

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70

LIBERTYVILLE, ILLINOIS

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FOR DISCUSSION
PURPOSES ONLY

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Libertyville Elementary School District No. 70
Libertyville, Illinois

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Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund, of Libertyville Elementary School District No. 70, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the school district's basic financial statements, as listed in the table of contents. We have also audited the individual fund financial statements presented as audited individual fund financial statements, as of and for the year ended June 30, 2018, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Auditor's Responsibility

Our responsibility is to express opinions on these basic and individual fund 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 of 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.

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Opinion

In our opinion, the basic, and individual fund, financial statements referred to above present fairly, in all material respects, the respective financial position-modified cash basis of the governmental activities and each major fund, and each individual fund, of the Libertyville Elementary School District No. 70, as of June 30, 2018, and the respective changes in financial position-modified cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Libertyville Elementary School District No. 70's basic financial statements. The supplemental information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 supplemental information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October xx, 2018 on our consideration of Libertyville Elementary School District No. 70'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 Libertyville Elementary School District No. 70's internal control over financial reporting and compliance.

Evo, Kamschulte, Jacobs & Co. LLP

EVOY, KAMSCHULTE, JACOBS & CO. LLP

October xx, 2018
Waukegan, Illinois

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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Board of Education
Libertyville Elementary School District No. 70
Libertyville, Illinois

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of Libertyville Elementary School District No. 70 as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Libertyville Elementary School District No. 70's basic financial statements and have issued our report thereon dated October xx, 2018, which was qualified because the financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Libertyville Elementary School District No. 70's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Libertyville Elementary School District No. 70's internal control. Accordingly, we do not express an opinion on the effectiveness of Libertyville Elementary School District No. 70's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Libertyville Elementary School District No. 70's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Libertyville Elementary School District No. 70's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst, Kamschulte, Jacobs & Co. LLP

EVOY, KAMSCHULTE, JACOBS & CO. LLP

October xx, 2018
Waukegan, Illinois

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70

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PURPOSES ONLY

SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

"DRAFT"
FOR DISCUSSION
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Our discussion and analysis of the Libertyville Elementary School District No. 70's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the District's financial statements, which begin on page 10, and the notes to the financial statements, which begin on page 17, to further enhance your understanding of the District's financial condition.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at June 30, 2018 by \$57,919,247 (net position).
- The District's total net position increased by \$3,176,247.
- At June 30, 2018, the District's governmental funds reported combined fund balances of \$21,332,890, a decrease of \$3,016,705 from the prior year. Approximately 62% of this amount, \$13,222,985, may be used to finance day-to-day operations (unassigned fund balance), which was approximately 32% of General (Education) Fund expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis (on pages 10 and 11) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 12. For the governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as agent for the benefit of those outside the government.

Reporting the District as a Whole

Our analysis of the District as a whole begins on page 9. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all of the District's assets and liabilities resulting from the use of the modified cash basis of accounting.

These two statements report the District's net position and changes in them. You can think of the District's net position—the difference between assets and liabilities—as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other financial and non-financial factors, however, such as declining equalized assessed value and State receipts.

In the Statement of Net Position and the Statement of Activities, we report the District's Governmental activities. All of the District's services are reported here, including instructional services, support services, community services, and non-programmed charges. Property taxes, earnings on investments, fees, and state and federal grants finance most of these activities.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018
(Continued)

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USING THIS ANNUAL REPORT (continued)

Reporting the District's Most Significant Funds

Our analysis of the District's major funds begins on page 8. The fund financial statements begin on page 12 and provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State law and by bond covenants.

- Governmental funds--All of the District's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The District maintains its accounting records for all funds on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation schedule in the financial statements.

The District as Trustee

The District is the trustee, or fiduciary, for its student's activity funds. All of the District's fiduciary activities are reported in a separate Statement of Assets, Liabilities, and Net Position Arising from Cash Transactions on page 16 and a Statement of Cash Receipts, Disbursements and Changes in Net Position on page 50. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are contained on pages 17 through 39.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information relating to the District's progress in funding its obligation to provide pension benefits to its non-certified employees, and other supplemental information that may be useful to the reader.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2018
 (Continued)

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THE DISTRICT AS A WHOLE

A condensed statement of net position, as of June 30, 2018, and statement of activities, for the year ended June 30, 2018, is presented below.

<u>Net Assets</u>	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Current and Other Assets	\$ 22,407,204	\$ 25,422,704
Capital Assets, Net	51,019,457	46,730,538
Total Assets	73,426,661	72,153,242
Current Liabilities	(1,074,314)	(1,073,109)
Long-Term Debt Outstanding	(14,433,100)	(16,337,133)
Total Liabilities	(15,507,414)	(17,410,242)
	\$ 57,919,247	\$ 54,743,000
Net Position:		
Net Investment in Capital Assets	\$ 36,586,357	\$ 30,393,405
Restricted	8,109,905	12,264,548
Unrestricted	13,222,985	12,085,047
Total Net Position	\$ 57,919,247	\$ 54,743,000
<u>Changes in Net Position</u>	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
<u>Receipts</u>		
Program Receipts		
Charges for Services	\$ 1,494,446	\$ 1,133,071
Operating Grants	15,172,313	15,441,665
Capital Grants	-	71,101
General Receipts		
Property Taxes	31,807,577	29,603,660
Other Taxes	459,080	548,647
Earnings on Investments	255,352	151,144
General State Aid	1,789,679	1,023,071
Other	1,305,264	2,263,694
Total Receipts	\$ 52,283,711	\$ 50,236,053
<u>Disbursements</u>		
Program Disbursements		
Instruction	\$ 31,331,466	\$ 31,567,302
Support Services	14,547,523	15,343,985
Community Services	74,682	75,923
Nonprogrammed Charges	707,563	740,705
Interest, Fees and Costs	539,682	752,726
Depreciation - Unallocated	1,906,548	1,791,131
Total Disbursements	\$ 49,107,464	\$ 50,271,772
Increase (Decrease) in net position	\$ 3,176,247	\$ (35,719)
Net Position- Beginning	54,743,000	54,778,719
Net Position- Ending	\$ 57,919,247	\$ 54,743,000

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2018
 (Continued)

"FOR DISCUSSION PURPOSES ONLY"

THE DISTRICT AS A WHOLE (continued)

The net position of the District's governmental activities increased by \$3,176,247. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements — increased by \$1,137,938 to \$13,222,985.

THE DISTRICT'S FUNDS

At June 30, 2018, the District's governmental funds (as presented in the Statement of Assets, Liabilities, and Fund Balances Arising from Cash Transactions on page 12) reported a combined fund balance of \$21,332,890, which is less than last year's total of \$24,349,595. **This reduction is due to the capital additions at Copeland Manor School and Rockland School.**

General Fund Budgetary Highlights

The July 1, 2017 to June 30, 2018 budget, which was not amended, was approved by the Board of Education on June 26, 2017. The budget is a general guide for the financial activity of the District.

General (Education) Fund actual direct receipts were more than the budgeted amounts due mainly to property taxes coming in over budget.

General (Education) Fund actual direct disbursements were more than the budgeted amounts due to the recording of TRS On – Behalf of payments that were not budgeted for.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the District had \$51,019,457 invested in capital assets, including land, land improvements, buildings and furniture and equipment, as shown below.

<u>Capital Assets at Year End, Net of Depreciation</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Land and Improvements	\$ 1,208,813	\$ 1,270,675
Buildings	46,772,132	42,435,405
Furniture and Equipment	3,038,512	3,024,458
Construction in Progress	-	-
Totals	<u>\$ 51,019,457</u>	<u>\$ 46,730,538</u>

This year's major additions included the classroom addition at Copeland Manor School. The Districts 2017- 2018 budget calls for a two classroom addition and gymnasium addition at Rockland School and fixing drainage issues at Adler Park School.

See Notes 1 and 3 to the financial statements for additional information about changes in capital assets and depreciation.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018
(Continued)

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CAPITAL ASSETS AND DEBT ADMINISTRATION

Long-Term Debt

At June 30, 2018, the District had \$14,433,100 in long-term debt outstanding, as shown below.

<u>Outstanding Debt at Year End</u>	Governmental Activities	
	<u>June 30, 2018</u>	<u>June 30, 2017</u>
2009 Alternate Revenue Bonds	1,660,000	2,625,000
2011 Limited Tax Debt Certificates	1,440,000	1,885,000
2016 Working Cash Bonds	5,975,000	5,975,000
2017 Refunding bonds	4,945,000	5,495,000
Capital Lease Obligations	413,100	357,133
	<u>\$ 14,433,100</u>	<u>\$ 16,337,133</u>

The District's total amount of bonded indebtedness is well within its legal debt limit.

See Note 4 to the financial statements for additional information about long-term debt.

OTHER FINANCIAL MATTERS BEARING ON THE DISTRICT'S FUTURE

The continued instability of the Illinois economy weighs on the District's financial strength and legislative efforts to shift costs from the State to the School District. New development within the District's boundaries will put additional strain on the District facilities and may require additional classroom space be built through referendum.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with an overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Dr. Kurt Valentin, Assistant Superintendent for Finance and Operations, 1381 W. Lake Street, Libertyville, IL 60048, 847-362-9030, or at kvalentin@d70schools.org.

