650,307	\$ 1,619,613	\$ 3,762,828

The accompanying notes are an integral part of this statement.

Capital Projects	Fire Prevention and Safety	Total
\$ -	\$ -	\$ 42,557,599
-	-	264,234
-	-	17,816,030
-	-	579,063
35,211	-	254,480
-	-	2,438,327
<u>35,211</u>	<u>-</u>	<u>63,909,733</u>
-	-	15,564,546
-	-	5,038,212
-	-	1,098,685
-	-	16,554,564
-	-	2,313,409
-	-	2,191,659
-	-	1,121,487
-	-	2,083,973
-	-	996,308
-	-	549,259
-	-	3,490,051
-	-	1,313,292
-	-	527,940
-	-	45,164
-	-	1,583,736
-	-	4,465,026
-	-	264,951
<u>1,477,040</u>	<u>-</u>	<u>3,986,185</u>
<u>1,477,040</u>	<u>-</u>	<u>63,188,447</u>
(1,441,829)	-	721,286
-	-	336,306
-	-	(336,306)
<u>-</u>	<u>-</u>	<u>743,621</u>
<u>-</u>	<u>-</u>	<u>743,621</u>
(1,441,829)	-	1,464,907
<u>4,848,458</u>	<u>1,101</u>	<u>33,367,559</u>
<u>\$ 3,406,629</u>	<u>\$ 1,101</u>	<u>\$ 34,832,466</u>

The Winnetka Public Schools District No. 36
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds.	\$ 1,464,907
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 capital outlay exceeds depreciation expense in the current period.	912,454
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)
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	(2,602,177)
Deferred outflow and inflows of resources related to TRS pension	(53,367)
Deferred outflow and inflows of resources related to RHP OPEB	(247,195)
Deferred outflow and inflows of resources related to THIS OPEB	(1,745,992)
Accrued interest reported in the statement of activities does not require the use of current financial resources, and, therefore, is not reported as an expenditure in the governmental funds.	11,276
Certain revenues included in the statement of activities do not provide current financial resources and, therefore, are deferred in the fund statements.	35,574
Governmental funds report the effect of premiums, discounts, and similar items when debt is issued. However, these amounts are deferred and amortized in the statement of activities.	18,632
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.	<u>6,346,643</u>
Change in net position - governmental activities	<u>\$ 4,060,755</u>

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, 2018

	Student Activity Fund
<hr/>	
ASSETS	
Cash and investments	\$ 667,508
LIABILITIES	
Due to student groups	\$ 639,643
Due to Winnetka Public Schools District No. 36	27,865
	<u>\$ 667,508</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, 2018

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. New Accounting Pronouncements

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which was implemented by the District during the fiscal year ended June 30, 2018. This Statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses on the government-wide financial statements.

Specific changes to the District's financial statements relate to the recognition of a net other postemployment benefit (OPEB) liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense. See Note H and Note O for the effects of this restatement.

3. 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.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting (Continued)

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.

4. 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 property levy and expenditures of these monies are for risk management activities.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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:

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.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

e. Fiduciary Fund

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

Agency funds - includes Student Activity Funds and Convenience Accounts. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. 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. Convenience Accounts account for assets that are maintained by a local education agency, as a convenience for other District activities.

5. Fund Balance

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

- a. *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The nonspendable in form criteria include items that are not expected to be converted to cash, such as prepaid items or inventories.
- b. *Restricted* - refers to amounts that are subject to outside restrictions, such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds, as well as debt service and capital projects funds, are by definition restricted for those specified purposes.
- c. *Committed* - refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority (the Board of Education). The Board of Education commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the District removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. The District had no committed fund balances at June 30, 2018.
- 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 delegates the authority to assign amounts to be used for specific purposes. The Board of Education delegated this authority to the Superintendent or designee. The District had no assigned fund balances at June 30, 2018.

The Winnetka Public Schools District No. 36
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Fund Balance (Continued)

- 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.

Governmental fund balances reported on the fund financial statements at June 30, 2018 are as follows:

The restricted fund balance in the General Fund is comprised of \$256,029, representing the remaining unspent portion of the restricted tort immunity levy. The restricted fund balance in the Fire Prevention and Life Safety 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.

6. 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, except for unmatured principal and interest on general long-term debt, which is recognized when due, and certain compensated absences, claims, and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

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.

7. 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, 2018, 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, 2018, the District reported deferred inflows related to property taxes levied for a future period, unavailable interest revenue, pension liabilities, and other postemployment benefit liabilities.

8. 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.

9. Deposits and Investments

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

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. 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.

11. 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.

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

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

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

12. 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 administrators can carry over up to 20 days.

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.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. 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.

14. 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.

15. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits (OPEB), and pension 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.

16. 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, 2018

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	\$ (10,440,000)
Capital appreciation bonds	(3,385,299)
TRS net pension liability	(2,128,427)
IMRF net pension liability	(97,450)
RHP total other postemployment benefit liability	(1,270,056)
THIS net other postemployment benefit liability	(22,329,889)
Capital leases	(713,316)
Compensated absences	<u>(109,377)</u>
Net adjustment to reduce fund balances - total governmental funds to arrive at net position - governmental activities	\$ <u><u>(40,473,814)</u></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	\$ 3,870,555
Depreciation expense	(2,887,132)
Loss on disposal of capital assets	<u>(70,969)</u>
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	\$ <u><u>912,454</u></u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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	\$ 2,340,000
Capital appreciation bonds	1,795,000
Proceeds from capital leases	(743,621)
Payment on capital leases	330,026
TRS pension liability, net	82,657
IMRF pension liability, net	2,446,069
RHP other postemployment benefit liability, net	232,482
THIS other postemployment benefit liability, net	131,910
Compensated absences, net	(21,839)
Accretion on capital appreciation bonds	<u>(246,041)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	\$ <u>6,346,643</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, 2018

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

At June 30, 2018, the District's cash and investments consisted of the following:

	Governmental	Fiduciary	Total
Cash and investments	\$ 35,541,107	\$ 667,508	\$ 36,208,615

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

	Total
Deposits with financial institutions*	\$ 34,621,528
Illinois School District Liquid Asset Fund Plus	359,028
Illinois Trust	27
Other investments	1,228,032
	\$ 36,208,615

* 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.

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	More than 10
Negotiable certificates of deposit	\$ 1,228,032	\$ 490,958	\$ 737,074	\$ -	\$ -

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Interest Rate Risk (Continued)

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

			Unfunded Commitments	Redemption Frequency	Redemption Notice Period
ISDLAF+	\$	359,028	n/a	Daily	1 day
Illinois Trust		27	n/a	Daily	1 day

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.

The Illinois Trust, formerly known as the Illinois Institutional Investors Trust (IIIT), is a trust organized under the laws of the State of Illinois managed by a Board of Trustees, elected from participating members. The Illinois Trust is not registered with the SEC as an investment company. Investments in the Illinois Trusts are rated AAAM and are valued at Illinois Trust's share price, which is the price for which the investment could be sold. There were no unfunded commitments.

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 are unrated. The District's investment policy authorizes investments in any type of security as permitted by State statute.

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. At June 30, 2018, 100% of the District's other investments are in negotiable certificates of deposit.

The Winnetka Public Schools District No. 36
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

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, 2018, the fully collateralized bank balances of the District's deposits with financial institutions totaled \$12,596,998.

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District 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 19, 2017. 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 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 2.9627 for 2017.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE D - PROPERTY TAXES RECEIVABLE (Continued)

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 2017 tax levy was \$1,439,727,920.

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 2017 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.

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/fy2017; 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.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

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

General Information About the Pension Plan (Continued)

Benefits Provided (Continued)

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.

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, 2017, 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, 2018, 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 expenditures of \$14,420,315 in pension contributions from the state of Illinois.

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, 2018, were \$122,464, and are deferred because they were paid after the June 30, 2017 measurement date.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

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

General Information About the Pension Plan (Continued)

Contributions (Continued)

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. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, there were no salaries paid from federal and special trust funds and as a result there were no required employer contributions.

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 employer is required to make a one-time contribution to TRS for members retiring under the ERO. The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the District paid \$0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, the District paid \$1,074 to TRS for employer contributions due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

The Winnetka Public Schools District No. 36
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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

At June 30, 2018, 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 follow:

District's proportionate share of the net pension liability	\$ 2,128,427
State's proportionate share of the net pension liability associated with the District	<u>146,525,271</u>
Total	<u>\$ 148,653,698</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. 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, 2017, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2017, the District's proportion was 0.0027859666 percent, which was an decrease of 0.0000151416 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$14,513,109 and revenue of \$14,420,315. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,117	\$ 982
Net difference between projected and actual earnings on pension plan investments	1,460	-
Changes of assumptions	142,057	61,161
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>28,155</u>	<u>225,301</u>
Total deferred amounts to be recognized in pension expense in the future periods	<u>194,789</u>	<u>287,444</u>
District contributions subsequent to the measurement date	<u>122,464</u>	<u>-</u>
Total deferred amounts related to pensions	<u><u>\$ 317,253</u></u>	<u><u>\$ 287,444</u></u>

The District reported \$122,464 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, 2019. 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
2019	\$ (80,685)
2020	16,781
2021	(740)
2022	(26,023)
2023	<u>(1,988)</u>
Total	<u><u>\$ (92,655)</u></u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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

The total pension liability in the June 30, 2017 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

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014. The same assumptions were used in the June 30, 2016 actuarial valuation.

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 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.4	% 6.94 %
U.S. equities small/mid cap	3.6	8.09
International equities developed	14.4	7.46
Emerging market equities	3.6	10.15
U.S. bonds core	10.7	2.44
International debt developed	5.3	1.70
Real estate	15.0	5.44
Commodities (real return)	11.0	4.28
Hedge funds (absolute return)	8.0	4.16
Private equity	14.0	10.63
Total	100.0	%

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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)

Discount Rate

At June 30, 2017, the discount rate used to measure the total pension liability was 7.00 percent, which was a change from the June 30, 2016 rate of 6.83 percent. 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, 2017 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 projected to be 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.

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

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:

	<u>1% Decrease</u> <u>6.00%</u>	<u>Current</u> <u>Discount</u> <u>7.00%</u>	<u>1% Increase</u> <u>8.00%</u>
District's proportionate share of the net pension liability	\$ <u>2,615,050</u>	\$ <u>2,128,427</u>	\$ <u>1,729,842</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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)

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2017 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.

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.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

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, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	148
Inactive plan members entitled to but not yet receiving benefits	411
Active plan members	<u>120</u>
Total	<u><u>679</u></u>

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2017 was 9.84%. For the fiscal year ended June 30, 2018 the District contributed \$466,063 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.

Net Pension Liability

The District's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2016:

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	7.50%
Retirement Age	Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, the IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projections scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
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:

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

Long-term Expected Rate of Return (Continued)	Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
	Domestic Equity	37%	6.85%
	International Equity	18%	6.75%
	Fixed Income	28%	3.00%
	Real Estate	9%	5.75%
	Alternative Investments	7%	2.65% - 7.35%
	Cash Equivalents	1%	2.25%
	Total	100%	

Single Discount Rate

A Single Discount Rate of 7.50% 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).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.31%, and the resulting single discount rate is 7.50%.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

2. Illinois Municipal Retirement Fund (Continued)

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, 2017:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 21,647,152	\$ 19,103,633	\$ 2,543,519
Changes for the year:			
Service cost	559,496	-	559,496
Interest on the total pension liability	1,599,067	-	1,599,067
Difference between expected and actual experience of the total pension liability	(587,091)	-	(587,091)
Changes of assumptions	(703,267)	-	(703,267)
Contributions - employer	-	465,289	(465,289)
Contributions - employees	-	212,785	(212,785)
Net investment income	-	3,357,409	(3,357,409)
Benefit payments, including refunds of employee contributions	(1,212,007)	(1,212,007)	-
Other (net transfer)	-	(721,209)	721,209
Net changes	<u>(343,802)</u>	<u>2,102,267</u>	<u>(2,446,069)</u>
Balances at December 31, 2017	<u>\$ 21,303,350</u>	<u>\$ 21,205,900</u>	<u>\$ 97,450</u>

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

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.50%, 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:

	1% Lower (6.50%)	Current Discount Rate (7.50%)	1% Higher (8.50%)
Net pension liability (asset)	<u>\$ 2,446,201</u>	<u>\$ 97,450</u>	<u>\$ (1,863,974)</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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

For the year ended June 30, 2018, the District recognized pension expense of \$622,070. At June 30, 2018, the District reported deferred outflows or 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	\$ -	\$ 248,339
Change of assumptions	-	297,481
Net difference between projected and actual earnings on pension plan investments	622,622	1,577,363
Total deferred amounts to be recognized in pension expense in future periods	622,622	2,123,183
Pension contributions made subsequent to the measurement date	252,353	-
Total deferred amounts related to pensions	\$ 874,975	\$ 2,123,183

The District reported \$252,353 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, 2019.

