



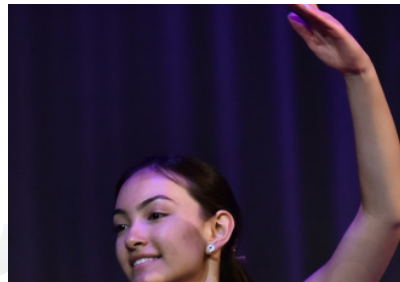
Township High School District 211

2018-2019 PAFR

Popular Annual Financial Report

For the Period Ending June 30, 2019

D211 BY THE NUMBERS



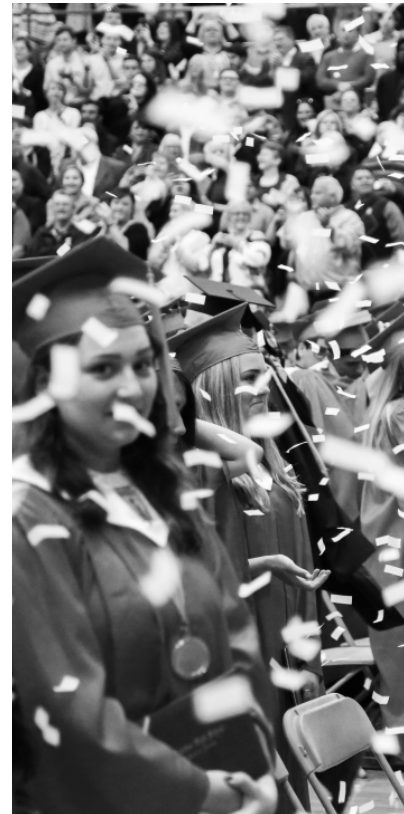
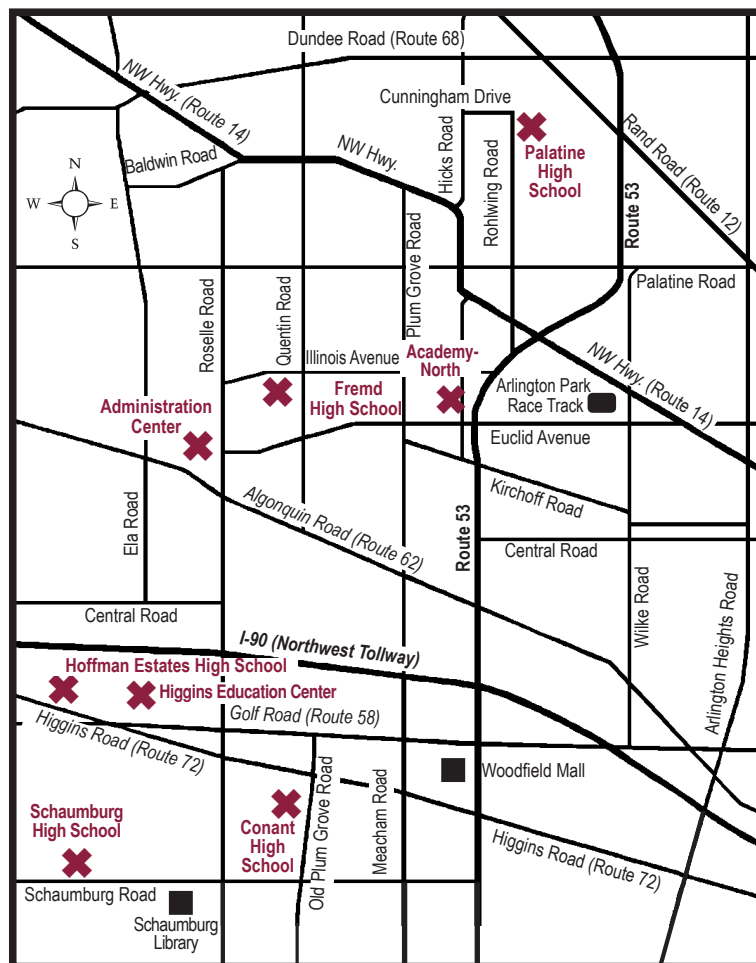
Welcome

To the Popular Annual Financial Report

Township High School District 211 serves the communities of Hoffman Estates, Inverness, Palatine, Schaumburg, and portions of Arlington Heights, Elk Grove Village, Hanover Park, Rolling Meadows, Roselle, South Barrington, and Streamwood in the northwest suburbs of Chicago.

High School District 211's five high schools serve grades 9-12: James B. Conant, William Fremd, Hoffman Estates, Palatine, and Schaumburg High Schools. Each school has earned full recognition status by the State Superintendent of Schools of Illinois. All five high schools have received the United States Department of Education's Blue Ribbon Secondary Schools Award, and Palatine and Fremd High Schools have been recognized twice. High School District 211 also has two alternative education schools, District 211 North Campus and Higgins Education Center, which serve approximately 175 students.

