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**LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70**  
**LIBERTYVILLE, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2017**

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## INDEPENDENT AUDITOR'S REPORT

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

### **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, 2017, 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, 2017, 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.

**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, 2017, 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, 2017 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.

*Evoiy, Kamschulte, Jacobs & Co. LLP*

EVOY, KAMSCHULTE, JACOBS & CO. LLP

October x, 2017  
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**

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

DRAFT  
FOR DISCUSSION  
PURPOSES ONLY

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, 2017, 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 x, 2017, 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.

**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.

*Evo, Kamschulte, Jacobs & Co. LLP*

EVOY, KAMSCHULTE, JACOBS & CO. LLP

October x, 2017  
Waukegan, Illinois

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017

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, 2017. 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, 2017 by \$54,743,000 (net position).
- The District's total net position decreased by \$35,719.
- At June 30, 2017, the District's governmental funds reported combined fund balances of \$24,349,595, a decrease of \$6,320,073 from the prior year. Approximately 40% of this amount, \$12,085,047, may be used to finance day-to-day operations (unassigned fund balance), which was approximately 29% 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 assesses 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, 2017  
(Continued)

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, 2017  
(Continued)

THE DISTRICT AS A WHOLE

A condensed statement of net position, as of June 30, 2017, and statement of activities, for the year ended June 30, 2017, is presented below.

<u>Net Assets</u>	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Current and Other Assets		
Capital Assets, Net	\$ 25,422,704	\$ 31,480,580
Total Assets	<u>46,730,538</u>	<u>42,877,969</u>
	<u>72,153,242</u>	<u>74,358,529</u>
Current Liabilities		
Long-Term Debt Outstanding	(1,073,109)	(810,892)
Total Liabilities	<u>(16,337,133)</u>	<u>(18,768,918)</u>
	<u>(17,410,242)</u>	<u>(19,579,810)</u>
Net Position:	\$ 54,743,000	\$ 54,778,719
Net Investment in Capital Assets		
Restricted	\$ 30,393,405	\$ 24,109,051
Unrestricted	12,264,548	18,256,108
Total Net Position	<u>12,085,047</u>	<u>12,413,560</u>
	<u>\$ 54,743,000</u>	<u>\$ 54,778,719</u>
<u>Changes in Net Position</u>	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
<u>Receipts</u>		
Program Receipts		
Charges for Services	\$ 1,133,071	\$ 1,221,551
Operating Grants	15,441,665	11,385,446
Capital Grants	71,101	-
General Receipts		
Property Taxes	29,603,660	28,492,083
Other Taxes	548,647	493,906
Earnings on Investments	151,144	79,000
General State Aid	1,023,071	1,014,596
Other	2,263,694	1,597,110
Total Receipts	<u>\$ 50,236,053</u>	<u>\$ 44,283,692</u>
<u>Disbursements</u>		
Program Disbursements		
Instruction	\$ 31,567,302	\$ 26,614,597
Support Services	15,343,985	13,850,534
Community Services	75,923	66,216
Nonprogrammed Charges	740,705	691,891
Interest, Fees and Costs	752,726	617,877
Depreciation - Unallocated	1,791,131	1,670,051
Total Disbursements	<u>\$ 50,271,772</u>	<u>\$ 43,511,166</u>
Increase (Decrease) in net position	\$ (35,719)	\$ 772,526
Net Position- Beginning	54,778,719	54,006,193
Net Position- Ending	<u>\$ 54,743,000</u>	<u>\$ 54,778,719</u>

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2017  
 (Continued)

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THE DISTRICT AS A WHOLE (continued)

The net position of the District's governmental activities decreased by \$35,719. 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 — decreased by \$328,513 to \$12,085,047.

THE DISTRICT'S FUNDS

At June 30, 2017, 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 \$24,349,595, which is less than last year's total of \$30,669,668. Due to bonds sold to partially fund the addition/renovation work at Copeland Manor School and Rockland School.

*General Fund Budgetary Highlights*

The July 1, 2016 to June 30, 2017 budget, which was not amended, was approved by the Board of Education on August 16, 2016. 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 and state receipts coming in under 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, 2017, the District had \$46,730,538 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, 2017</u>	<u>June 30, 2016</u>
Land and Improvements	\$ 1,270,875	\$ 1,332,537
Buildings	42,435,405	37,509,267
Furniture and Equipment	3,024,458	3,077,286
Construction in Progress		958,879
Totals	<u>\$ 46,730,538</u>	<u>\$ 42,877,969</u>

This year's major additions included the classroom addition at Copeland Manor School. The Districts 2016-2017 budget calls for the gymnasium addition at Copeland Manor School and schematic design of the Rockland School Addition/renovation project

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, 2017  
 (Continued)

FOR INFORMATION  
 PURPOSES ONLY

CAPITAL ASSETS AND DEBT ADMINISTRATION

*Long-Term Debt*

At June 30, 2017, the District had \$16,337,133 in long-term debt outstanding, as shown below.

<u>Outstanding Debt at Year End</u>	Governmental Activities	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>
2007 Limited Tax School Bonds	-	6,275,000
2009 Alternate Revenue Bonds	2,625,000	3,560,000
2011 Limited Tax Debt Certificates	1,885,000	2,310,000
2016 Working Cash Bonds	5,975,000	5,975,000
2017 Refunding bonds	5,495,000	-
Capital Lease Obligations	357,133	648,918
	<u>\$ 16,337,133</u>	<u>\$ 18,768,918</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](mailto:kvalentin@d70schools.org).

LIBERTYVILLE  
ELEMENTARY SCHOOL DISTRICT NO. 70  
LIBERTYVILLE, MISSOURI

**LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70**

**GOVERNMENT-WIDE STATEMENTS**

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
JUNE 30, 2017

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 25,422,704
Capital Assets	
Land	313,824
Land Improvements	1,781,874
Buildings	56,859,874
Furniture and Equipment	12,989,471
Less: Accumulated Depreciation	(25,214,505)
Total Capital Assets, Net	\$ 46,730,538
Total Assets	\$ 72,153,242
 <b>LIABILITIES</b>	
Current Liabilities	
Payroll Deductions Payable	\$ 1,073,109
Long-Term Liabilities	
Portion Due or Payable Within One Year	
Capital Lease Obligations	\$ 296,759
General Obligation Debt	1,960,000
Portion Due or Payable in More Than One Year	
Capital Lease Obligations	60,374
General Obligation Debt	14,020,000
Total Long-Term Liabilities	\$ 16,337,133
Total Liabilities	\$ 17,410,242
 <b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 30,393,405
Restricted	
Operations and Maintenance	1,211,794
Transportation	376,502
Municipal Retirement/Social Security	449,797
Working Cash	9,127,794
Bond and Interest	151,144
Capital Projects	947,517
Unrestricted	12,085,047
<b>TOTAL NET POSITION</b>	<b>\$ 54,743,000</b>