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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:

Year Ending June 30,	Net Deferred Inflows of Resources
2018	\$ 617,181
2019	118,339
2020	370,701
2021	394,340
2022	-
Thereafter	-
Total	<u>\$ 1,500,561</u>

3. Summary of Pension Items

Below is a summary of the various pension items:

	TRS	IMRF	Total
Deferred outflows of resources:			
Employer contributions	\$ 122,464	\$ 252,353	\$ 374,817
Experience	23,117	-	23,117
Assumptions	142,057	-	142,057
Proportionate share	28,155	-	28,155
Investments	1,460	622,622	624,082
	<u>\$ 317,253</u>	<u>\$ 874,975</u>	<u>\$ 1,192,228</u>
Net pension liability	<u>\$ 2,128,427</u>	<u>\$ 97,450</u>	<u>\$ 2,225,877</u>
Pension expense	<u>\$ 14,513,109</u>	<u>\$ 622,070</u>	<u>\$ 15,135,179</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE E - PENSION LIABILITIES (Continued)

3. Summary of Pension Items (Continued)

	TRS	IMRF	Total
Deferred inflows of resources:			
Investments	\$ -	\$ 1,577,363	\$ 1,577,363
Experience	982	248,339	249,321
Assumptions	61,161	297,481	358,642
Proportionate share	225,301	-	225,301
	<u>\$ 287,444</u>	<u>\$ 2,123,183</u>	<u>\$ 2,410,627</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, 2018

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. State contributions are intended to match contributions to the THIS Fund from active members which were 1.18 percent of pay during the year ended June 30, 2018. State of Illinois contributions, including 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), were \$2,134,249 and the District recognized revenue and expenditures of this amount during the year.

District contributions to the THIS Fund

The District also makes contributions to the THIS Fund. The District THIS Fund contribution was 0.88 percent during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$185,807 to the THIS Fund, which was 100 percent of the required contribution. These amounts are deferred because they were paid after the June 30, 2017 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, 2018, 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, 2018

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	\$ 22,329,889
State's estimated proportionate share of the net OPEB liability associated with the District*	<u>29,324,693</u>
Total	<u>\$ 51,654,582</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, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016, and rolled forward to June 30, 2017. 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, 2017, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2017, the District's proportion was 0.086051 percent, which was an increase of 0.003881 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$3,933,348 and revenue of \$2,134,249, which represents support provided by the State. At June 30, 2018, 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, 2018

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	\$ -	\$ 12,648
Change of assumptions	-	2,658,668
Net difference between projected and actual earnings on OPEB plan investments	-	246
Changes in proportion and differences between District contributions and proportionate share of contributions	906,837	-
Total deferred amounts to be recognized in OPEB expense in future periods	906,837	2,671,562
District contributions subsequent to the measurement date	185,807	-
Total deferred amounts related to OPEB	\$ 1,092,644	\$ 2,671,562

The District reported \$185,807 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, 2019. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending June 30:</u>	Net Deferred Inflows of Resources
2019	\$ 271,103
2020	271,103
2021	271,103
2022	271,103
2023	271,041
Thereafter	409,272
Total	\$ 1,764,725

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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, 2017 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, 2017, contribution rates are 1.12% of pay for active members, 0.84% of pay for school districts, and 1.12% 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, 2018

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 2017. For fiscal years on and after 2018, 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 0.59% is added to non-Medicare cost on and after 2020 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 1.12 percent, 0.84 percent, 1.12 percent of pay, respectively for fiscal year 2017. 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 2.85 percent at June 30, 2016, and 3.56 percent at June 30, 2017, was used to measure the total OPEB liability. The increase in the single discount rate, from 2.85 percent to 3.56 percent, caused the total OPEB liability for the entire plan to decrease by approximately \$3.564 billion.

Investment Return

During plan year end June 30, 2017, the trust earned \$357,000 in interest, and due to a significant benefit payable, the plan fiduciary net position at June 30, 2017, is a negative \$45 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, 2018

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 0.678% for plan year end June 30, 2017, and 0.382% for plan year end June 30, 2016.

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 3.56 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 (2.56 percent) or 1-percentage-point higher (4.56 percent) than the current rate:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
District's proportionate share of the net OPEB liability	\$ 26,795,750	\$ 22,329,889	\$ 18,756,493

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, 2017, 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 2018 decreasing to an ultimate trend rate of 5.09% in 2025, for non-Medicare coverage, and 9.00% in 2018 decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	1% Decrease*	Current Healthcare Trend Rate	1% Increase **
District's proportionate share of the net OPEB liability	\$ 18,022,508	\$ 22,329,889	\$ 28,512,407

* One percentage point decrease in healthcare trend rates are 7.00% in 2018 decreasing to an ultimate trend rate of 4.09% in 2025, for non-Medicare coverage, and 8.00% in 2018 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

** One percentage point increase in healthcare trend rates are 9.00% in 2018 decreasing to an ultimate trend rate of 6.09% in 2025, for non-Medicare coverage, and 10.00% in 2018 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

The Winnetka Public Schools District No. 36
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

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, 2018 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 District's total OPEB liability was measured as of June 8, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2017.

The total OPEB liability, after considering the share of benefit-related costs with inactive Plan members, 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, 2018

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	3.17%
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, 2018

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 3.17% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 8, 2018.

Changes in the Total OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at July 1, 2017	\$ 1,502,538	\$ -	\$ 1,502,538
Changes for the year:			
Service cost	65,429	-	65,429
Interest on the total OPEB liability	39,284	-	39,284
Difference between expected and actual experience of the total OPEB liability	-	-	-
Changes of assumptions and other inputs	(98,625)	-	(98,625)
Contributions - employer	-	-	-
Contributions - active and inactive employees	-	-	-
Net investment income	-	-	-
Benefit payments, including the implicit rate subsidy	(61,640)	-	(61,640)
Other changes	(176,930)	-	(176,930)
Net changes	(232,482)	-	(232,482)
Balances at June 30, 2018	\$ 1,270,056	\$ -	\$ 1,270,056

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 3.17%, 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 (2.17%)	Current Discount Rate (3.17%)	1% Higher (4.17%)
Total OPEB liability	\$ 1,354,239	\$ 1,270,056	\$ 1,190,300

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

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>1,199,392</u>	\$ <u>1,270,056</u>	\$ <u>1,350,632</u>

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

For the year ended June 30, 2018 the District recognized OPEB expense of \$76,353. At June 30, 2018, 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>-</u>	\$ <u>247,195</u>
Total deferred amounts to be recognized in OPEB expense in the future periods	\$ <u>-</u>	\$ <u>247,195</u>

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, 2018

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
2019	\$ 28,360
2020	28,360
2021	28,360
2022	28,360
2023	28,360
Thereafter	<u>105,395</u>
Total	<u>\$ 247,195</u>

3. Summary of OPEB Items

Below is a summary of the various OPEB items at June 30, 2018:

	<u>THIS</u>	<u>RHP</u>	<u>Total</u>
Deferred outflows of resources:			
Employer contributions	\$ 185,807	\$ -	\$ 185,807
Proportionate share	<u>906,837</u>	<u>-</u>	<u>906,837</u>
	<u>\$ 1,092,644</u>	<u>\$ -</u>	<u>\$ 1,092,644</u>
OPEB liability	<u>\$ 22,329,889</u>	<u>\$ 1,270,056</u>	<u>\$ 23,599,945</u>
Deferred inflows of resources:			
Assumptions	\$ 2,658,668	\$ 247,195	\$ 2,905,863
Investments	246	-	246
Experience	<u>12,648</u>	<u>-</u>	<u>12,648</u>
	<u>\$ 2,671,562</u>	<u>\$ 247,195</u>	<u>\$ 2,918,757</u>

The Winnetka Public Schools District No. 36
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE G - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Increases / Transfers	Decreases / Transfers	Balance June 30, 2018
Capital assets, not being depreciated				
Land	\$ 110,383	\$ -	\$ -	\$ 110,383
Construction in progress	736,948	1,390,129	1,981,912	145,165
Total capital assets, not being depreciated	847,331	1,390,129	1,981,912	255,548
Capital assets, being depreciated				
Buildings	75,593,903	-	-	75,593,903
Site improvements	1,303,716	2,074,709	-	3,378,425
Furnishings, equipment, and vehicles	9,693,535	2,387,629	944,198	11,136,966
Total capital assets, being depreciated	86,591,154	4,462,338	944,198	90,109,294
Less accumulated depreciation for:				
Buildings	25,952,333	1,963,963	-	27,916,296
Site improvements	467,284	115,801	-	583,085
Furnishings, equipment, and vehicles	6,905,084	807,368	873,229	6,839,223
Total accumulated depreciation	33,324,701	2,887,132	873,229	35,338,604
Total capital assets, being depreciated, net	53,266,453	1,575,206	70,969	54,770,690
Governmental activities capital assets, net	\$ 54,113,784	\$ 2,965,335	\$ 2,052,881	\$ 55,026,238

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE G - CAPITAL ASSETS (Continued)

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

Governmental activities

General Government

Regular programs	\$ 2,135,513
Special programs	5,854
Other instructional programs	1,327
Pupils	1,783
Instructional staff	11,953
General administration	2,812
School administration	9,362
Business	26,571
Operations and maintenance	232,664
Central	453,163
Other supporting services	<u>6,130</u>
	<u>\$ 2,887,132</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE H - LONG-TERM LIABILITIES

The following is the long-term liability activity for the District for the year ended June 30, 2018:

	Balance July 1, 2017 (as restated)	Additions/ Accretion	Reductions	Balance June 30, 2018
Bonds payable:				
General obligation bonds	\$ 12,780,000	\$ -	\$ 2,340,000	\$ 10,440,000
Capital appreciation bond	4,934,258	246,041	1,795,000	3,385,299
Unamortized premium	18,632	-	18,632	-
	<u>17,732,890</u>	<u>246,041</u>	<u>4,153,632</u>	<u>13,825,299</u>
Total bonds payable				
Capital leases	299,721	743,621	330,026	713,316
Compensated absences	87,538	31,069	9,230	109,377
RHP total other postemployment benefit liability**	1,502,538	104,713	337,195	1,270,056
THIS net other postemployment benefit liability**	22,461,799	2,705,936	2,837,846	22,329,889
TRS net pension liability	2,211,084	216,722	299,379	2,128,427
IMRF net pension liability	2,543,519	868,205	3,314,274	97,450
	<u>46,839,089</u>	<u>4,916,307</u>	<u>11,281,582</u>	<u>40,473,814</u>
Total long-term liabilities				
- governmental activities	\$ 46,839,089	\$ 4,916,307	\$ 11,281,582	\$ 40,473,814

** Restated due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* - An amendment of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. See Note F and O.

Due within one year:

General obligation bonds	\$ 2,380,000
Capital appreciation bonds	1,795,000
Capital leases	229,615
Compensated absences	109,377
	<u>4,513,992</u>
	<u>\$ 4,513,992</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE H - LONG-TERM LIABILITIES (Continued)

1. Bonds Payable

The bonds payable as of June 30, 2018 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%	\$ 3,590,000	\$ 3,385,299
Building bonds - dated January 1, 2008	3.50 - 3.63%	855,000	855,000
GO refunding bonds, Series 2016A - dated December 28, 2016	1.99%	<u>9,585,000</u>	<u>9,585,000</u>
		<u>\$ 14,030,000</u>	<u>\$ 13,825,299</u>

The summary of activity in bonds payable for the year ended June 30, 2018 is as follows:

	<u>Bonds Payable July 1, 2017</u>	<u>Debt Issued/ Accretion</u>	<u>Debt Retired/ Defeased</u>	<u>Bonds Payable June 30, 2018</u>
Capital appreciation bond dated May 17, 2000, interest at 4.65% to 6.01%.	\$ 4,934,258	\$ 246,041	\$ 1,795,000	\$ 3,385,299
Building bonds dated January 1, 2008, interest at 3.50% to 3.63%.	2,035,000	-	1,180,000	855,000
General obligation refunding school bonds Series 2016A dated December 28, 2016, interest at 1.99%.	10,000,000	-	415,000	9,585,000
General obligation refunding school bonds Series 2016B dated December 28, 2016, interest at 1.99%.	<u>745,000</u>	<u>-</u>	<u>745,000</u>	<u>-</u>
Total	<u>\$ 17,714,258</u>	<u>\$ 246,041</u>	<u>\$ 4,135,000</u>	<u>\$ 13,825,299</u>

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE H - LONG-TERM LIABILITIES (Continued)

1. Bonds Payable (Continued)

At June 30, 2018, the District's future cash flow requirements for retirement of bond principal and interest was as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 4,175,000	\$ 191,065	\$ 4,366,065
2020	4,360,000	134,872	4,494,872
2021	4,390,000	65,670	4,455,670
2022	1,105,000	10,995	1,115,995
Total	\$ 14,030,000	\$ 402,602	\$ 14,432,602

These payments will be made from amounts budgeted from the debt service tax levies in future periods. There is \$3,762,828 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, 2018, the statutory debt limit for the District was \$99,341,226, of which \$84,597,910 is fully available.

2. Capital Leases

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

During the fiscal year ended June 30, 2018, the District entered into two new separate lease agreements for copiers and iPads. The provisions of these leases require annual and monthly installment payments.

