

**LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70**

**LIBERTYVILLE, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2020**

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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, 2020, 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, 2020, 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, 2020, 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 December 3, 2020 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.

*Evoy, Kamschulte, Jacobs & Co. LLP*

EVOY, KAMSCHULTE, JACOBS & CO. LLP

December 3, 2020  
Waukegan, Illinois



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## 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

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, 2020, 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 December 3, 2020, 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.

*Evoy, Kamschulte, Jacobs & Co. LLP*

EVOY, KAMSCHULTE, JACOBS & CO. LLP

December 3, 2020  
Waukegan, Illinois

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020

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, 2020. 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, 2020 by \$55,009,022 (net position).
- The District's total net position decreased by \$2,199,878.
- At June 30, 2020, the District's governmental funds reported combined fund balances of \$16,058,193, a decrease of \$8,565,877 from the prior year. Approximately 49% of this amount, \$7,950,605, may be used to finance day-to-day operations (unassigned fund balance), which was approximately 18% 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 7. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all of the District's assets and liabilities resulting from the use of the modified cash basis of accounting.

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

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

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020  
(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 53. 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 42.

*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, 2020  
(Continued)

THE DISTRICT AS A WHOLE

A condensed statement of net position, as of June 30, 2020, and statement of activities, for the year ended June 30, 2018, is presented below.

| Net Assets                          | Governmental Activities |                      |
|-------------------------------------|-------------------------|----------------------|
|                                     | 2020                    | 2019                 |
| Current and Other Assets            | \$ 17,771,133           | \$ 25,839,947        |
| Capital Assets, Net                 | 55,107,430              | 50,367,859           |
| Total Assets                        | <u>72,878,563</u>       | <u>76,207,806</u>    |
| Current Liabilities                 | (1,712,940)             | (1,215,877)          |
| Long-Term Debt Outstanding          | (16,156,601)            | (17,783,029)         |
| Total Liabilities                   | <u>(17,869,541)</u>     | <u>(18,998,906)</u>  |
|                                     | <u>\$ 55,009,022</u>    | <u>\$ 57,208,900</u> |
| Net Position:                       |                         |                      |
| Net Investment in Capital Assets    | \$ 38,950,829           | \$ 32,584,830        |
| Restricted                          | 8,107,588               | 13,591,119           |
| Unrestricted                        | 7,950,605               | 11,032,951           |
| Total Net Position                  | <u>\$ 55,009,022</u>    | <u>\$ 57,208,900</u> |
| Changes in Net Position             | Governmental Activities |                      |
|                                     | 2020                    | 2019                 |
| <u>Receipts</u>                     |                         |                      |
| Program Receipts                    |                         |                      |
| Charges for Services                | \$ 1,009,157            | \$ 1,413,057         |
| Operating Grants                    | 16,819,623              | 14,592,273           |
| Capital Grants                      | 50,000                  | -                    |
| General Receipts                    |                         |                      |
| Property Taxes                      | 29,110,383              | 28,535,243           |
| Other Taxes                         | 543,639                 | 496,640              |
| Earnings on Investments             | 401,729                 | 360,243              |
| Evidence Base Funding Formula       | 1,794,378               | 1,791,940            |
| Other                               | 1,362,573               | 2,491,040            |
| Total Receipts                      | <u>\$ 51,091,482</u>    | <u>\$ 49,680,436</u> |
| <u>Disbursements</u>                |                         |                      |
| Program Disbursements               |                         |                      |
| Instruction                         | \$ 35,131,695           | \$ 32,122,831        |
| Support Services                    | 14,788,897              | 14,903,727           |
| Community Services                  | 66,560                  | 84,120               |
| Nonprogrammed Charges               | 627,537                 | 781,321              |
| Interest, Fees and Costs            | 648,175                 | 581,691              |
| Depreciation - Unallocated          | 2,028,496               | 1,917,093            |
| Total Disbursements                 | <u>\$ 53,291,360</u>    | <u>\$ 50,390,783</u> |
| Increase (Decrease) in net position | <u>\$ (2,199,878)</u>   | <u>\$ (710,347)</u>  |
| Net Position- Beginning             | 57,208,900              | 57,919,247           |
| Net Position- Ending                | <u>\$ 55,009,022</u>    | <u>\$ 57,208,900</u> |

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020  
(Continued)

THE DISTRICT AS A WHOLE (continued)

The net position of the District's governmental activities decreased by \$2,199,878. 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 \$3,082,346 to \$7,950,605.

THE DISTRICT'S FUNDS

At June 30, 2020, 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 \$16,058,193, which is less than last year's total of \$24,624,070. The decrease in fund balance is related to the expenses to pay for Life Safety Work that came from the Ten Year Annual Safety Survey and the work will be completed in the summer of 2020.

*General Fund Budgetary Highlights*

The July 1, 2019 to June 30, 2020 budget, which was not amended, was approved by the Board of Education on August 26, 2019. The budget is a general guide for the financial activity of the District.

General (Education) Fund actual direct receipts were less than the budgeted amounts due mainly to property taxes collections less than budgeted amounts.

General (Education) Fund actual direct disbursements were less than the budgeted amounts.

The Operations & Maintenance Fund's portion of the Special Revenue Fund's actual direct receipts were less than the budgeted amounts due lower property tax collections.

The Operations & Maintenance Fund's actual capital expenditures were lower than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

*Capital Assets*

At June 30, 2020, the District had \$55,107,430 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, 2020</u> | <u>June 30, 2019</u> |
|--|----------------------|----------------------|
| Land and Improvements                                  | \$ 1,105,717         | \$ 1,146,951         |
| Buildings  | 51,338,462           | 46,472,261           |
| Furniture and Equipment                                | 2,663,251            | 2,748,647            |
| Totals   | <u>\$ 55,107,430</u> | <u>\$ 50,367,859</u> |

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, 2020  
(Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION ( continued)

*Long-Term Debt*

At June 30, 2020, the District had \$16,156,601 in long-term debt outstanding, as shown below.

| Outstanding Debt at Year End       | Governmental Activities |                      |
|------------------------------------|-------------------------|----------------------|
|                                    | June 30, 2020           | June 30, 2019        |
| 2009 Alternate Revenue Bonds       | -                       | 660,000              |
| 2011 Limited Tax Debt Certificates | 500,000                 | 980,000              |
| 2016 Working Cash Bonds            | 5,975,000               | 5,975,000            |
| 2017 Refunding bonds               | 3,950,000               | 4,455,000            |
| 2018 GO Debt Certificates          | 5,460,000               | 5,460,000            |
| Capital Lease Obligations          | 271,601                 | 253,029              |
|                                    | <u>\$ 16,156,601</u>    | <u>\$ 17,783,029</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 and the State budget from previous years has only been exacerbated by the failure of the Fair Tax referendum and the economic impact of COVID-19. This increases the concern of the district that several state-level costs will be shifted to the District in the form of pension cost shifts, property tax freezes, or the reduction in state financial aid.