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, 2017**

FUNCTION/PROGRAMS Governmental Activities	Disbursements	Charges for Services	Program Receipts		Capital Grants and Contributions	Net (Disbursements) Receipts and Change in Net Position Governmental Activities Total
			Operating Grants and Contributions			
Instruction						
Regular Programs	\$ 27,620,186	\$ 474,158	\$ 14,043,420	\$ -		\$ (13,102,608)
Special Education Programs	2,269,347	-	1,144,687	-		(1,124,660)
Special Education Programs Pre-K	64,188	-	-	-		(64,188)
Remedial and Supplemental Programs K-12	170,192	-	-	-		(170,192)
Interscholastic Programs	491,169	-	-	-		(491,169)
Summer School	272,490	-	-	-		(272,490)
Gifted Programs	447,048	-	-	-		(447,048)
Bilingual Programs	232,682	-	-	-		(232,682)
Support Services						
Pupils						
Instructional Staff	2,578,875	-	-	-		(2,578,875)
General Administration	1,507,756	-	-	-		(1,507,756)
School Administration	967,907	-	-	-		(967,907)
Business	1,436,958	-	-	-		(1,436,958)
Central	7,202,764	658,913	253,558	71,101		(6,219,192)
Community Services	1,649,725	-	-	-		(1,649,725)
Nonprogrammed Charges	75,923	-	-	-		(75,923)
Interest, Fees and Costs	740,705	-	-	-		(740,705)
Depreciation - Unallocated	752,728	-	-	-		(752,728)
Total Governmental Activities	\$ 50,271,772	\$ 1,133,071	\$ 16,441,665	\$ 71,101	\$	\$ (1,791,131)
						\$ (33,625,955)
<b>GENERAL RECEIPTS</b>						
Taxes						
Property Taxes, levied for general purposes						\$ 27,350,764
Property Taxes, levied for debt service						788,209
Property Taxes, levied for other specific purposes						1,464,687
Personal Property Replacement						548,647
Unrestricted Earnings on Investments						151,144
General State Aid						1,023,071
Other						2,263,694
<b>TOTAL GENERAL RECEIPTS</b>						\$ 33,590,216
<b>CHANGE IN NET POSITION</b>						
NET POSITION - JULY 1, 2016						\$ (35,719)
NET POSITION - JUNE 30, 2017						54,778,719
						\$ 54,743,000

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

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
 ARISING FROM CASH TRANSACTIONS  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2017

	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			
<b>ASSETS</b>									
Cash and Investments	\$ 13,155,419	\$ 1,211,794	\$ 376,502	\$ 452,534	\$ 9,127,794	\$ 151,144	\$ 947,517	\$ 25,422,704	
<b>TOTAL ASSETS</b>	<b>\$ 13,155,419</b>	<b>\$ 1,211,794</b>	<b>\$ 376,502</b>	<b>\$ 452,534</b>	<b>\$ 9,127,794</b>	<b>\$ 151,144</b>	<b>\$ 947,517</b>	<b>\$ 25,422,704</b>	
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Payroll Deductions Payable	\$ 1,070,372	\$ -	\$ -	\$ 2,737	\$ -	\$ -	\$ -	\$ 1,073,109	
<b>FUND BALANCES</b>									
Reserved									
Tort Immunity	-	-	-	-	-	-	-	-	
Operations and Maintenance	\$ -	\$ 1,211,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,211,794	
Transportation Services	-	-	376,502	-	-	-	-	376,502	
Employee Benefits Payments	-	-	-	449,797	-	-	-	449,797	
Interfund Borrowing	-	-	-	-	9,127,794	-	-	9,127,794	
Bond Principal and Interest Payments	-	-	-	-	-	151,144	-	151,144	
Capital Improvements	-	-	-	-	-	-	947,517	947,517	
Unassigned	12,085,047	-	-	-	-	-	-	12,085,047	
<b>TOTAL FUND BALANCES</b>	<b>\$ 12,085,047</b>	<b>\$ 1,211,794</b>	<b>\$ 376,502</b>	<b>\$ 449,797</b>	<b>\$ 9,127,794</b>	<b>\$ 151,144</b>	<b>\$ 947,517</b>	<b>\$ 24,349,595</b>	
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 13,155,419</b>	<b>\$ 1,211,794</b>	<b>\$ 376,502</b>	<b>\$ 452,534</b>	<b>\$ 9,127,794</b>	<b>\$ 151,144</b>	<b>\$ 947,517</b>	<b>\$ 25,422,704</b>	

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, 2017

Total Fund Balances - Governmental Funds	\$	24,349,595
<p>Amounts reported for governmental activities in the statement              of net position are different because:</p>		
<p>Capital assets used in governmental activities              are not financial resources and, therefore, are              not reported as assets in governmental funds.</p>		
Cost of Capital Assets	\$ 71,945,043	
Accumulated Depreciation	<u>(25,214,505)</u>	46,730,538
<p>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.</p>		
General Obligation Bonds	\$ (15,980,000)	
Capital Leases	<u>(357,133)</u>	(16,337,133)
Total Net Position of Governmental Activities	\$	<u><u>54,743,000</u></u>