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

Year Ending June 30,	Principal	Interest	Total
2019	\$ 229,615	\$ 4,133	\$ 233,748
2020	225,251	8,497	233,748
2021	229,025	4,723	233,748
2022	29,425	881	30,306
Total	\$ 713,316	\$ 18,234	\$ 731,550

The Winnetka Public Schools District No. 36

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE I - INTERFUND TRANSFERS

The District transferred \$336,306 to the Debt Service Fund from the General (Educational Account) Fund. 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 Selected School Association (SSA) for worker's compensation claims; the Collective Liability Insurance Cooperative (CLIC) for property, general liability, 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.

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 - NSSSED). 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.

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.

The Winnetka Public Schools District No. 36
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE L - CONTINGENCIES (Continued)

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 entered into certain contracts for capital projects in the next fiscal year. Commitments under these contracts approximate \$348,000 at June 30, 2018.

NOTE N - OPERATING LEASES

The District has a noncancelable operating lease for two modular classrooms. Total costs for the lease was \$36,780 for the year ended June 30, 2018. At June 30, 2018, future minimum lease payments for this lease is as follows:

Year Ending June 30,	Total
2019	\$ 36,780

NOTE O - PRIOR PERIOD ADJUSTMENT

The implementation of GASB 75 (Note A-2) required the District to report its proportionate share of the net other postemployment benefit liability related to the Teacher Health Insurance Security plan and the total other postemployment benefit liability related to its unfunded retiree health plan. As a result of this implementation as of July 1, 2017, net position decreased by \$23,141,616, OPEB liabilities (included in long-term liabilities) increased by \$23,308,690, and deferred outflows increased by \$167,074.

NOTE P - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 20, 2018, 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
June 30, 2018

Calendar year ended December 31,	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 559,496	\$ 554,430	\$ 507,306	\$ 490,411
Interest on the total pension liability	1,599,067	1,498,893	1,391,496	1,280,861
Difference between expected and actual experience of the total pension liability	(587,091)	426,151	588,517	(91,424)
Assumption changes	(703,267)	(46,711)	44,185	776,459
Benefit payments and refunds	(1,212,007)	(1,094,150)	(1,045,189)	(934,051)
Net change in total pension liability	(343,802)	1,338,613	1,486,315	1,522,256
Total pension liability, beginning	21,647,152	20,308,539	18,822,224	17,299,968
Total pension liability, ending	<u>\$ 21,303,350</u>	<u>\$ 21,647,152</u>	<u>\$ 20,308,539</u>	<u>\$ 18,822,224</u>
Plan fiduciary net position				
Contributions, employer	\$ 465,289	\$ 510,112	\$ 495,392	\$ 430,579
Contributions, employee	212,785	232,733	215,508	195,679
Net investment income	3,357,409	1,231,024	89,215	1,055,626
Benefit payments, including refunds of employee contributions	(1,212,007)	(1,094,150)	(1,045,189)	(934,051)
Other (net transfer)	(721,209)	117,327	341,453	(196,870)
Net change in plan fiduciary net position	2,102,267	997,046	96,379	550,963
Plan fiduciary net position, beginning	19,103,633	18,106,587	18,010,208	17,459,245
Plan fiduciary net position, ending	<u>\$ 21,205,900</u>	<u>\$ 19,103,633</u>	<u>\$ 18,106,587</u>	<u>\$ 18,010,208</u>
Net pension liability	<u>\$ 97,450</u>	<u>\$ 2,543,519</u>	<u>\$ 2,201,952</u>	<u>\$ 812,016</u>
Plan fiduciary net position as a percentage of the total pension liability	99.54%	88.25%	89.16%	95.69%
Covered Valuation Payroll	\$ 4,728,548	\$ 5,090,941	\$ 4,753,782	\$ 4,331,784
Net pension liability as a percentage of covered valuation payroll	2.06%	49.96%	46.32%	18.75%

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 CONTRIBUTIONS

Illinois Municipal Retirement Fund

June 30, 2018

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2017	\$ 465,289 *	\$ 465,289	\$ -	\$ 4,728,548	9.84 %
2016	510,112	510,112	-	5,090,941	10.02
2015	482,509	495,392	(12,883)	4,753,782	10.42
2014	430,579	430,579	-	4,331,784	9.94

* Estimated based on contribution rate of 9.84% and covered valuation payroll of \$4,728,548 (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
June 30, 2018

Fiscal year ended June 30,

	2017	2016	2015	2014
District's proportion of the net pension liability	0.0027859666 %	0.0028011082 %	.0030924316 %	.0029798549 %
District's proportion of the net of the net pension liability	\$ 2,128,427	\$ 2,211,084	\$ 2,025,854	\$ 1,813,488
State's proportionate share of the net pension liability associated with the District	<u>146,525,271</u>	<u>148,456,143</u>	<u>120,970,056</u>	<u>113,090,942</u>
Total	<u>\$ 148,653,698</u>	<u>\$ 150,667,227</u>	<u>\$ 122,995,910</u>	<u>\$ 114,904,430</u>
District's covered-employee payroll	\$ 19,889,741	\$ 19,093,844	\$ 18,465,844	\$ 18,247,417
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	10.70 %	11.58 %	10.97 %	9.94 %
Plan fiduciary net position as a percentage of the total pension liability	39.30 %	36.40 %	41.50 %	43.00 %

Note 1: The amounts presented were determined as of the prior fiscal year-end.

Note 2: 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 DISTRICT CONTRIBUTIONS
Teacher's Retirement System of the State of Illinois
June 30, 2018

Fiscal year ended June 30,	2017	2016	2015	2014
Contractually required contribution	\$ 115,361	\$ 110,744	\$ 107,102	\$ 105,835
Contributions in relation to the contractually required contributions	114,781	108,479	108,359	106,320
Contribution deficiency (excess)	\$ 580	\$ 2,265	\$ (1,257)	\$ (485)
District's covered-employee payroll	\$ 21,114,438	\$ 19,889,741	\$ 19,093,844	\$ 18,465,844
Contributions as a percentage of covered-employee payroll	0.54 %	0.55 %	0.57 %	0.58 %

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

Retiree Health Plan
June 30, 2018

Fiscal year ended June 30,	<u>2018</u>
Total OPEB liability	
Service cost	\$ 65,429
Interest on the total OPEB liability	39,284
Difference between expected and actual experience of the total OPEB liability	-
Changes in assumptions and other inputs	(98,625)
Benefit payments, including the implicit rate subsidy	(61,640)
Other changes	<u>(176,930)</u>
Net change in total OPEB liability	(232,482)
Total OPEB liability, beginning	1,502,538
Total OPEB liability, ending	<u><u>\$ 1,270,056</u></u>
Plan fiduciary net position	
Contributions, employer	\$ -
Contributions, employee	-
Net investment income	-
Benefit payments, including refunds of employee contributions	-
Other (net transfer)	<u>-</u>
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><u>\$ 1,270,056</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00 %
Covered Valuation Payroll	\$ 24,038,164
Net OPEB liability as a percentage of covered valuation payroll	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
June 30, 2018

Fiscal year ended June 30,	<u>2017</u>
District's proportion of the net OPEB liability	0.08605100 %
District's proportionate share of the net OPEB liability	\$ 22,329,889
State's proportionate share of the net OPEB liability associated with the District	<u>29,324,693</u>
Total	<u>\$ 51,654,582</u>
District's covered payroll	\$ 19,889,741
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	112.27%
Plan fiduciary net position as a percentage of the total OPEB liability	-0.17%

Note 1: The amounts presented were determined as of the prior fiscal-year end.

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
June 30, 2018

Fiscal year ended June 30,

	<u>2017</u>
Contractually required contribution	\$ 167,074
Contributions in relation to the contractually required contribution	<u>166,284</u>
Contribution due	\$ <u>(790)</u>
District's covered payroll	\$ 21,114,438
Contributions as a percentage of covered payroll	0.79%

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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
General levy	\$ 32,836,003	\$ 34,406,724	\$ 1,570,721	\$ 33,017,745
Corporate personal property replacement taxes	260,000	251,994	(8,006)	345,735
Regular tuition from pupils or parents	125,000	147,189	22,189	59,940
Regular tuition from other sources (in state)	61,800	128,339	66,539	58,576
Summer school tuition from pupils or parents	362,300	278,806	(83,494)	391,367
Interest on investments	157,500	124,189	(33,311)	136,352
Sales to pupils - lunch	171,900	160,876	(11,024)	157,613
Sales to pupils - other	40,600	44,607	4,007	43,085
Admissions - athletic	30,400	30,849	449	30,309
Fees	29,000	30,136	1,136	28,741
Contributions and donations from private sources	-	1,192,740	1,192,740	-
Other	142,900	185,750	42,850	135,412
Total local sources	34,217,403	36,982,199	2,764,796	34,404,875
State sources				
Evidence Based Funding	366,000	1,082,637	716,637	-
General State Aid	-	-	-	373,274
Special Education - Private Facility Tuition	35,000	55,464	20,464	16,136
Special Education - Funding for Children Requiring Sp Ed Services	210,000	-	(210,000)	199,614
Special Education - Personnel	560,000	-	(560,000)	560,595
Other State Sources	(218,900)	2,387	221,287	-
Total state sources	952,100	1,140,488	188,388	1,149,619

(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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Federal sources				
Special Milk Program	\$ 5,000	\$ 7,090	\$ 2,090	\$ 6,740
Special Breakfast Program	6,000	-	(6,000)	-
Federal - Special Education				
- Pre-School Flow Through	9,500	8,803	(697)	10,335
Federal - Special Education				
- I.D.E.A. - Flow Through	428,000	422,773	(5,227)	425,395
Federal - Special Education				
- I.D.E.A. - Room and Board	55,000	100,672	45,672	57,698
Title II - Teacher Quality	26,000	39,725	(26,000)	28,574
Total federal sources	529,500	579,063	49,563	528,742
Total revenues	35,699,003	38,701,750	3,002,747	36,083,236
Expenditures				
Instruction				
Regular programs				
Salaries	13,576,342	13,278,047	298,295	12,593,558
Employee benefits	1,861,256	1,939,597	(78,341)	1,772,186
Purchased services	500	216	284	181
Supplies and materials	214,218	186,121	28,097	179,083
Capital outlay	-	1,936,361	(1,936,361)	3,841
Non-capitalized equipment	20,000	9,572	10,428	28,117
Total	15,672,316	17,349,914	(1,677,598)	14,576,966
Special education programs				
Salaries	3,240,559	3,158,420	82,139	3,247,029
Employee benefits	652,994	679,860	(26,866)	661,495
Purchased services	114,128	117,559	(3,431)	135,965
Supplies and materials	57,610	50,963	6,647	49,291
Non-capitalized equipment	7,725	1	7,724	9,339
Total	4,073,016	4,006,803	66,213	4,103,119

(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, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Special education programs pre-K				
Purchased services	\$ 3,320	\$ 3,320	\$ -	\$ 4,090
Other objects	5,347	5,483	(136)	6,245
Total	8,667	8,803	(136)	10,335
Interscholastic programs				
Salaries	537,278	511,983	25,295	492,141
Employee benefits	70,901	71,345	(444)	67,754
Purchased services	5,760	3,935	1,825	5,477
Supplies and materials	3,000	2,876	124	3,878
Capital outlay	3,000	-	3,000	2,843
Non-capitalized equipment	-	-	-	895
Total	619,939	590,139	29,800	572,988
Summer school programs				
Salaries	316,000	226,128	89,872	340,336
Employee benefits	2,500	1,738	762	2,499
Supplies and materials	19,500	18,845	655	22,289
Other objects	9,900	-	9,900	-
Total	347,900	246,711	101,189	365,124
Gifted programs				
Other objects	35,000	22,876	12,124	26,210
Total	35,000	22,876	12,124	26,210
Bilingual programs				
Salaries	98,633	95,556	3,077	87,982
Employee benefits	10,769	10,709	60	10,608
Total	109,402	106,265	3,137	98,590

(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, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance From Final Budget	2017 Actual
	Original and Final Budget	Actual		
Special education programs K-12				
- private tuition	\$ 802,200	\$ 836,588	\$ (34,388)	\$ 433,748
Total instruction	21,668,440	23,168,099	(1,499,659)	20,187,080
Support services				
Pupils				
Attendance and social work services				
Salaries	568,640	571,030	(2,390)	515,117
Employee benefits	101,712	91,206	10,506	90,276
Supplies and materials	1,375	504	871	709
Total	671,727	662,740	8,987	606,102
Health services				
Salaries	236,672	232,902	3,770	235,729
Employee benefits	56,251	65,453	(9,202)	48,101
Purchased services	980	406	574	882
Supplies and materials	20,019	17,132	2,887	7,041
Other objects	1,250	559	691	1,227
Non-capitalized equipment	6,500	-	6,500	-
Total	321,672	316,452	5,220	292,980
Psychological services				
Salaries	548,442	523,384	25,058	567,322
Employee benefits	50,541	53,518	(2,977)	45,810
Purchased services	156,440	129,388	27,052	36,600
Supplies and materials	6,300	39,583	(33,283)	47,075
Capital outlay	2,400	-	2,400	-
Other objects	1,780	1,820	(40)	919
Non-capitalized equipment	150	-	150	661
Total	766,053	747,693	18,360	698,387