COVID-19 also had a large impact on the cost of education within the District. Like so many other school districts in the State, the District has had to reimagine education in a virtual, in-person, and hybrid format that has had a large impact on Fiscal Year 2020 and will continue to be felt in Fiscal Year 2021.

In addition to these challenges, there is the potential for new residential development within the District that could prompt the construction of new buildings or additions to existing buildings. Should that occur, the District may require additional funds be raised through a 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 John Herrin, Assistant Superintendent for Finance and Operations, 1381 W. Lake Street, Libertyville, IL 60048, 847-362-9030, or at [jherrin@d70schools.org](mailto:jherrin@d70schools.org).

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
JUNE 30, 2020

|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| <b>ASSETS</b>                                |                                    |
| Cash and Investments                         | \$ 17,771,133                      |
| Capital Assets                               |                                    |
| Land   | 313,824                            |
| Land Improvements                            | 1,802,502                          |
| Buildings                                    | 69,541,661                         |
| Furniture and Equipment                      | 14,516,085                         |
| Less: Accumulated Depreciation               | (31,066,642)                       |
| Total Capital Assets, Net                    | <u>\$ 55,107,430</u>               |
| Total Assets                                 | <u>\$ 72,878,563</u>               |
| <br><b>LIABILITIES</b>                       |                                    |
| Current Liabilities                          |                                    |
| Payroll Deductions Payable                   | <u>\$ 1,712,940</u>                |
| Long-Term Liabilities                        |                                    |
| Portion Due or Payable Within One Year       |                                    |
| Capital Lease Obligations                    | \$ 97,158                          |
| General Obligation Debt                      | 1,090,000                          |
| Portion Due or Payable in More Than One Year |                                    |
| Capital Lease Obligations                    | 174,443                            |
| General Obligation Debt                      | 14,795,000                         |
| Total Long-Term Liabilities                  | <u>\$ 16,156,601</u>               |
| Total Liabilities                            | <u>\$ 17,869,541</u>               |
| <br><b>NET POSITION</b>                      |                                    |
| Net Investment in Capital Assets             | \$ 38,950,829                      |
| Restricted                                   |                                    |
| Operations and Maintenance                   | 1,682,264                          |
| Transportation                               | 342,229                            |
| Municipal Retirement/Social Security         | 244,863                            |
| Working Cash                                 | 5,731,518                          |
| Bond and Interest                            | 25,914                             |
| Capital Projects                             | 80,800                             |
| Unrestricted                                 | <u>7,950,605</u>                   |
| <b>TOTAL NET POSITION</b>                    | <u><u>\$ 55,009,022</u></u>        |

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

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2020

| FUNCTION/PROGRAMS<br>Governmental Activities       | Program Receipts |                         |  | Net (Disbursements)<br>Receipts and<br>Change in Net Position<br>Governmental<br>Activities<br>Total |
|--|------------------|-------------------------|--|--|
|  | Disbursements    | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions   |
| Instruction  |                  |                         |  |  |
| Regular Programs                                   | \$ 30,434,524    | \$ 255,636              | \$ 15,723,588                            | \$ -   |
| Special Education Programs                         | 3,036,349        | -                       | 375,757                                  | -  |
| Special Education Programs Pre-K                   | 143,991          | -                       | -  | -  |
| Remedial and Supplemental Programs K-12            | 102,367          | -                       | -  | -  |
| Interscholastic Programs                           | 504,785          | -                       | -  | -  |
| Summer School                                      | 173,781          | -                       | -  | -  |
| Gifted Programs                                    | 508,115          | -                       | -  | -  |
| Bilingual Programs                                 | 227,783          | -                       | -  | -  |
| Support Services                                   |                  |                         |  |  |
| Pupils   | 2,733,792        | -                       | -  | -  |
| Instructional Staff                                | 1,552,371        | -                       | -  | -  |
| General Administration                             | 888,294          | -                       | -  | -  |
| School Administration                              | 1,499,243        | -                       | -  | -  |
| Business   | 6,366,689        | 753,521                 | 720,278                                  | 50,000   |
| Central  | 1,748,508        | -                       | -  | -  |
| Community Services                                 | 66,560           | -                       | -  | -  |
| Nonprogrammed Charges                              | 627,537          | -                       | -  | -  |
| Interest, Fees and Costs                           | 648,175          | -                       | -  | -  |
| Depreciation - Unallocated                         | 2,028,496        | -                       | -  | -  |
| Total Governmental Activities                      | \$ 53,291,360    | \$ 1,009,157            | \$ 16,819,623                            | \$ 50,000  |
|  |                  |                         |  |  |
| GENERAL RECEIPTS                                   |                  |                         |  |  |
| Taxes  |                  |                         |  |  |
| Property Taxes, levied for general purposes        |                  |                         |  | \$ 26,553,674  |
| Property Taxes, levied for debt service            |                  |                         |  | 803,713  |
| Property Taxes, levied for other specific purposes |                  |                         |  | 1,752,996  |
| Personal Property Replacement                      |                  |                         |  | 543,639  |
| Unrestricted Earnings on Investments               |                  |                         |  | 401,729  |
| Evidence Based Funding Formula                     |                  |                         |  | 1,794,378  |
| Other  |                  |                         |  | 1,362,573  |
| TOTAL GENERAL RECEIPTS                             |                  |                         |  | \$ 33,212,702  |
|  |                  |                         |  |  |
| CHANGE IN NET POSITION                             |                  |                         |  |  |
|  |                  |                         |  | \$ (2,199,878)   |
| NET POSITION - JULY 1, 2019                        |                  |                         |  | 57,208,900   |
| NET POSITION - JUNE 30, 2020                       |                  |                         |  | \$ 55,009,022  |