DRAFT  
 FOR DISCUSSION  
 PURPOSES ONLY

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, 2017**

	General Fund		Special Revenue Funds			Debt Service Fund		Capital Projects Fund		Total Governmental Funds
	Education Fund	Operations and Maintenance Fund	Transportation Fund	Retirement Social Security Fund	Working Cash Fund	Bond and Interest Fund	Capital Projects Fund	Governmental Funds		
<b>RECEIPTS</b>										
Taxes	\$ 23,330,207	\$ 4,119,204	\$ 903,917	\$ 907,636	\$ 103,134	\$ 788,209	\$ -	\$ -	\$ 30,182,307	
Tuition	251,740	-	-	-	-	-	-	-	251,740	
Earnings on Investments	55,658	2,111	5,923	2,222	71,518	492	-	-	161,144	
Food Service Fees	334,577	-	-	-	-	-	-	-	334,577	
Transportation Fees	-	-	324,336	-	-	-	-	-	324,336	
Textbook Fees	-	-	-	-	-	-	-	-	-	
Donations	222,418	-	-	-	-	-	-	-	222,418	
Rentals	8,776	-	-	-	-	-	-	-	8,776	
Impact/TIF Fees	325,000	56,169	-	-	-	-	-	-	381,169	
Other	717,136	151,256	-	-	-	-	-	-	868,392	
State Aid	15,544,818	71,101	253,558	-	-	508,900	-	-	16,328,377	
Federal Aid	886,360	-	-	-	-	4,101	-	-	890,461	
<b>TOTAL RECEIPTS</b>	<b>\$ 41,458,657</b>	<b>\$ 4,389,841</b>	<b>\$ 1,487,734</b>	<b>\$ 909,868</b>	<b>\$ 174,652</b>	<b>\$ 1,301,702</b>	<b>\$ -</b>	<b>\$ 13,222</b>	<b>\$ 49,743,696</b>	
<b>DISBURSEMENTS</b>										
Current										
Instruction										
Regular Programs	\$ 27,460,808	\$ -	\$ -	\$ 159,377	\$ -	\$ -	\$ -	\$ -	\$ 27,620,185	
Special Education Programs	2,197,090	-	-	72,257	-	-	-	-	2,269,347	
Special Education Programs Pre-K	63,461	-	-	737	-	-	-	-	64,198	
Remedial and Supplemental Programs K-12	188,208	-	-	1,984	-	-	-	-	190,192	
Interscholastic Programs	481,417	-	-	9,752	-	-	-	-	491,169	
Summer School	263,524	-	-	8,966	-	-	-	-	272,490	
Cliffed Programs	442,321	-	-	4,727	-	-	-	-	447,048	
Bilingual Programs	280,048	-	-	2,834	-	-	-	-	282,882	
Support Services										
Pupils	2,505,221	-	-	73,654	-	-	-	-	2,578,875	
Instructional Staff	1,460,995	-	-	46,881	-	-	-	-	1,507,876	
General Administration	944,568	-	-	23,308	-	-	-	-	967,876	
School Administration	1,378,370	-	-	58,588	-	-	-	-	1,436,958	
Business	1,475,952	2,422,791	2,260,450	297,211	-	-	772,360	-	7,202,764	
Central	1,593,626	-	-	86,089	-	-	-	-	1,679,715	
Community Service	75,578	-	-	345	-	-	-	-	75,923	
Nonprogrammed Charges										
Payments to Other Governments	574,474	82,724	-	73,507	-	-	-	-	730,705	
Debt Service										
Principal	291,785	935,000	-	-	-	905,000	-	-	2,131,785	
Interest and Fees	11,064	112,425	-	-	-	594,911	-	-	708,400	
Capital Outlay	246,735	772,055	-	-	-	-	-	-	1,018,790	
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 41,835,167</b>	<b>\$ 4,335,029</b>	<b>\$ 2,280,450</b>	<b>\$ 890,007</b>	<b>\$ -</b>	<b>\$ 1,468,911</b>	<b>\$ -</b>	<b>\$ 4,825,876</b>	<b>\$ 5,043,700</b>	
<b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>\$ (381,480)</b>	<b>\$ 64,812</b>	<b>\$ (772,716)</b>	<b>\$ 19,861</b>	<b>\$ 174,652</b>	<b>\$ (188,209)</b>	<b>\$ (5,385,014)</b>	<b>\$ -</b>	<b>\$ (6,489,104)</b>	
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In										
Transfers Out	\$ -	\$ 1,215,000	\$ -	\$ -	\$ -	\$ -	\$ 1,150,000	\$ -	\$ 2,365,000	
Transfer to Retained Bonds Escrow Agent	-	(1,150,000)	(1,150,000)	-	(65,000)	-	-	-	(2,365,000)	
Principal on Bonds Sold	-	-	-	-	-	(5,839,328)	-	-	(5,839,328)	
Premium and Accrued Interest on Bonds Issued	-	-	-	-	-	5,498,000	-	-	5,498,000	
Sale of Fixed Assets	52,987	65,000	(1,150,000)	-	(65,000)	438,390	-	-	(688,623)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 52,987</b>	<b>\$ 65,000</b>	<b>\$ (1,150,000)</b>	<b>\$ -</b>	<b>\$ (65,000)</b>	<b>\$ 86,062</b>	<b>\$ -</b>	<b>\$ 1,150,000</b>	<b>\$ 52,987</b>	
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (328,493)</b>	<b>\$ 129,812</b>	<b>\$ (1,922,718)</b>	<b>\$ 19,861</b>	<b>\$ 109,652</b>	<b>\$ (93,145)</b>	<b>\$ (4,235,014)</b>	<b>\$ -</b>	<b>\$ (6,320,073)</b>	
<b>FUND BALANCE - JULY 1, 2016</b>	<b>\$ 12,413,560</b>	<b>\$ 1,081,982</b>	<b>\$ 2,259,218</b>	<b>\$ 428,846</b>	<b>\$ 9,018,142</b>	<b>\$ 244,289</b>	<b>\$ 5,182,531</b>	<b>\$ -</b>	<b>\$ 30,689,689</b>	
<b>FUND BALANCE - JUNE 30, 2017</b>	<b>\$ 12,085,067</b>	<b>\$ 1,211,794</b>	<b>\$ 378,502</b>	<b>\$ 448,707</b>	<b>\$ 8,127,794</b>	<b>\$ 151,144</b>	<b>\$ 947,517</b>	<b>\$ -</b>	<b>\$ 24,349,565</b>	

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, 2017

Net Change in Fund Balance - Governmental Funds	\$	(6,320,073)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Capital Outlay	\$ 5,643,700	
Depreciation Expense	<u>(1,791,131)</u>	3,852,569
<p>Issuing long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the statement of net assets.</p>		
Principal on Bonds Issued		(5,495,000)
<p>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.</p>		
		5,795,000
Principal Paid on Long-Term Debt		2,131,785
		<u>                    </u>
Change in Net Position of Governmental Activities	\$	<u><u>(35,719)</u></u>

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, 2017

ASSETS

Cash in Checking and Savings Accounts \$ 174,671

TOTAL ASSETS \$ 174,671

LIABILITIES

Due to Student Groups \$ 174,671

TOTAL LIABILITIES \$ 174,671

NET POSITION \$ -

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

**LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70**

**NOTES TO FINANCIAL STATEMENTS**

LIBERTYVILLE  
FOR DISCUSSION  
PURPOSES ONLY

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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 2017 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, 2017  
(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 subdividers 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, 2017  
 (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, 2017  
 (Continued)

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, 2016 to June 30, 2017 budget, which was not amended, was approved by the Board of Education on August 16, 2016. 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, 2017, the carrying amount of the District's deposits was \$9,763,183. The deposits in the Student Activity Accounts had a carrying amount of \$174,671. At June 30, 2017, the District and Student Activity Accounts bank balances were \$12,755,799 and \$177,781 respectively. As of June 30, 2017, \$2,006,309 of the combined entity's bank balance was exposed to custodial credit risk as follows:

Collateralized with securities held by the pledging financial institution	<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="text-align: right; padding-right: 5px;"><u>Bank Balance</u></td> </tr> <tr> <td style="text-align: right;">\$ 2,006,309</td> </tr> </table>	<u>Bank Balance</u>	\$ 2,006,309
<u>Bank Balance</u>			
\$ 2,006,309			

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017  
(Continued)

2. CASH AND INVESTMENTS (continued)

*Investments*

At June 30, 2017 the District had the following investments:

Notes and Bonds	Maturity Date	Balance	% of Total
Government National Mortgage Assn. Note	Nov 2037	\$ 48,842	0.3%
Federal Home Loan Mortgage Corp	Dec 2037	218,656	1.4%
<b>Taxable Debt Certificates</b>			
School District Number 68	2018-2021	1,200,000	7.7%
<b>External Investment Pools</b>			
The Illinois Funds	N/A	824,968	5.3%
Illinois Institutional Investors Trust	N/A	724	0.0%
ISDLAF + Term Series	N/A	8,100,000	51.7%
Illinois School District Liquid Asset Fund	N/A	5,266,331	33.6%
<b>Total</b>		<b>\$ 15,659,521</b>	<b>100.0%</b>

*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, 2017  
(Continued)

