

FINANCIAL REPORT



SCHOOL BUDGET

The District's budget is a planning document that provides the financial framework to support The Winnetka Public Schools' goal of providing students with a high-caliber education, while serving as responsible financial stewards. Developing and monitoring the District's budget is a year-round activity, incorporating an array of logistical, legal, and regulatory mandates. Revenue is generated primarily from local property tax dollars, while expenses are determined by programmatic needs.

The School Board and staff are diligent about careful stewardship of these funds and work to deliver educational programs and maintain District buildings as efficiently as possible. This may result in surpluses or positive ending fund balances. When savings are realized, funds are held in reserve for future educational facility needs. A reserve can extend the time between referenda, ensure cash flow when tax payments are not received in a timely fashion, and may be used for unexpected expenses or reductions in revenue sources.

School Budget Cycle

JANUARY

Budget Calendar Developed

FEBRUARY

Preliminary Staffing Plan Presented

MARCH

Staffing Plan Adopted

APRIL & MAY

Budget is Internally Developed and Refined

JUNE

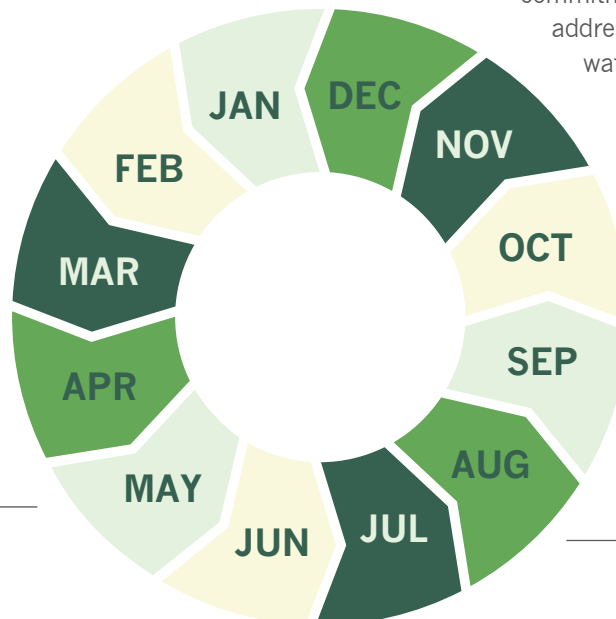
Preliminary Budget Presented and Approved

JULY

Annual Financial Audit Performed

AUGUST

Tentative Budget Approved for Public Display & Hearing



SEPTEMBER

Budget Hearing and Vote

OCTOBER

Independent Financial Audit Completed

NOVEMBER

Preliminary Tax Levy Presented and Discussed

DECEMBER

Tax Levy Approved

FINANCIAL STEWARDSHIP

The Board recognizes its obligations to taxpayers in fulfilling its stewardship of District finances and related reserves. In response to this commitment, over the past few years the Board has returned in excess of \$4 million to taxpayers through a rebate or rollback of property taxes. In December 2016, \$10+ million of bonds were refinanced for a tax savings of over \$700,000. In June 2017, the Board abated \$30 million in reserves to refund callable debt. This eliminated future property taxes of approximately \$39 million previously scheduled to pay principal and interest on the \$30 million of refunded debt.

District 36 Tax Rates dropped from 3.049 to 3.015 between 2016-2020 primarily due to tax abatements and refinancing of bonds. On average, the tax increase seen by taxpayers for the Winnetka District 36 portion of their tax bill has grown by 1.88% annually over the past 7 years.

The District's total COVID-19 expenses totaled \$2.9 million since the start of the pandemic. This was offset by approximately \$1.3 million in federal CARES Act and FEMA funds. Most of the expenditures focused on keeping our students learning in-person during the pandemic.

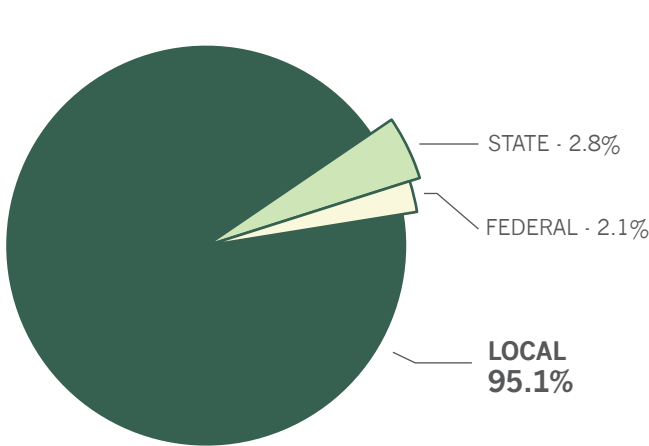
Since 2019, the District has continued its commitment to ensure our facilities are maintained and in compliance with Health/Life Safety measures with a \$14.2 million commitment between 2020-2022. We have addressed lead issues in our domestic water by replacing piping in all five buildings as well.