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PUBLIC COMMENTS ONLY

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70

GOVERNMENT-WIDE STATEMENTS

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 22,407,204
Capital Assets	
Land	313,824
Land Improvements	1,781,874
Buildings	62,389,091
Furniture and Equipment	13,655,721
Less: Accumulated Depreciation	(27,121,053)
Total Capital Assets, Net	<u>\$ 51,019,457</u>
Total Assets	<u>\$ 73,426,661</u>
 LIABILITIES	
Current Liabilities	
Payroll Deductions Payable	<u>\$ 1,074,314</u>
Long-Term Liabilities	
Portion Due or Payable Within One Year	
Capital Lease Obligations	\$ 142,388
General Obligation Debt	1,950,000
Portion Due or Payable in More Than One Year	
Capital Lease Obligations	270,712
General Obligation Debt	12,070,000
Total Long-Term Liabilities	<u>\$ 14,433,100</u>
Total Liabilities	<u>\$ 15,507,414</u>
 NET POSITION	
Net Investment in Capital Assets	\$ 36,586,357
Restricted	
Operations and Maintenance	1,686,560
Transportation	331,288
Municipal Retirement/Social Security	509,163
Working Cash	5,530,149
Bond and Interest	52,745
Capital Projects	-
Unrestricted	<u>13,222,985</u>
TOTAL NET POSITION	<u><u>\$ 57,919,247</u></u>

The accompanying Notes are an integral part of these financial statements.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2018

FUNCTION/PROGRAMS	Program Receipts			Charges for Services	Program Receipts		Net (Disbursements) Receipts and Change in Net Position
	Disbursements	Operating Grants and Contributions	Capital Grants and Contributions		Operating Grants and Contributions	Total	
Governmental Activities							
Instruction							
Regular Programs	\$ 27,106,923	\$ 13,450,228	\$ -	\$ 555,678			\$ (13,101,017)
Special Education Programs	2,501,469	1,045,952	-	-			(1,455,517)
Special Education Programs Pre-K	68,769	-	-	-			(68,769)
Remedial and Supplemental Programs K-12	143,384	-	-	-			(143,384)
Interscholastic Programs	482,963	-	-	-			(482,963)
Summer School	293,350	-	-	-			(293,350)
Gifted Programs	491,278	-	-	-			(491,278)
Bilingual Programs	243,330	-	-	-			(243,330)
Support Services							
Pupils	2,536,998	-	-	-			(2,536,998)
Instructional Staff	1,545,066	-	-	-			(1,541,773)
General Administration	1,025,808	3,293	-	-			(1,025,808)
School Administration	1,448,988	-	-	-			(1,448,988)
Business	6,485,265	672,840	-	938,768			(4,873,657)
Central	1,505,398	-	-	-			(1,505,398)
Community Services	74,682	-	-	-			(74,682)
Nonprogrammed Charges	707,563	-	-	-			(707,563)
Interest, Fees and Costs	539,682	-	-	-			(539,682)
Depreciation - Unallocated	1,906,548	-	-	-			(1,906,548)
Total Governmental Activities	\$ 49,107,464	\$ 15,172,313	\$ -	\$ 1,494,446	\$ -	\$ -	\$ (32,440,705)
GENERAL RECEIPTS							
Taxes							
Property Taxes, levied for general purposes							\$ 29,308,230
Property Taxes, levied for debt service							848,413
Property Taxes, levied for other specific purposes							1,650,934
Personal Property Replacement							459,080
Unrestricted Earnings on Investments							255,352
General State Aid							1,789,679
Other							1,305,264
TOTAL GENERAL RECEIPTS							\$ 35,616,952
CHANGE IN NET POSITION							\$ 3,176,247
NET POSITION - JULY 1, 2017							54,743,000
NET POSITION - JUNE 30, 2018							\$ 57,919,247

The accompanying Notes are an integral part of these financial statements.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70

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PURPOSES ONLY

FUND FINANCIAL STATEMENTS

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Special Revenue Funds					Debt Service Fund	Capital Projects Fund	Total Governmental Funds
		Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/Social Security Fund	Working Cash Fund	Bond and Interest Fund			
ASSETS									
Cash and Investments	\$ 14,296,979	\$ 1,686,880	\$ 331,288	\$ 509,163	\$ 5,530,149	\$ 52,745	\$ -	\$ 22,407,204	
TOTAL ASSETS	<u>\$ 14,296,979</u>	<u>\$ 1,686,880</u>	<u>\$ 331,288</u>	<u>\$ 509,163</u>	<u>\$ 5,530,149</u>	<u>\$ 52,745</u>	<u>\$ -</u>	<u>\$ 22,407,204</u>	
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Payroll Deductions Payable	\$ 1,073,994	\$ 320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,074,314	
FUND BALANCES									
Reserved									
Tort Immunity	-	-	-	-	-	-	-	-	
Operations and Maintenance	\$ -	\$ 1,686,560	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,686,560	
Transportation Services	-	-	331,288	-	-	-	-	331,288	
Employee Benefits Payments	-	-	-	509,163	-	-	-	509,163	
Interfund Borrowing	-	-	-	-	5,530,149	-	-	5,530,149	
Bond Principal and Interest Payments	-	-	-	-	-	52,745	-	52,745	
Capital Improvements	-	-	-	-	-	-	-	-	
Unassigned	13,222,985	-	-	-	-	-	-	-	
TOTAL FUND BALANCES	<u>\$ 13,222,985</u>	<u>\$ 1,686,560</u>	<u>\$ 331,288</u>	<u>\$ 509,163</u>	<u>\$ 5,530,149</u>	<u>\$ 52,745</u>	<u>\$ -</u>	<u>\$ 21,332,890</u>	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14,296,979</u>	<u>\$ 1,686,880</u>	<u>\$ 331,288</u>	<u>\$ 509,163</u>	<u>\$ 5,530,149</u>	<u>\$ 52,745</u>	<u>\$ -</u>	<u>\$ 22,407,204</u>	

The accompanying Notes are an integral part of these financial statements.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Total Fund Balances - Governmental Funds \$ 21,332,890

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

Cost of Capital Assets	\$ 78,140,510	
Accumulated Depreciation	<u>(27,121,053)</u>	51,019,457

Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

General Obligation Bonds	\$ (14,020,000)	
Capital Leases	<u>(413,100)</u>	<u>(14,433,100)</u>

Total Net Position of Governmental Activities	<u><u>\$ 57,919,247</u></u>
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The accompanying Notes are an integral part of these financial statements.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund		Special Revenue Funds				Debt Service Fund		Capital Projects Fund		Total Governmental Funds
	Education Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund	Working Cash Fund	Bond and Interest Fund	Capital Projects Fund				
RECEIPTS											
Taxes	\$ 24,922,337	\$ 4,404,273	\$ 981,859	\$ 893,631	\$ 106,144	\$ 848,413				\$ 32,266,657	
Tuition	256,656	-	-	-	-	-				256,656	
Earnings on Investments	128,446	9,119	3,096	3,808	107,751	1,463			669	255,352	
Food Service Fees	355,931	-	-	-	-	-			-	355,931	
Transportation Fees	-	-	582,837	-	-	-			-	582,837	
Textbook Fees	-	-	-	-	-	-			-	299,022	
Donations	299,022	-	-	-	-	-			-	299,022	
Rentals	5,602	-	-	-	-	-			-	5,602	
Impact / TIF Fees	-	53,496	-	-	-	-			-	53,496	
Other	-	17,680	-	-	-	-			-	17,680	
State Aid	222,755	5,970	-	-	-	499,000			500,761	1,017,441	
Federal Aid	15,836,055	-	672,840	-	-	-			-	16,308,895	
TOTAL RECEIPTS	\$ 42,480,901	\$ 4,490,538	\$ 2,250,632	\$ 997,439	\$ 213,895	\$ 1,348,876			\$ 501,430	\$ 52,283,711	
DISBURSEMENTS											
Current											
Instruction											
Regular Programs	\$ 26,952,937	\$ -	\$ -	\$ 153,986	\$ -	\$ -			\$ -	\$ 27,106,923	
Special Education Programs	2,413,007	-	-	88,462	-	-			-	2,501,469	
Special Education Programs Pre-K	67,966	-	-	803	-	-			-	68,769	
Remedial and Supplemental Programs K-12	141,898	-	-	1,486	-	-			-	143,384	
Interscholastic Programs	473,255	-	-	9,708	-	-			-	482,963	
Summer School	283,695	-	-	9,655	-	-			-	293,350	
Gifted Programs	486,084	-	-	5,194	-	-			-	491,278	
Bilingual Programs	240,517	-	-	2,813	-	-			-	243,330	
Support Services											
Pupils	2,456,765	-	-	78,233	-	-			-	2,536,998	
Instructional Staff	1,495,241	-	-	49,825	-	-			-	1,545,066	
General Administration	1,000,104	-	-	25,704	-	-			-	1,025,808	
School Administration	1,386,226	-	-	62,762	-	-			-	1,448,988	
Business	1,303,895	2,471,894	2,295,846	279,362	-	-			134,268	6,465,265	
Central	1,412,567	-	-	92,831	-	-			-	1,505,398	
Community Service	74,214	-	-	468	-	-			-	74,882	
Nonprogrammed Charges											
Payments to Other Governments	534,643	96,139	-	76,781	-	-			-	707,563	
Debt Service											
Principal	-	-	-	-	-	2,353,025			-	2,353,025	
Interest and Fees	-	-	-	-	-	539,682			-	539,682	
Capital Outlay	217,258	402,988	-	-	-	-			-	5,126,219	
TOTAL DISBURSEMENTS	\$ 40,942,272	\$ 2,971,031	\$ 2,295,846	\$ 938,073	\$ -	\$ 2,892,707			\$ 5,260,487	\$ 55,300,419	
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 1,538,629	\$ 1,519,507	\$ (45,214)	\$ 59,366	\$ 213,895	\$ (1,543,831)			\$ (4,759,057)	\$ (3,016,705)	
OTHER FINANCING SOURCES (USES)											
Transfers In	-	-	-	-	-	-			-	-	
Transfers Out	(400,691)	(1,044,741)	-	-	(3,811,540)	1,445,432			3,811,540	5,256,972	
TOTAL OTHER FINANCING SOURCES (USES)	\$ (400,691)	\$ (1,044,741)	\$ -	\$ -	\$ (3,811,540)	\$ 1,445,432			\$ 3,811,540	\$ (5,256,972)	
NET CHANGE IN FUND BALANCE	\$ 1,137,938	\$ 474,766	\$ (45,214)	\$ 59,366	\$ (3,597,645)	\$ (98,399)			\$ (947,517)	\$ (3,016,705)	
FUND BALANCE - JULY 1, 2017	12,085,047	1,211,794	376,502	449,797	9,127,794	151,144			947,517	24,349,595	
FUND BALANCE - JUNE 30, 2018	\$ 13,222,985	\$ 1,686,560	\$ 331,288	\$ 509,163	\$ 5,530,149	\$ 52,745			\$ -	\$ 21,332,890	

The accompanying Notes are an integral part of these financial statements.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF CASH RECEIPTS,
DISBURSEMENTS AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Net Change in Fund Balance - Governmental Funds \$ (3,016,705)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful life as depreciation expense.

Capital Outlay	\$ 5,746,475	
Depreciation Expense	<u>(1,906,548)</u>	3,839,927

Issuing long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the statement of net assets.

Principal on Bonds Issued

Repayment/defeasance of long-term debt principal is an expenditure in the governmental funds, but the repayment/refunding reduces long-term liabilities in the statement of net assets.