3. CAPITAL ASSETS AND DEPRECIATION

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>Capital Assets not Being Depreciated</b>				
Land	\$ 313,824	\$ -	\$ -	\$ 313,824
Construction-in-Progress	958,879	4,825,876	5,584,755	-
<b>Total Capital Assets not Being Depreciated</b>	<b>\$ 1,272,703</b>	<b>\$ 4,825,876</b>	<b>\$ 5,584,755</b>	<b>\$ 313,824</b>
<b>Capital Assets Being Depreciated</b>				
Land Improvements	\$ 1,781,874	\$ -	\$ -	\$ 1,781,874
Building and Improvements	50,860,674	5,999,200	-	56,859,874
Furniture and Equipment	12,439,059	603,379	52,967	12,989,471
<b>Total Capital Assets Being Depreciated</b>	<b>\$ 65,081,607</b>	<b>\$ 6,602,579</b>	<b>\$ 52,967</b>	<b>\$ 71,631,219</b>
<b>Less Accumulated Depreciation for:</b>				
Land Improvements	\$ (727,669)	\$ (61,862)	\$ -	\$ (789,531)
Building and Improvements	(13,351,407)	(1,073,062)	-	(14,424,469)
Equipment	(9,397,265)	(656,207)	52,967	(10,000,505)
<b>Total Accumulated Depreciation</b>	<b>\$ (23,476,341)</b>	<b>\$ (1,791,131)</b>	<b>\$ 52,967</b>	<b>\$ (25,214,505)</b>
<b>Total Capital Assets Being Depreciated, net of Accumulated Depreciation</b>	<b>\$ 41,605,266</b>	<b>\$ 4,811,448</b>	<b>\$ -</b>	<b>\$ 46,416,714</b>
<b>Capital Assets, net of Accumulated Depreciation</b>	<b>\$ 42,877,969</b>	<b>\$ 3,852,569</b>	<b>\$ -</b>	<b>\$ 46,730,538</b>

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 \$5,795,000.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017  
(Continued)

4. LONG-TERM DEBT

*Changes in General Long-Term Debt*

	Balance July 1, 2016	Proceeds	Retired/ Defeased	Balance June 30, 2017	Amounts Due Within One Year
2004 General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
2007 General Obligation Bonds	6,275,000	-	6,275,000	-	-
2009 General Obligation Bonds	3,560,000	-	935,000	2,625,000	965,000
2011 General Obligation Debt Certs.	2,310,000	-	425,000	1,885,000	445,000
2016 General Obligation Bonds	5,975,000	-	-	5,975,000	-
2017 Refunding Bonds	-	5,495,000	-	5,495,000	550,000
Capital Lease Obligations	648,918	-	291,785	357,133	296,759
	<u>\$ 18,768,918</u>	<u>\$ 5,495,000</u>	<u>\$ 7,926,785</u>	<u>\$ 16,337,133</u>	<u>\$ 2,256,759</u>

*Cash Flow Requirements*

At June 30, 2017, 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	2018	\$ 965,000	\$ 97,232
	2019	1,000,000	62,250	1,062,250
	2020	860,000	24,750	884,750
		<u>\$ 2,625,000</u>	<u>\$ 184,232</u>	<u>\$ 2,809,232</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	2018	\$ 445,000	\$ 66,500
	2019	460,000	48,400	508,400
	2020	480,000	29,600	509,600
	2021	500,000	10,000	510,000
		<u>\$ 1,885,000</u>	<u>\$ 154,500</u>	<u>\$ 2,039,500</u>

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017  
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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 18, 2016	2018	\$ -	\$ 188,250	\$ 188,250
	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>\$ 2,635,890</u>	<u>\$ 8,610,890</u>

At June 30, 2017, 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	2018	\$ 550,000	\$ 196,100	\$ 746,100
	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>\$ 5,495,000</u>	<u>\$ 1,099,775</u>	<u>\$ 6,594,775</u>

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017  
 (Continued)

4. LONG-TERM DEBT (continued)

*Cash Flow Requirements (Continued)*

At June 30, 2017, the annual cash flow requirements of Bond Principal and Interest were as follows:

Total All Issues	Year	Principal	Interest	Total
	Ending June 30,			
	2018	\$ 1,960,000	\$ 548,082	\$ 2,508,082
	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>\$ 15,980,000</u>	<u>\$ 4,074,397</u>	<u>\$ 20,054,397</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  
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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, 2017 the total cost of equipment acquired under these capital lease agreements was \$1,181,283 accumulated depreciation related to these assets was \$357,384. At June 30, 2017 the total remaining principal and interest amounts due under capital lease agreements were as follows:

	Principal	Interest	Total
Year Ending June 30, 2018	\$ 296,759	\$ 6,090	\$ 302,849
Year Ending June 30, 2019	60,374	1,032	61,406
	\$ 357,133	\$ 7,122	\$ 364,255

*Debt Limit*

The Illinois school Code limits the amount of indebtedness to 6.9 percent of \$ 1,030,163,272 the most recent available assessed valuation of the District. Thus, the District's remaining debt margin at June 30, 2017, is \$54,744,133, which is 77.00 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, 2017  
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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 \$18,256,108 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, 2017:

Property and Liability Insurance	\$ 92,578
Workers Compensation Insurance	<u>104,450</u>
	<u>\$ 197,028</u>



LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017  
(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.

*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, 2016  
(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, 2016 was 9.4 percent of creditable earnings. On July 1, 2016, the rate dropped to 9.0 percent of pay due to the early expiration of the Early Retirement Option (ERO). 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, 2017, 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 \$13,767,952 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, 2017 were \$103,098.

*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 a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2017, the employer pension contribution was 38.54 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$137,409 were paid from federal and special trust funds that required employer contributions of \$52,958

*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, 2017, 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, 2017, 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, 2017  
 (Continued)

7 RETIREMENT FUND COMMITMENTS (continued)

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

*Net Pension Liability and Pension Expense*

At June 30, 2016, 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	\$	2,967,373
State's proportionate share of the net pension liability associated with the District		138,162,035
		\$ 141,129,408

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, and rolled forward to June 30, 2016. 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, 2016, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2016 the District's proportionate share was 0.355921 percent, which was an increase (decrease) of 0.011861329 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$13,767,952 and revenue of \$13,767,952 for support provided by the state.

*Actuarial Assumptions*

The total pension 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 2.50%; 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.

For June 30, 2016 valuation, the investments return assumption was lowered from 7.5 percent to 7.0 percent. Salary increase assumptions were lowered from their 2015 levels. Other assumptions are based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions and made other changes.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2016  
 (Continued)

7 RETIREMENT FUND COMMITMENTS (continued)

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

*Actuarial Assumptions (continued)*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equities Large Cap	14%	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, 2016, the discount rate used to measure the total pension liability was a blended rate of 6.83 percent, which is a change from the June 30, 2015 rate of 7.47 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, 2016 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, 2015, the discount rate used to measure the total pension liability was 7.47 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, 2017  
 (Continued)

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 6.83 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 (5.83 percent) or 1-percentage-point higher (7.83 percent) than the current rate.

District's Proportionate Share of the Net Pension Liability	1% Decrease (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
	\$ 3,629,218	\$ 2,967,373	\$ 2,426,822

*TRS Fiduciary Net Position*

Detailed information about TRS's fiduciary net position as of June 30, 2016 is available in the separately issued *TRS Comprehensive Annual Financial Report*.

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. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state make a contribution to THIS fund.

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.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016  
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

TEACHER HEALTH INSURANCE SECURITY FUND (continued)

*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 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$199,598 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 0.84 percent during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$149,698, which was 100 percent of the required contribution.

*Further Information on the THIS Fund*

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General; <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

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](http://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  
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 (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, 2016, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiveing benefits	95
Inactive Plan Members entitled to but not yet receiving benefits	183
Active Plan Members	82
Total	360

*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 2016 was 11.05 percent. The District's actual contribution for calendar year 2016 was \$323,693. 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, 2017 the District recognized pension expense of \$332,258 for payments made to IMRF.