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, 2020

|                                      | General Fund | Special Revenue Funds           |                     |                                  |                   | Debt Service Fund      | Capital Projects Fund | Total Governmental Funds |
|--------------------------------------|--------------|---------------------------------|---------------------|----------------------------------|-------------------|------------------------|-----------------------|--------------------------|
|                                      |              | Operations and Maintenance Fund | Transportation Fund | Retirement/ Social Security Fund | Working Cash Fund | Bond and Interest Fund | Capital Projects Fund |                          |
| ASSETS                               |              |                                 |                     |                                  |                   |                        |                       |                          |
| Cash and Investments                 | \$ 9,560,441 | \$ 1,707,594                    | \$ 342,229          | \$ 322,637                       | \$ 5,731,518      | \$ 25,914              | \$ 80,800             | \$ 17,771,133            |
| TOTAL ASSETS                         | \$ 9,560,441 | \$ 1,707,594                    | \$ 342,229          | \$ 322,637                       | \$ 5,731,518      | \$ 25,914              | \$ 80,800             | \$ 17,771,133            |
| LIABILITIES AND FUND BALANCES        |              |                                 |                     |                                  |                   |                        |                       |                          |
| LIABILITIES                          |              |                                 |                     |                                  |                   |                        |                       |                          |
| Payroll Deductions Payable           | \$ 1,609,836 | \$ 25,330                       | \$ -                | \$ 77,774                        | \$ -              | \$ -                   | \$ -                  | \$ 1,712,940             |
| FUND BALANCES                        |              |                                 |                     |                                  |                   |                        |                       |                          |
| Reserved                             |              |                                 |                     |                                  |                   |                        |                       |                          |
| Operations and Maintenance           | \$ -         | \$ 1,682,264                    | \$ -                | \$ -                             | \$ -              | \$ -                   | \$ -                  | \$ 1,682,264             |
| Transportation Services              | -            | -                               | 342,229             | -                                | -                 | -                      | -                     | 342,229                  |
| Employee Benefits Payments           | -            | -                               | -                   | 244,863                          | -                 | -                      | -                     | 244,863                  |
| Interfund Borrowing                  | -            | -                               | -                   | -                                | 5,731,518         | -                      | -                     | 5,731,518                |
| Bond Principal and Interest Payments | -            | -                               | -                   | -                                | -                 | 25,914                 | -                     | 25,914                   |
| Capital Improvements                 | -            | -                               | -                   | -                                | -                 | -                      | 80,800                | 80,800                   |
| Unassigned                           | 7,950,605    | -                               | -                   | -                                | -                 | -                      | -                     | 7,950,605                |
| TOTAL FUND BALANCES                  | \$ 7,950,605 | \$ 1,682,264                    | \$ 342,229          | \$ 244,863                       | \$ 5,731,518      | \$ 25,914              | \$ 80,800             | \$ 16,058,193            |
| TOTAL LIABILITIES AND FUND BALANCES  | \$ 9,560,441 | \$ 1,707,594                    | \$ 342,229          | \$ 322,637                       | \$ 5,731,518      | \$ 25,914              | \$ 80,800             | \$ 17,771,133            |

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, 2020**

|  |    |            |
|--|----|------------|
| Total Fund Balances - Governmental Funds | \$ | 16,058,193 |
|--|----|------------|

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

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

|                          |    |              |            |
|--------------------------|----|--------------|------------|
| Cost of Capital Assets   | \$ | 86,174,072   |            |
| Accumulated Depreciation |    | (31,066,642) | 55,107,430 |

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

|                          |    |              |              |
|--------------------------|----|--------------|--------------|
| General Obligation Bonds | \$ | (15,885,000) |              |
| Capital Leases           |    | (271,601)    | (16,156,601) |

|   |    |            |
|---|----|------------|
| Total Net Position of Governmental Activities | \$ | 55,009,022 |
|---|----|------------|