(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, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance From Final Budget	2017 Actual
	Original and Final Budget	Actual		
Speech pathology and audiology services				
Salaries	\$ 474,959	\$ 471,771	\$ 3,188	\$ 511,790
Employee benefits	62,627	52,534	10,093	44,366
Supplies and materials	1,600	4,716	(3,116)	5,258
Total	539,186	529,021	10,165	561,414
Total pupils	2,298,638	2,255,906	42,732	2,158,883
Instructional staff				
Improvement of instruction services				
Salaries	704,588	614,309	90,279	633,243
Employee benefits	74,843	70,906	3,937	68,486
Purchased services	269,060	163,994	105,066	209,436
Supplies and materials	186,342	144,181	42,161	92,222
Capital outlay	37,723	19,072	18,651	11,753
Other objects	244,480	193,479	51,001	198,388
Non-capitalized equipment	8,564	20,910	(12,346)	8,453
Total	1,525,600	1,226,851	298,749	1,221,981
Educational media services				
Salaries	736,592	733,363	3,229	700,708
Employee benefits	77,142	87,341	(10,199)	91,035
Supplies and materials	67,340	61,544	5,796	70,701
Capital outlay	2,768	2,541	227	3,557
Non-capitalized equipment	11,900	6,226	5,674	4,911
Total	895,742	891,015	4,727	870,912
Assessment and testing				
Other objects	34,158	19,915	14,243	62,830
Total	34,158	19,915	14,243	62,830
Total instructional staff	2,455,500	2,137,781	317,719	2,155,723

(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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance From Final Budget	2017 Actual
	Original and Final Budget	Actual		
General administration				
Board of education services				
Employee benefits	\$ 25,000	\$ 19,191	\$ 5,809	\$ 3,584
Purchased services	530,810	461,679	69,131	441,178
Supplies and materials	9,596	9,733	(137)	15,888
Other objects	25,810	30,156	(4,346)	30,946
Total	591,216	520,759	70,457	491,596
Executive administration services				
Salaries	362,011	366,424	(4,413)	355,338
Employee benefits	42,882	46,734	(3,852)	48,327
Purchased services	33,020	17,000	16,020	38,028
Supplies and materials	4,470	7,300	(2,830)	5,479
Other objects	20,863	29,616	(8,753)	23,519
Non-capitalized equipment	3,500	-	3,500	255
Total	466,746	467,074	(328)	470,946
Tort immunity services				
Purchased services	105,000	111,645	(6,645)	139,538
Total	105,000	111,645	(6,645)	139,538
Total general administration	1,162,962	1,099,478	63,484	1,102,080

(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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance	2017
	Original and Final Budget	Actual	From Final Budget	Actual
School administration				
Office of the principal services				
Salaries	\$ 1,794,499	\$ 1,779,901	\$ 14,598	\$ 1,558,923
Employee benefits	140,147	129,374	10,773	128,992
Purchased services	66,940	49,295	17,645	103,045
Supplies and materials	13,220	8,670	4,550	11,963
Capital outlay	-	44,724	(44,724)	44,555
Other objects	20,765	15,569	5,196	27,252
Non-capitalized equipment	7,000	5,153	1,847	5,431
Total school administration	2,042,571	2,032,686	9,885	1,880,161
Business				
Direction of business support services				
Salaries	568,054	562,630	5,424	579,764
Employee benefits	73,054	75,257	(2,203)	46,639
Purchased services	46,790	34,780	12,010	43,963
Supplies and materials	33,535	33,549	(14)	32,487
Capital outlay	10,000	-	10,000	-
Other objects	5,390	5,177	213	2,005
Non-capitalized equipment	1,200	-	1,200	-
Total	738,023	711,393	26,630	704,858
Food services				
Salaries	17,874	20,125	(2,251)	16,974
Employee benefits	2,422	2,647	(225)	2,387
Purchased services	205,600	165,465	40,135	189,862
Supplies and materials	300	-	300	8,139
Capital outlay	17,500	12,538	4,962	-
Other objects	-	-	-	506
Non-capitalized equipment	400	45	355	-
Total	244,096	200,820	43,276	217,868
Total business	982,119	912,213	69,906	922,726

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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Central				
Information services				
Salaries	\$ 96,841	\$ 96,841	\$ -	\$ 92,671
Employee benefits	15,826	15,931	(105)	14,611
Purchased services	32,064	17,620	14,444	9,081
Supplies and materials	3,100	10	3,090	-
Other objects	800	322	478	1,113
Non-capitalized equipment	600	-	600	-
Total	149,231	130,724	18,507	117,476
Staff services				
Salaries	2,000	-	2,000	1,089
Employee benefits	14,300	16,106	(1,806)	35,464
Purchased services	12,400	15,932	(3,532)	1,162
Supplies and materials	-	-	-	42
Total	28,700	32,038	(3,338)	37,757
Data processing services				
Salaries	651,935	626,148	25,787	622,631
Employee benefits	65,736	65,231	505	60,663
Purchased services	196,750	169,259	27,491	167,727
Supplies and materials	124,209	154,822	(30,613)	147,338
Capital outlay	980,472	418,862	561,610	212,061
Other objects	1,940	3,561	(1,621)	2,114
Non-capitalized equipment	147,828	90,347	57,481	161,567
Total	2,168,870	1,528,230	640,640	1,374,101
Total central	2,346,801	1,690,992	655,809	1,529,334

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, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Other supporting services				
Salaries	\$ 307,713	\$ 394,841	\$ (87,128)	\$ 300,865
Employee benefits	42,751	46,012	(3,261)	42,784
Purchased services	83,320	22,458	60,862	49,613
Supplies and materials	25,595	26,385	(790)	28,632
Capital outlay	-	643	(643)	1,617
Other objects	15,790	16,603	(813)	850
Non-capitalized equipment	500	-	500	-
Total	475,669	506,942	(31,273)	424,361
Total support services	11,764,260	10,635,998	1,128,262	10,173,268
Community services				
Salaries	26,574	35,387	(8,813)	24,576
Employee benefits	2,323	2,553	(230)	2,317
Supplies and materials	1,000	22	978	36
Other objects	900	1,728	(828)	(5,008)
Total	30,797	39,690	(8,893)	21,921
Payments for special education programs - tuition				
Other objects	1,666,000	1,583,736	82,264	1,663,491
Total payments to other districts and other government units	1,666,000	1,583,736	82,264	1,663,491
Total expenditures	35,129,497	35,427,523	(298,026)	32,045,760
Excess of revenues over expenditures	569,506	3,274,227	2,704,721	4,037,476

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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Other financing sources (uses)				
Transfer out	\$ -	\$ -	\$ -	\$ (28,000,000)
Capital lease proceeds	441,118	743,621	302,503	-
Transfer to Debt Service Fund for principal on capital leases	-	(330,026)	(330,026)	(321,123)
Transfer to Debt Service Fund for interest on capital leases	-	(6,280)	(6,280)	(10,219)
Total other financing sources (uses)	<u>441,118</u>	<u>407,315</u>	<u>(33,803)</u>	<u>(28,331,342)</u>
Net change in fund balance	<u>\$ 1,010,624</u>	3,681,542	<u>\$ 2,670,918</u>	(24,293,866)
Fund balance, beginning of year		<u>17,418,242</u>		<u>41,712,108</u>
Fund balance, end of year		<u>\$ 21,099,784</u>		<u>\$ 17,418,242</u>

(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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance	2017
	Original and Final Budget	Actual	From Final Budget	Actual
Revenues				
Local sources				
General levy	\$ 2,870,492	\$ 1,802,340	\$ (1,068,152)	\$ 905,214
Interest on investments	39,500	18,443	(21,057)	61,160
Rentals	52,000	59,111	7,111	75,568
Contributions and donations from private sources	-	44,839	44,839	-
Other	2,000	16,406	14,406	1,290
Total local sources	2,963,992	1,941,139	(1,022,853)	1,043,232
Total revenues	2,963,992	1,941,139	(1,022,853)	1,043,232
Expenditures				
Support services				
Operation and maintenance of plant services				
Salaries	1,459,381	1,437,691	21,690	1,420,856
Employee benefits	276,507	272,290	4,217	261,393
Purchased services	768,450	610,343	158,107	713,855
Supplies and materials	773,700	709,667	64,033	719,916
Capital outlay	287,201	304,436	(17,235)	790,582
Non-capitalized equipment	72,500	11,847	60,653	61,289
Total business	3,637,739	3,346,274	291,465	3,967,867
Total expenditures	3,637,739	3,346,274	291,465	3,967,867
Deficiency of revenues over expenditures	(673,747)	(1,405,135)	(731,388)	(2,924,635)

(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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Other financing uses				
Transfers out	\$ -	\$ -	\$ -	\$ (550,000)
Total other financing uses	-	-	-	(550,000)
Net change in fund balance	<u>\$ (673,747)</u>	(1,405,135)	<u>\$ (731,388)</u>	(3,474,635)
Fund balance, beginning of year		<u>5,697,339</u>		<u>9,171,974</u>
Fund balance, end of year		<u>\$ 4,292,204</u>		<u>\$ 5,697,339</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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
General levy	\$ 372,714	\$ 200,885	\$ (171,829)	\$ 100,737
Regular transportation fees from pupils or parents	120,000	118,679	(1,321)	131,171
Interest on investments	5,200	3,271	(1,929)	7,439
Total local sources	497,914	322,835	(175,079)	239,347
State sources				
Transportation - Special Education	120,000	120,978	978	104,423
Total state sources	120,000	120,978	978	104,423
Total revenues	617,914	443,813	(174,101)	343,770
Expenditures				
Business				
Pupil transportation services				
Salaries	17,152	17,233	(81)	17,668
Employee benefits	2,253	2,140	113	2,021
Purchased services	510,000	526,758	(16,758)	425,482
Other objects	5,500	986	4,514	4,771
Total support services	534,905	547,117	(12,212)	449,942
Total expenditures	534,905	547,117	(12,212)	449,942
Net change in fund balance	\$ 83,009	(103,304)	\$ (186,313)	(106,172)
Fund balance, beginning of year		753,611		859,783
Fund balance, end of year		\$ 650,307		\$ 753,611

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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance	2017
	Original and Final	Actual	From	Actual
	Budget		Final Budget	
Revenues				
Local sources				
General levy	\$ 1,342,128	\$ 349,373	\$ (992,755)	\$ 167,603
Social security/Medicare only levy	-	899,464	899,464	1,146,750
Corporate personal property replacement taxes	-	12,240	12,240	12,221
Interest on investments	14,100	9,762	(4,338)	15,617
Total revenues	1,356,228	1,270,839	(85,389)	1,342,191
Expenditures				
Instruction				
Regular programs	271,303	251,230	20,073	235,268
Pre-K programs	10,367	-	10,367	-
Special education programs	204,219	192,210	12,009	223,827
Interscholastic programs	8,247	8,642	(395)	8,575
Summer school programs	18,954	16,344	2,610	25,321
Bilingual programs	1,430	1,279	151	1,171
Total instruction	514,520	469,705	44,815	494,162
Support services				
Pupils				
Attendance and social work services	8,246	9,455	(1,209)	8,571
Health services	32,513	26,646	5,867	24,863
Psychological services	14,013	15,065	(1,052)	16,740
Speech pathology and audiology services	6,887	6,337	550	6,957
Total pupils	61,659	57,503	4,156	57,131

(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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Instructional staff				
Improvement of instruction services	\$ 27,416	\$ 25,431	\$ 1,985	\$ 24,388
Educational media services	32,106	30,988	1,118	29,037
Total instructional staff	59,522	56,419	3,103	53,425
General administration				
Board of education services	-	490	(490)	3,017
Executive administration services	21,939	21,519	420	20,654
Total general administration	21,939	22,009	(70)	23,671
School administration				
Office of the principal services	74,454	69,983	4,471	67,390
Total school administration	74,454	69,983	4,471	67,390
Business				
Direction of business support services	66,148	64,249	1,899	120,110
Operation and maintenance of plant services	251,273	249,791	1,482	245,472
Pupil transportation services	3,024	2,142	882	5,995
Food services	2,294	2,304	(10)	2,116
Total business	322,739	318,486	4,253	373,693
Central				
Information services	17,073	16,536	537	15,798
Data processing services	72,375	68,196	4,179	67,399
Total central	89,448	84,732	4,716	83,197

(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, 2018
With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018		Variance From Final Budget	2017 Actual
	Original and Final Budget	Actual		
Other support services	\$ 21,666	\$ 21,641	\$ 25	\$ 19,938
Total support services	651,427	630,773	20,654	678,445
Community services	4,685	5,474	(789)	4,082
Total expenditures	1,170,632	1,105,952	64,680	1,176,689
Net change in fund balance	\$ 185,596	164,887	\$ (20,709)	165,502
Fund balance, beginning of year		1,454,726		1,289,224
Fund balance, end of year		\$ 1,619,613		\$ 1,454,726

(Concluded)

The Winnetka Public Schools District No. 36
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

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 19, 2017.
- 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, 2018:

<u>Funds</u>	<u>Variance</u>
General	\$ 298,026
Transportation	12,212
Debt Service	329,339

The Winnetka Public Schools District No. 36
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

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	\$ 38,701,750	\$ 35,427,523
To adjust for on-behalf payments	16,554,564	-
To adjust for on-behalf payments	<u>-</u>	<u>16,554,564</u>
General fund - GAAP basis	<u>\$ 55,256,314</u>	<u>\$ 51,982,087</u>

4. TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Changes of Assumptions

For the 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 2017 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, 2018

5. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2017 IMRF CONTRIBUTION RATE* (Continued)

Methods and Assumptions Used to Determine the 2017 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): 26-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 nmortality 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, 2015 actuarial valuation.