DISTRICT MAP



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Blue Ribbon Schools of Excellence



A Message from the Superintendent

Daniel E. Cates



We take pride in the transparency, quality, and frequency of our financial reporting to ensure that our community members can understand how we utilize our local community resources to serve our students. Our Comprehensive Annual Financial Report (CAFR) provides an extensive

accounting of the District's financial revenues, expenditures and year-end position. The information available in the CAFR is presented via an array of accounting tables consistent with professional accounting standards.

One of the priorities within the Board of Education's comprehensive five-year Strategic Plan (<https://adc.d211.org/domain/46>) is to provide clear and transparent financial information in a format that people can easily understand. Our Popular Annual Financial Report (PAFR) provides important information about the District's finances in a format that is accessible to the general public, highlighting only some of the positive impact on students resulting from our use of the community's resources.

Another priority within the Strategic Plan is to achieve a point at which the District could operate free from debt. After years of efficiencies and strategic planning, District 211 now operates without the burden of any debt. By operating debt-free, we lower property taxes for people and businesses throughout our District.

The District finished the 2018-2019 school year with more revenue and lower expenses than anticipated. Our financial stability enables us to sustain and advance our instructional programming, maintain and improve our quality facilities, and create advantages for our students. In 2018-2019, every student in the District had his or her individual student readiness tool by which to create a career pathway and that enabled a student's family to track the student's readiness across five key areas. We continued to narrow the opportunity gap among students participating in our Advanced Placement courses, and we continue to make excellent progress in the percentage of students earning college credit while still in high school.

We all get better when we work together. Our greatest investment will always be to develop our future leaders and workforce, including future medical providers, teachers, manufacturers, scientists, and service providers, to name only a few. We hope you find our latest edition of the Popular Annual Financial Report helpful in understanding our use of and benefit from the financial resources you provide us.

With gratitude for your partnership toward the benefit of our students and our community,

A handwritten signature in black ink that reads "Daniel E. Cates". The signature is fluid and cursive.

Daniel E. Cates, Superintendent

For Additional Information and Resources

The PAFR contains highlights of district finances, with key data taken from the audited financial statements in the District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2019.

The District's CAFR is prepared in accordance with Generally Accepted Accounting Principles in the United States of America (GAAP). The PAFR summarizes financial activity in a non-GAAP, reader-friendly format and is unaudited. It does not include information on all District funds, full disclosures, or notes to the financial statements.

Some readers may be interested in exploring the more detailed financial statements (CAFR) found at <https://adc.d211.org/Page/6534>.

Questions, comments and feedback about this report are encouraged by contacting the District's Business Office at (847) 755-6600.



Our Mission

Township High School District 211 serves the educational needs of the community inspiring all students to successfully contribute to the world.

*Approved by the Board of Education:
August 18, 2016*

Our Vision

- + **ACADEMIC RIGOR**

Our District values engaging curriculum built upon high-quality educational experiences to develop critical thinking.

- + **ACCOUNTABILITY**

Our District values the charge of providing thorough and accurate information with all shared stakeholders.

- + **COMMUNICATION**

Our District values an open exchange of information and perspectives.

- + **COMPASSION, DIGNITY AND RESPECT**

Our District values and honors the strengths and diversity of all individuals.

- + **EDUCATION AND LEARNING**

Our District values the continuous pursuit of knowledge, preparation and readiness to pursue future endeavors.

- + **EFFICIENCY**

Our District values systemic measures and practices to optimize the community's resources throughout the organization.

- + **FINANCIAL INTEGRITY**

Our District values strong fiscal management and reporting practices to ensure the highest degree of financial stewardship.

- + **INNOVATION**

Our District values continuous improvement to advance educational and operational practices.

- + **OPPORTUNITY**

Our District values fostering a comprehensive array of enrichment experiences to support all aspects of student development.

- + **SAFETY**

Our District values safeguarding the welfare of all by providing a positive and respectful environment.

- + **WELLNESS**

Our District values cultivating the healthy physical, social and emotional well-being of all.