Principal Paid on Long-Term Debt	2,353,025
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Change in Net Position of Governmental Activities	<u><u>\$ 3,176,247</u></u>
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The accompanying Notes are an integral part of these financial statements.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION ARISING FROM
CASH TRANSACTIONS - FIDUCIARY FUNDS
JUNE 30, 2018

ASSETS

Cash in Checking and Savings Accounts	\$ <u>158,546</u>
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TOTAL ASSETS	\$ <u>158,546</u>
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LIABILITIES

Due to Student Groups	\$ <u>158,546</u>
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TOTAL LIABILITIES	\$ <u>158,546</u>
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NET POSITION	<u><u>\$ -</u></u>
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"FOR INFORMATION
ONLY"
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The accompanying notes are an integral part of these financial statements.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70

NOTES TO FINANCIAL STATEMENTS

LIBERTYVILLE
ELEMENTARY SCHOOL DISTRICT
NO. 70
LIBERTYVILLE, MISSOURI

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

FOR INFORMATION
PURPOSES ONLY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Libertyville Elementary School District No. 70 (the "District") is governed by the District's Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards.

New Accounting Standards

During the fiscal year 2018 the District adopted or considered the following Governmental Accounting Standards Board (GASB) Statements.

- GASBS No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- GASBS No. 77, *Tax Abatement Disclosures*
- GASBS No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- GASBS No. 82, *Pension Issues-an-Amendment of GASB Statements No. 67 and No. 70*

Basis of Presentation

District-wide Statements: The Statement of Net Position and the Statement of Activities display information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, if appropriate. These statements distinguish between the *governmental* and *business-type* activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District has no Business-Type activities.

The Statement of Activities presents a comparison between direct expenses and program receipts for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the District related to the administration and support of the District's Programs, such as personnel and accounting—are not allocated to programs.
- Program receipts include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts that are not classified as program receipts, including all taxes and state formula aid, are presented as general receipts.

Governmental Fund Financial Statements: The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category—governmental, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District maintains individual funds as prescribed by the Illinois State Board of Education. The District reports all its funds as major governmental funds.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

The District reports the following major governmental funds:

- *General Fund.* This fund consists of the Education Fund and is the general operating fund of the District. It is used to account for all financial resources and activities except those that are required to be accounted for in another fund. Tort Immunity and Special Education are included in this fund.
- *Special Revenue Funds.* These funds include the Operations and Maintenance Fund, the Transportation Fund, the Illinois Municipal Retirement/Social Security Fund, and the Working Cash Fund, and is used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service Fund, Capital Projects Fund or Fiduciary Funds) that are legally restricted to cash disbursements for specific purposes. In accordance with the Illinois School Code the District maintains a Working Cash Fund that accounts for financial resources held by the District to be used for temporary inter-fund loans to any other governmental fund. Also, by Board resolution, the financial resources of the Working Cash Fund can be permanently transferred to any other governmental fund through abatement or abolishment. The District considers these resources as stabilization amounts, available for use in emergency situations or when a fund revenue shortfall or budgetary imbalance occurs. Thus the District classifies this fund as a special revenue fund due to the specific limitations on the uses of the resources within this fund.
- *Debt Service Fund.* This fund consists of the Bond and Interest Fund and accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.
- *Capital Projects Fund.* This fund consists of the Capital Projects Fund, and accounts for financial resources to be used for the acquisition, construction or improvement of major capital facilities. Construction bond proceeds and subdivider's land cash ordinance payments are accounted for in this fund.

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. The Agency Fund includes the Student Activity Funds and accounts for assets held by the District as an agent for its students and teachers, and therefore, are not available to support District programs. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the agency fund organizations are equal to the assets.

Basis of Accounting

The district-wide financial statements are reported using the modified cash basis of accounting. The cash basis of accounting is modified to account for: recording of depreciation on fixed assets, recognition of the net depreciated value of fixed assets, and, recognition of long-term liabilities. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. Revenue from property taxes, grants, entitlements and donations are recognized when received consistent with the cash basis of accounting.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting (continued)

The governmental fund financial statements, and all other individual fund financial statements, are reported using the cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to apply cost-reimbursement grant resources to such programs, followed by categorical grants, and then by general revenues.

Investments

Investments are stated at cost, which approximates market value. Gains or losses, if any, on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Restricted Resources

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Capital Assets

Capital assets are reported at actual or estimated historical cost. Contributed assets are reported at estimated fair value at the time received. The District generally capitalizes assets with a cost of \$1,000 or more as purchases occur. Depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows:

	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land Improvements	Straight Line	20 Years
Buildings	Straight Line	50 Years
Furniture and Equipment	Straight Line	10 Years

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

FOR INFORMATION
FOR OFFICIALS ONLY

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting

The budget for all major Governmental Funds is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5/17-1 of the Illinois Compiled Statutes. The July 1, 2017 to June 30, 2018 budget, which was not amended, was approved by the Board of Education on June 26, 2017. For each fund, total fund disbursements may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget by the same procedures required of its original adoption.

2. CASH AND INVESTMENTS

The District maintains common checking, savings and investment accounts for all funds combined with the individual fund balances being maintained by the District Treasurer. Cash is held in various accounts and properly allocated to funds. The District is allowed to invest in securities as authorized by the *Illinois Compiled Statutes*, Chapter 30, Sections 235/2 and 235/6, and Chapter 105, Section 5/8-7.

Deposits

Custodial Credit Risk. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's policy requires deposits to be 102 percent secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation (FDIC) insurance. The District's Board of Education approves and designates a list of authorized depository institutions based on evaluation of solicited responses and certificates provided by financial institutions.

At June 30, 2018, the carrying amount of the District's deposits was \$3,199,725. The deposits in the Student Activity Accounts had a carrying amount of \$158,546. At June 30, 2018, the District and Student Activity Accounts bank balances were \$6,505,227 and \$161,792 respectively. As of June 30, 2018, \$0 of the combined entity's bank balance was exposed to custodial credit risk.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

2. CASH AND INVESTMENTS (continued)

Investments

At June 30, 2018 the District had the following investments:

	<u>Maturity Date</u>	<u>Balance</u>	<u>% of Total</u>
Notes and Bonds			
Federal Home Loan Mortgage Corp	Dec 2037	\$ 190,402	1.0%
US Treasury Bill	Aug 2018	2,598,706	13.5%
Taxable Debt Certificates			
School District Number 68	2019-2021	905,000	4.7%
External Investment Pools			
The Illinois Funds	N/A	111,597	0.6%
Illinois Institutional Investors Trust	N/A	735	0.0%
ISDLAF + Term Series	N/A	11,650,000	60.7%
Illinois School District Liquid Asset Fund	N/A	3,751,039	19.5%
Total		<u>\$ 19,207,479</u>	<u>100.0%</u>

Credit Risk. The District's investments in Federal Home Loan Discount Notes have an average credit quality rating of AAA by Standard and Poor's and Moody's. Certain external investment pools do not have credit quality ratings as established by nationally recognized statistical rating organizations. The Illinois School District Liquid Asset Fund is rated AAA by Standard and Poor's. The District's investment policy does not require minimum levels of credit quality ratings for such investments.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer. Certain of the District's investments are exposed to a concentration of credit risk greater than 5 percent of total investments, as shown in the table above.

Interest Rate Risk. 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 rising interest rates.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

3. CAPITAL ASSETS AND DEPRECIATION

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Capital Assets not Being Depreciated				
Land	\$ 313,824	\$ -	\$ -	\$ 313,824
Construction-in-Progress	-	-	-	-
Total Capital Assets not Being Depreciated	<u>\$ 313,824</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 313,824</u>
Capital Assets Being Depreciated				
Land Improvements	\$ 1,781,874	\$ -	\$ -	\$ 1,781,874
Building and Improvements	56,859,874	5,529,217	-	62,389,091
Furniture and Equipment	12,989,471	666,250	-	13,655,721
Total Capital Assets Being Depreciated	<u>\$ 71,631,219</u>	<u>\$ 6,195,467</u>	<u>\$ -</u>	<u>\$ 77,826,686</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ (789,531)	\$ (61,862)	\$ -	\$ (851,393)
Building and Improvements	(14,424,469)	(1,192,490)	-	(15,616,959)
Equipment	(10,000,505)	(652,196)	-	(10,652,701)
Total Accumulated Depreciation	<u>\$ (25,214,505)</u>	<u>\$ (1,906,548)</u>	<u>\$ -</u>	<u>\$ (27,121,053)</u>
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	<u>\$ 46,416,714</u>	<u>\$ 4,288,919</u>	<u>\$ -</u>	<u>\$ 50,705,633</u>
Capital Assets, net of Accumulated Depreciation	<u>\$ 46,730,538</u>	<u>\$ 4,288,919</u>	<u>\$ -</u>	<u>\$ 51,019,457</u>

Depreciation was not charged to any specific function.