SUPPLEMENTARY FINANCIAL INFORMATION

The Winnetka Public Schools District No. 36

General Fund COMBINING BALANCE SHEET June 30, 2018

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
ASSETS				
Cash and investments	\$ 16,251,988	\$ 255,806	\$ 4,993,101	\$ 21,500,895
Receivables (net of allowance for uncollectibles):				
Interest	27,652	442	8,167	36,261
Property taxes	16,236,307	97,458	276,519	16,610,284
Replacement taxes	45,022	-	-	45,022
Intergovernmental	112,293	-	-	112,293
Other current assets	62,172	-	-	62,172
Total assets	<u>\$ 32,735,434</u>	<u>\$ 353,706</u>	<u>\$ 5,277,787</u>	<u>\$ 38,366,927</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 157,083	\$ -	\$ -	\$ 157,083
Compensated absences payable	3,255	-	-	3,255
Payroll deductions payable	217,280	-	-	217,280
Unearned revenue	281,122	-	-	281,122
Total liabilities	<u>658,740</u>	<u>-</u>	<u>-</u>	<u>658,740</u>
DEFERRED INFLOWS				
Unavailable interest revenue	27,652	442	8,167	36,261
Property taxes levied for a future period	16,199,023	97,235	275,884	16,572,142
Total deferred inflows	<u>16,226,675</u>	<u>97,677</u>	<u>284,051</u>	<u>16,608,403</u>
FUND BALANCES				
Restricted	-	256,029	-	256,029
Unassigned	15,850,019	-	4,993,736	20,843,755
Total fund balance	<u>15,850,019</u>	<u>256,029</u>	<u>4,993,736</u>	<u>21,099,784</u>
Total liabilities, deferred inflows, and fund balance	<u>\$ 32,735,434</u>	<u>\$ 353,706</u>	<u>\$ 5,277,787</u>	<u>\$ 38,366,927</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, 2018

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Revenues				
Property taxes	\$ 33,633,909	\$ 200,563	\$ 572,252	\$ 34,406,724
Replacement taxes	251,994	-	-	251,994
State aid	17,695,052	-	-	17,695,052
Federal aid	579,063	-	-	579,063
Interest	94,924	1,534	27,731	124,189
Other	2,195,000	4,292	-	2,199,292
Total revenues	54,449,942	206,389	599,983	55,256,314
Expenditures				
Current:				
Instruction:				
Regular programs	15,307,149	-	-	15,307,149
Special programs	4,852,194	-	-	4,852,194
Other instructional programs	1,072,395	-	-	1,072,395
State retirement contributions	16,554,564	-	-	16,554,564
Support services:				
Pupils	2,255,906	-	-	2,255,906
Instructional staff	2,135,240	-	-	2,135,240
General administration	987,833	111,645	-	1,099,478
School administration	2,013,990	-	-	2,013,990
Business	929,755	-	-	929,755
Central	1,228,560	-	-	1,228,560
Other supporting services	506,299	-	-	506,299
Community services	39,690	-	-	39,690
Nonprogrammed charges	1,583,736	-	-	1,583,736
Capital outlay	2,403,131	-	-	2,403,131
Total expenditures	51,870,442	111,645	-	51,982,087
Excess of revenues over expenditures	2,579,500	94,744	599,983	3,274,227

(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, 2018

	Educational Account	Tort Immunity and Judgment Account	Working Cash Account	Total
Other financing sources (uses)				
Transfers out	\$ (336,306)	\$ -	\$ -	\$ (336,306)
Capital lease proceeds	<u>743,621</u>	<u>-</u>	<u>-</u>	<u>743,621</u>
Total other financing sources (uses)	<u>407,315</u>	<u>-</u>	<u>-</u>	<u>407,315</u>
Net change in fund balance	2,986,815	94,744	599,983	3,681,542
Fund balance, beginning of year	<u>12,863,204</u>	<u>161,285</u>	<u>4,393,753</u>	<u>17,418,242</u>
Fund balance, end of year	<u>\$ 15,850,019</u>	<u>\$ 256,029</u>	<u>\$ 4,993,736</u>	<u>\$ 21,099,784</u>

The Winnetka Public Schools District No. 36

Debt Service Fund

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

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
General levy	\$ 4,872,265	\$ 4,898,813	\$ 26,548	\$ 5,232,197
Interest on investments	11,300	63,604	52,304	43,014
Total revenues	4,883,565	4,962,417	78,852	5,275,211
Expenditures				
Debt service				
Debt services - interest				
Bonds and leases - interest	1,402,078	261,317	1,140,761	1,777,677
Total debt service - interest	1,402,078	261,317	1,140,761	1,777,677
Principal payments on long-term debt	2,989,660	4,465,026	(1,475,366)	33,601,123
Other debt service				
Purchased services	8,900	3,634	5,266	112,963
Total debt service	4,400,638	4,729,977	(329,339)	35,491,763
Total expenditures	4,400,638	4,729,977	(329,339)	35,491,763
Deficiency of revenues over expenditures	482,927	232,440	(250,487)	(30,216,552)

(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, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Other financing sources (uses)				
Transfer in	\$ -	\$ -	\$ -	\$ 28,550,000
Debt issuance	-	-	-	10,745,000
Transfer to pay for principal on capital leases	-	330,026	330,026	321,123
Transfer to pay for interest on capital leases	-	6,280	6,280	10,219
Deposit with escrow agent	-	-	-	(10,651,962)
Total other financing sources (uses)	-	336,306	336,306	28,974,380
Net change in fund balance	\$ 482,927	568,746	\$ 85,819	(1,242,172)
Fund balance, beginning of year		3,194,082		4,436,254
Fund balance, end of year		\$ 3,762,828		\$ 3,194,082

(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, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			
	Original and Final Budget	Actual	Variance From Final Budget	2017 Actual
Revenues				
Local sources				
Interest on investments	\$ 34,100	\$ 35,211	\$ 1,111	\$ 30,115
Total revenues	<u>34,100</u>	<u>35,211</u>	<u>1,111</u>	<u>30,115</u>
Expenditures				
Support services				
Facilities acquisition and construction services				
Purchased services	188,400	(1,313)	189,713	64,556
Capital outlay	<u>2,038,538</u>	<u>1,478,353</u>	<u>560,185</u>	<u>1,813,215</u>
Total expenditures	<u>2,226,938</u>	<u>1,477,040</u>	<u>749,898</u>	<u>1,877,771</u>
Deficiency of revenues over expenditures	<u>\$ (2,192,838)</u>	<u>(1,441,829)</u>	<u>\$ 751,009</u>	<u>(1,847,656)</u>
Fund balance, beginning of year		<u>4,848,458</u>		<u>6,696,114</u>
Fund balance, end of year		<u>\$ 3,406,629</u>		<u>\$ 4,848,458</u>

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, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

	2018			2017 Actual
	Original and Final Budget	Actual	Variance From Final Budget	
Revenues				
Local sources				
General levy	\$ (14)	\$ -	\$ 14	\$ 514
Total revenues	(14)	-	14	514
Expenditures				
Support services				
Operations and maintenance of plant services				
Purchased services	-	-	-	5
Total expenditures	-	-	-	5
Excess of revenues over expenditures	\$ (14)	-	\$ 14	509
Fund balance, beginning of year		1,101		592
Fund balance, end of year		\$ 1,101		\$ 1,101

The Winnetka Public Schools District No. 36
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Cash	\$ 950,723	\$ 1,600,852	\$ 1,884,067	\$ 667,508
DW: District Wide				
Mobile Learning Initiative Fee	\$ 45,689	\$ 15,422	\$ 28,688	\$ 32,423
Core Plus More	43,489	7,220	32,843	17,866
Foundation	121,126	-	2,534	118,592
Archives/Foundation	3,680	189	442	3,427
Artist in Residence	47,590	-	18,575	29,015
Teacher Initiative Grant	51,853	977	29,792	23,038
Summer Institute	30,551	-	20,000	10,551
Teacher Research	4,341	-	254	4,087
Pioneer RM	3,211	-	31	3,180
Keegan/Science Funds	3,424	222	-	3,646
Miscellaneous	2,971	1,513	1,801	2,683
Holding-Orig	118	361,407	361,525	-
Holding 2	-	166,319	166,319	-
Staff Wellness Initiatives	45,517	10,123	7,879	47,761
Music Activity	9	-	-	9
PTA Dues-(Central Board)	12,255	7,480	16,011	3,724
Adventures in Learning	(119)	858	739	-
Progressive Education	(316)	316	-	-
Due to Winnetka Public Schools District No. 36	95,540	476,974	544,649	27,865
Total District Wide	510,929	1,049,020	1,232,082	327,867

The Winnetka Public Schools District No. 36
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
CI: Crow Island				
Activity Fee	\$ 60,685	\$ 54,099	\$ 58,187	\$ 56,597
Holding	537	350	532	355
Coding Club	1,832	-	-	1,832
Mathcount/Crazy 8s	-	6,461	4,251	2,210
Principal's Funds	1,137	850	1,016	971
Monograph	3,366	-	3,366	-
Stewardship Fund	3,324	19,388	19,466	3,246
Electronic Music Club	836	-	-	836
PTO Contribution	2,383	562	2,945	-
PTO Wish List Account	(186)	23,115	25,796	(2,867)
School Store	102	-	-	102
Total Crow Island	74,016	104,825	115,559	63,282
GR: Greeley				
Activity Fee	28,830	41,299	32,482	37,647
Holding	304	-	-	304
Coding Club	1,991	-	-	1,991
Mathcount/Crazy 8s	-	4,563	2,654	1,909
Basic Math Club	(540)	-	-	(540)
Sewing Club	(528)	539	11	-
PTO Contribution	4,681	1,259	6,017	(77)
PTO Wish List Account	-	305	186	119
Total Greeley	34,738	47,965	41,350	41,353
HW: Hubbard Woods				
Activity Fee	38,623	43,493	40,128	41,988
Holding	3,296	4,903	3,353	4,846
Drama/Dance clubs	-	864	766	98
Coding Club	1,431	-	-	1,431
Mathcount/Crazy 8s	-	2,945	1,785	1,160
Principal's Fund	210	-	-	210
Knitting Club	-	2,077	1,318	759
Book Club	-	2,872	2,130	742
PTO Contribution	2,626	963	3,492	97
PTO Wish List	14	21,948	23,619	(1,657)
Total Hubbard Woods	46,200	80,065	76,591	49,674

(Continued)

The Winnetka Public Schools District No. 36
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND - STUDENT ACTIVITY FUNDS
Year Ended June 30, 2018

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
SK: Skokie				
Activity Fee	\$ 92,007	\$ 58,458	\$ 72,088	\$ 78,377
Archives	2,830	-	-	2,830
Holding	13,288	14,050	22,785	4,553
Drama Club	3,106	-	-	3,106
Art Club	1,557	5,018	4,043	2,532
Chess Club	443	-	-	443
Yoga Club	158	-	-	158
Every Monday Matters Club	83	-	-	83
Memory/Yearbook Club	(51)	1,973	1,772	150
Comic Club	1,037	-	-	1,037
Crazy 8's Math Club	5,306	2,401	2,662	5,045
Principal's Funds	1	-	-	1
Happy Tillers	206	-	99	107
Play it Now Math Club	(1,480)	1,274	2,011	(2,217)
Creative Writing	197	1,296	776	717
Green Ribbon Sustainability	(152)	152	-	-
Robotics Club	1,823	-	2,101	(278)
Dungeon and Dragons	-	1,678	68	1,610
Cardio Club	(363)	363	-	-
PTO Contributions	4,325	760	5,065	20
Special Projects Fund	(5,995)	19,856	13,861	-
Total Skokie	<u>118,326</u>	<u>107,279</u>	<u>127,331</u>	<u>98,274</u>
CW: Carleton Washburn				
Activity Fee	71,980	66,533	74,835	63,678
Artist in Residence- Found		375	375	-
Graduation		300	300	-
Holding	4,103	11,668	9,857	5,914
Coding Club	(393)	478	645	(560)
Principal's Funds	928	426	525	829
Robotics Club	(735)	5,379	2,678	1,966
Steam Ambassadors	202	-	-	202
Colab Challenge Club	(398)	596	1,666	(1,468)
Athletics	29,692	104,633	127,209	7,116
PTO Contribution	4,034	1,352	5,266	120
PTO Wish List Account	44,939	3,895	48,834	-
School Store	3	-	-	3
Student Council	1,350	4,761	5,792	319
Yearbook	10,767	11,302	13,130	8,939
Wash/Skokie "The Word"	42	-	42	-
Total Carleton Washburn	<u>166,514</u>	<u>211,698</u>	<u>291,154</u>	<u>87,058</u>
Total	<u>\$ 950,723</u>	<u>\$ 1,600,852</u>	<u>\$ 1,884,067</u>	<u>\$ 667,508</u>