Approved by the Board of Education: August 18, 2016

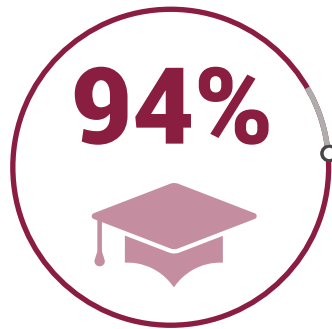


District 211 Fast Facts

2018-2019 School Year



Attendance Rate



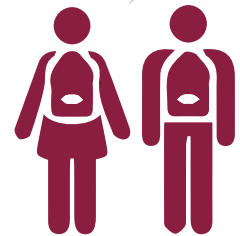
Graduation Rate



Economically Disadvantaged Students

11,758

District Enrollment



Meals Served in
D211 Cafeterias

700

Academic
Courses
Offered

97

Dual Credit
& Advanced
Placement
Courses Offered

\$19,660

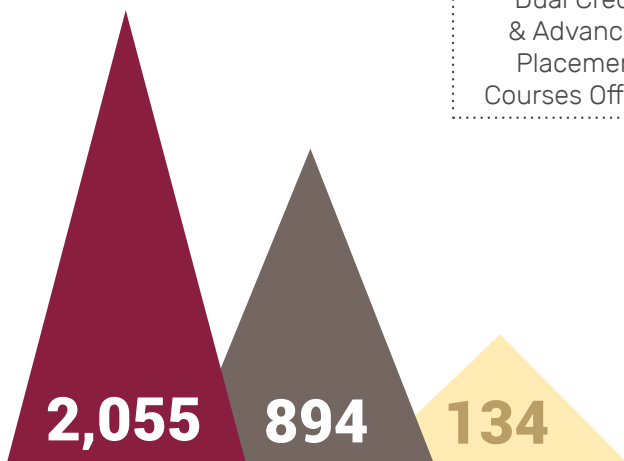
Operating Expense
Per Pupil

9,000

Students Bused Daily

1.2m

School Bus Miles
Driven Annually



■ Total Staff
■ Teachers
■ National Board Certified Teachers

District-wide, IT supports



16,000 iPads



4,500 PCs



587

Illinois State
Scholars

DISTRICT 211 BOUNDARIES
Palatine & Schaumburg
Townships

62

Sq. Miles

SQUARE FEET OF
District 211 Facilities

2.3

Million

ACRES OF
Building Grounds

230

NUMBER OF
District 211 Buildings

8

Financial Position

Summarized Financial Reports

The PAFR contains summarized highlights of District finances, with key data taken from the audited financial statements in the District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2019. This information is presented in a non-GAAP format.

Statement of Net Position

The Statement of Net Position provides a snapshot of the District's finances at the close of the fiscal year. Simply stated, it is total assets (what the District owns) minus total liabilities (what the District owes), plus and minus deferred outflows and inflows of resources (resources to be consumed or acquired in a future period). The difference between these amounts is the net position and represents the District's equity.

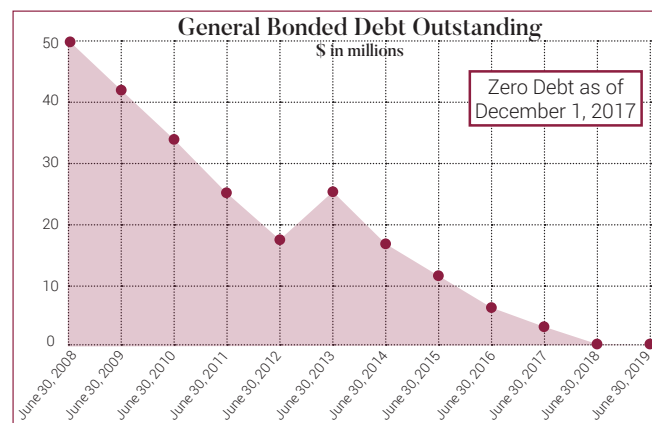
The net position is further broken down into three components:

- *Net investment in capital assets represents the District's ownership of capital assets such as land, buildings, site improvements, vehicles, and equipment, less outstanding related debt.*
- *Restricted net position represents net assets that can only be used for a specific purpose as designated by law. These purposes include pension funding, capital projects, debt repayment, operations and maintenance and student transportation.*
- *Unrestricted net position represents amounts that may be used for any general legal purpose of the District.*

The District's overall net position increased favorably from the prior year by \$7 million. District 211 remains in a stable financial position and maintains a financial plan to utilize funds to pay for capital improvement projects.

Outstanding Debt

District 211 is debt-free and committed to maintaining this status for as long as economics allow. In July 2018, the District made its final payment on its only outstanding capital lease. The District completed its second straight year with no outstanding bonded debt. Operating debt-free signifies the District can self-fund its day-to-day operations and its capital project needs. This translates to lower property taxes for residents and businesses within District boundaries.