4. LONG-TERM DEBT

Debt Defeasance

During Fiscal Year 2017 the District has defeased a part of certain bond issues by creating a separate irrevocable trust fund. New debt was used to purchase U.S. Government Securities that were placed in a trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the district's government-wide financial statements. As of June 30, 2017, the amount of defeased debt outstanding amounted to \$5,295,000.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

FOR INFORMATION
 PURPOSES ONLY

4. LONG-TERM DEBT

Changes in General Long-Term Debt

	Balance July 1, 2017	Proceeds	Retired/ Defeased	Balance June 30, 2018	Amounts Due Within One Year
2009 General Obligation Bonds	\$ 2,625,000	\$ -	\$ 965,000	\$ 1,660,000	\$ 1,000,000
2011 General Obligation Debt Certs.	1,885,000	-	445,000	1,440,000	460,000
2016 General Obligation Bonds	5,975,000	-	-	5,975,000	-
2017 Refunding Bonds	5,495,000	-	550,000	4,945,000	490,000
Capital Lease Obligations	357,133	448,992	393,025	413,100	126,321
	<u>\$ 22,612,133</u>	<u>\$ 448,992</u>	<u>\$ 8,628,025</u>	<u>\$ 14,433,100</u>	<u>\$ 2,076,321</u>

Cash Flow Requirements

At June 30, 2018, the annual cash flow requirements of Bond Principal and Interest were as follows:

	Year Ending June 30,	Principal	Interest	Total
2009 General Obligation Bonds, Alternate Revenue Source, Original Issue of \$5,310,000, Dated May 1, 2009	2019	\$ 1,000,000	\$ 62,250	\$ 1,062,250
	2020	660,000	24,750	684,750
		<u>\$ 1,660,000</u>	<u>\$ 87,000</u>	<u>\$ 1,747,000</u>

	Year Ending June 30,	Principal	Interest	Total
2011 General Obligation Limited Tax Debt Certificates, Original Issue of \$4,270,000, Dated August 9, 2011	2019	\$ 460,000	\$ 48,400	\$ 508,400
	2020	480,000	29,600	509,600
	2021	500,000	10,000	510,000
		<u>\$ 1,440,000</u>	<u>\$ 88,000</u>	<u>\$ 1,528,000</u>

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

4. LONG-TERM DEBT (continued)

Cash Flow Requirements (continued)

	Year Ending June 30,	Principal	Interest	Total
2016 General Obligation Bonds, Original Issue of \$5,975,000, Dated June 16, 2016	2019	\$ -	\$ 188,250	\$ 188,250
	2020	-	188,250	188,250
	2021	-	188,250	188,250
	2022	-	188,250	188,250
	2023	-	188,250	188,250
	2024	-	188,250	188,250
	2025	-	188,250	188,250
	2026	-	188,250	188,250
	2027	130,000	188,250	318,250
	2028	715,000	184,026	899,026
	2029	755,000	160,788	915,788
	2030	795,000	136,250	931,250
	2031	845,000	110,412	955,412
	2032	890,000	82,950	972,950
	2033	895,000	54,026	949,026
	2034	950,000	24,938	974,938
		<u>\$ 5,975,000</u>	<u>\$ 2,447,640</u>	<u>\$ 8,422,640</u>

At June 30, 2018, the annual cash flow requirements of Bond Principal and Interest were as follows:

	Year Ending June 30,	Principal	Interest	Total
2017 Refunding Bonds Original Issue of \$5,495,000, Dated February 9, 2017	2019	\$ 490,000	\$ 180,500	\$ 670,500
	2020	505,000	165,575	670,575
	2021	525,000	147,500	672,500
	2022	540,000	126,200	666,200
	2023	565,000	104,100	669,100
	2024	590,000	81,000	671,000
	2025	610,000	57,000	667,000
	2018	635,000	32,100	667,100
	2019	485,000	9,700	494,700
		<u>\$ 4,945,000</u>	<u>\$ 903,675</u>	<u>\$ 5,848,675</u>

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

4. LONG-TERM DEBT (continued)

Cash Flow Requirements (Continued)

At June 30, 2018, the annual cash flow requirements of Bond Principal and Interest were as follows:

	Year Ending June 30,	Principal	Interest	Total
Total All Issues	2019	\$ 1,950,000	\$ 479,400	\$ 2,429,400
	2020	1,645,000	408,175	2,053,175
	2021	1,025,000	345,750	1,370,750
	2022	540,000	314,450	854,450
	2023	565,000	292,350	857,350
	2024	590,000	269,250	859,250
	2025	610,000	245,250	855,250
	2026	635,000	220,350	855,350
	2027	615,000	197,950	812,950
	2028	715,000	184,026	899,026
	2029	755,000	160,788	915,788
	2030	795,000	136,250	931,250
	2031	845,000	110,412	955,412
	2032	890,000	82,950	972,950
	2033	895,000	54,026	949,026
	2034	950,000	24,938	974,938
		<u>\$ 14,020,000</u>	<u>\$ 3,526,315</u>	<u>\$ 17,546,315</u>

The 2011, 2016 and 2017 general obligation bonds will be paid from the bond and interest fund with resources provided by specific bond and interest fund tax levies. The 2009 debt obligations will be paid from current operating funds of the operations and maintenance fund.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

4. LONG-TERM DEBT (continued)

Capital Lease Agreements

The District has entered into capital lease agreements for the acquisition of new computers and office equipment. Payments on these lease agreements will be made from current operating funds of the general (education) fund. The total amount of assets acquired under these capital lease agreements has been included in capital assets as equipment in the year of acquisition. As of June 30, 2018 the total cost of equipment acquired under these capital lease agreements was \$1,630,275 accumulated depreciation related to these assets was \$541,361. At June 30, 2018 the total remaining principal and interest amounts due under capital lease agreements were as follows:

	Principal	Interest	Total
Year Ending June 30, 2019	\$ 142,388	\$ 16,859	\$ 159,247
Year Ending June 30, 2020	85,769	12,071	97,840
Year Ending June 30, 2021	89,714	8,128	97,842
Year Ending June 30, 2022	95,229	4,104	99,333
	<u>\$ 413,100</u>	<u>\$ 41,162</u>	<u>\$ 454,262</u>

Debt Limit

The Illinois school Code limits the amount of indebtedness to 6.9 percent of \$ 1,084,827,541 the most recent available assessed valuation of the District. Thus, the District's remaining debt margin at June 30, 2018, is \$60,420,000, which is 80.70 percent of its total legal debt limit.

5. FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

Nonspendable Fund Balance

The nonspendable fund balance classification 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 "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories or prepaid amounts. Because the District reports on the cash basis of accounting all such items are expensed at the time of purchase, and therefore there are no amounts that fall into this classification.

Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the District, such as restrictions imposed by creditors, grantors, contributors, and laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special revenue funds are, by definition, restricted for their specific purposes and therefore the fund balances of the special revenue funds are classified as restricted.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

5. FUND BALANCE REPORTING (continued)

Committed Fund Balance

The committed fund balance classification 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 District's Board of Education). Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The District's Board of Education commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. No funds are currently committed.

Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the District's Board of Education itself, or a body (a board committee, for example) or District official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

Net Position Restrictions

The district-wide statement of net position reports \$8,109,905 of restricted net position, all of which is restricted by enabling legislation for specific purposes.

6. SPECIAL TAX LEVIES - TORT IMMUNITY INSURANCE

The District does not levy the Tort Immunity (liability insurance) special tax levy. Tort Immunity related disbursements have been included in the operations of the general (education) fund. As required by the Illinois State Board of Education the District reports the following disbursements for tort immunity purposes for the year ended June 30, 2018:

Property and Liability Insurance	\$	85,521
Workers Compensation Insurance		91,438
		\$ 176,959

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

7. RETIREMENT FUND COMMITMENTS

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

Plan Description

The School 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 non-annuitants 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 <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 West Washington Street, PO Box 19253, Springfield, IL 62794-9253; or by calling (888) 877-08930, option 2.

Benefits Provided

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

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement account plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2019.

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.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (continued)

Contributions (continued)

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the 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 District. 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 \$13,204,816 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. This contribution rate is specified by statute. Contributions for the year ended June 30, 2018 were \$000,000.

Federal and Special Trust Fund Contributions: When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District 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.

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, salaries totaling \$101,512 were paid from federal and special trust funds that required employer contributions of \$10,253.

Early Retirement Cost Contributions: Under GASB 68 Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program 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.

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 \$-0- 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.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (continued)

Net Pension Liability and Pension Expense

At June 30, 2017, the most recent actuarial valuation date, the District's proportionate share of the net pension liability (first amount shown below) reflects a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The District's proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	2,768,422
State's proportionate share of the net pension liability associated with the District		<u>131,967,430</u>
	\$	<u><u>134,735,852</u></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 projected contributions of all participating TRS employers and the state during that period. At June 30, 2017 the District's proportionate share was 0.362368 percent, which was an increase (decrease) of 0.006447 from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$13,204,816 and revenue of \$13,204,816 for support provided by the state.

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: the Inflation Rate was assumed to be 2.50%; Salary Increases were expected to be varied by amount of service credit; the Investment Rate of Return, net of pension plan investment expense, and including inflation, was assumed to be 7.00%.

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:

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

"GROUP"
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7. RETIREMENT FUND COMMITMENTS (continued)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (continued)

Actuarial Assumptions (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equities Large Cap	14%	6.94%
U.S. Equities Small Cap	4%	8.09%
Intl Equities Developed	14%	7.46%
Emerging Market Equities	4%	10.15%
U.S. Bond Core	11%	2.44%
Intl Debt Developed	5%	1.70%
Real Estate	15%	5.44%
Commodities (Real Return)	11%	4.28%
Hedge Funds	8%	4.16%
Private Equity	14%	10.63%
	<u>100%</u>	

Discount Rate

At June 30, 2017, the discount rate used to measure the total pension liability was a 7.00 percent, which is 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 not 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. Despite the subsidy, all projected future payments were not covered, so a slightly lower 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 the same as the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were sufficient to cover all projected benefit payments.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

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7. RETIREMENT FUND COMMITMENTS (continued)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS (continued)

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 3,401,368	\$ 2,768,422	\$ 2,249,987

TRS Fiduciary Net Position

Detailed information about TRS's fiduciary net position as of June 30, 2017 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description

The District's defined benefit pension plan provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund that acts as a common investment and administrative agent for local governments and school districts in Illinois. A summary of IMRF's pension benefits is provided in the *Benefits Provided* section of this note. Details of all benefits are available from IMRF. Benefits 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 may be obtained on-line at www.imrf.org or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Benefits Provided

The District's IMRF members participate in IMRF's "Regular Plan". IMRF's regular plan has 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 3% of the original amount on January 1 every year after retirement.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 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 consecutive 96 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
- ½ of the increase in the Consumer Price Index (CPI) of the original pension amount.

Employees Covered by the Benefit Terms

As of December 31, 2017, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiveing benefits	103
Inactive Plan Members entitled to but not yet receiving benefits	177
Active Plan Members	85
Total	365

Contributions

As set by statute, employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the District 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 11.52 percent. The District's actual contribution for calendar year 2017 was \$346,432. 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. For the fiscal year ended June 30, 2018 the District recognized pension expense of \$346,432 for payments made to IMRF.