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, 2020**

|   | 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 |                       |                          |
| RECEIPTS                                      |                |                                 |                     |                                  |                   |                        |                       |                       |                          |
| Taxes   | \$ 23,332,218  | \$ 3,392,885                    | \$ 1,094,871        | \$ 936,332                       | \$ 94,003         | \$ 803,713             | \$ -                  | \$ 29,654,022         | \$ -                     |
| Tuition                                       | -              | -                               | -                   | -                                | -                 | -                      | -                     | -                     | -                        |
| Earnings on Investments                       | 237,471        | 18,182                          | 4,262               | 5,760                            | 109,019           | 1,328                  | 25,707                | 401,729               | 289,548                  |
| Food Service Fees                             | 289,548        | -                               | -                   | -                                | -                 | -                      | -                     | 463,973               | 255,636                  |
| Transportation Fees                           | -              | -                               | 463,973             | -                                | -                 | -                      | -                     | 4,701                 | 55,623                   |
| Textbook Fees                                 | 255,636        | -                               | -                   | -                                | -                 | -                      | -                     | -                     | 1,168,630                |
| Donations                                     | 4,701          | -                               | -                   | -                                | -                 | -                      | -                     | 133,619               | 18,229,167               |
| Rentals                                       | -              | 55,623                          | -                   | -                                | -                 | -                      | -                     | -                     | 434,834                  |
| Impact / TIF Fees                             | 100,000        | 478,630                         | -                   | -                                | -                 | 590,000                | -                     | -                     | -                        |
| Other   | 121,555        | 12,064                          | -                   | -                                | -                 | -                      | -                     | -                     | -                        |
| State Aid                                     | 17,458,889     | 50,000                          | 720,278             | -                                | -                 | -                      | -                     | -                     | -                        |
| Federal Aid                                   | 434,834        | -                               | -                   | -                                | -                 | -                      | -                     | -                     | -                        |
| TOTAL RECEIPTS                                | \$ 42,234,852  | \$ 4,007,384                    | \$ 2,283,384        | \$ 942,092                       | \$ 203,022        | \$ 1,395,041           | \$ 25,707             | \$ 51,091,482         | \$ -                     |
| DISBURSEMENTS                                 |                |                                 |                     |                                  |                   |                        |                       |                       |                          |
| Current                                       |                |                                 |                     |                                  |                   |                        |                       |                       |                          |
| Instruction                                   |                |                                 |                     |                                  |                   |                        |                       |                       |                          |
| Regular Programs                              | \$ 30,258,154  | \$ -                            | \$ -                | \$ 176,370                       | \$ -              | \$ -                   | \$ -                  | \$ 30,434,524         | 3,036,349                |
| Special Education Programs                    | 2,904,949      | -                               | -                   | 131,400                          | -                 | -                      | -                     | 143,991               | 102,367                  |
| Special Education Programs Pre-K              | 142,376        | -                               | -                   | 1,615                            | -                 | -                      | -                     | 504,785               | 173,781                  |
| Remedial and Supplemental Programs K-12       | 101,275        | -                               | -                   | 1,092                            | -                 | -                      | -                     | 508,115               | 227,783                  |
| Interscholastic Programs                      | 492,332        | -                               | -                   | 12,453                           | -                 | -                      | -                     | 2,733,792             | 1,552,371                |
| Summer School                                 | 168,045        | -                               | -                   | 5,736                            | -                 | -                      | -                     | 1,552,371             | 1,552,371                |
| Gifted Programs                               | 502,490        | -                               | -                   | 5,625                            | -                 | -                      | -                     | 888,294               | 888,294                  |
| Bilingual Programs                            | 224,918        | -                               | -                   | 2,865                            | -                 | -                      | -                     | 1,499,243             | 1,499,243                |
| Support Services                              |                |                                 |                     |                                  |                   |                        |                       | 6,366,689             | 1,748,508                |
| Pupils  | 2,635,389      | -                               | -                   | 98,403                           | -                 | -                      | -                     | 66,560                | 66,560                   |
| Instructional Staff                           | 1,509,244      | -                               | -                   | 43,127                           | -                 | -                      | -                     | 627,537               | 627,537                  |
| General Administration                        | 864,651        | -                               | -                   | 23,643                           | -                 | -                      | -                     | 1,856,493             | 1,856,493                |
| School Administration                         | 1,442,560      | -                               | -                   | 56,683                           | -                 | -                      | -                     | 648,175               | 648,175                  |
| Business                                      | 1,297,670      | 2,510,455                       | 2,204,111           | 267,653                          | -                 | -                      | 86,800                | 5,863,600             | 5,863,600                |
| Central                                       | 1,658,997      | -                               | -                   | 89,511                           | -                 | -                      | -                     | 5,950,400             | 5,950,400                |
| Community Service                             | 66,273         | -                               | -                   | 287                              | -                 | -                      | -                     | -                     | -                        |
| Nonprogrammed Charges                         |                |                                 |                     |                                  |                   |                        |                       | -                     | -                        |
| Payments to Other Governments                 | 454,886        | 104,716                         | -                   | 67,935                           | -                 | -                      | -                     | -                     | -                        |
| Debt Service                                  |                |                                 |                     |                                  |                   |                        |                       | -                     | -                        |
| Principal                                     | -              | -                               | -                   | -                                | -                 | 1,856,493              | -                     | 1,856,493             | 1,856,493                |
| Interest and Fees                             | -              | -                               | -                   | -                                | -                 | 648,175                | -                     | 648,175               | 648,175                  |
| Capital Outlay                                | 360,341        | 314,061                         | -                   | -                                | -                 | -                      | -                     | 5,863,600             | 5,863,600                |
| TOTAL DISBURSEMENTS                           | \$ 45,084,550  | \$ 2,929,232                    | \$ 2,204,111        | \$ 984,398                       | \$ -              | \$ 2,504,668           | \$ 5,950,400          | \$ 59,657,359         | \$ 59,657,359            |
| EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS | \$ (2,849,698) | \$ 1,078,152                    | \$ 79,273           | \$ (42,306)                      | \$ 203,022        | \$ (1,109,627)         | \$ (5,924,693)        | \$ (8,565,877)        | \$ (8,565,877)           |
| OTHER FINANCING SOURCES (USES)                |                |                                 |                     |                                  |                   |                        |                       |                       |                          |
| Transfers In                                  | \$ -           | \$ 102,000                      | \$ -                | \$ -                             | -                 | \$ 1,134,343           | \$ -                  | \$ 1,236,343          | \$ 1,236,343             |
| Transfers Out                                 | (232,848)      | (901,695)                       | -                   | -                                | (102,000)         | -                      | -                     | (1,236,343)           | (1,236,343)              |
| TOTAL OTHER FINANCING SOURCES (USES)          | \$ (232,848)   | \$ (799,695)                    | \$ -                | \$ -                             | \$ (102,000)      | \$ 1,134,343           | \$ -                  | \$ -                  | \$ -                     |
| NET CHANGE IN FUND BALANCE                    | \$ (3,082,346) | \$ 278,457                      | \$ 79,273           | \$ (42,306)                      | \$ 101,022        | \$ 24,716              | \$ (5,924,693)        | \$ (8,565,877)        | \$ (8,565,877)           |
| FUND BALANCE - JULY 1, 2019                   | 11,032,951     | 1,403,807                       | 262,956             | 287,169                          | 5,630,496         | 1,198                  | 6,005,493             | 24,624,070            | 24,624,070               |
| FUND BALANCE - JUNE 30, 2020                  | \$ 7,950,605   | \$ 1,682,264                    | \$ 342,229          | \$ 244,863                       | \$ 5,731,518      | \$ 25,914              | \$ 80,800             | \$ 16,058,193         | \$ 16,058,193            |

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, 2020

|   |    |             |
|---|----|-------------|
| Net Change in Fund Balance - Governmental Funds | \$ | (8,565,877) |
|---|----|-------------|

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

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

|                      |    |             |           |
|----------------------|----|-------------|-----------|
| Capital Outlay       | \$ | 6,538,002   |           |
| Depreciation Expense |    | (2,028,496) | 4,509,506 |

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

-

|                                  |  |           |
|----------------------------------|--|-----------|
| Principal Paid on Long-Term Debt |  | 1,856,493 |
|----------------------------------|--|-----------|

|   |    |             |
|---|----|-------------|
| Change in Net Position of Governmental Activities | \$ | (2,199,878) |
|---|----|-------------|

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, 2020

ASSETS

|                                       |                   |
|---------------------------------------|-------------------|
| Cash in Checking and Savings Accounts | <u>\$ 153,923</u> |
| TOTAL ASSETS                          | <u>\$ 153,923</u> |

LIABILITIES

|                       |                   |
|-----------------------|-------------------|
| Due to Student Groups | <u>\$ 153,923</u> |
| TOTAL LIABILITIES     | <u>\$ 153,923</u> |

|              |                    |
|--------------|--------------------|
| NET POSITION | <u><u>\$ -</u></u> |
|--------------|--------------------|

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

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020

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 2020 the District adopted or considered the following Governmental Accounting Standards Board (GASB) Statements.