*Net Pension Liability*

The District's net pension liability was measured as of December 31, 2016. 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, 2017  
 (Continued)

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, 2016; 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 3.5%; Salary Increases were expected to be 3.75% to 14.5% 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 2014 valuation according to an experience study from years 2011 to 2013; 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-2014 (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-2014 (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 table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100%</u>	



LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017  
 (Continued)

7 RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

*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 3.78% and the resulting single discount rate is 7.50%.

*Changes in Net Pension Liability*

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 14,271,875	\$ 12,199,179	\$ 2,072,696
Changes for the Year:			
Service Cost	324,353	-	324,353
Interest on the Total Pension Liability	1,053,928	-	1,053,928
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(121,659)	-	(121,659)
Changes of Assumptions	(34,178)	-	(34,178)
Contributions - Employer	-	323,693	(323,693)
Contributions - Employees	-	135,115	(135,115)
Net Investment Income	-	839,778	(839,778)
Benefit Payments, including Refunds of Employee Contributions	(688,197)	(688,197)	-
Other (Net Transfer)	-	(134,536)	134,536
Net Changes	<u>534,247</u>	<u>475,853</u>	<u>58,394</u>
Balances at December 31, 2016	<u>\$ 14,806,122</u>	<u>\$ 12,675,032</u>	<u>\$ 2,131,090</u>

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017  
 (Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

*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	\$ 16,647,096	\$ 14,806,122	\$ 13,280,643
Plan Fiduciary Net Position	12,675,032	12,675,032	12,675,032
Net Pension Liability (Asset)	<u>\$ 3,972,064</u>	<u>\$ 2,131,090</u>	<u>\$ 605,611</u>

TOTAL PENSION-RELATED LIABILITIES

The total of the District's net pension liabilities at June 30, 2017 is as follows:

	Net Pension Liability
Teachers' Retirement System (TRS)	\$ 2,967,373
Illinois Municipal Retirement Fund (IMRF)	2,131,090
	<u>\$ 5,098,463</u>

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 \$191,736, the total required contribution for the current fiscal year.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2017  
 (Continued)

8. 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.

	<u>Transferred To</u>	<u>Transferred From</u>
Special Revenue Funds		
Working Cash Fund		\$ 65,000
Transportation Fund		1,150,000
Operations & Maintenance Fund	\$ 1,215,000	1,150,000
Capital Projects Fund	1,150,000	

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 2016 Levy was passed by the Board on November 28, 2016. 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 2016 and 2015 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.

	<u>Legal Limit</u>	<u>Actual</u>	
		<u>2016 Levy</u>	<u>2015 Levy</u>
Educational	3.5000	\$ 2.2624	\$ 2.3934
Operations and Maintenance	0.5500	0.4012	0.4245
Bond and Interest	*	0.0804	0.0769
Transportation	0.1200	0.0880	0.0931
Municipal Retirement	*	0.0186	0.0196
Social Security	*	0.0186	0.0196
SEDOL IMRF	*	0.0075	0.0076
Working Cash	0.0500	0.0100	0.0108
		<u>\$ 2.8867</u>	<u>\$ 3.0455</u>

\* As Needed

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
 NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

(Continued)

FOR DISCUSSION  
 PURPOSES ONLY

10. 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.

11. 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.

12. OVER-EXPENDITURE OF BUDGET

For the year ended June 30, 2017, actual direct disbursements in the following funds:

	<u>Actual</u>	<u>Budget</u>	<u>Excess</u>
General Fund			
Education fund	\$ 41,838,167	\$ 27,395,800	\$ 14,442,367
Special Revenue Fund			
Operations and Maint Fund	\$ 4,335,029	\$ 4,039,300	\$ 295,729

**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, 2017

RECEIPTS	Original and Final Budget	Actual
Receipts from Local Sources		
Taxes		
Tuition	\$ 23,104,000	\$ 23,330,207
Earnings on Investments	270,000	251,740
Food Service Fees	50,000	55,656
Textbook Fees	375,000	334,577
Donations	375,000	222,418
Surplus Moneys from TIF District	10,000	8,776
Other	425,000	325,000
Total Receipts from Local Sources	<u>290,000</u>	<u>717,135</u>
Receipts from State Sources	<u>\$ 24,899,000</u>	<u>\$ 25,245,509</u>
General State Aid		
Special Education	\$ 1,000,000	\$ 1,023,071
TRS "On-Behalf" Payments	935,000	753,795
Total Receipts from State Sources	<u>-</u>	<u>-</u>
Receipts from Federal Sources	<u>\$ 1,935,000</u>	<u>\$ 1,776,866</u>
Title I - Low Income		
Federal Special Education	\$ 205,100	\$ 143,770
Title II - Teacher Quality	8,200	11,018
Special Education - Pre-School - Flow-Through	99,800	34,532
Medicaid Matching Funds	234,000	379,874
Total Receipts from Federal Sources	<u>40,000</u>	<u>97,166</u>
	<u>\$ 587,100</u>	<u>\$ 666,360</u>
Total Direct Receipts	\$ 27,421,100	\$ 27,688,735
"On-Behalf" Receipt for TRS Benefits	-	13,767,952
TOTAL RECEIPTS	<u>\$ 27,421,100</u>	<u>\$ 41,456,687</u>
TOTAL DISBURSEMENTS	<u>27,395,800</u>	<u>41,838,167</u>
NET CHANGE IN FUND BALANCE	<u>\$ 25,300</u>	<u>\$ (328,513)</u>
FUND BALANCE - JULY 1, 2016		<u>12,413,560</u>
FUND BALANCE - JUNE 30, 2017		<u>\$ 12,085,047</u>

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, 2017

INSTRUCTION	Original and Final Budget	Actual
Regular Programs		
Salaries		
Employee Benefits	\$ 11,278,500	\$ 11,297,716
Purchased Services	1,839,800	1,945,184
Supplies & Materials	58,300	41,647
Capital Outlay	329,600	256,207
Termination Benefits	69,000	71,871
Total Regular Programs	<u>170,000</u>	<u>152,103</u>
Special Education Programs	<u>\$ 13,745,200</u>	<u>\$ 13,764,728</u>
Salaries		
Employee Benefits	\$ 1,268,500	\$ 1,316,111
Purchased Services	375,800	386,043
Supplies & Materials	18,500	33,032
Capital Outlay	45,200	21,023
Tuition	31,800	2,706
Total Special Education Programs	<u>410,000</u>	<u>440,881</u>
Special Education Programs Pre-K	<u>\$ 2,149,800</u>	<u>\$ 2,199,796</u>
Salaries		
Employee Benefits	\$ 50,100	\$ 51,142
Supplies & Materials	10,200	11,911
Total Special Education Programs Pre-K	<u>500</u>	<u>398</u>
Remedial and Supplemental Programs K-12	<u>\$ 60,800</u>	<u>\$ 63,451</u>
Salaries		
Employee Benefits	\$ 126,900	\$ 125,131
Supplies & Materials	72,000	23,427
Total Remedial and Supplemental Programs K-12	<u>6,900</u>	<u>-</u>
Interscholastic Programs	<u>\$ 205,800</u>	<u>\$ 168,208</u>
Salaries		
Employee Benefits	\$ 450,000	\$ 462,984
Purchased Services	6,200	6,875
Supplies & Materials	10,000	8,524
Capital Outlay	4,000	3,034
Total Interscholastic Programs	<u>5,000</u>	<u>13,821</u>
Summer School	<u>\$ 475,200</u>	<u>\$ 495,238</u>
Salaries		
Employee Benefits	\$ 217,300	\$ 244,613
Purchased Services	2,200	2,439
Supplies & Materials	3,000	2,689
Total Summer School	<u>15,000</u>	<u>13,783</u>
	<u>\$ 237,500</u>	<u>\$ 263,524</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, 2017