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.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

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7. RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2017; The Actuarial Cost Method used was Entry Age Normal; the Asset Valuation Method used was Market Value of Assets; the Inflation Rate was assumed to be 2.50%; Salary Increases were expected to be 3.39% to 14.25% including inflation; the Investment Rate of Return was assumed to be 7.50%; the Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016; the IMRF-specific Rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuity Mortality Table with adjustments to match current IMRF experience; for Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives; for Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017(base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience; 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 weighing 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 tables of December 31, 2017:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	6.85%
International Equity	17%	6.75%
Fixed Income	27%	3.00%
Real Estate	8%	5.75%
Alternative Investments	9%	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, 1) 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, 2) 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%.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

"LIBERTY"
 FOR DISCUSSION
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7. RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 14,806,122	\$ 12,675,032	\$ 2,131,090
Changes for the Year:			
Service Cost	328,972	-	328,972
Interest on the Total Pension Liability	1,096,836	-	1,096,836
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	163,250	-	163,250
Changes of Assumptions	(488,538)	-	(488,538)
Contributions - Employer	-	346,432	(346,432)
Contributions - Employees	-	136,526	(136,526)
Net Investment Income	-	2,235,256	(2,235,256)
Benefit Payments, including Refunds of Employee Contributions	(692,259)	(692,259)	-
Other (Net Transfer)	-	(199,857)	199,857
Net Changes	<u>408,261</u>	<u>1,826,098</u>	<u>(1,417,837)</u>
Balances at December 31, 2017	<u>\$ 15,214,383</u>	<u>\$ 14,501,130</u>	<u>\$ 713,253</u>

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

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

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 17,026,715	\$ 15,214,383	\$ 13,703,022
Plan Fiduciary Net Position	14,501,130	14,501,130	14,501,130
Net Pension Liability (Asset)	<u>\$ 2,525,585</u>	<u>\$ 713,253</u>	<u>\$ (798,108)</u>

AGGREGATE PENSION-RELATED INFORMATION

Aggregate pension related information of the District at June 30, 2018 is as follows:

	Net Pension Liability	Amount Recognized As Expense
Teachers' Retirement System (TRS)	\$ 2,768,422	\$ 2,768,422
Illinois Municipal Retirement Fund (IMRF)	713,253	713,253
	<u>\$ 3,481,675</u>	<u>\$ 3,481,675</u>

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

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7. RETIREMENT FUND COMMITMENTS (continued)

SOCIAL SECURITY

Employees not qualifying for coverage under the Illinois Downstate Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$202,825, the total required contribution for the current fiscal year.

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

TEACHER HEALTH INSURANCE SECURITY FUND

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, 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.

Benefits Provided

The THIS fund provides medical, prescription, and behavioral health benefits, but 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.

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.

Contributions

Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active members of TRS, including substitute and part-time non-contractual teachers, who are not employees of a state agency covered by the state employees' health plan, to make a contribution to the THIS Fund. The member contribution rate for the year ended June 30, 2018 was 1.18 percent of earnings.

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.

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 were \$217,214 and the District recognized revenue and expenditures of this amount during the year.

Employer Contributions to THIS Fund: The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.88 percent during the year ended June 30, 2018. For the year ended June 30, 2018, the District paid \$161,989, which was 100 percent of the required contribution.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

TEACHER HEALTH INSURANCE SECURITY FUND (continued)

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2017. The total net OPEB liability is the Plan's total OPEB liability less the fiduciary net position. The net OPEB liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2016, the most recent actuarial valuation date, the District's proportionate share of the net OPEB liability was \$18,460,513. 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 contributions of all participating THIS employers and the state during that period. At June 30, 2017 the District's proportionate share was 0.0071140 percent, which was an increase (decrease) of 0.003324 from its proportion measured as of June 30, 2016.

Actuarial Assumptions and Discount Rate

The total OPEB liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement: the Inflation Rate was assumed to be 2.75%; Salary Increases were expected to be varied by amount of service credit and ranges from 9.25 at 1 year of service to 3.25% at 20 or more years of service, including a 3.25% wage inflation assumption; the Investment Rate of Return, net of pension plan investment expense, and including inflation, was assumed to be 0.00%; the Healthcare Cost Trend Rates were actual trend used for fiscal year 2017, and for fiscal years on and after 2018, trend starts at 8.00% and 9.00% for non-Medicare costs 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 costs on and after 2020 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant Table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2014. The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2014.

Projected benefit payments were discounted to their actual present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with long-term expected rate of return are not met). Since THIS is financed on a pay-as-you-go basis, a discount rate consistent with 20-year general obligation bond index has been selected. The discount rates are 2.85% as of June 30, 2016, and 3.56% as of June 30, 2017. The increase in the single discount rate from 2.85% to 3.56% caused the total OPEB liability to decrease by approximately \$3.564 billion from 2016 to 2017.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

TEACHER HEALTH INSURANCE SECURITY FUND (continued)

Actuarial Assumptions and Discount Rate (continued)

During plan year ending June 30, 2017, the trust earned \$357,000 in interest, and due to a significant benefit payable, the market value of assets at June 30, 2017 was a negative \$43 million. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumption was set to zero.

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%, 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%) or 1-percentage-point higher (4.56%) 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	\$ 22,152,519	\$ 18,460,513	\$ 15,506,323

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

The following presents the District's proportionate share of the net OPEB liability calculated using the healthcare cost trend rates as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point higher or lower, than the current healthcare cost trend rates. 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% decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

	1% Decrease (a)	Healthcare Cost Trend Rate Assumption	1% Increase (b)
District's Proportionate Share of the Net OPEB Liability	\$ 14,899,525	\$ 18,460,513	\$ 23,571,709

(a) 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.

(b) 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.

THIS Fiduciary Net Position

Detailed information about THIS's fiduciary net position as of June 30, 2017 is available in the separately issued THIS *Financial Audit*.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(Continued)

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

DISTRICT POST-RETIREMENT HEALTH PLAN

Plan Description:

The District provides pre and post-Medicare postretirement healthcare benefits to all employees who work for the District and receives a pension from the District through Illinois Municipal Retirement Fund (IMRF). There is an additional requirement of 20 years of service to be eligible for retiree healthcare benefits. Non-certified district employees may continue healthcare coverage after retirement through the district's health care plan.

Certified and Administrative employees have an option to elect coverage under the TRS sponsored plan (TRS) and receive reimbursement until age 65. Certified staff receive \$1,000 annually towards the TRS plan premium and Administrative staff receive either \$1,500 or 50% of the TRS plan premium. The employee must have completed 20 years in the District to receive this benefit.

Funding Policy:

Retiree healthcare benefits are funded on a pay as you go basis.

Benefit Provisions:

The District sponsors multiple PPO plans with varying deductibles depending upon "In Network or Out of Network" providers. The deductibles in the PPO plans range from \$350 per person to \$700 per person. The District also carries a HMO 20 and HMO 30 Illinois plan with no annual deductible.

Actuarial Method and Assumptions

Actuarial Valuation Date: July 1, 2017

Measurement Date: April, 2018

Actuarial Cost Method: Entry Age Normal

Actuarial Value of Assets: No Assets (Pay-as-you-go)

Amortization Method: Level-Percent Open

Remaining Amortization Period: 30 Year

Wage Inflation 4.00%

Health Care Trend: 5.0% per year graded down to, 4.5% per year ultimate trend in 0.5% increments

Funded Ratio: 0%

Covered Payroll: \$2,911,372

Total OPEB Liability as a percentage of covered payroll: 6.94%

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

DISTRICT POST-RETIREMENT HEALTH PLAN (continued)

Employees Covered by Benefit Terms:

As of July 1, 2017, the following participants are covered by the plan.

	OPEB
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	1
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	83
Total Plan Members	84

Discount Rate:

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. The municipal bond rate is 3.62% as of June 30, 2018, (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index). The discount rate was 3.56% as of June 30, 2017.

Annual OPEB Costs and Net OPEB Obligation

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (Asset) (A)-(B)
Balance of OPEB Liability at July 1, 2017	\$ -	\$ -	\$ -
Changes for the year			
Service Costs	10,405	-	10,405
Other Changes	202,174	-	202,174
Benefit payments & refunds	(10,658)	-	(10,658)
Net changes in total OPEB liability	201,921	-	201,921
Balance of OPEB Liability as of June 30, 2018	\$ 201,921	\$ -	\$ 201,921

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate & Healthcare Trends

The following presents the District's proportionate share of the net OPEB liability calculation using the discount rate of 3.57 percent, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher.

	1% Decrease 2.27%	Discount Rate Assumption 3.57%	1% Increase 4.57%
District's proportionate share of the Net OPEB Liability	\$ 218,342	\$ 201,921	\$ 187,366

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

FOR DISTRIBUTION
 PURPOSES ONLY

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

DISTRICT POST-RETIREMENT HEALTH PLAN (continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate & Healthcare Trends (continued)

The following presents the net OPEB liability of the School District would be if it were calculated using healthcare cost trend rates that are using the discount rate of 3.57 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 one percent lower or one percent higher.

	1% Decrease 2.57%	Healthcare Cost Trend Rate 3.57%	1% Increase 4.57%
District's proportionate share of the Net OPEB Liability	\$ 192,072	\$ 201,921	\$ 212,250

9. PROPERTY TAXES

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2017 Levy was passed by the Board on November 27, 2017. Property taxes attach as an enforceable lien on property as of January 1, of the Levy year, and are payable in two installments on approximately June 1, and September 1, of the year subsequent to the Levy year. The District receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded on these financial statements are from the 2017 and 2016 tax levy years.

The following are the tax rate limits permitted by the School Code, and by local referendum, and the actual rates levied per \$100.00 of assessed valuation.

	Legal Limit	Actual	
		2017 Levy	2016 Levy
Educational	3.5000	\$ 2.1982	\$ 2.2624
Operations and Maintenance	0.5500	0.3879	0.4012
Bond and Interest	*	0.0721	0.0804
Transportation	0.1200	0.0892	0.0880
Municipal Retirement	*	0.0230	0.0186
Social Security	*	0.0230	0.0186
SEDOL IMRF	*	0.0071	0.0075
Working Cash	0.0500	0.0098	0.0100
		<u>\$ 2.8103</u>	<u>\$ 2.8867</u>

* As Needed

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

(Continued)

LIBERTYVILLE
FOIA DISCLOSURE
PUBLIC USE ONLY

10. INTERFUND BALANCES AND TRANSFERS

During the year the District made the following interfund transfers of fund balance and interest earnings as permitted by the Illinois School Code. These amounts were considered excess fund balance and interest earnings and were transferred to the funds deemed most in need of such excess.

	To	From
Special Revenue Funds		
Working Cash Fund		\$ 3,811,540
Capital Projects Fund	3,811,540	

11. JOINT AGREEMENTS

The District participates with other Illinois school districts in certain cooperative educational organizations, known as joint agreements. These joint agreements are owned by the participants and are operated for the specific purposes stated in the joint agreement document, e.g., Special Education, Vocational/Technical Education, etc. This district has, in accordance with the generally accepted practice of other Illinois school districts, charged the cost of its investment to current expenditures in the year paid. The investment is not capitalized and it is unclear whether the District would receive any return on its investment should it choose to withdraw from the joint agreement.