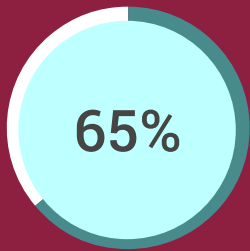
Statement of Net Position			
\$ in millions			
	JUNE 30, 2017	JUNE 30, 2018	JUNE 30, 2019
ASSETS			
Current & other assets	\$244	\$238	\$227
Capital assets	209	219	222
Total Assets	453	457	449
LIABILITIES			
Current liabilities	22	16	10
Long-term liabilities	62	140	155
Total Liabilities	84	156	166
DEFERRED INFLOWS OF RESOURCES, NET	84	129	106
NET POSITION			
Net investment in capital assets	205	219	222
Restricted	29	41	28
Unrestricted	50	(89)	(72)
Total Net Position	\$284	\$171	\$178

Note: The increase in long-term liabilities and corresponding decrease in unrestricted net position from 2017 to 2018 is due to the recording of Other Post-Employment Benefits under GASB 74, as implemented July 1, 2017. This GASB required the District to record its share of the Teachers' Health Insurance System outstanding obligations. This reporting change does not impact on the District's ability to meet its obligations in the future.

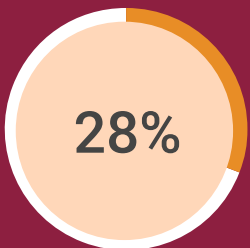
Future Financial Outlook

District 211 is in a solid financial position to accomplish its educational and operational strategic goals over the next five years. Through prudent financial management over the past decade, the District has funded all academic and operational initiatives, paid off its debt, and accumulated appropriate levels of reserves (savings). Revenues are projected to equal or exceed expenditures for each of the next five years. Reserve balances are projected to increase next year due to the sale of land, then decline slowly to fund capital project requirements; however, these balances remain sufficient for the District to weather unpredictable changes in the timing of revenue receipts or new state mandates.

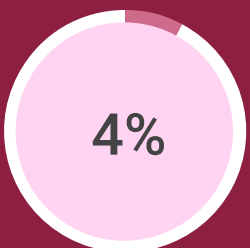
District-Wide Revenues by Source – 2019



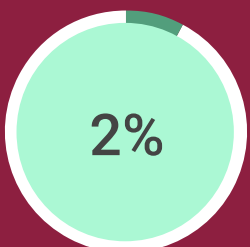
Property Taxes



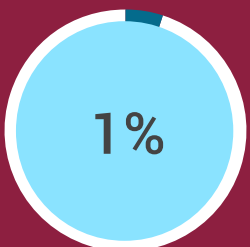
Operating Grants & Contributions



State Formula Aid



Charges for Services



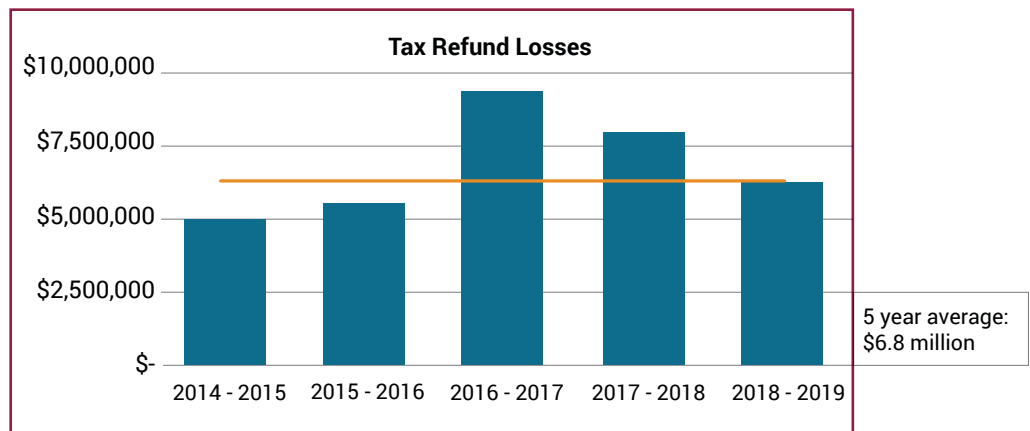
Other



Revenues

How is the District Funded?

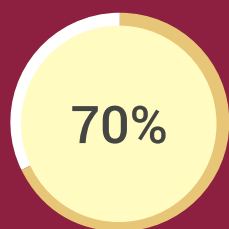
The District recognized \$348.4 million of revenue in 2019. The majority of the District's revenue comes from local property taxes. Through sound financial management, the District has been able to limit the increase in the property tax burden to the local community residents and businesses. Property tax refunds directly offset revenue collected, and while refunds declined over the last 2 years, refunds are significantly higher than 3-4 years ago. This negative trend puts financial pressure on the District due to loss of its primary source of revenue.



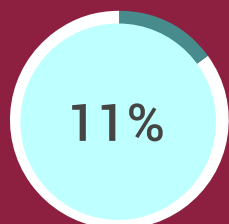
During fiscal 2019, over 28% of the District's revenue was from Operating Grants and Contributions from the State of Illinois and the federal government. Approximately 85% of this revenue recognized was considered an "on-behalf" payment for pension benefits, funded directly by the State to the pension system. Other grants include funding for services and transportation for students with special needs, the school lunch and breakfast program, services for economically disadvantaged students, and various other vocational and educational programs.