FISCAL YEAR 2021 FINANCIAL REPORT

Thanks to the support of taxpayers and the careful stewardship of the School Board and staff, District 36 is in a sound financial position. The District maintains a AAA Bond Rating from Standard & Poor's, and the Illinois State Board of Education (ISBE) again bestowed its highest honor, "Financial Recognition" on The Winnetka Public Schools.

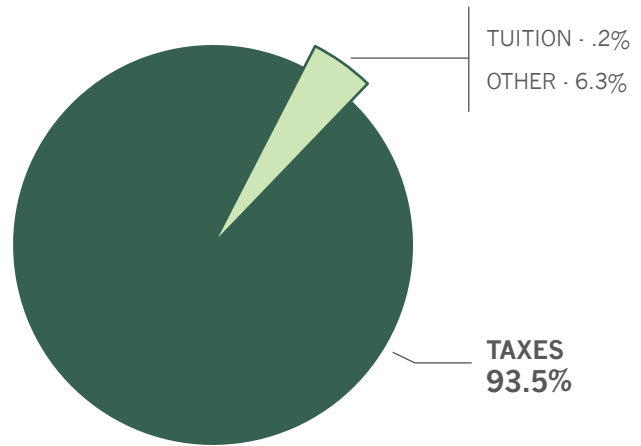
Revenue by Source (All Funds)

District 36 receives 95% of its funds from local sources. Federal and state revenues are 5% of the District's revenues. Despite the poor financial situation in the state of Illinois, District finances have remained stable. However, due to economic conditions in the state and federal governments, future availability of revenue from both entities is at risk. This includes the potential of a significant reduction in local property tax revenues due to proposals to freeze property taxes.



Local Revenue by Type (All Funds)

Property taxes are the primary source (92%) of Local Revenue for The Winnetka Public Schools. Traditionally, property tax revenues have been a reliable source of revenue. Proposed legislation by the State to freeze property tax revenues, if passed, could result in significant reduction in future operational revenues and reserves.



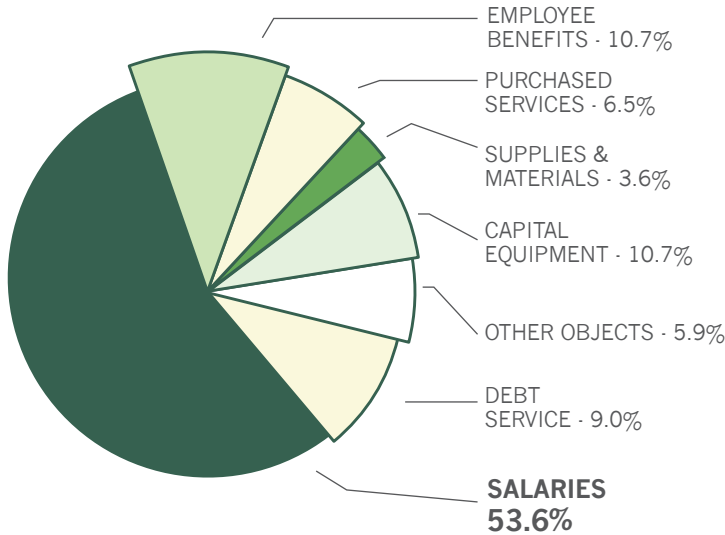
The Winnetka Public Schools Board approved the District's 2021 Tax Levy at its December 15, 2020, meeting. A property tax levy is an annual request to Cook County for the property tax revenue a school district needs to operate the district for the subsequent fiscal year.

The Association of School Business Officials International awarded D36 the Certificate of Excellence in Financial Reporting (COE) for meeting high standards for financial reporting and accountability. This is the sixth consecutive time the District has received this recognition.