Special Education District of Lake County

The District is a member of the Special Education District of Lake County (SEDOL), along with other area school districts. SEDOL provides special education programs, and services, which benefit District students, and also provides jointly administered grants and programming, which benefits the District. The District is financially responsible for annual and special assessments as established by the SEDOL governing board, and fees for programs and services based on usage. SEDOL is separately audited and its financial information is not included in these financial statements. Financial information may be obtained directly from SEDOL by contacting its administration at 18160 Gages Lake Road, Gages Lake, Illinois 60030.

12. 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 and natural disasters. To protect against such risks the District participates as a member of the following public entity risk pools: the District is a member of the Collective Liability Insurance Cooperative (CLIC), along with other area school districts. The District obtains property, liability, and workers compensation insurance, and claims and loss administration services, through CLIC. The District is financially responsible for annual premiums based on types and levels of coverage; also, the District is a member of the Northern Illinois Health Insurance Pool (NIHIP), along with other area school districts. The District obtains health, dental, and life insurance, and claims administration services through NIHIP. The District is financially responsible for monthly premiums based on the types of coverages selected by employees. The District also carries commercial insurance for certain other risks of loss, including torts, professional liability.

There have been no significant reductions in coverage from the prior year, and settlements, if any, have not exceeded coverage in the past three years.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2018
 (Continued)

13. OVER-EXPENDITURE OF BUDGET

For the year ended June 30, 2018, actual direct disbursements in the following funds:

	<u>Actual</u>	<u>Budget</u>	<u>Excess</u>
General Fund			
Education fund	\$ 40,942,272	\$ 27,886,700	\$ 13,055,572
Special Revenue Fund			
Transportation Fund	2,295,846	2,023,500	272,346
Bond & Interest Fund	2,892,707	2,367,600	525,107

"DRAFT"
 FOR DISCUSSION
 PURPOSES ONLY

"DRAFT"
FOR DISCUSSION
PURPOSES ONLY

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70

SUPPLEMENTARY INFORMATION

FOR INFORMATION
PURPOSES ONLY

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70

AUDITED INDIVIDUAL FUND FINANCIAL STATEMENTS

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 EDUCATION FUND
 FOR THE YEAR ENDED JUNE 30, 2018

RECEIPTS	Original and Final Budget	Actual
Receipts from Local Sources		
Taxes	\$ 23,657,000	\$ 24,922,337
Tuition	270,000	256,656
Earnings on Investments	50,000	129,446
Food Service Fees	360,000	355,931
Textbook Fees	225,000	299,022
Donations	7,500	5,602
Surplus Moneys from TIF District	696,500	-
Other	180,000	222,755
Total Receipts from Local Sources	\$ 25,446,000	\$ 26,191,749
Receipts from State Sources		
General State Aid	\$ 1,020,000	\$ 1,789,679
Special Education	950,000	638,267
Total Receipts from State Sources	\$ 1,970,000	\$ 2,431,239
Receipts from Federal Sources		
Title I - Low Income	\$ 122,500	\$ 118,237
Federal Special Education	-	51,604
Title II - Teacher Quality	-	50,404
Special Education - Pre-School - Flow-Through	347,100	356,081
Medicaid Matching Funds	75,000	72,779
Total Receipts from Federal Sources	\$ 544,600	\$ 653,097
Total Direct Receipts	\$ 27,960,600	\$ 29,276,085
"On-Behalf" Receipt for TRS Benefits	-	13,204,816
TOTAL RECEIPTS	\$ 27,960,600	\$ 42,480,901
TOTAL DISBURSEMENTS	27,886,700	40,942,272
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 73,900	\$ 1,538,629
OTHER FINANCING SOURCES (USES)		
Transfers Out	\$ (596,900)	\$ (400,691)
Transfer In	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ (596,900)	\$ (400,691)
NET CHANGE IN FUND BALANCE	\$ (523,000)	\$ 1,137,938
FUND BALANCE - JULY 1, 2017		12,085,047
FUND BALANCE - JUNE 30, 2018		\$ 13,222,985

See accompanying Independent Auditor's Report.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
SCHEDULE OF DISBURSEMENTS
BUDGET AND ACTUAL
EDUCATION FUND
FOR THE YEAR ENDED JUNE 30, 2018

INSTRUCTION	Original and Final Budget	Actual
Regular Programs		
Salaries	\$ 11,480,800	\$ 11,411,249
Employee Benefits	1,817,300	1,953,072
Purchased Services	50,100	42,170
Supplies & Materials	286,600	238,286
Capital Outlay	47,000	39,694
Termination Benefits	130,300	103,344
Total Regular Programs	<u>\$ 13,812,100</u>	<u>\$ 13,787,815</u>
Special Education Programs		
Salaries	\$ 1,530,700	\$ 1,569,746
Employee Benefits	382,100	429,022
Purchased Services	14,000	37,799
Supplies & Materials	27,000	10,744
Capital Outlay	2,700	-
Tuition	410,000	365,696
Total Special Education Programs	<u>\$ 2,366,500</u>	<u>\$ 2,413,007</u>
Special Education Programs Pre-K		
Salaries	\$ 53,300	\$ 55,214
Employee Benefits	10,400	10,763
Supplies & Materials	500	1,989
Total Special Education Programs Pre-K	<u>\$ 64,200</u>	<u>\$ 67,966</u>
Remedial and Supplemental Programs K-12		
Salaries	\$ 101,500	\$ 113,308
Employee Benefits	50,200	21,427
Purchased Services	19,700	2,720
Supplies & Materials	100	4,443
Total Remedial and Supplemental Programs K-12	<u>\$ 171,500</u>	<u>\$ 141,898</u>
Interscholastic Programs		
Salaries	\$ 450,000	\$ 455,885
Employee Benefits	6,400	6,300
Purchased Services	9,000	9,428
Supplies & Materials	3,600	1,642
Capital Outlay	4,500	10,164
Total Interscholastic Programs	<u>\$ 473,500</u>	<u>\$ 483,419</u>
Summer School		
Salaries	\$ 263,800	\$ 268,662
Employee Benefits	2,900	2,732
Purchased Services	2,700	2,570
Supplies & Materials	13,500	9,731
Total Summer School	<u>\$ 282,900</u>	<u>\$ 283,695</u>

See accompanying Independent Auditor's Report.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
SCHEDULE OF DISBURSEMENTS (CONTINUED)
BUDGET AND ACTUAL
EDUCATION FUND
FOR THE YEAR ENDED JUNE 30, 2018

INSTRUCTION (CONTINUED)	Original and Final Budget	Actual
Gifted Programs		
Salaries	\$ 389,100	\$ 385,981
Employee Benefits	65,600	85,290
Supplies & Materials	6,000	9,513
Total Gifted Programs	<u>\$ 460,700</u>	<u>\$ 486,084</u>
Bilingual Programs		
Salaries	\$ 203,800	\$ 201,908
Employee Benefits	27,200	32,255
Purchased Services	2,300	6,354
Supplies & Materials	600	-
Total Bilingual Programs	<u>\$ 233,900</u>	<u>\$ 240,517</u>
TOTAL INSTRUCTION	<u>\$ 17,865,300</u>	<u>\$ 17,904,401</u>
SUPPORT SERVICES		
Pupils		
Salaries	\$ 2,102,800	\$ 2,129,901
Employee Benefits	273,600	300,677
Purchased Services	13,100	17,092
Supplies & Materials	13,200	11,095
Total Pupils	<u>\$ 2,402,700</u>	<u>\$ 2,458,865</u>
Instructional Staff		
Salaries	\$ 826,300	\$ 822,070
Employee Benefits	182,200	164,877
Purchased Services	112,700	157,576
Supplies & Materials	325,200	350,718
Capital Outlay	13,500	6,128
Total Instructional Staff	<u>\$ 1,459,900</u>	<u>\$ 1,501,369</u>
General Administration		
Salaries	\$ 537,800	\$ 533,676
Employee Benefits	78,500	74,321
Purchased Services	328,100	380,458
Supplies & Materials	14,800	11,649
Capital Outlay	3,200	-
Total General Administration	<u>\$ 962,400</u>	<u>\$ 1,000,104</u>
School Administration		
Salaries	\$ 1,081,800	\$ 1,153,046
Employee Benefits	184,000	188,036
Purchased Services	35,200	40,011
Supplies & Materials	11,600	5,133
Capital Outlay	10,100	3,197
Total School Administration	<u>\$ 1,322,700</u>	<u>\$ 1,389,423</u>

See accompanying Independent Auditor's Report.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 SCHEDULE OF DISBURSEMENTS (CONTINUED)
 BUDGET AND ACTUAL
 EDUCATION FUND
 FOR THE YEAR ENDED JUNE 30, 2018

SUPPORT SERVICES (CONTINUED)	Original and Final Budget	Actual
Business		
Salaries	\$ 629,500	\$ 574,828
Employee Benefits	61,800	60,286
Purchased Services	821,200	646,995
Supplies & Materials	21,200	21,786
Capital Outlay	7,000	2,429
Total Business	<u>\$ 1,540,700</u>	<u>\$ 1,306,324</u>
Central		
Salaries	\$ 891,900	\$ 912,526
Employee Benefits	148,800	141,429
Purchased Services	314,000	294,828
Supplies & Materials	84,000	63,784
Capital Outlay	217,300	155,546
Total Central	<u>\$ 1,656,000</u>	<u>\$ 1,568,113</u>
TOTAL SUPPORT SERVICES	<u>\$ 9,344,400</u>	<u>\$ 9,224,198</u>
 COMMUNITY SERVICES		
Salaries	\$ 31,300	\$ 34,871
Employee Benefits	600	1,534
Purchased Services	-	-
Supplies & Materials	36,100	37,809
TOTAL COMMUNITY SERVICES	<u>\$ 68,000</u>	<u>\$ 74,214</u>
 NONPROGRAMMED CHARGES		
Payments for Special Education Programs		
Purchased Services	\$ 58,300	\$ 71,370
Other	550,700	463,273
TOTAL NONPROGRAMMED CHARGES	<u>\$ 609,000</u>	<u>\$ 534,643</u>
 Total Direct Disbursements	 \$ 27,886,700	 \$ 27,737,456
"On-Behalf" Disbursement for TRS Benefits	<u>-</u>	<u>13,204,816</u>
TOTAL DISBURSEMENTS	<u>\$ 27,886,700</u>	<u>\$ 40,942,272</u>