Charges for Services represents 2% of total revenue and consists of fees charged to students and others for textbook rental, meals, summer school and evening programs, facility rentals and other special programs. The State Formula Aid and Other Revenue contribute 4% and 1% to the District's total revenue, respectively. Included in the State Formula Aid is an award of \$1.3 million for Property Tax Relief. Property Tax Relief funds, plus an additional \$700,000 from District reserves, were used to provide direct relief to taxpayers on the second installment of 2018 property taxes, payable in August 2019.

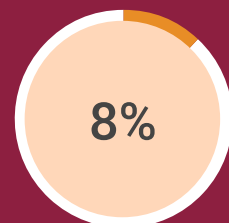
District-Wide Expenses by Function – 2019



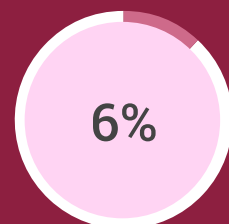
Instruction



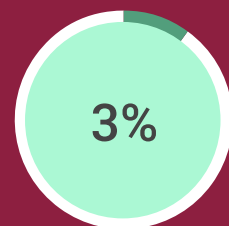
Operations & Maintenance



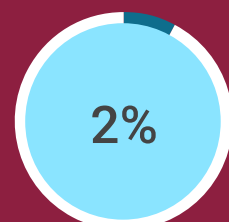
Pupil & Instructional Services



Administration & Business



Transportation



Other



Expenses

How Does District 211 Spend its Funds?

Funds spent on Instruction include salaries and benefits for classroom personnel and the materials and services required to support instructional programs. These costs comprise over two-thirds of the District's yearly costs.

Pupil and Instructional Services expenses include personnel costs and supplies for guidance counselors, social workers, school nurses, psychologists, speech pathologists and other support services who assist the students with needs inside and outside of the classroom.

Administration and Business Services represent costs to provide central support for the District, such as accounting, budgeting, planning, food service and purchasing, as well as school administration.

Operations and Maintenance costs are monies spent to maintain the eight buildings and surrounding grounds throughout the District. Expenses include salaries and benefits, custodial supplies, utilities, service agreements and capital outlay. For the 2018-2019 fiscal year, major capital outlay in this area included renovation to multiple parking lots, HVAC and boiler equipment replacements, security upgrades, tennis court resurfacing and classroom renovations at multiple schools.



Transportation expenses include costs to operate and maintain the District's fleet of approximately 160 school buses and 40 vans. Thirty new buses were purchased during the 2018-2019 fiscal year as replacements for aging equipment. Of the buses purchased, 15 of these new buses were propane-fueled and the remaining 15 were gasoline-fueled, which are all cleaner, more cost-effective fuel alternatives.

Other expenses include salary, benefits, supplies and purchased services for the technology, publications and human resource departments.

During fiscal 2019, the District made a special payment to the Illinois Municipal Retirement Fund in the amount of \$10.2 million to reduce the District's outstanding pension liability.

Capital Projects Update

Building Improvements

Township High School District 211 operates and maintains eight buildings across the District and prepares an annual Capital Projects budget to allocate funds for completion of necessary building improvements. Capital improvement projects are identified and prioritized through the Board of Education's 2016 Strategic Plan, 10-year capital improvement plan, and routine maintenance and replacement schedules.

During the 2018-2019 fiscal year, the following facility improvement projects were in various stages of completion at a cost of \$11.6 million. All capital improvement projects were funded through the District's existing operating reserves.

- Renovation of the Hoffman Estates High School media center
- Renovation of the outdoor baseball, softball, soccer, and lacrosse fields at Conant High School
- Renovation to the restrooms at Hoffman Estates High School
- Replacement of the artificial turf and running track at Palatine and Hoffman Estates High Schools

The Illinois School Code requires school districts to perform a Fire Prevention and Life Safety Survey once every ten years. A new survey has recently been completed and has been approved by the Regional Office of Education and the Illinois State Board of Education. Project work began in the summer of 2019, with roof replacements, mechanical equipment replacement and other projects across multiple buildings.



Hoffman Estates High School Media Center



Palatine High School Football Field



Conant High School Baseball Field



Conant High School Baseball Field

Future Facility Improvement Planning

The District's 2016 strategic plan calls for continued capital facility improvements over the next 5-10 year period that support the needs of its facilities while also providing space to support academic programs. Barring any major legislative action that would negatively impact the financial status of the District, the strategic plan prioritizes the use of current reserve funds and future budget surpluses to fund facility improvement projects without issuance of bonds.