- GASBS No. 83, *Certain Asset Retirement Obligations*
- GASBS No.88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*

*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, 2020  
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*Basis of Presentation (continued)*

The District reports the following major governmental funds:

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

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

*Basis of Accounting*

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

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(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<br/>Method</u> | <u>Estimated<br/>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, 2020  
(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, 2019 to June 30, 2020 budget, which was not amended, was approved by the Board of Education on August 26, 2019. 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, 2020, the carrying amount of the District's deposits was \$2,968,919. The deposits in the Student Activity Accounts had a carrying amount of \$153,923. At June 30, 2020, the District and Student Activity Accounts bank balances were \$6,385,192 and \$157,484 respectively. As of June 30, 2020, \$0 of the combined entity's bank balance was exposed to custodial credit risk.

Collateralized with securities held by the  
pledging financial institution

|  |              |
|--|--------------|
|  | Bank Balance |
|  | \$ 2,974,325 |

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

2. CASH AND INVESTMENTS (continued)

*Investments*

At June 30, 2020 the District had the following investments:

|  | <u>Maturity<br/>Date</u> | <u>Balance</u>       | <u>% of<br/>Total</u> |
|--|--------------------------|----------------------|-----------------------|
| Notes and Bonds                            |                          |                      |                       |
| Federal Home Loan Mortgage Corp            | Dec 2037                 | \$ 54,275            | 0.4%                  |
| GNMA                                       | N/A                      | 12,283               | 0.1%                  |
| Taxable Debt Certificates                  |                          |                      |                       |
| School District Number 68                  | 2020-2021                | 305,000              | 2.1%                  |
| External Investment Pools                  |                          |                      |                       |
| The Illinois Funds                         | N/A                      | 7,390                | 0.0%                  |
| Illinois Institutional Investors Trust     | N/A                      | 764                  | 0.0%                  |
| ISDLAF + Term Series                       | N/A                      | -                    | 0.0%                  |
| Illinois School District Liquid Asset Fund | N/A                      | 14,422,502           | 97.4%                 |
| Total                                      |                          | <u>\$ 14,802,214</u> | <u>100.0%</u>         |

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

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

*Interest Rate Risk.* The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

3. CAPITAL ASSETS AND DEPRECIATION

|  | Balance<br>July 1, 2019 | Additions             | Deletions   | Balance<br>June 30, 2020 |
|--|-------------------------|-----------------------|-------------|--------------------------|
| Capital Assets not Being Depreciated                                       |                         |                       |             |                          |
| Land   | \$ 313,824              | \$ -                  | \$ -        | \$ 313,824               |
| Construction-in-Progress   | -                       | -                     | -           | -                        |
| Total Capital Assets not Being Depreciated                                 | <u>\$ 313,824</u>       | <u>\$ -</u>           | <u>\$ -</u> | <u>\$ 313,824</u>        |
| Capital Assets Being Depreciated   |                         |                       |             |                          |
| Land Improvements  | \$ 1,781,874            | \$ 20,628             | \$ -        | \$ 1,802,502             |
| Building and Improvements  | 63,346,577              | 6,195,084             | -           | 69,541,661               |
| Furniture and Equipment  | 13,963,730              | 552,355               | -           | 14,516,085               |
| Total Capital Assets Being Depreciated                                     | <u>\$ 79,092,181</u>    | <u>\$ 6,768,067</u>   | <u>\$ -</u> | <u>\$ 85,860,248</u>     |
| Less Accumulated Depreciation for:   |                         |                       |             |                          |
| Land Improvements  | \$ (948,747)            | \$ (61,862)           | \$ -        | \$ (1,010,609)           |
| Building and Improvements  | (16,874,316)            | (1,328,883)           | -           | (18,203,199)             |
| Equipment  | (11,215,083)            | (637,751)             | -           | (11,852,834)             |
| Total Accumulated Depreciation   | <u>\$ (29,038,146)</u>  | <u>\$ (2,028,496)</u> | <u>\$ -</u> | <u>\$ (31,066,642)</u>   |
| Total Capital Assets Being Depreciated,<br>net of Accumulated Depreciation | <u>\$ 50,054,035</u>    | <u>\$ 4,739,571</u>   | <u>\$ -</u> | <u>\$ 54,793,606</u>     |
| Capital Assets, net of<br>Accumulated Depreciation                         | <u>\$ 50,367,859</u>    | <u>\$ 4,739,571</u>   | <u>\$ -</u> | <u>\$ 55,107,430</u>     |

Depreciation was not charged to any specific function.

4. LONG-TERM DEBT

Debt Defeasance

During Fiscal Year 2017 the District has defeased a part of certain bond issues by creating a separate irrevocable trust fund. New debt was used to purchase U.S. Government Securities that were placed in a trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the district's government-wide financial statements. As of June 30, 2020, the amount of defeased debt outstanding amounted to \$4,245,000.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

4. LONG-TERM DEBT

*Changes in General Long-Term Debt*

|  | Balance<br>July 1, 2019 | Proceeds          | Retired/<br>Defeased | Balance<br>June 30, 2020 | Amounts Due<br>Within<br>One Year |
|--|-------------------------|-------------------|----------------------|--------------------------|-----------------------------------|
| 2009 General Obligation Bonds            | \$ 660,000              | \$ -              | \$ 660,000           | \$ -                     | \$ -                              |
| 2011 General Obligation Debt Certs.      | 980,000                 | -                 | 480,000              | 500,000                  | 500,000                           |
| 2016 General Obligation Bonds            | 5,975,000               | -                 | -                    | 5,975,000                | -                                 |
| 2017 Refunding Bonds                     | 4,455,000               | -                 | 505,000              | 3,950,000                | 525,000                           |
| 2019 General Obligation Debt Certificate | 5,460,000               | -                 | -                    | 5,460,000                | 65,000                            |
| Capital Lease Obligations                | 253,029                 | 230,065           | 211,493              | 271,601                  | 97,158                            |
|  | <u>\$ 17,783,029</u>    | <u>\$ 230,065</u> | <u>\$ 1,856,493</u>  | <u>\$ 16,156,601</u>     | <u>\$ 1,187,158</u>               |