See accompanying Independent Auditor's Report.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
OPERATIONS AND MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 4,192,500	\$ 4,404,273
Surplus Moneys from TIF District	100,000	-
Earnings on Investments	2,000	9,119
Rentals	60,000	53,496
Impact Fees	20,000	17,680
Other	500	5,970
	<u>\$ 4,375,000</u>	<u>\$ 4,490,538</u>
TOTAL RECEIPTS		
DISBURSEMENTS		
Support Services		
Operations and Maintenance		
Salaries	\$ 1,196,700	\$ 1,204,766
Employee Benefits	290,400	296,354
Purchased Services	414,500	452,822
Supplies & Materials	591,500	517,952
Capital Outlay	550,000	402,998
Total Support Services	<u>\$ 3,043,100</u>	<u>\$ 2,874,892</u>
Nonprogrammed Charges		
Payments for Special Education Programs		
Other	\$ 98,800	\$ 96,139
	<u>\$ 3,141,900</u>	<u>\$ 2,971,031</u>
TOTAL DISBURSEMENTS		
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ 1,233,100</u>	<u>\$ 1,519,507</u>
OTHER FINANCING SOURCES (USES)		
Transfers Out	\$ (1,250,500)	\$ (1,044,741)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (1,250,500)</u>	<u>\$ (1,044,741)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (17,400)</u>	<u>\$ 474,766</u>
FUND BALANCE - JULY 1, 2017		<u>1,211,794</u>
FUND BALANCE - JUNE 30, 2018		<u>\$ 1,686,560</u>

See accompanying Independent Auditor's Report.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 TRANSPORTATION FUND
 FOR THE YEAR ENDED JUNE 30, 2018

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 920,200	\$ 991,859
Earnings on Investments	5,000	3,096
Transportation Fees	376,000	582,837
Total Receipts from Local Sources	\$ 1,301,200	\$ 1,577,792
Receipts from State Sources		
State Transportation Aid	650,000	672,840
TOTAL RECEIPTS	\$ 1,951,200	\$ 2,250,632
DISBURSEMENTS		
Support Services		
Pupil Transportation		
Salaries	\$ 16,500	\$ 16,500
Purchased Services	1,501,700	1,561,243
Supplies & Materials	505,300	718,103
Total Support Services	\$ 2,023,500	\$ 2,295,846
TOTAL DISBURSEMENTS	\$ 2,023,500	\$ 2,295,846
NET CHANGE IN FUND BALANCE	\$ (72,300)	\$ (45,214)
FUND BALANCE - JULY 1, 2017		376,502
FUND BALANCE - JUNE 30, 2018		\$ 331,288

See accompanying Independent Auditor's Report.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 907,000	\$ 993,631
Earnings on Investments	1,000	3,808
TOTAL RECEIPTS	\$ 908,000	\$ 997,439
DISBURSEMENTS		
Instruction		
Employee Benefits		
Regular Programs	\$ 162,700	\$ 153,986
Special Education Programs	81,700	88,462
Special Education Programs Pre-K	800	803
Remedial and Supplemental Programs K-12	1,500	1,486
Gifted Programs	5,700	5,194
Interscholastic Programs	9,000	9,708
Summer School Programs	8,900	9,655
Bilingual Programs	3,000	2,813
Total Instruction	\$ 273,300	\$ 272,107
Support Services		
Employee Benefits		
Attendance and Social Work Services	\$ 8,200	\$ 7,930
Health Services	60,400	54,978
Psychological Services	5,200	5,827
Speech Pathology & Audiology Services	11,800	9,498
Improvement of Instruction Services	19,700	18,472
Educational Media Services	30,400	31,353
Executive Administration Services	17,700	15,955
Special Area Administrative Services	9,200	9,749
Office of the Principal Services	63,600	62,762
Direction of Business Support Services	16,000	15,399
Fiscal Services	27,700	27,806
Operations and Maintenance Services	227,400	224,348
Food Services	16,200	11,809
Information Services	13,900	13,293
Staff Services	9,900	13,172
Data Processing Services	69,100	66,366
Total Support Services	\$ 606,400	\$ 588,717
Community Services		
Employee Benefits	\$ 500	\$ 468
Nonprogrammed Charges		
Payments for Special Education Programs	\$ 76,800	\$ 76,781
TOTAL DISBURSEMENTS	\$ 957,000	\$ 938,073
NET CHANGE IN FUND BALANCE	\$ (49,000)	\$ 59,366
FUND BALANCE - JULY 1, 2017		449,797
FUND BALANCE - JUNE 30, 2018		\$ 509,163

See accompanying Independent Auditor's Report.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 WORKING CASH FUND
 FOR THE YEAR ENDED JUNE 30, 2018

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 102,700	\$ 106,144
Earnings on Investments	43,700	107,751
	\$ 146,400	\$ 213,895
TOTAL RECEIPTS		
DISBURSEMENTS		
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 146,400	\$ 213,895
OTHER FINANCING SOURCES (USES)		
Permanent Transfer of Working Cash Fund	(4,332,700)	(3,811,540)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (4,332,700)	\$ (3,811,540)
NET CHANGE IN FUND BALANCE	\$ (4,186,300)	\$ (3,597,645)
FUND BALANCE - JULY 1, 2017		9,127,794
FUND BALANCE - JUNE 30, 2018		\$ 5,530,149

See accompanying Independent Auditor's Report.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 BOND AND INTEREST FUND
 FOR THE YEAR ENDED JUNE 30, 2018

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes	\$ 829,200	\$ 848,413
Earnings on Investments	500	1,463
Surplus Moneys from TIF District	-	499,000
Total Receipts from Local Sources	\$ 829,700	\$ 1,348,876
TOTAL RECEIPTS	\$ 829,700	\$ 1,348,876
DISBURSEMENTS		
Debt Service		
Interest on Bonds	\$ 537,300	\$ 538,257
Bond Principal Retired	1,826,500	2,353,025
Fees on Bonds	3,800	1,425
	\$ 2,367,600	\$ 2,892,707
TOTAL DISBURSEMENTS	\$ 2,367,600	\$ 2,892,707
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,537,900)	\$ (1,543,831)
OTHER FINANCING SOURCES (USES)		
Transfers In	\$ 1,847,400	\$ 1,445,432
TOTAL OTHER FINANCING SOURCES (USES)	\$ 1,847,400	\$ 1,445,432
NET CHANGE IN FUND BALANCE	\$ 309,500	\$ (98,399)
FUND BALANCE - JULY 1, 2017		151,144
FUND BALANCE - JUNE 30, 2018		\$ 52,745

See accompanying Independent Auditor's Report.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>
RECEIPTS		
Receipts from Local sources		
Earnings on Investments	\$ 1,000	\$ 669
TOTAL RECEIPTS	<u>\$ 1,000</u>	<u>\$ 501,430</u>
DISBURSEMENTS		
Facilities Acquisition and Construction Services		
Purchased Services	\$ 150,000	\$ 134,268
Capital Outlay	5,112,700	5,126,219
TOTAL DISBURSEMENTS	<u>\$ 5,262,700</u>	<u>\$ 5,260,487</u>
NET CHANGE IN FUND BALANCE	\$ (5,261,700)	\$ (4,759,057)
OTHER FINANCING SOURCES (USES)		
Transfers In	\$ 4,332,700	\$ 3,811,540
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 4,332,700</u>	<u>\$ 3,811,540</u>
NET CHANGE IN FUND BALANCE	<u>\$ (929,000)</u>	\$ (947,517)
FUND BALANCE - JULY 1, 2017		<u>947,517</u>
FUND BALANCE - JUNE 30, 2018		<u>\$</u>

See accompanying Independent Auditor's Report.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Receipts	Disbursements	Balance June 30, 2017
STUDENT ACTIVITY ACCOUNTS				
ASSETS				
Cash in Bank Accounts	\$ 174,671	\$ 218,755	\$ 234,880	\$ 158,546
LIABILITIES				
Due to Student Groups				
Adler School	\$ 3,613	\$ 6,738	\$ 7,697	\$ 2,654
Adler School - Vending	4,118	433	1,177	3,374
Butterfield School	16,234	45,876	36,194	25,916
Butterfield School - Vending	3,057	1,894	4,584	367
Copeland School	9,008	23,814	26,929	5,893
Copeland School - Vending	3,805	80	2,625	1,260
HMS - General	38,165	84,952	98,911	24,206
HMS - Band	6,593	4,606	3,573	7,626
HMS - Drama	1,935	6,853	7,608	1,180
HMS - Library	8,130	10,742	13,959	4,913
HMS - Locks	6,679	2,264	5,212	3,731
HMS - Orchestra	20,967	4,871	3,037	22,801
HMS - Social Fund	383	1,495	1,191	687
HMS - Strolling Strings	1,868	-	-	1,868
HMS - Vending	33	-	-	33
HMS - Vocal Music	1,821	2,488	2,528	1,781
HMS - Yearbook	11,915	535	310	12,140
Rockland School	5,514	11,647	11,353	5,808
Rockland Birthday Boosters	378	1,788	-	2,166
Rockland Outdoor Classroom	924	-	-	924
Rockland PE	700	-	-	700
Rockland Secret Angel	-	266	-	266
Rockland School - Vending	4,444	997	1,532	3,909
Computer Academy	4,031	-	-	4,031
Custodial	1,833	-	-	1,833
FAD #70	1,951	2,374	2,384	1,941
ERC Soda Fund	1,750	51	495	1,306
Emergency Fund	10,875	2,658	2,649	10,884
Robert Boos Memorial	1,124	-	-	1,124
Savings	2,823	1,333	932	3,224
Total Due to Student Groups	\$ 174,671	\$ 218,755	\$ 234,880	\$ 158,546
NET POSITION	\$ -	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 SUPPLEMENTAL INFORMATION
 SCHEDULE OF ASSESSED VALUATIONS, TAX RATES AND TAX EXTENSIONS
 FOR THE YEARS 2017, 2016, 2015 AND 2014