The Winnetka Public Schools District No. 36

GENERAL LONG-TERM DEBT SCHEDULE OF GENERAL OBLIGATION BONDS Year Ended June 30, 2018

Maturity as follows				
for the Year				
	Ended June 30,	Principal	Interest	Total
Capital appreciation bond	2019	\$ 1,795,000	\$ -	\$ 1,795,000
May 17, 2000	2020	<u>1,795,000</u>	<u>-</u>	<u>1,795,000</u>
Total		<u>\$ 3,590,000</u>	<u>\$ -</u>	<u>\$ 3,590,000</u>
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, 2018

	Maturity as follows for the Year Ended June 30,	Principal	Interest	Total
General obligation bond January 1, 2008	2019	\$ <u>855,000</u>	\$ <u>15,497</u>	\$ <u>870,497</u>

Paying Agent:	U.S. Bank N.A.
Principal payment date:	December 1
Interest payment date:	December 1 and June 1
Interest rates:	3.50%-3.63%
Purpose:	Building Bonds

The Winnetka Public Schools District No. 36

**GENERAL LONG-TERM DEBT
SCHEDULE OF GENERAL OBLIGATION BONDS
Year Ended June 30, 2018**

		Maturity as follows			
		for the Year			
		<u>Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General obligation refunding bond Series 2016A, December 28, 2016	2019	\$	1,525,000	\$ 175,568	\$ 1,700,568
	2020		2,565,000	134,872	2,699,872
	2021		4,390,000	65,670	4,455,670
	2022		1,105,000	10,995	1,115,995
Total		\$	<u>9,585,000</u>	\$ <u>387,105</u>	\$ <u>9,972,105</u>
Paying Agent:		Amalgamated Bank of Chicago			
Principal payment date:		December 1			
Interest payment date:		December 1 and June 1			
Interest rates:		1.99%			
Purpose:		Refunding Bonds			

OTHER SUPPLEMENTAL INFORMATION
(Unaudited)

The Winnetka Public Schools District No. 36
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
AND RECONCILIATION TO CASH BASIS FUND BALANCES - ALL FUNDS
For the Year Ended June 30, 2018

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Service</u>	<u>Transportation</u>
Revenues				
Property taxes	\$ 33,633,909	\$ 1,802,340	\$ 4,898,813	\$ 200,885
Replacement taxes	251,994	-	-	-
State aid	17,695,052	-	-	120,978
Federal aid	579,063	-	-	-
Interest	94,924	18,443	63,604	3,271
Other	2,195,000	120,356	-	118,679
Total revenues	<u>54,449,942</u>	<u>1,941,139</u>	<u>4,962,417</u>	<u>443,813</u>
Expenditures	<u>51,870,442</u>	<u>3,346,274</u>	<u>4,729,977</u>	<u>547,117</u>
Excess (deficiency) of revenues over expenditures	2,579,500	(1,405,135)	232,440	(103,304)
Other financing sources (uses)	<u>407,315</u>	<u>-</u>	<u>336,306</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	2,986,815	(1,405,135)	568,746	(103,304)
Modified accrual fund balance, beginning of year	<u>12,863,204</u>	<u>5,697,339</u>	<u>3,194,082</u>	<u>753,611</u>
Modified accrual fund balance, end of year	<u>15,850,019</u>	<u>4,292,204</u>	<u>3,762,828</u>	<u>650,307</u>
Add:				
Accounts payable	157,083	185,917	-	25,462
Other current liabilities	3,255	-	-	-
Unearned revenue	281,122	-	-	76,631
Unavailable interest revenue	27,652	5,907	6,225	995
Property taxes levied for a future period	16,199,023	866,576	2,254,450	97,235
Subtract:				
Receivables				
Interest	27,652	5,907	6,225	995
Property taxes	16,236,307	868,570	2,259,443	97,458
Replacement taxes	45,022	-	-	-
Intergovernmental	112,293	-	-	30,275
Other current assets	<u>62,172</u>	<u>-</u>	<u>-</u>	<u>15,847</u>
Cash basis fund balance, end of year	<u>\$ 16,034,708</u>	<u>\$ 4,476,127</u>	<u>\$ 3,757,835</u>	<u>\$ 706,055</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>
\$ 1,248,837	\$ -	\$ 572,252	\$ 200,563	\$ -	\$ 42,557,599
12,240	-	-	-	-	264,234
-	-	-	-	-	17,816,030
-	-	-	-	-	579,063
9,762	35,211	27,731	1,534	-	254,480
-	-	-	4,292	-	2,438,327
<u>1,270,839</u>	<u>35,211</u>	<u>599,983</u>	<u>206,389</u>	<u>-</u>	<u>63,909,733</u>
<u>1,105,952</u>	<u>1,477,040</u>	<u>-</u>	<u>111,645</u>	<u>-</u>	<u>63,188,447</u>
164,887	(1,441,829)	599,983	94,744	-	721,286
-	-	-	-	-	743,621
164,887	(1,441,829)	599,983	94,744	-	1,464,907
<u>1,454,726</u>	<u>4,848,458</u>	<u>4,393,753</u>	<u>161,285</u>	<u>1,101</u>	<u>33,367,559</u>
<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>
-	73,011	-	-	-	441,473
-	-	-	-	-	3,255
-	-	-	-	-	357,753
2,864	5,671	8,167	442	1	57,924
600,957	-	275,884	97,235	-	20,391,360
2,864	5,671	8,167	442	1	57,924
602,343	-	276,519	97,458	-	20,438,098
-	-	-	-	-	45,022
-	-	-	-	-	142,568
-	-	-	-	-	78,019
<u>\$ 1,618,227</u>	<u>\$ 3,479,640</u>	<u>\$ 4,993,101</u>	<u>\$ 255,806</u>	<u>\$ 1,101</u>	<u>\$ 35,322,600</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.	114 - 125
Revenue Capacity	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	126 - 131
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	132 - 137
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	138 - 143
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.	144 - 146

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

The Winnetka Public Schools District No. 36
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017****</u>	<u>2016</u>	<u>2015***</u>
Governmental activities				
Net investment in capital				
assets	\$ 40,487,623	\$ 36,399,526	\$ 10,390,195	\$ 10,076,852
Restricted	14,191,577	16,371,115	22,396,381	25,007,476
Unrestricted	<u>(8,100,137)</u>	<u>(11,169,646)</u>	<u>30,519,074</u>	<u>23,977,221</u>
Total net position	<u>\$ 46,579,063</u>	<u>\$ 41,600,995</u>	<u>\$ 63,305,650</u>	<u>\$ 59,061,549</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>2014**</u>	<u>2013*</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 11,245,511	\$ 9,556,266	\$ 7,312,074	\$ 8,256,074	\$ 9,548,225	\$ 9,601,416
26,613,574	17,683,410	14,596,669	3,374,099	3,278,578	23,093,454
19,112,319	25,046,346	21,394,952	28,438,245	25,274,282	1,457,570
<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>	<u>\$ 34,152,440</u>

The Winnetka Public Schools District No. 36

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014	2013
Expenses						
Instruction:						
Regular programs	\$ 18,508,129	\$ 16,767,050	\$ 16,275,527	\$ 14,411,703	\$ 15,475,637	\$ 15,060,731
Special programs	5,012,610	4,507,631	3,884,643	4,096,573	5,117,689	5,220,785
Other instructional programs	1,168,647	1,192,392	1,124,742	1,785,282	946,929	1,158,789
State On-behalf Contributions to TRS	16,554,564	14,802,063	10,115,191	9,293,373	6,638,410	5,183,547
Support services:						
Pupils	2,438,756	2,258,751	2,134,289	2,068,108	1,986,412	2,017,133
Instructional staff	2,235,593	2,319,101	1,879,641	1,619,346	1,576,563	1,757,435
District administration	1,178,340	1,136,259	934,245	1,255,565	1,523,369	1,437,516
School administration	2,222,316	1,946,252	1,970,544	1,713,856	1,847,155	1,732,877
Business	1,640,909	1,285,841	1,282,569	995,253	974,729	474,332
Transportation	549,259	455,937	420,414	373,312	360,515	910,372
Operations and maintenance	3,843,036	3,848,673	3,538,490	3,404,521	3,393,337	3,400,270
Central	1,795,436	1,827,777	1,736,295	1,926,853	1,616,835	1,342,660
Other supporting services	545,948	497,926	522,039	470,904	393,786	374,908
Community services	46,189	29,951	33,508	33,726	31,526	52,832
Nonprogrammed charges	1,583,736	1,663,491	1,355,615	1,238,774	-	-
Interest and fees	561,084	2,020,612	2,398,534	2,531,804	2,627,756	2,818,877
Total expenses	59,884,552	56,559,707	49,606,286	47,218,953	44,510,648	42,943,064
Program revenues						
Charges for services						
Instruction:						
Regular programs	336,513	177,566	151,524	122,273	116,625	259,530
Special programs	-	-	-	371,636	348,045	336,482
Other instructional programs	278,806	391,367	367,818	-	-	-
Support services:						
Transportation	118,679	131,171	114,749	113,060	112,357	119,591
Business	205,483	200,698	315,505	338,884	320,814	331,050
Operations and maintenance	59,111	75,568	74,941	75,937	30,394	24,690
Operating grants and contributions						
Instruction:						
Regular programs	-	-	-	-	-	-
Special programs	587,712	1,269,773	1,209,224	1,113,739	1,443,175	1,061,204
Other programs	-	-	-	-	-	-
State On-behalf Contributions to TRS	16,554,564	14,802,063	10,115,191	9,293,373	6,638,410	5,183,547
Support services:						
Pupils	-	-	-	-	-	-
Instructional staff	42,112	28,574	30,531	31,284	86,157	80,680
Transportation	120,978	104,423	73,321	64,069	156,430	135,015
Business	7,090	6,740	6,380	7,531	8,391	11,875
Total program revenues	18,311,048	17,187,943	12,459,184	11,531,786	9,260,798	7,543,664
Net expense	(41,573,504)	(39,371,764)	(37,147,102)	(35,687,167)	(35,249,850)	(35,399,400)
General revenues						
Taxes:						
Property taxes	42,557,599	40,570,760	40,529,623	38,657,878	39,461,732	38,776,530
Replacement taxes	264,234	357,956	253,661	317,462	295,308	291,920
State-aid formula grants	1,082,637	373,274	351,405	333,924	341,418	343,789
Investment earnings	290,054	287,346	339,246	22,150	93,653	113,342
Miscellaneous	1,439,735	136,702	248,489	260,630	176,883	412,113
Total general revenues	45,634,259	41,726,038	41,722,424	39,592,044	40,368,994	39,937,694
Change in net position	\$ 4,060,755	\$ 2,354,274	\$ 4,575,322	\$ 3,904,877	\$ 5,119,144	\$ 4,538,294

	2012	2011	2010	2009
\$	15,579,085	\$ 14,388,572	\$ 13,973,007	\$ 14,321,353
	5,627,641	5,131,106	5,353,034	5,000,258
	1,011,961	2,025,314	1,498,133	842,940
	4,511,952	4,056,420	4,047,793	2,989,248
	2,104,614	2,043,737	1,967,340	1,851,879
	1,460,331	1,466,315	1,453,439	1,383,522
	1,201,788	1,251,988	1,455,200	1,528,409
	1,751,729	1,798,570	1,808,790	1,697,750
	1,505,522	1,426,446	1,556,609	1,047,839
	474,055	467,560	469,319	480,670
	3,229,606	3,042,112	3,111,360	3,015,685
	1,241,299	1,391,509	1,401,539	1,123,836
	324,064	363,874	158,378	5,514
	14,828.00	32,641.00	57,533	46,829
	-	-	112,818	-
	2,868,892	2,944,220	2,974,620	3,097,955
	42,907,367	41,830,384	41,398,912	38,433,687
	98,181	277,516	646,997	128,769
	323,145	346,472	265,687	414,382
	-	-	-	-
	133,981	133,065	129,973	139,239
	336,672	324,086	187,706	172,034
	31,076	26,755	23,585	27,543
	-	15,252	-	-
	1,141,633	1,108,821	1,122,306	1,101,000
	-	-	62,763	71,547
	4,511,952	4,056,420	4,047,793	2,989,248
	-	-	4,631	4,075
	47,883	20,927	34,166	50,594
	114,546	173,974	150,275	144,048
	12,661	17,137	54,505	82,201
	6,751,730	6,500,425	6,730,387	5,324,680
	(36,155,637)	(35,329,959)	(34,668,525)	(33,109,007)
	38,448,372	36,287,792	37,542,177	35,558,438
	285,707	310,574	239,489	296,034
	372,679	402,054	394,028	420,406
	93,278	161,071	318,098	1,139,325
	190,878	135,801	123,378	246,625
	39,390,914	37,297,292	38,617,170	37,660,828
\$	3,235,277	\$ 1,967,333	\$ 3,948,645	\$ 4,551,821

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	256,029	161,285	95,721	48,103
Assigned	-	-	-	18,213,357
Unassigned	20,843,755	17,256,957	41,616,387	18,698,914
Undesignated	-	-	-	-
Total General Fund	<u>\$ 21,099,784</u>	<u>\$ 17,418,242</u>	<u>\$ 41,712,108</u>	<u>\$ 36,960,374</u>
All other governmental funds				
Restricted	\$ 13,732,682	\$ 15,949,317	\$ 15,113,941	\$ 10,393,433
Assigned	-	-	7,340,000	14,733,374
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	-	-	-	-
Total all other governmental funds	<u>\$ 13,732,682</u>	<u>\$ 15,949,317</u>	<u>\$ 22,453,941</u>	<u>\$ 25,126,807</u>
Total all governmental funds	<u>\$ 34,832,466</u>	<u>\$ 33,367,559</u>	<u>\$ 64,166,049</u>	<u>\$ 62,087,181</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.