At June 30, 2019, the annual cash flow requirements of Bond Principal and Interest were as follows:

|   | Year<br>Ending<br>June 30, | Principal           | Interest            | Total               |
|---|----------------------------|---------------------|---------------------|---------------------|
| 2016 General Obligation Bonds,<br>Original Issue of \$5,975,000,<br>Dated June 16, 2016 |                            |                     |                     |                     |
|   | 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>\$ 2,071,140</u> | <u>\$ 8,046,140</u> |
|   | Year<br>Ending<br>June 30, | Principal           | Interest            | Total               |
| 2017 Refunding Bonds<br>Original Issue of \$5,495,000,<br>Dated February 9, 2017        |                            |                     |                     |                     |
|   | 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             |
|   | 2026                       | 635,000             | 32,100              | 667,100             |
|   | 2027                       | 485,000             | 9,700               | 494,700             |
|   |                            | <u>\$ 3,950,000</u> | <u>\$ 557,600</u>   | <u>\$ 4,507,600</u> |

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

4. LONG-TERM DEBT (continued)

*Cash Flow Requirements (continued)*

|   | Year<br>Ending<br>June 30, | Principal                       | Interest                      | Total                           |
|---|----------------------------|---------------------------------|-------------------------------|---------------------------------|
| 2011 General Obligation Limited Tax<br>Debt Certificates,<br>Original Issue of \$4,270,000,<br>Dated August 9, 2011 | 2021                       | \$ 500,000<br><u>\$ 500,000</u> | \$ 10,000<br><u>\$ 10,000</u> | \$ 510,000<br><u>\$ 510,000</u> |

|                                | Year<br>Ending<br>June 30, | Principal           | Interest            | Total               |
|--------------------------------|----------------------------|---------------------|---------------------|---------------------|
| 2019 GO Debt Certificates      | 2021                       | \$ 65,000           | \$ 218,400          | \$ 283,400          |
| Original Issue of \$5,460,000, | 2022                       | 585,000             | 215,800             | 800,800             |
| Dated June 13, 2019            | 2023                       | 610,000             | 192,400             | 802,400             |
|                                | 2024                       | 635,000             | 168,000             | 803,000             |
|                                | 2025                       | 660,000             | 142,600             | 802,600             |
|                                | 2026                       | 685,000             | 116,200             | 801,200             |
|                                | 2027                       | 710,000             | 88,800              | 798,800             |
|                                | 2028                       | 740,000             | 60,400              | 800,400             |
|                                | 2029                       | 770,000             | 30,800              | 800,800             |
|                                |                            | <u>\$ 5,460,000</u> | <u>\$ 1,233,400</u> | <u>\$ 6,693,400</u> |

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

4. LONG-TERM DEBT (continued)

*Cash Flow Requirements (Continued)*

|                  | Year<br>Ending<br>June 30, | Principal            | Interest            | Total                |
|------------------|----------------------------|----------------------|---------------------|----------------------|
| Total All Issues | 2021                       | \$ 1,090,000         | \$ 564,150          | \$ 1,654,150         |
|                  | 2022                       | 1,125,000            | 530,250             | 1,655,250            |
|                  | 2023                       | 1,175,000            | 484,750             | 1,659,750            |
|                  | 2024                       | 1,225,000            | 437,250             | 1,662,250            |
|                  | 2025                       | 1,270,000            | 387,850             | 1,657,850            |
|                  | 2026                       | 1,320,000            | 336,550             | 1,656,550            |
|                  | 2027                       | 1,325,000            | 286,750             | 1,611,750            |
|                  | 2028                       | 1,455,000            | 244,426             | 1,699,426            |
|                  | 2029                       | 1,525,000            | 191,588             | 1,716,588            |
|                  | 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>\$ 15,885,000</u> | <u>\$ 3,872,140</u> | <u>\$ 19,757,140</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.

*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, 2020 the total cost of equipment acquired under these capital lease agreements was \$1,860,340 accumulated depreciation related to these assets was \$1,099,292. At June 30, 2020 the total remaining principal and interest amounts due under capital lease agreements were as follows:

|                           | Principal         | Interest         | Total             |
|---------------------------|-------------------|------------------|-------------------|
| Year Ending June 30, 2021 | \$ 97,158         | \$ 8,127         | \$ 105,285        |
| Year Ending June 30, 2022 | 116,455           | 5,246            | 121,701           |
| Year Ending June 30, 2023 | 57,988            | 574              | 58,562            |
|                           | <u>\$ 271,601</u> | <u>\$ 13,947</u> | <u>\$ 285,548</u> |

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

4. LONG-TERM DEBT (continued)

*Debt Limit*

The Illinois school Code limits the amount of indebtedness to 6.9 percent of \$ 1,126,881,815 the most recent available assessed valuation of the District. Thus, the District's remaining debt margin at June 30, 2020, is \$61,598,244, which is 79.2 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.

*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.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

5. FUND BALANCE REPORTING (continued)

*Unassigned Fund Balance*

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

*Net Position Restrictions*

The district-wide statement of net position reports \$8,107,588 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, 2020:

|                                  |                   |
|----------------------------------|-------------------|
| Property and Liability Insurance | \$ 84,752         |
| Workers Compensation Insurance   | 77,662            |
|                                  | <u>\$ 162,414</u> |

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) 678-36750, 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.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

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

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement account plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

#### *Contributions*

The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the code. The active member contribution rate for the year ended June 30, 2018 was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

*On-Behalf Contributions to TRS:* The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2020, 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 \$15,301,881 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, 2020 were \$113,062.

*Federal and Special Trust Fund Contributions:* When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

For the year ended June 30, 2020, the employer pension contribution was 10.66 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2020, salaries totaling \$81,045 were paid from federal and special trust funds that required employer contributions of \$8,639.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

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

*Contributions (continued)*

*Employer Retirement Cost Contributions:* Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is 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, 2020, 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.

*Net Pension Liability and Pension Expense*

At June 30, 2019, 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                              | \$ 1,980,270          |
| State's proportionate share of the net pension liability<br>associated with the District | <u>140,933,661</u>    |
|  | <u>\$ 142,913,931</u> |

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward to June 30, 2019. 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, 2018, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2019 the District's proportionate share was 0.0024415175 percent, which was an increase (decrease) of 0.0001274058) from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$15,301,881 and revenue of \$15,301,881 for support provided by the state.