INSTRUCTION (CONTINUED)	Original and Final Budget	Actual
Gifted Programs		
Salaries	\$ 373,500	\$ 365,144
Employee Benefits	55,000	69,304
Supplies & Materials	6,500	7,873
Total Gifted Programs	<u>\$ 435,000</u>	<u>\$ 442,321</u>
Bilingual Programs		
Salaries	\$ 193,000	\$ 193,227
Employee Benefits	27,100	31,831
Purchased Services	2,500	4,990
Supplies & Materials	700	-
Total Bilingual Programs	<u>\$ 223,300</u>	<u>\$ 230,048</u>
<b>TOTAL INSTRUCTION</b>	<u><b>\$ 17,532,600</b></u>	<u><b>\$ 17,627,314</b></u>
<b>SUPPORT SERVICES</b>		
Pupils		
Salaries	\$ 2,116,400	\$ 2,172,628
Employee Benefits	251,100	302,390
Purchased Services	10,600	13,487
Supplies & Materials	29,300	16,716
Total Pupils	<u>\$ 2,407,400</u>	<u>\$ 2,505,221</u>
Instructional Staff		
Salaries	\$ 849,700	\$ 799,995
Employee Benefits	180,600	171,464
Purchased Services	124,300	189,842
Supplies & Materials	326,000	299,594
Capital Outlay	6,900	2,262
Total Instructional Staff	<u>\$ 1,487,500</u>	<u>\$ 1,463,157</u>
General Administration		
Salaries	\$ 516,400	\$ 507,903
Employee Benefits	69,100	71,507
Purchased Services	314,200	348,712
Supplies & Materials	17,500	16,477
Capital Outlay	3,500	-
Total General Administration	<u>\$ 920,700</u>	<u>\$ 944,599</u>
School Administration		
Salaries	\$ 1,179,700	\$ 1,148,722
Employee Benefits	201,900	187,586
Purchased Services	43,400	33,402
Supplies & Materials	17,300	8,660
Capital Outlay	14,300	18,353
Total School Administration	<u>\$ 1,456,600</u>	<u>\$ 1,396,723</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, 2017

	Original and Final Budget	Actual
<b>SUPPORT SERVICES (CONTINUED)</b>		
Business		
Salaries		
Employee Benefits	\$ 608,000	\$ 560,714
Purchased Services	59,400	69,034
Supplies & Materials	714,500	828,244
Capital Outlay	23,500	21,960
Total Business	7,500	12,621
Central	\$ 1,412,900	\$ 1,492,573
Salaries		
Employee Benefits	\$ 872,300	\$ 871,345
Purchased Services	158,500	145,801
Supplies & Materials	329,900	434,837
Capital Outlay	93,300	111,643
Total Central	117,500	124,101
<b>TOTAL SUPPORT SERVICES</b>	\$ 1,571,500	\$ 1,687,727
	\$ 9,256,600	\$ 9,490,000
<b>COMMUNITY SERVICES</b>		
Salaries		
Employee Benefits	\$ 24,200	\$ 24,351
Purchased Services	11,500	2,146
Supplies & Materials	44,300	10,862
<b>TOTAL COMMUNITY SERVICES</b>	35,100	38,219
	\$ 115,100	\$ 75,578
<b>NONPROGRAMMED CHARGES</b>		
Payments for Special Education Programs		
Purchased Services		
Other	\$ 63,000	\$ 61,195
<b>TOTAL NONPROGRAMMED CHARGES</b>	428,500	513,279
	\$ 491,500	\$ 574,474
<b>DEBT SERVICE</b>		
Interest on Capital Lease Obligations		
Principal on Capital Lease Obligations	\$ -	\$ 11,064
<b>TOTAL DEBT SERVICE</b>	-	291,785
	\$ -	\$ 302,849
<b>Total Direct Disbursements</b>	\$ 27,395,800	\$ 28,070,215
"On-Behalf" Disbursement for TRS Benefits	-	13,767,952
<b>TOTAL DISBURSEMENTS</b>	\$ 27,395,800	\$ 41,838,167

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, 2017

RECEIPTS	Original and Final Budget	Actual
Receipts from Local Sources		
Taxes	\$ 4,080,000	\$ 4,119,204
Surplus Moneys from TIF District	-	126,217
Earnings on Investments	2,000	2,111
Rentals	85,000	56,169
Impact Fees	25,000	25,039
Other	11,000	-
Total Receipts from Local Sources	<u>\$ 4,203,000</u>	<u>\$ 4,328,740</u>
Receipts from State Sources		
Infrastructure Improvement Grant	\$ -	\$ 71,101
Total Receipts from State Sources	<u>\$ -</u>	<u>\$ 71,101</u>
<b>TOTAL RECEIPTS</b>	<u><b>\$ 4,203,000</b></u>	<u><b>\$ 4,399,841</b></u>
<b>DISBURSEMENTS</b>		
Support Services		
Operations and Maintenance		
Salaries	\$ 1,168,600	\$ 1,138,602
Employee Benefits	306,200	302,828
Purchased Services	376,000	433,429
Supplies & Materials	590,800	547,932
Capital Outlay	450,000	772,089
Total Support Services	<u>\$ 2,891,600</u>	<u>\$ 3,194,880</u>
Nonprogrammed Charges		
Payments for Special Education Programs		
Other	\$ 85,000	\$ 92,724
Debt Service		
Principal	\$ 935,000	\$ 935,000
Interest and Fees	127,700	112,425
Total Debt Service	<u>\$ 1,062,700</u>	<u>\$ 1,047,425</u>
<b>TOTAL DISBURSEMENTS</b>	<u><b>\$ 4,039,300</b></u>	<u><b>\$ 4,335,029</b></u>
<b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<u><b>\$ 163,700</b></u>	<u><b>\$ 64,812</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	\$ 1,150,000	\$ 1,215,000
Transfers Out	(1,150,000)	(1,150,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u><b>\$ -</b></u>	<u><b>\$ 65,000</b></u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><b>\$ 163,700</b></u>	<u><b>\$ 129,812</b></u>
FUND BALANCE - JULY 1, 2016		<u>1,081,982</u>
FUND BALANCE - JUNE 30, 2017		<u><u><b>\$ 1,211,794</b></u></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, 2017