2014	2013	2012	2011	2010	2009
\$ -	\$ -	\$ -	\$ 105,785	\$ -	\$ -
46,420	35,427	20,537	7,080	-	-
-	-	-	-	-	-
33,171,424	30,421,356	27,842,702	24,611,825	-	-
-	-	-	-	19,652,843	18,073,668
<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>	<u>\$ 18,073,668</u>
\$ 24,058,952	\$ 25,206,546	\$ 23,932,294	\$ 23,756,579	\$ -	\$ -
2,679,311	-	-	-	-	-
-	-	(20,953)	(236)	-	-
-	-	-	-	8,046,409	5,206,056
-	-	-	-	2,175,037	1,727,128
-	-	-	-	364,495	300,343
-	-	-	-	169,479	198,348
-	-	-	-	15,573,909	20,430,551
-	-	-	-	2,596,559	2,576,652
-	-	-	-	7,101	778
-	-	-	-	24	74,256
<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>\$ 30,514,112</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>	<u>\$ 48,587,780</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Local Sources				
Property taxes	\$ 42,557,599	\$ 40,570,760	\$ 40,529,623	\$ 38,657,878
Replacement taxes	264,234	357,956	253,661	317,462
Other local sources	<u>2,692,807</u>	<u>1,406,769</u>	<u>1,596,352</u>	<u>1,303,767</u>
Total local sources	<u>\$ 45,514,640</u>	<u>\$ 42,335,485</u>	<u>\$ 42,379,636</u>	<u>\$ 40,279,107</u>
State sources	\$ 1,261,466	\$ 1,254,042	\$ 1,166,705	\$ 1,018,009
Federal sources	579,063	528,742	504,156	532,538
On-behalf sources	<u>16,554,564</u>	<u>14,802,063</u>	<u>10,115,191</u>	<u>9,293,373</u>
Total	<u>\$ 63,909,733</u>	<u>\$ 58,920,332</u>	<u>\$ 54,165,688</u>	<u>\$ 51,123,027</u>

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 39,461,732	\$ 38,776,530	\$ 38,448,372	\$ 36,287,792	\$ 37,542,177	\$ 35,558,438
295,308	291,920	285,707	310,574	239,489	296,034
<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>2,265,960</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>	<u>\$ 38,120,432</u>
\$ 1,301,123	\$ 1,346,646	\$ 1,394,019	\$ 1,448,960	\$ 1,422,004	\$ 1,456,178
734,448	288,709	298,647	401,941	744,504	419,650
<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>2,989,248</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>	<u>\$ 42,985,508</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Current expenditures	\$ 54,472,285	\$ 51,814,408	\$ 44,897,512	\$ 43,379,689
Capital outlay	<u>3,986,185</u>	<u>2,505,689</u>	<u>2,434,419</u>	<u>324,359</u>
Debt service				
Principal	4,465,026	33,601,123	3,648,313	3,240,666
Interest and other	264,951	1,890,640	2,004,735	2,047,239
Total debt service	<u>4,729,977</u>	<u>35,491,763</u>	<u>5,653,048</u>	<u>5,287,905</u>
Total expenditures	<u>\$ 63,188,447</u>	<u>\$ 89,811,860</u>	<u>\$ 52,984,979</u>	<u>\$ 48,991,953</u>
Debt service required as a percentage of noncapital expenditures	7.99%	40.65%	11.18%	10.87%
Debt service as a percentage of total expenditures	7.49%	39.52%	10.67%	10.79%

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 38,805,166	\$ 37,859,000	\$ 36,187,034	\$ 35,129,653	\$ 35,419,902	\$ 33,367,377
<u>1,779,019</u>	<u>925,352</u>	<u>2,704,985</u>	<u>4,715,846</u>	<u>5,706,736</u>	<u>14,934,146</u>
2,660,189	2,679,891	2,560,496	1,764,716	1,857,362	1,829,392
<u>2,093,463</u>	<u>2,121,735</u>	<u>2,174,237</u>	<u>2,279,722</u>	<u>2,355,381</u>	<u>2,416,882</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>4,246,274</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>	<u>\$ 52,547,797</u>
10.91%	11.26%	11.57%	10.32%	10.63%	11.29%
10.48%	11.02%	10.85%	9.21%	9.29%	8.08%

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Excess of revenues of revenues over (under) expenditures	\$ 721,286	\$ (30,891,528)	\$ 1,180,709	\$ 2,131,074
Other financing sources (uses)				
Debt issuance	-	10,745,000	-	-
Capital lease proceeds	743,621	-	898,159	-
Deposit with escrow agent	-	(10,651,962)	-	-
Transfers in	336,306	28,881,342	1,999,442	193,697
Transfers out	(336,306)	(28,881,342)	(1,999,442)	(193,697)
Total other financing sources (uses)	<u>743,621</u>	<u>93,038</u>	<u>898,159</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,464,907</u>	<u>\$ (30,798,490)</u>	<u>\$ 2,078,868</u>	<u>\$ 2,131,074</u>

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 4,292,778	\$ 3,888,749	\$ 2,522,325	\$ (104,823)	\$ (1,924)	\$ (9,562,289)
-	-	-	-	-	-
-	-	771,222	-	-	-
-	-	-	-	-	-
2,193,697	193,696	460,916	177,559	1,571,374	1,671,375
(2,193,697)	(193,696)	(460,916)	(177,559)	(1,571,374)	(1,671,375)
<u>-</u>	<u>-</u>	<u>771,222</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>4,292,778</u>	\$ <u>3,888,749</u>	\$ <u>3,293,547</u>	\$ <u>(104,823)</u>	\$ <u>(1,924)</u>	\$ <u>(9,562,289)</u>

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

	2017	2016	2015	2014
Assessed valuation	\$ 1,439,727,920	\$ 1,403,428,580	\$ 1,166,176,735	\$ 1,205,882,706
Rates Extended				
Educational	2.3946	2.3845	2.9663	2.7098
Tort Immunity	0.0143	0.0142	0.0198	0.0137
Operations and Maintenance	0.1281	0.1276	-	-
Debt Service	0.3207	0.3792	0.3724	0.4627
Transportation	0.0143	0.0142	0.0000	0.0298
Municipal Retirement	0.0249	0.0248	0.0618	0.0641
Social Security	0.0640	0.0638	0.0707	0.0555
Working Cash	0.0408	0.0405	0.0500	0.0500
Life Safety	-	-	0.0001	-
Total rates extended	3.0017	3.0488	3.5411	3.3856
Levies Extended				
Educational	\$ 34,475,724	\$ 33,464,754	\$ 34,592,550	\$ 32,677,574
Tort Immunity	205,881	199,286	230,720	164,800
Operations and Maintenance	1,844,291	1,790,774	-	103
Debt Service	4,616,572	5,321,873	4,343,174	5,579,916
Transportation	205,881	199,286	-	359,573
Municipal Retirement	358,492	348,050	721,000	772,500
Social Security	921,425	895,387	824,000	669,500
Working Cash	587,408	568,388	583,088	602,837
Life Safety	-	-	1,030	-
Total levies extended	\$ 43,215,674	\$ 42,787,798	\$ 41,295,562	\$ 40,826,803
Total Collections	\$ 22,345,420	\$ 41,794,095	\$ 40,296,172	\$ 39,957,815
Percentage of extensions collected	51.71%	97.68%	97.58%	97.87%

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.

2013	2012	2011	2010	2009
\$ 1,190,024,957	\$ 1,300,923,928	\$ 1,399,861,177	\$ 1,558,804,754	\$ 1,820,460,100
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
0.0476	0.0076	0.0001	0.0001	0.0001
-	-	-	-	-
3.3305	3.0938	2.7817	2.4320	1.9844
\$ 29,448,357	\$ 28,984,585	\$ 28,258,305	\$ 27,764,950	\$ 26,694,478
113,052	114,481	107,120	104,412	101,667
4,654,187	4,581,854	4,384,910	4,280,704	4,168,164
3,263,721	4,785,145	4,837,488	4,654,882	4,084,312
342,727	346,045	257,500	242,614	236,236
656,893	643,957	561,350	445,503	433,791
587,872	693,392	530,450	414,099	403,212
566,451	98,870	2,060	2,054	2,000
-	-	-	-	-
\$ 39,633,260	\$ 40,248,329	\$ 38,939,183	\$ 37,909,218	\$ 36,123,860
\$ 37,485,043	\$ 39,277,854	\$ 38,185,218	\$ 37,573,443	\$ 35,933,237
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
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
2008	1,725,821,983	92,836,300	5.69%	5,177,465,949	2.073

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.

N/A: Information not available

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

	2017	2016	2015	2014	2013
District direct rates					
Education	2.3946	2.3845	2.9663	2.7098	2.4746
Liability insurance	0.0143	0.0142	0.0198	0.0137	0.0095
Operations and maintenance	0.1281	0.1276	0.0000	0.0000	0.3911
Limited bonds	0.3207	0.3792	0.3724	0.4627	0.2743
Transportation	0.0143	0.0142	0.0000	0.0298	0.0288
Municipal retirement	0.0249	0.0248	0.0618	0.0641	0.0552
Social security	0.0640	0.0638	0.0707	0.0555	0.0494
Working cash	0.0408	0.0405	0.0500	0.0500	0.0476
Working cash	<u>0.0000</u>	<u>0.0000</u>	<u>0.0001</u>	<u>0.0000</u>	<u>0.0000</u>
Total direct	3.0017	3.0488	3.5411	3.3856	3.3305
Overlapping rates					
County of Cook	0.4960	0.5330	0.5520	0.5680	0.5600
Forest Preserve District of Cook County	0.0620	0.0630	0.0690	0.0690	0.0690
Consolidated Elections - Cook County	0.0310	0.0000	0.0340	0.0000	0.0310
New Trier Township	0.0500	0.0490	0.0580	0.0550	0.0540
General Assistance	0.0070	0.0070	0.0080	0.0070	0.0070
Metropolitan Water Reclamation	0.4020	0.4060	0.4260	0.4300	0.4170
North Shore Mosquito Abatement District	0.0100	0.0100	0.0120	0.0110	0.0070
New Trier High School District 203	1.9930	1.9740	2.3800	2.2680	2.1110
Community College District 535	0.2320	0.2310	0.2710	0.2580	0.2560
SD 35 Bond / Part assumed by SD 36 per annex	0.0000	0.0000	0.0000	0.0000	0.0000
Winnetka Park District	0.3570	0.3540	0.4190	0.3950	0.3910
Village of Winnetka	0.9940	1.0130	1.2030	1.1540	1.1620
Winnetka Public Library	<u>0.2100</u>	<u>0.2090</u>	<u>0.2460</u>	<u>0.2330</u>	<u>0.2300</u>
Total direct and overlapping rate	<u>7.8457</u>	<u>7.8978</u>	<u>9.2191</u>	<u>8.8336</u>	<u>8.6255</u>

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

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

2012	2011	2010	2009	2008
2.2280	2.0187	1.7812	1.4664	1.5242
0.0088	0.0077	0.0067	0.0056	0.0059
0.3522	0.3132	0.2746	0.2290	0.2413
0.3678	0.3456	0.2986	0.2244	0.2386
0.0266	0.0184	0.0156	0.0130	0.0137
0.0495	0.0401	0.0286	0.0238	0.0251
0.0533	0.0379	0.0266	0.0221	0.0233
0.0076	0.0001	0.0001	0.0001	0.0001
<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
3.0938	2.7817	2.4320	1.9844	2.0722
0.5310	0.4620	0.4230	0.3940	0.4150
0.0630	0.0580	0.0510	0.0490	0.0510
0.0000	0.0250	0.0000	0.0210	0.0000
0.0470	0.0420	0.0370	0.0300	0.0310
0.0060	0.0050	0.0040	0.0030	0.0030
0.3700	0.3200	0.2740	0.2610	0.2520
0.0100	0.0100	0.0090	0.0080	0.0080
1.8640	1.6740	1.4740	1.2370	1.2900
0.2190	0.1960	0.1600	0.1400	0.1400
0.0000	0.0000	0.0000	0.0000	0.0020
0.3470	0.3100	0.2710	0.2280	0.2390
1.0380	0.9360	0.8170	0.6820	0.7100
<u>0.2030</u>	<u>0.1870</u>	<u>0.1640</u>	<u>0.1390</u>	<u>0.1200</u>
<u>7.7918</u>	<u>7.0067</u>	<u>6.1160</u>	<u>5.1764</u>	<u>5.3332</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 2017	Percentage of Total 2017
	Equalized Assessed Valuation	Equalized Assessed Valuation
Individual	\$ 8,285,800	0.58%
Individual	6,606,757	0.46%
Individual	4,760,124	0.33%
Individual	4,418,935	0.31%
Individual	4,046,992	0.28%
Individual	3,602,245	0.25%
AH2 Signal Hill Ltd	3,428,985	0.24%
Individual	3,397,105	0.24%
Individual	3,027,268	0.21%
Connor Max LLC	2,670,651	0.19%
	<u>\$ 44,244,862</u>	<u>3.09%</u>
Taxpayer	Tax Levy year 2008	Percentage of Total 2008
	Equalized Assessed Valuation	Equalized Assessed Valuation
Individual	\$ 5,797,773	0.34%
Individual	4,461,645	0.26%
Individual	4,053,791	0.24%
Winnetka I LLC & Winnetka II LLC & Winnetka III LLC	3,942,949	0.23%
Individual	3,912,001	0.23%
Individual	3,377,089	0.20%
Individual	3,252,917	0.19%
Individual	3,020,169	0.18%
Individual	2,815,733	0.16%
Individual	2,670,675	0.16%
	<u>\$ 37,304,742</u>	<u>2.19%</u>