Palatine High School Stadium



Palatine High School Track



Hoffman Estates High School Football Field



Hoffman Estates High School Restroom



Hoffman Estates High School Media Center

Educational Update

Career Clusters and Pathways: Charting the Future

In the Beginning

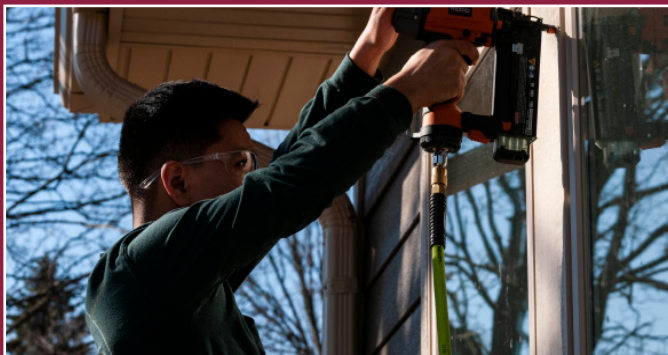
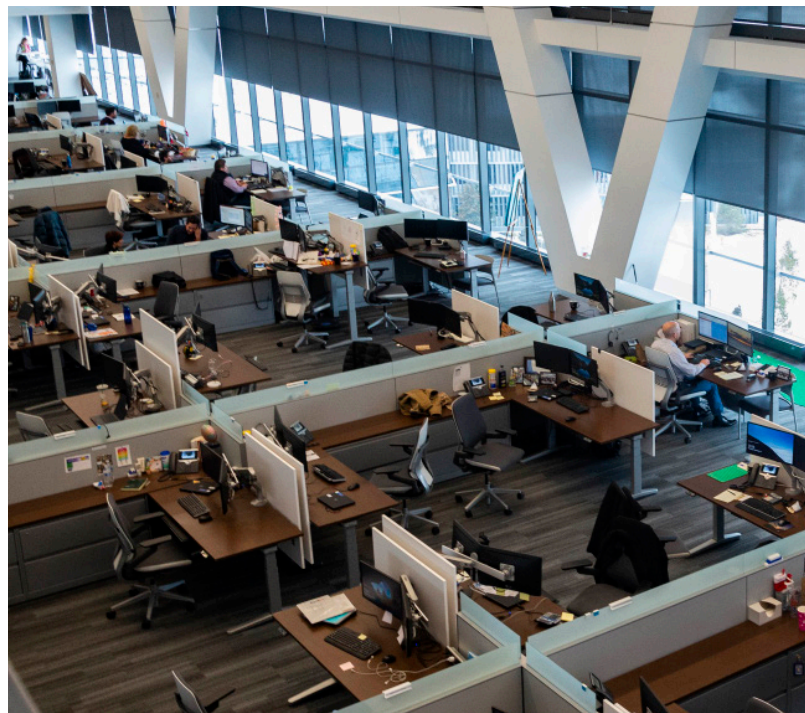
Early in the 2016-2017 school year, District 211 administrators and educators began to evaluate a new way to assist students in preparing for their futures after high school. The team evaluated the 16 nationally recognized career clusters.