	Original and Final Budget	Actual
RECEIPTS		
Receipts from Local Sources		
Taxes		
Earnings on Investments	\$ 895,700	\$ 903,917
Transportation Fees	5,000	5,923
Total Receipts from Local Sources	552,000	324,336
Receipts from State Sources	\$ 1,452,700	\$ 1,234,176
State Transportation Aid	950,000	253,558
TOTAL RECEIPTS	\$ 2,402,700	\$ 1,487,734
DISBURSEMENTS		
Support Services		
Pupil Transportation		
Salaries	\$ 19,000	\$ 13,165
Purchased Services	1,615,100	1,445,056
Supplies & Materials	729,900	500,739
Other	-	300,017
Total Support Services	\$ 2,364,000	\$ 2,260,450
TOTAL DISBURSEMENTS	\$ 2,364,000	\$ 2,260,450
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 38,700	\$ (772,716)
OTHER FINANCING SOURCES (USES)		
Transfers Out	(1,150,000)	(1,150,000)
NET CHANGE IN FUND BALANCE	\$ (1,111,300)	\$ (1,922,716)
FUND BALANCE - JULY 1, 2016		2,299,218
FUND BALANCE - JUNE 30, 2017		\$ 376,502

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, 2017**

	Original and Final Budget	Actual
<b>RECEIPTS</b>		
Receipts from Local Sources		
Taxes	\$ 901,700	\$ 907,636
Earnings on Investments	2,000	2,222
<b>TOTAL RECEIPTS</b>	\$ 903,700	\$ 909,858
<b>DISBURSEMENTS</b>		
Instruction		
Employee Benefits		
Regular Programs	\$ 164,300	\$ 159,377
Special Education Programs	74,300	72,257
Special Education Programs Pre-K	700	737
Remedial and Supplemental Programs K-12	1,900	1,984
Gifted Programs	5,400	4,727
Interscholastic Programs	7,900	9,752
Summer School Programs	8,500	8,966
Bilingual Programs	2,800	2,634
Total Instruction	\$ 265,800	\$ 260,434
Support Services		
Employee Benefits		
Attendance and Social Work Services	\$ 8,500	\$ 8,344
Health Services	55,800	51,006
Psychological Services	3,900	4,352
Speech Pathology & Audiology Services	13,200	9,952
Improvement of Instruction Services	17,700	17,331
Educational Media Services	29,800	29,530
Executive Administration Services	14,700	14,762
Special Area Administrative Services	8,700	8,546
Office of the Principal Services	62,600	58,588
Direction of Business Support Services	15,200	17,959
Fiscal Services	25,700	28,649
Operations and Maintenance Services	215,600	208,582
Food Services	15,000	12,021
Information Services	13,000	12,514
Staff Services	15,900	11,773
Data Processing Services	63,000	61,812
Total Support Services	\$ 578,300	\$ 555,721
Community Services		
Employee Benefits	\$ 500	\$ 345
Nonprogrammed Charges		
Payments for Special Education Programs	\$ 73,500	\$ 73,507
<b>TOTAL DISBURSEMENTS</b>	\$ 918,100	\$ 890,007
<b>NET CHANGE IN FUND BALANCE</b>	\$ (14,400)	\$ 19,851
<b>FUND BALANCE - JULY 1, 2016</b>		429,946
<b>FUND BALANCE - JUNE 30, 2017</b>		\$ 449,797

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, 2017

	Original and Final Budget	Actual
<b>RECEIPTS</b>		
Receipts from Local Sources	\$ 104,500	\$ 103,134
Taxes	35,000	71,518
Earnings on Investments		
<b>TOTAL RECEIPTS</b>	\$ 139,500	\$ 174,652
<b>DISBURSEMENTS</b>		
<b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	\$ 139,500	\$ 174,652
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers Out		(65,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		(65,000)
<b>NET CHANGE IN FUND BALANCE</b>	\$ -	\$ (65,000)
<b>FUND BALANCE - JULY 1, 2016</b>	\$ 139,500	\$ 109,652
<b>FUND BALANCE - JUNE 30, 2017</b>		9,018,142
		\$ 9,127,794

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, 2017

	Original and Final Budget	Actual
<b>RECEIPTS</b>		
Receipts from Local Sources	\$ 739,900	\$ 788,209
Taxes	1,000	492
Earnings on Investments	508,900	508,900
Surplus Moneys from TIF District		
Total Receipts from Local Sources	\$ 1,249,800	\$ 1,301,702
<b>TOTAL RECEIPTS</b>	<b>\$ 1,249,800</b>	<b>\$ 1,301,702</b>
<b>DISBURSEMENTS</b>		
Debt Service	\$ 454,800	\$ 583,486
Interest on Bonds	1,840,000	905,000
Bond Principal Retired	2,000	1,425
Fees on Bonds		
Total Disbursements	\$ 2,296,800	\$ 1,489,911
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 2,296,800</b>	<b>\$ 1,489,911</b>
<b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>\$ 2,296,600</b>	<b>\$ 1,489,911</b>
<b>OTHER FINANCING SOURCES (USES)</b>	<b>\$ (1,046,800)</b>	<b>\$ (188,209)</b>
Principal on Bonds Sold	\$ -	\$ 5,495,000
Premium on Bonds Sold	-	439,390
Transfers In	-	(5,839,326)
Total Other Financing Sources (Uses)	\$ -	\$ 95,064
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,046,800)</b>	<b>\$ (93,145)</b>
<b>FUND BALANCE - JULY 1, 2016</b>		<b>244,289</b>
<b>FUND BALANCE - JUNE 30, 2017</b>		<b>\$ 151,144</b>

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, 2017

	Original and Final Budget	Actual
<b>RECEIPTS</b>		
Receipts from Local sources	\$ 1,000	\$ 13,222
Earnings on Investments		
<b>TOTAL RECEIPTS</b>	\$ 1,000	\$ 13,222
<b>DISBURSEMENTS</b>		
Facilities Acquisition and Construction Services	\$ 416,000	\$ 772,360
Purchased Services	5,200,000	4,625,876
Capital Outlay		
<b>TOTAL DISBURSEMENTS</b>	\$ 5,616,000	\$ 5,398,236
<b>NET CHANGE IN FUND BALANCE</b>	\$ (5,615,000)	\$ (5,385,014)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	\$ 1,150,000	\$ 1,150,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	\$ 1,150,000	\$ 1,150,000
<b>NET CHANGE IN FUND BALANCE</b>	\$ (4,465,000)	\$ (4,235,014)
<b>FUND BALANCE - JULY 1, 2016</b>		5,182,531
<b>FUND BALANCE - JUNE 30, 2017</b>		\$ 947,517