*Actuarial Assumptions*

The total pension liability in the June 30, 2019 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%.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

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

*Actuarial Assumptions (Continued)*

In the June 30, 2019 actuarial valuation, mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are based on a fully-generational basis using projection table MP-2017. In the June 30, 2018 actuarial valuation mortality rates were also based on the RP-4014 White Collar Table with adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2014.

The long-term (20-year) 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:

*Actuarial Assumptions (continued)*

| Asset Class              | Target<br>Allocation | Long-Term Expected<br>Real Rate of Return |
|--------------------------|----------------------|---|
| U.S. Equities Large Cap  | 15.0%                | 6.30%                                     |
| U.S. Equities Small Cap  | 2.0%                 | 7.70%                                     |
| Intl Equities Developed  | 13.6%                | 7.00%                                     |
| Emerging Market Equities | 3.4%                 | 9.50%                                     |
| U.S. Bond Core           | 8.0%                 | 2.20%                                     |
| U.S. Bond High Yield     | 4.2%                 | 4.00%                                     |
| Intl Debt Developed      | 2.2%                 | 1.10%                                     |
| Emerging Intl Debt       | 2.6%                 | 4.40%                                     |
| Real Estate              | 16.0%                | 5.20%                                     |
| Real Return              | 4.0%                 | 1.80%                                     |
| Absolute Return          | 14.0%                | 4.10%                                     |
| Private Equity           | 15.0%                | 9.70%                                     |
|                          | <u>100%</u>          |   |

*Discount Rate*

At June 30, 2019, the discount rate used to measure the total pension liability was a 7.00 percent, which the same as the June 30, 2018 rate. 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.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

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

*Discount Rate (Continued)*

Based on those assumptions, TRS's fiduciary net position at June 30, 2019 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.

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

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

|  | 1% Decrease<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|--|------------------------|-------------------------------------|------------------------|
| District's Proportionate Share of the<br>Net Pension Liability | \$ 2,418,726           | \$ 1,980,270                        | \$ 1,619,772           |

*TRS Fiduciary Net Position*

Detailed information about TRS's fiduciary net position as of June 30, 2019 is available in the separately issued TRS *Comprehensive Annual Financial Report*.

ILLINOIS MUNICIPAL RETIREMENT FUND

*Plan Description*

The District participates in a 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).

*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

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

*Benefits Provided (continued)*

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.

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, 2019, the following employees were covered by the benefit terms:

|  | IMRF       |
|--|------------|
| Retirees and Beneficiaries currently receiveing benefits         | 111        |
| Inactive Plan Members entitled to but not yet receiving benefits | 191        |
| Active Plan Members  | 92         |
| Total  | <u>394</u> |

*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 2019 was 9.84 percent. The District's actual contribution for calendar year 2019 was \$330,544. 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, 2020 the District recognized pension expense of \$367,655 for payments made to IMRF.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

*Net Pension Liability*

The District's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions*

The following are the methods and assumptions used to determine total pension liability at December 31, 2019; The Actuarial Cost Method used was Entry Age Normal; the Asset Valuation Method used was Market Value of Assets; the Inflation Rate was assumed to be 2.50%; Salary Increases were expected to be 3.35% to 14.25% including inflation; the Investment Rate of Return was assumed to be 7.25%; the Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016; the IMRF-specific Rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuity Mortality Table with adjustments to match current IMRF experience; for Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives; for Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017(base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience; the Long-Term Expected Rate of Return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following tables of December 31, 2019:

| Asset Class             | Portfolio<br>Target<br>Percentage | Projected Returns/Risk |                       |
|-------------------------|-----------------------------------|------------------------|-----------------------|
|                         |                                   | One Year<br>Arithmetic | Ten Year<br>Geometric |
| Domestic Equity         | 37%                               | 7.05%                  | 5.75%                 |
| International Equity    | 18%                               | 8.10%                  | 6.50%                 |
| Fixed Income            | 28%                               | 3.70%                  | 3.25%                 |
| Real Estate             | 9%                                | 6.35%                  | 5.20%                 |
| Alternative Investments | 7%                                | 4.65-11.30%            | 3.60-7.60%            |
| Cash Equivalents        | 1%                                | 1.85%                  | 1.85%                 |
| Total                   | 100%                              |                        |                       |

*Single Discount Rate*

A Single Discount Rate of 7.25% 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

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

ILLINOIS MUNICIPAL RETIREMENT FUND (continued)

*Single Discount Rate (continued)*

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 2.75% and the resulting single discount rate is 7.25%.

*Changes in Net Pension Liability*

|  | Total Pension<br>Liability<br>(A) | Plan Fiduciary<br>Net Position<br>(B) | Net Pension<br>Liability<br>(A) - (B) |
|--|-----------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2018  | \$ 16,390,862                     | \$ 13,584,007                         | \$ 2,806,855                          |
| Changes for the Year:  |                                   |                                       |                                       |
| Service Cost   | 344,974                           | -                                     | 344,974                               |
| Interest on the Total Pension Liability  | 1,169,000                         | -                                     | 1,169,000                             |
| Changes in Benefit Terms   | -                                 | -                                     | -                                     |
| Differences Between Expected and Actual<br>Experience of the Total Pension Liability | 509,821                           | -                                     | 509,821                               |
| Changes of Assumptions   | -                                 | -                                     | -                                     |
| Contributions - Employer   | -                                 | 340,366                               | (340,366)                             |
| Contributions - Employees  | -                                 | 155,940                               | (155,940)                             |
| Net Investment Income  | -                                 | 2,563,374                             | (2,563,374)                           |
| Benefit Payments, including Refunds of<br>Employee Contributions                     | (878,420)                         | (878,420)                             | -                                     |
| Other (Net Transfer)   | -                                 | 67,727                                | (67,727)                              |
| Net Changes  | 1,145,375                         | 2,248,987                             | (1,103,612)                           |
| Balances at December 31, 2019  | \$ 17,536,237                     | \$ 15,832,994                         | \$ 1,703,243                          |