*The figures above are totals of numerous parcels with 2017 and 2008 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, 2018

<u>Jurisdiction overlapping</u>	<u>Outstanding Bonds</u>	<u>Overlapping percent</u>	<u>Direct and overlapping debt</u>
Governmental			
Cook County	\$ 3,085,186,750	0.957%	\$ 29,525,237
Cook County Forest Preserve	150,960,000	0.957%	1,444,687
Metropolitan Water Reclamation District	2,480,560,091 (1)	0.975%	24,185,461
Municipalities			
Village of Glencoe	19,290,000	2.941%	567,319
Village of Winnetka	14,460,000	95.369%	13,790,357
Park Districts			
Glencoe Park District	7,540,000	1.211%	91,309
Winnetka Park District	5,890,000	91.221%	5,372,917
School Districts			
New Trier Township High School #203	91,890,000 (2)	25.722%	23,635,946
Oakton Community College #535	34,150,000 (3)	6.308%	<u>2,154,182</u>
Total Overlapping General Obligation Bonded Debt:			100,767,415
Direct Debt:			
School District #36	14,030,000 (4)	100.000%	<u>14,030,000</u>
Total Direct and Overlapping Debt			<u>\$ 114,797,415</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

Summary				
	2018	2017	2016	2015
Debt Limit	\$ 99,341,226	\$ 96,836,572	\$ 80,466,195	\$ 83,205,907
Debt Subject to 6.9% Legal Limit	<u>14,743,316</u>	<u>18,464,721</u>	<u>51,745,844</u>	<u>54,495,998</u>
Legal Debt Margin	<u>\$ 84,597,910</u>	<u>\$ 78,371,851</u>	<u>\$ 28,720,351</u>	<u>\$ 28,709,909</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	14.84%	19.07%	64.31%	65.50%
Detail				
Equalized Assessed Valuation	\$1,439,727,920	\$1,403,428,580	\$1,166,176,735	\$1,205,882,706
Debt Limit - 6.9% of Equalized Assessed Valuation	99,341,226	96,836,572	80,466,195	83,205,907
Total Debt Outstanding	41,560,477	23,530,399	55,929,399	56,611,651
Add: Capital Appreciation	204,701	450,742	784,899	1,201,734
Less: Exempted Debt	<u>(27,021,862)</u>	<u>(5,516,420)</u>	<u>(4,968,454)</u>	<u>(3,317,387)</u>
Net, Debt Subject to 6.9% of Legal Limit	<u>14,743,316</u>	<u>18,464,721</u>	<u>51,745,844</u>	<u>54,495,998</u>
Legal Debt Margin	<u>\$ 84,597,910</u>	<u>\$ 78,371,851</u>	<u>\$ 28,720,351</u>	<u>\$ 28,709,909</u>

2014	2013	2012	2011	2010	2009
\$ 82,111,722	\$ 89,763,751	\$ 96,590,421	\$ 107,557,528	\$ 125,611,747	\$ 119,081,717
<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>68,498,196</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>	<u>\$ 50,583,521</u>
70.31%	67.28%	65.30%	60.31%	53.04%	57.52%
\$1,190,024,957	\$1,300,923,928	\$1,399,861,177	\$1,558,804,754	\$1,820,460,100	\$1,725,821,983
82,111,722	89,763,751	96,590,421	107,557,528	125,611,747	119,081,717
56,731,900	58,756,977	60,696,340	61,673,981	62,689,828	63,859,337
1,708,606	2,311,152	2,988,729	3,673,522	4,316,653	4,920,742
<u>(703,842)</u>	<u>(671,276)</u>	<u>(608,325)</u>	<u>(481,485)</u>	<u>(375,747)</u>	<u>(281,883)</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>68,498,196</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>	<u>\$ 50,583,521</u>

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

Fiscal Year	General Obligation Bonds	Capital Appreciation Bonds	Capital Leases	Total Limited Debt	Equalized Assessed Valuation
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
2009	53,500,000	9,439,258	638,196	63,577,454	1,725,821,983

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
\$ 4,319,183,760	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		5,128
5,461,380,300	0.95		5,079
5,177,465,949	1.03		5,182

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>	
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	
2009	2008	49,558,549	4,246,274	8.57	

(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

2018***		
Employer	Employees	Percentage of Total Employment
New Trier School District 203	680	13.6%
Botanic Gardens - Cook County Forest Preserve*	650	13.0%
Winnetka School District 36	335	6.7%
Glencoe Park District	258	5.2%
Winnetka Park District	257	5.1%
Village of Winnetka	200	4.0%
Coldwell Banker Residential Brokerage	150	3.0%
North Shore Country Day School	122	2.4%
Village of Glencoe	95	1.9%
Baird & Warner, Inc.	65	1.3%
Total	2,812	56.2%

Data Sources

- (1) Phone Canvass
- (2) Illinois Services Directory, 2018

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%

*** Using IDES Reports the estimated number of persons employed in the District in 2017 was 5,009 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

<u>Year</u>	<u>Population</u>	<u>Estimated Actual Valuation</u>	<u>Per Capita Estimated Actual Valuation</u>	<u>Unemployment Rate</u>	
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	
2008	12,270	4,898,957,049	399,263	3.4	

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

		2018	2017	2016	2015
Crow Island School					
Built	1940				
Additions	1				
Square Feet		66,725	66,725	66,725	66,725
Student Enrollment		309	380	385	385
Greeley School					
Built	1913				
Additions	4				
Square Feet		68,277	68,277	68,277	68,277
Student Enrollment		274	223	245	268
Hubbard Woods School					
Built	1918				
Additions	6				
Square Feet		48,910	48,910	48,910	48,910
Student Enrollment		281	247	246	244
Skokie School					
Built	1921				
Additions	3				
Square Feet		106,837	106,837	106,837	106,837
Student Enrollment		367	395	419	439
Carleton Washburne School					
Built	1967				
Additions	3				
Square Feet		155,034	155,034	155,034	155,034
Student Enrollment		414	448	436	440
Total Square Footage		445,783	445,783	445,783	445,783
Total Student Enrollment		1,645	1,693	1,731	1,776

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

2014	2013	2012	2011	2010	2009
66,725 370	66,725 348	66,725 343	66,725 355	66,725 354	66,725 382
68,277 278	68,277 274	68,277 280	68,277 267	68,277 248	68,277 277
48,910 276	48,910 288	48,910 293	48,910 320	48,910 352	48,910 349
106,837 433	106,837 440	106,837 404	106,837 445	106,837 453	106,837 479
155,034 422	155,034 455	155,034 463	155,034 479	155,034 489	155,034 454
445,783 1,779	445,783 1,805	445,783 1,783	445,783 1,866	445,783 1,896	445,783 1,941

The Winnetka Public Schools District No. 36

NUMBER OF EMPLOYEES BY TYPE LAST SEVEN FISCAL YEARS

	2018	2017	2016	2015	2014
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>7.5</u>	<u>7.0</u>	<u>7.0</u>	<u>6.0</u>	<u>7.0</u>
Total Administration	13.5	13.0	13.0	12.0	13.0
Teachers					
Regular Classroom Teachers	145.7	142.1	142.0	144.2	143.5
Special Education Teachers	28.6	28.0	24.3	22.3	23.5
Psychologists	4.0	3.5	3.1	3.1	2.6
Librarians / Media Specialists	5.0	5.0	5.0	5.0	5.0
Social Workers	7.5	7.0	7.5	7.0	6.5
ELL / Bilingual Teachers	1.5	1.5	1.0	1.0	1.0
Speech / Language Therapists	6.5	6.0	6.0	6.0	7.0
Reading Specialists	5.6	5.6	3.6	5.6	5.3
Certified Nurses	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total Teachers	205.4	199.7	193.5	195.1	195.4
Other Supporting Staff					
Secretarial/Clerical/Paraprofessionals	95.0	103.8	106.5	103.2	110.8
Custodial/Maintenance/Technology	<u>26.5</u>	<u>26.5</u>	<u>26.5</u>	<u>27.5</u>	<u>27.0</u>
Total Support Staff	121.5	130.3	133.0	130.7	137.8
Total Staff	<u>340.4</u>	<u>343.0</u>	<u>339.5</u>	<u>337.8</u>	<u>346.2</u>
Function	2018	2017			
Instruction					
Regular and Special	145.7	142.1			
Support Services	130.1	137.4			
Pupils					
Instructional Staff	28.6	28.0			
General Administration	6.0	6.0			
School Administration	7.5	7.0			
Maintenance and Security	<u>22.5</u>	<u>22.5</u>			
Total	<u>340.4</u>	<u>343.0</u>			

Source of information: District Personnel Records, Teacher Service Records

Note: Only seven years of information available.

2013	2102
1.0	1.0
5.0	5.0
<u>7.0</u>	<u>7.0</u>
13.0	13.0
141.7	149.9
23.5	24.5
3.1	3.1
5.0	5.0
7.5	6.5
0.5	0.5
6.0	6.8
6.1	3.3
<u>1.0</u>	<u>1.0</u>
194.4	200.6
113.8	116.9
<u>28.0</u>	<u>26.5</u>
141.8	143.4
<u>349.2</u>	<u>357.0</u>

The Winnetka Public Schools District No. 36
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2018	2017	2016	2015	2014
Instruction					
Student Enrollment	1,645	1,693	1,731	1,776	1,779
Support Services					
Pupil					
English Language Learners Program - number of languages served	11	6	14	12	12
Instructional Staff					
ISTAT - overall student performance* (meeting or exceeding Illinois Learning Standards)	68.0%	69.0%	66.2%	62.2%	86.3%
School Administration					
Average Daily Attendance	1,605	1,559	1,625	1,658	1,667
Fiscal					
Purchase Orders Processed	2,717	2,524	2,400	2,400	2,350
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	334	329	309	294	293
Avg. number of bus runs to/from school	29	27	27	29	29
Extra Curricular Activities					
Number of competitive sports	7	7	7	7	7
Number of student clubs	31	30	26	20	18

N/A - information not available.

2013	2012	2011	2010	2009
1,805	1,783	1,891	1,937	2,052
12	10	10	N/A	N/A
95.3%	96.0%	96.0%	N/A	N/A
1,708	1,682	1,736	1,777	1,820
2,350	2,300	2,300	2,250	2,250
445,783	445,783	445,783	445,783	445,783
305 29	340 29	354 29	357 29	401 29
7 20	7 16	7 15	6 14	- 11

The Winnetka Public Schools District No. 36

OPERATING COSTS AND TUITION CHARGE

June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating costs per pupil		
Average Daily Attendance (ADA):	<u>1,559.87</u>	<u>1,540.99</u>
Operating costs:		
Educational	\$ 35,315,877	\$ 31,906,222
Operations and Maintenance	3,346,274	3,967,867
Debt Service	4,729,977	35,491,763
Transportation	547,117	449,942
Municipal Retirement/Social Security	1,105,952	1,176,689
Tort Immunity and Judgment	<u>111,645</u>	<u>139,538</u>
Subtotal	<u>45,156,842</u>	<u>73,132,021</u>
Less Revenues/Expenditures of Non-Regular Programs:		
Tuition	836,588	433,748
Payments to Other District and Govt Units	1,583,736	1,663,491
Non-capitalized equipment	144,101	280,918
Summer school	263,055	390,445
Adult/continuing education	-	-
Capital outlay	2,739,176	1,070,809
Debt principal retired	4,465,026	33,601,123
Special education programs Pre-K	8,803	10,335
Community services	<u>45,164</u>	<u>26,003</u>
Subtotal	<u>10,085,649</u>	<u>37,476,872</u>
Operating costs	<u>\$ 35,071,193</u>	<u>\$ 35,655,149</u>
Operating costs per pupil - based on ADA	<u>\$ 22,483</u>	<u>\$ 23,138</u>
Tuition Charge		
Operating costs	\$ 35,071,193	\$ 35,655,149
Less - revenues from specific programs, such as special education or lunch programs	<u>1,900,924</u>	<u>1,845,872</u>
Net operating costs	33,170,269	33,809,277
Depreciation allowance	<u>2,901,542</u>	<u>2,393,440</u>
Allowance tuition costs	<u>\$ 36,071,811</u>	<u>\$ 36,202,717</u>
Tuition charge per pupil - based on ADA	<u>\$ 23,125</u>	<u>\$ 23,493</u>