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ASSESSED VALUATIONS	\$ 1,084,827,541	\$ 1,030,163,272	\$ 961,573,717	\$ 910,201,027
TAX RATES				
Educational	\$ 2.1982	\$ 2.2624	\$ 2.3934	\$ 2.4700
Operations and Maintenance	0.3879	0.4012	0.4244	0.4380
Bond and Interest	0.0721	0.0804	0.0770	-
Transportation	0.0892	0.0880	0.0932	0.1100
Municipal Retirement/ Social Security	0.0460	0.0375	0.0393	0.0400
SEDOL IMRF	0.0071	0.0075	0.0076	0.0070
Working Cash	0.0098	0.0098	0.0109	0.0130
	<u>\$ 2.8103</u>	<u>\$ 2.8868</u>	<u>\$ 3.0457</u>	<u>\$ 3.0780</u>
TAX EXTENSIONS				
Educational	\$ 23,846,885	\$ 23,306,847	\$ 23,014,757	\$ 22,500,133
Operations and Maintenance	4,208,079	4,132,840	4,080,457	3,990,767
Bond and Interest	782,801	829,240	739,941	-
Transportation	967,927	906,626	895,716	973,360
Municipal Retirement/ Social Security	500,019	383,880	378,206	369,888
SEDOL IMRF	77,164	76,788	73,512	65,088
Working Cash	100,010	101,275	104,504	121,676
	<u>\$ 30,482,885</u>	<u>\$ 29,737,496</u>	<u>\$ 29,287,093</u>	<u>\$ 28,020,912</u>

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 SUPPLEMENTAL INFORMATION
 SCHEDULE OF OPERATING EXPENDITURES PER STUDENT
 FOR THE YEAR ENDED JUNE 30, 2018

TOTAL EXPENDITURES			
Educational Fund	\$	40,942,272	
Operations and Maintenance Fund		2,971,031	
Bond and Interest Fund		2,892,707	
Transportation Fund		2,295,846	
Municipal Retirement/Social Security Fund		938,073	\$ 50,039,929
Less: Receipts/Expenditures Not Applicable to Operating Expense of Regular Programs			
Educational Fund			
Special Education Programs - Pre-K	\$	67,966	
Summer School Programs		283,695	
Community Services		74,214	
Nonprogrammed Charges		534,643	
Capital Outlay		217,258	
Tuition		365,696	
"On-Behalf" Disbursement for TRS Benefits		13,204,816	
Operations and Maintenance Fund			
Nonprogrammed Charges		96,139	
Capital Outlay		402,998	
Bond and Interest Fund			
Bond Principal Paid		2,353,025	
Transportation Fund			
Transportation Fees		580,424	
Municipal Retirement/Social Security Fund			
Special Education Programs - Pre-K		803	
Summer School		9,655	
Community Service		468	
Nonprogrammed Charges		76,781	\$ 18,268,581
NET OPERATING EXPENDITURES	\$		31,771,348
AVERAGE DAILY ATTENDANCE			2,165.03
OPERATING EXPENDITURES PER STUDENT	\$		14,675

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 SUPPLEMENTAL INFORMATION
 SCHEDULE OF PER CAPITA TUITION CHARGE
 FOR THE YEAR ENDED JUNE 30, 2018

NET OPERATING EXPENDITURES		\$ 31,771,348
LESS: Offsetting Receipts/Revenues		
Educational Fund		
Special Education	\$ 638,267	
Other State Grants-In-Aid	3,293	
Title II - Teacher Quality	50,404	
Federal Special Education	51,604	
Title I - Low Income	118,237	
Medicaid Matching Funds	72,779	
Food Services	355,931	
Textbooks	299,022	
Special Education Contribution to EBF	763,675	
English Learners Contribution to EBF	23	
Operations and Maintenance Fund		
Other State Grants-In-Aid		
Rentals	53,496	
Transportation Fund		
Transportation Fees	2,413	
State Transportation Aid	672,840	
	672,840	3,085,976
NET OPERATING EXPENSE FOR TUITION COMPUTATION		\$ 28,685,372
ADD: Depreciation Allowance		1,906,548
TOTAL ALLOWANCE FOR TUITION COMPUTATION		\$ 30,591,920
AVERAGE DAILY ATTENDANCE		2,165.03
PER CAPITA TUITION CHARGE		\$ 14,130

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
JUNE 30, 2018

The Schedule of Changes in the Net Pension Liability and Related Ratios, of the District's Defined Benefit Pension Plan, the Illinois Municipal Retirement Fund, follows:

Calendar Year Ended December 31,	2017	2016	2015	2014
Total Pension Liability				
Service Cost	\$ 328,972	\$ 324,353	\$ 326,885	\$ 341,791
Interest on the Total Pension Liability	1,096,836	1,053,928	975,556	878,692
Changes in Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	163,250	(121,659)	422,052	98,740
Changes in Assumptions	(488,538)	(34,178)	16,771	585,310
Benefit Payments, Including Refunds of Employee Contributions	(692,259)	(688,197)	(661,449)	(514,937)
Net Change in Total Pension Liability	<u>\$ 408,261</u>	<u>\$ 534,247</u>	<u>\$ 1,079,815</u>	<u>\$ 1,389,596</u>
Total Pension Liability - Beginning	14,806,122	14,271,875	13,192,060	11,802,464
Total Pension Liability - Ending (A)	<u><u>\$ 15,214,383</u></u>	<u><u>\$ 14,806,122</u></u>	<u><u>\$ 14,271,875</u></u>	<u><u>\$ 13,192,060</u></u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 346,432	\$ 323,693	\$ 323,502	\$ 312,073
Contributions - Employees	136,526	135,115	128,492	129,623
Net Investment Income	2,235,256	839,778	61,194	714,220
Benefit Payments, Including Refunds of Employee Contributions	(692,259)	(688,197)	(661,449)	(514,937)
Other (Net Transfer)	(199,857)	(134,536)	3,924	(42,609)
Net Change in Plan Fiduciary Net Position	<u>\$ 1,826,098</u>	<u>\$ 475,853</u>	<u>\$ (144,337)</u>	<u>\$ 598,370</u>
Plan Fiduciary Net Position - Beginning	12,675,032	12,199,179	12,343,516	11,745,146
Plan Fiduciary Net Position - Ending (B)	<u><u>\$ 14,501,130</u></u>	<u><u>\$ 12,675,032</u></u>	<u><u>\$ 12,199,179</u></u>	<u><u>\$ 12,343,516</u></u>
Net Pension Liability - Ending (A) - (B)	<u><u>\$ 713,253</u></u>	<u><u>\$ 2,131,090</u></u>	<u><u>\$ 2,072,696</u></u>	<u><u>\$ 848,544</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.31%	85.61%	85.48%	93.57%
Covered Valuation Payroll	\$ 3,007,218	\$ 2,929,348	\$ 2,855,362	\$ 2,880,485
Net Pension Liability as a Percentage of Covered Valuation Payroll	23.72%	72.75%	72.59%	29.46%

The schedule is presented to illustrate the intention to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
 SUPPLEMENTAL INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 JUNE 30, 2018

The Schedule of Employer Contributions, of the District's Defined Benefit Pension Plan, the Illinois Municipal Retirement Fund, follows:

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2017	\$ 346,432	\$ 346,432	\$ -	\$ 3,007,218	11.52%
2016	323,693	323,693	-	2,929,348	11.05%
2015	306,666	323,502	(16,836)	2,855,362	11.33%
2014	297,892	312,073	(14,181)	2,805,014	11.13%

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 calculation of the 2017 contribution rate is based on valuation assumptions used in the December 31, 2015 actuarial valuation; note two year lag between valuation and rate setting.

METHODS AND ASSUMPTIONS USED TO DETERMINE 2017 CONTRIBUTION RATES

<i>Actuarial Cost Method:</i>	Aggregate entry age normal
<i>Amortization Method:</i>	Level percentage of payroll, closed
<i>Remaining Amortization Period:</i>	26-year closed period until remaining period.
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.50%
<i>Price Inflation:</i>	2.75%, approximate; no explicit price inflation assumption is used in this valuation
<i>Salary Increases:</i>	3.75% to 14.50%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013
<i>Mortality:</i>	For non-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 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 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-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
<i>Other Information:</i>	There were no benefit changes during the year

The schedule is presented to illustrate the intention to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70
SUPPLEMENTAL INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2018

The Schedule of the District's Proportionate Share of the Net Pension Liability, as of June 30, 2017, the most recent available measurement date, of the District's Defined Benefit Pension Plan, the Teachers' Retirement System, follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
District's Proportion of the Net Pension Liability	0.3623680000%	0.3759210000%	0.3573077100%	0.3395735200%
District's Proportionate Share of the Net Pension Liability	\$ 2,768,422	\$ 2,967,373	\$ 2,340,725	\$ 2,066,586
State's Proportionate Share of the Net Pension Liability Associated With the District	131,967,430	138,162,035	108,123,980	96,540,553
Total	<u>\$ 134,735,852</u>	<u>\$ 141,129,408</u>	<u>\$ 110,464,705</u>	<u>\$ 98,607,139</u>
District's Covered-Employee Payroll	\$ 18,407,942	\$ 17,821,250	\$ 17,374,684	\$ 16,725,902
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	15.04%	16.65%	13.47%	12.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	39.20%	36.40%	41.47%	42.95%

SCHEDULE OF THE DISTRICT'S EMPLOYER CONTRIBUTIONS

The Schedule of the District's Employer Contributions, as of June 30, 2017, the most recent available measurement date, to the District's Defined Benefit Pension Plan, the Teachers' Retirement System, follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Contractually Required Contribution	\$ 261,435	\$ 171,476	\$ 146,433	\$ 137,993
Contributions in Relation to the Contractually Required Contribution	221,960	145,583	125,200	121,158
Contribution Deficiency (Excess)	<u>\$ 39,475</u>	<u>\$ 25,893</u>	<u>\$ 21,233</u>	<u>\$ 16,835</u>
District's Covered-Employee Payroll	\$ 18,407,942	\$ 17,821,250	\$ 17,374,684	\$ 16,725,902
Contributions as a Percentage of Covered-Employee Payroll	1.21%	0.82%	0.72%	0.72%

Changes of Assumptions

For the 2017 and 2016 measurement years, the assumed investment rate of return was 7.0 percent. Including an inflation rate of 2.5 percent and real return of 4.5 percent. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent. Including an inflation rate of 3.0 percent and real return of 4.5 percent. Salary increases were assumed to vary by service credit.

For the 2014 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and real return of 4.5 percent. Salary increases were assumed to vary by age.

The schedules are presented to illustrate the intention to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.