District 36 received the highest category from the ISBE in the areas of Fund Balance/Revenue Ratio, Expenditures/Revenue Ratio, Days Cash on Hand, and Short-Term Borrowing and maintains its AAA bond rating.

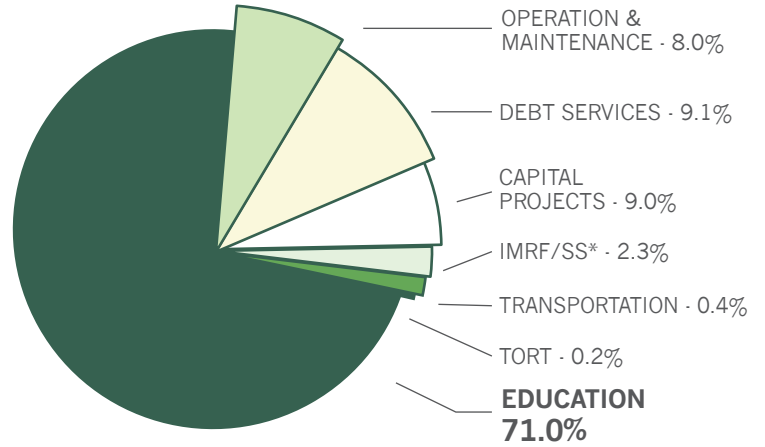
Expenditure by Object (All Funds)

When expenditures are considered by type they are referred to as objects. Education is a people-driven enterprise. Salaries and benefits, primarily of teachers, associates, custodians, and other staff—those who provide outstanding direct educational experiences for students—constitute the majority of this (64%) category.



Expenditure by Fund

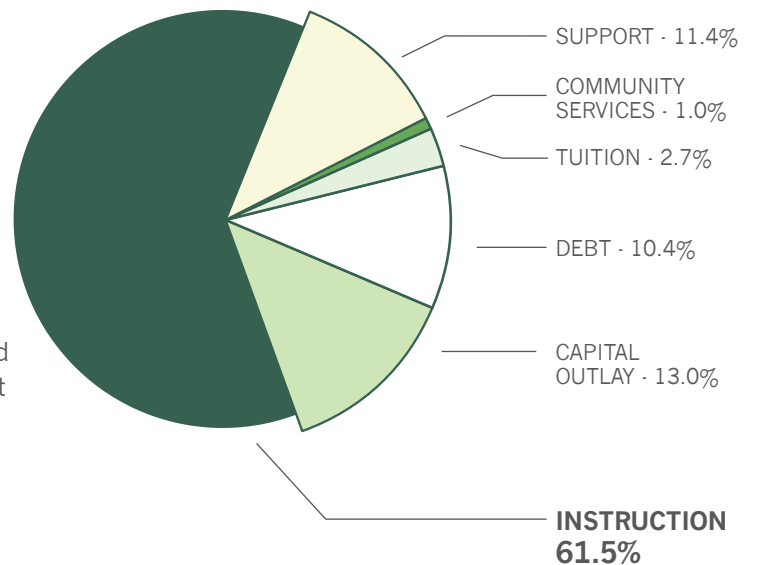
Per Illinois State Law, the District's budget is divided into categories, or funds. Each of these accounts has a specific purpose or function and funds are not fungible. Only limited types of transfers are permitted, and money in one fund cannot be used for expenses in another. For example, the District spent just over 9% of its local dollars on debt service and capital projects from these restricted funds which are not considered part of the District's Operating Funds.



* Illinois Municipal Retirement Fund and Social Security

Instruction Takes Priority

District budget priorities are guided by the singular goal of providing the best possible education for the children of Winnetka, while remaining fiscally responsible. This priority is reflected by how much money is devoted to teaching and learning. The majority (72.9%) of the District's budget is spent on Instruction and Instructional support. An important component of Instructional support is providing a favorable and safe environment for children to learn. The District adopted an Educational Master Facilities Plan in 2018. In 2019 the District proposed a referendum to fund this plan to the community that did not pass. The District adopted a three-year capital plan in 2019. This earmarked \$14.2 million for critical projects to address health/life safety needs, ADA accessibility and water piping to mitigate lead issues.



The Winnetka Public Schools received a "Recognition" distinction from the Illinois State Board of Education (ISBE). This represents the highest category of financial strength. District 36 received a score of 4.0 on a 4.0 scale.