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, 2017

STUDENT ACTIVITY ACCOUNTS	Balance July 1, 2016	Receipts	Disbursements	Balance June 30, 2017
<b>ASSETS</b>				
Cash in Bank Accounts	\$ 165,786	\$ 203,893	\$ 195,008	\$ 174,671
<b>LIABILITIES</b>				
Due to Student Groups				
Adler School	\$ 5,475	\$ 9,713	\$ 11,575	\$ 3,613
Adler School - Vending	4,387	207	476	4,118
Butterfield School	17,401	34,974	36,141	16,234
Butterfield School - Vending	4,022	1,444	3,410	2,056
Copeland School	10,029	26,885	26,907	10,007
Copeland School - Vending	3,455	709	358	3,806
HMS - General	28,684	85,367	75,886	38,165
HMS - Band	3,997	4,594	1,997	6,594
HMS - Drama	701	6,950	5,716	1,935
HMS - Library	10,992	9,261	12,123	8,130
HMS - Locks	4,295	2,384	-	6,679
HMS - Orchestra	21,270	4,232	4,535	20,967
HMS - Social Fund	67	798	482	383
HMS - Strolling Strings	1,868	-	-	1,868
HMS - Vending	33	-	-	33
HMS - Vocal Music	1,641	1,023	843	1,821
HMS - Yearbook	11,903	425	413	11,915
Rockland School	5,129	10,833	10,448	5,514
Rockland Birthday Boosters	-	378	-	378
Rockland Outdoor Classroom	924	-	-	924
Rockland PE	-	700	-	700
Rockland School - Vending	4,398	622	576	4,444
Computer Academy	4,031	-	-	4,031
Custodial	-	1,833	-	1,833
FAD #70	4,173	315	2,537	1,951
ERC Soda Fund	1,717	33	-	1,750
Emergency Fund	10,875	-	-	10,875
Robert Boos Memorial	1,124	-	-	1,124
Savings	3,195	213	585	2,823
<b>Total Due to Student Groups</b>	<b>\$ 165,786</b>	<b>\$ 203,893</b>	<b>\$ 195,008</b>	<b>\$ 174,671</b>
<b>NET POSITION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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 2016, 2015, 2014 AND 2013

	2016	2015	2014	2013
ASSESSED VALUATIONS	<u>\$ 1,030,163,272</u>	<u>\$ 961,573,717</u>	<u>\$ 910,201,027</u>	<u>\$ 916,917,263</u>
TAX RATES				
Educational	\$ 2.2624	\$ 2.3934	\$ 2.4700	\$ 2.3970
Operations and Maintenance	0.4012	0.4244	0.4380	0.4260
Bond and Interest	0.0804	0.0770	-	-
Transportation	0.0880	0.0932	0.1100	0.1100
Municipal Retirement/ Social Security	0.0375	0.0393	0.0400	0.0400
SEDOL IMRF	0.0075	0.0076	0.0070	0.0090
Working Cash	0.0098	0.0109	0.0130	0.0110
	<u>\$ 2.8868</u>	<u>\$ 3.0457</u>	<u>\$ 3.0780</u>	<u>\$ 2.9930</u>
TAX EXTENSIONS				
Educational	\$ 23,306,847	\$ 23,014,757	\$ 22,500,133	\$ 21,978,507
Operations and Maintenance	4,132,840	4,080,457	3,990,767	3,906,068
Bond and Interest	829,240	739,941	-	-
Transportation	906,626	895,716	973,360	1,008,609
Municipal Retirement/ Social Security	383,880	378,206	369,888	366,766
SEDOL IMRF	76,788	73,512	65,088	82,523
Working Cash	101,275	104,504	121,676	100,861
	<u>\$ 29,737,496</u>	<u>\$ 29,287,093</u>	<u>\$ 28,020,912</u>	<u>\$ 27,443,334</u>

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
 SUPPLEMENTAL INFORMATION  
 SCHEDULE OF OPERATING EXPENDITURES PER STUDENT  
 FOR THE YEAR ENDED JUNE 30, 2017

<b>TOTAL EXPENDITURES</b>			
Educational Fund		\$ 41,838,167	
Operations and Maintenance Fund		4,335,029	
Bond and Interest Fund		1,489,911	
Transportation Fund		2,260,450	
Municipal Retirement/Social Security Fund		890,007	
		\$ 50,813,564	
<b>Less: Receipts/Expenditures Not Applicable to Operating Expense of Regular Programs</b>			
Educational Fund			
Special Education Programs - Pre-K	\$ 63,451		
Summer School Programs	263,524		
Community Services	75,578		
Nonprogrammed Charges	574,474		
Capital Outlay	245,735		
Tuition	440,881		
Principal Paid on Capital Leases	291,785		
"On-Behalf" Disbursement for TRS Benefits	13,767,952		
Operations and Maintenance Fund			
Nonprogrammed Charges	92,724		
Capital Outlay	772,089		
Bond Principal Paid	935,000		
Bond and Interest Fund			
Bond Principal Paid	905,000		
Transportation Fund			
Transportation Fees	323,061		
Payments to Other Government Units	300,017		
Municipal Retirement/Social Security Fund			
Special Education Programs - Pre-K	737		
Summer School	8,966		
Community Service	345		
Nonprogrammed Charges	73,507		
		\$ 19,134,826	
<b>NET OPERATING EXPENDITURES</b>			<b>\$ 31,678,738</b>
<b>AVERAGE DAILY ATTENDANCE</b>			<b>2,249.79</b>
<b>OPERATING EXPENDITURES PER STUDENT</b>			<b>\$ 14,081</b>

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
 SUPPLEMENTAL INFORMATION  
 SCHEDULE OF PER CAPITA TUITION CHARGE  
 FOR THE YEAR ENDED JUNE 30, 2017

NET OPERATING EXPENDITURES		\$ 31,678,738
LESS: Offsetting Receipts/Revenues		
Educational Fund		
Special Education	\$ 753,795	
Other State Grants-In-Aid	-	
Title II - Teacher Quality	34,532	
Federal Special Education	11,018	
Title I - Low Income	143,770	
Medicaid Matching Funds	97,166	
Food Services	334,577	
Textbooks	222,418	
Operations and Maintenance Fund		
Other State Grants-In-Aid	71,101	
Rentals	56,169	
Transportation Fund		
Transportation Fees	1,275	
State Transportation Aid	253,558	
	1,979,379	
NET OPERATING EXPENSE FOR TUITION COMPUTATION		\$ 29,699,359
ADD: Depreciation Allowance		1,791,131
TOTAL ALLOWANCE FOR TUITION COMPUTATION		\$ 31,490,490
AVERAGE DAILY ATTENDANCE		2,249.79
PER CAPITA TUITION CHARGE		\$ 13,997

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
 SUPPLEMENTAL INFORMATION  
 SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
 JUNE 30, 2017

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

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
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 2016 contribution rate is based on valuation assumptions used in the December 31, 2014 actuarial valuation; note two year lag between valuation and rate setting.

**METHODS AND ASSUMPTIONS USED TO DETERMINE 2016 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>	27-year closed period until remaining period reaches 15 years (then 15-year rolling period)
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	3.5%
<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, 2017

The Schedule of the District's Proportionate Share of the Net Pension Liability, as of June 30, 2016, the most recent available measurement date, of the District's Defined Benefit Pension Plan, the Teachers' Retirement System, follows:

	June 30, 2016	June 30, 2015	June 30, 2014
District's Proportion of the Net Pension Liability	0.3759210000%	0.3573077100%	0.3395735200%
District's Proportionate Share of the Net Pension Liability \$	2,967,373	\$ 2,340,725	\$ 2,066,586
State's Proportionate Share of the Net Pension Liability Associated With the District			
	138,162,035	108,123,980	96,540,553
Total	<u>\$ 141,129,408</u>	<u>\$ 110,464,705</u>	<u>\$ 98,607,139</u>
District's Covered-Employee Payroll	\$ 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	16.65%	13.47%	12.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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, 2016, the most recent available measurement date, to the District's Defined Benefit Pension Plan, the Teachers' Retirement System, follows:

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

*Changes of Assumptions*

Amounts reported in 2016 reflect an investment rate of return of 7.0 percent, an inflation rate of 2.5 percent and real return of 4.5 percent, and salary increases that vary by service credit.

In 2015, assumptions used were an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and 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. However, 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.