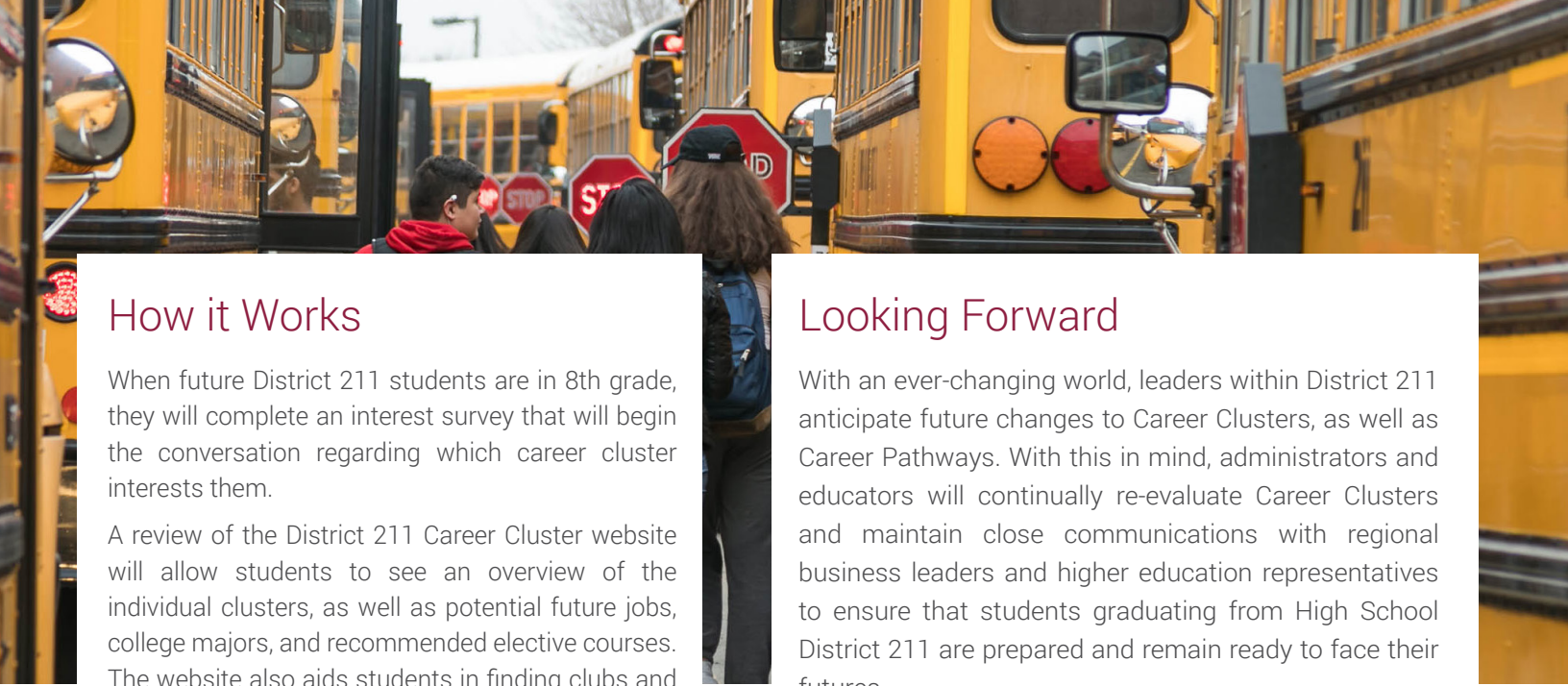
Following a review of the clusters, the team conducted research into the marketability prospects for each career based on their prominence in the region. The work then began on establishing pathways, designed to narrow the clusters without becoming too restrictive.

In the first year, teachers and administrators met with business leaders representing seven clusters, as well as representatives from Harper College and at least one four-year college or university. During these meetings, teachers and business leaders compared current curriculum and pathway development to see how it matched with business practices.

During the following school year, teams met with business leaders from the remaining nine clusters to finalize the pathways and create a program that could be fully integrated into the District's education structure. After these meetings were completed, educators from across the District determined which courses would provide students with the necessary knowledge and skills for their desired career pathways.

Over the course of the 2018-2019 school year, the current career clusters and pathways were evaluated. While initially researched and established based on regional prominence, the integrated pathway system was now evaluated based on a global perspective.





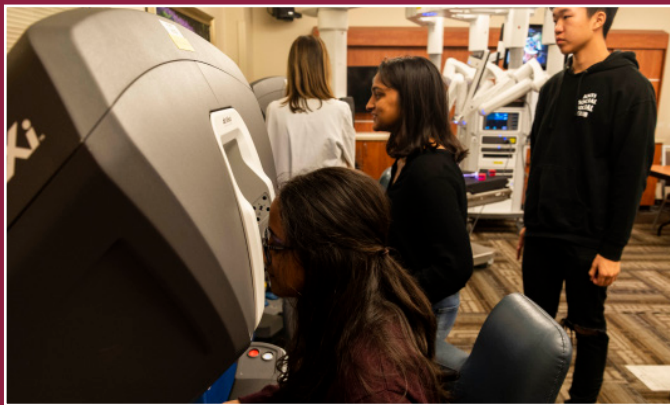
How it Works

When future District 211 students are in 8th grade, they will complete an interest survey that will begin the conversation regarding which career cluster interests them.

A review of the District 211 Career Cluster website will allow students to see an overview of the individual clusters, as well as potential future jobs, college majors, and recommended elective courses. The website also aids students in finding clubs and activities that may align with their intended career pathway. Over the course of a student's time in District 211, they can keep track of their progress and keep updated on any changes within the pathways.

Looking Forward

With an ever-changing world, leaders within District 211 anticipate future changes to Career Clusters, as well as Career Pathways. With this in mind, administrators and educators will continually re-evaluate Career Clusters and maintain close communications with regional business leaders and higher education representatives to ensure that students graduating from High School District 211 are prepared and remain ready to face their futures.



2019-2020 Administration

Daniel E. Cates, Superintendent of Schools

Lisa A. Small, Associate Superintendent for Instruction

Mark J. Kovack, Associate Superintendent for Student Services

Lauren C. Hummel, Chief Operating Officer

James A. Britton, Director of Human Resources

Renée J. Erickson, Director of Special Education

Jacquese L. Gilbert, Director of Summer School & Community Outreach

Gary R. Gorson, Chief Technology Officer

David G. Grelyak, Facilities & Energy Manager

Danielle L. Hauser, Director of Instructional Improvement

Matthew J. Hildebrand, Director of Administrative Services

Mary Pat Krones, Assistant Director of Special Education

Stacy L. Lenihan, Director of Food & Nutrition Services

Kathe E. Lingl, Assistant to the Superintendent/Assistant for Human Resources

Diana J. Mikelski, Director of Transportation

Sandra A. Mir, Accounting Manager

John V. Pahlman, Director of Facilities & Purchasing

Thomas D. Petersen, Director of Community Relations

Barbara J. Peterson, Controller & Treasurer

Anita M. Seaholm, Human Resources Assistant

Lindsay M. Tiritilli, Assistant Director of Special Education

Eric P. Wenckowski, Director of Athletics & Activities



Board of Education



Township High School District 211 Board of Education
(seated left to right): Vice President Anna Klimkowicz;
President Robert LeFevre, Jr.; Secretary Edward Yung.
(Standing left to right): Kimberly Cavill; Steven Rosenblum;
Peter Dombrowski; and Mark J. Cramer.

Board of Education

Robert LeFevre, Jr., President

Anna Klimkowicz, Vice President

Edward Yung, Secretary

Kimberly Cavill

Mark J. Cramer

Peter Dombrowski

Steven Rosenblum

Major responsibilities of the Board of Education are to express and represent the view of the community in matters affecting education, determine education standards and goals, adopt policies for the administration of the school system, employ a superintendent of schools, authorize the appointment of teachers and other staff members, approve curriculum, secure money for school operational needs and building programs, and authorize expenditures.

Township High School District 211

Blue Ribbon Schools of Excellence



Palatine High School

1111 North Rohlwing Road, Palatine, Illinois 60074-3777

Telephone: (847) 755-1600 **Website:** phs.d211.org **Founded:** 1875 **Opened:** 1977

Nickname: Pirates **School Colors:** Scarlet & Gray **Principal:** Tony Medina

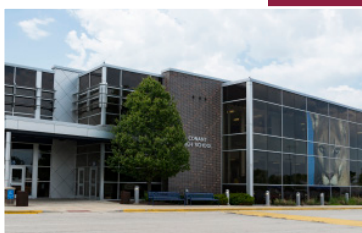


William Fremd High School

1000 South Quentin Road, Palatine, Illinois 60067-7018

Telephone: (847) 755-2600 **Website:** fhs.d211.org **Opened:** 1961

Nickname: Vikings **School Colors:** Green & Gold **Principal:** Kurt Tenopir

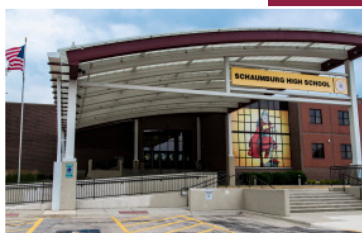


James B. Conant High School

700 East Cougar Trail, Hoffman Estates, Illinois 60169-3659

Telephone: (847) 755-3600 **Website:** chs.d211.org **Opened:** 1964

Nickname: Cougars **School Colors:** Blue & White **Principal:** Julie Nowak



Schaumburg High School

1100 West Schaumburg Road, Schaumburg, Illinois 60194-4150

Telephone: (847) 755-4600 **Website:** shs.d211.org **Opened:** 1970

Nickname: Saxons **School Colors:** Cardinal Red & Gold **Principal:** Timothy Little



Hoffman Estates High School

1100 West Higgins Road, Hoffman Estates, Illinois 60169-4050

Telephone: (847) 755-5600 **Website:** hehs.d211.org **Opened:** 1973

Nickname: Hawks **School Colors:** Orange & Blue **Principal:** Joshua Schumacher



North Campus

335 East Illinois Avenue, Palatine, Illinois 60067-7132

Telephone: (847) 755-6700 **Website:** ncam.d211.org

Founded: 2005 **Opened:** 2016 **Nickname:** Bulldogs

School Colors: Blue & White

Program Administrator: Francesca Anderson



Higgins Education Center

1030 West Higgins Road, Hoffman Estates, Illinois 60169-4200

Telephone: (847) 755-6640 **Website:** cntr.d211.org

Founded: 1975 **Opened:** 2015 **Nickname:** Shamrocks

School Colors: Green & White

Program Administrator: Jessica Orstead



TOWNSHIP HIGH SCHOOL DISTRICT 211

Extraordinary Opportunities. Innovative Teaching. Exceptional Learning.

1750 South Roselle Road
Palatine, Illinois 60067-7336
Telephone: (847) 755-6600
adc.d211.org