*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 7.25%, 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<br>6.25% | Current Single<br>Discount Rate<br>Assumption<br>7.25% | 1% Increase<br>8.25% |
|-------------------------------|----------------------|--|----------------------|
| Total Pension Liability       | \$ 19,638,279        | \$ 17,536,237  | \$ 15,779,364        |
| Plan Fiduciary Net Position   | 15,832,994           | 15,832,994   | 15,832,994           |
| Net Pension Liability (Asset) | \$ 3,805,285         | \$ 1,703,243   | \$ (53,630)          |

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

7. RETIREMENT FUND COMMITMENTS (continued)

AGGREGATE PENSION-RELATED INFORMATION

Aggregate pension related information of the District at June 30, 2020 is as follows:

|   | Net Pension<br>Liability | Amount Recognized<br>As Expense |
|---|--------------------------|---------------------------------|
| Teachers' Retirement System (TRS)         | \$ 1,980,270             | \$ 15,301,881                   |
| Illinois Municipal Retirement Fund (IMRF) | 1,703,243                | 367,655                         |
|   | <u>\$ 3,683,513</u>      | <u>\$ 15,669,536</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 \$216,283, the total required contribution for the current fiscal year.

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

TEACHER HEALTH INSURANCE SECURITY FUND

*Plan Description*

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago.

*Benefits Provided*

The THIS fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS.

*Contributions*

Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active members of TRS, including substitute and part-time non-contractual teachers, who are not employees of a state agency covered by the state employees' health plan, to make a contribution to the THIS Fund. The member contribution rate for the year ended June 30, 2020 was 1.24 percent of earnings.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

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

TEACHER HEALTH INSURANCE SECURITY FUND (continued)

*Contributions (continued)*

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

*On-Behalf Contributions to the THIS Fund:* The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members, which were 1.24 percent of pay during the year ended June 30, 2020. State of Illinois contributions were \$241,720 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 0.92 percent during the year ended June 30, 2020. For the year ended June 30, 2020, the District paid \$179,341, which was 100 percent of the required contribution.

*Net OPEB Liability*

The net OPEB liability was measured as of June 30, 2019. The total net OPEB liability is the Plan's total OPEB liability less the fiduciary net position. The net OPEB liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2018, the most recent actuarial valuation date, the District's proportionate share of the net OPEB liability was \$21,456,541. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2019, relative to the contributions of all participating THIS employers and the state during that period. At June 30, 2019 the District's proportionate share was 0.077524 percent, which was an increase (decrease) of (0.00013) from its proportion measured as of June 30, 2018.

*Actuarial Assumptions and Discount Rate*

The total OPEB liability in the June 30, 2018 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 and ranges from 9.50 at 1 year of service to 4.00% at 20 or more years of service, including a 3.25% wage inflation assumption; the Investment Rate of Return, net of pension plan investment expense, and including inflation, was assumed to be 0.00%; the Healthcare Cost Trend Rates were actual trend used for fiscal year 2019, and for fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.31% is added to non-Medicare costs on and after 2022 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant Table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

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

TEACHER HEALTH INSURANCE SECURITY FUND (continued)

*Actuarial Assumptions and Discount Rate (continued)*

Projected benefit payments were discounted to their actual present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with long-term expected rate of return are not met). Since THIS is financed on a pay-as-you-go basis, a discount rate consistent with 20-year general obligation bond index has been selected. The discount rates are 3.13% as of June 30, 2019, and 3.62% as of June 30, 2018. The increase in the single discount rate from 3.62% to 3.13% caused the total OPEB liability to decrease by approximately \$2,296 billion from 2018 to 2019.

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

During plan year ending June 30, 2019, the trust earned \$397,000 in interest, and due to a significant benefit payable, the market value of assets at June 30, 2019 was a negative \$68 million. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumption was set to zero.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.13%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13%) or 1-percentage-point higher (4.13%) than the current rate.

|   | 1% Decrease<br>(2.13%) | Current<br>Discount Rate<br>(3.13%) | 1% Increase<br>(4.13%) |
|---|------------------------|-------------------------------------|------------------------|
| District's Proportionate Share of the<br>Net OPEB Liability | \$ 25,798,551          | \$ 21,456,541                       | \$ 18,027,286          |

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

The following presents the District's proportionate share of the net OPEB liability calculated using the healthcare cost trend rates as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point higher or lower, than the current healthcare cost trend rates. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.81% in 2027, for non-Medicare coverage, and 9.00% decreasing to an ultimate trend rate of 4.50% in 2027 for Medicare coverage.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

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

TEACHER HEALTH INSURANCE SECURITY FUND (continued)

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

|   | 1% Decrease<br>(a) | Healthcare Cost<br>Trend Rate<br>Assumption | 1% Increase<br>(b) |
|---|--------------------|---|--------------------|
| District's Proportionate Share of the<br>Net OPEB Liability | \$ 17,335,134      | \$ 21,456,541                               | \$ 27,023,020      |

(a) One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.81% in 2027, for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2027 for Medicare coverage.

(b) One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.81% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2027 for Medicare coverage.

*THIS Fiduciary Net Position*

Detailed information about THIS's fiduciary net position as of June 30, 2020 is available in the separately issued *THIS Financial Audit*.

DISTRICT POST-EMPLOYMENT HEALTH PLAN

*Plan Description:*

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

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

*Funding Policy:*

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

*Benefit Provisions:*

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

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

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

DISTRICT POST- EMPLOYMENT HEALTH PLAN (continued)

*Actuarial Method and Assumptions*

Actuarial Valuation Date: July 1, 2019

Measurement Date: June 30, 2020

Actuarial Cost Method: Entry Age Normal

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

Amortization Method: Level-Percent Open

Remaining Amortization Period: 30 Year

Wage Inflation 4.00%

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

Funded Ratio: 0%

Covered Payroll: \$20,799,238

Total OPEB Liability as a percentage of covered payroll: 1.93%

*Employees Covered by Benefit Terms:*

As of September 1, 2020, the following participants are covered by the plan.

|   | OPEB |
|---|------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 1    |
| Inactive Plan Members Entitled to But Not Yet Receiving Benefits    | -    |
| Active Plan Members   | 302  |
| Total Plan Members  | 303  |

*Discount Rate:*

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year, tax-exempt general obligation municipal bonds with an average AA/Aa or higher (or equivalent quality on another rating scale). A rate of 2.66% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2020.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

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

DISTRICT POST- EMPLOYMENT HEALTH PLAN (continued)

*Annual OPEB Costs and Net OPEB Obligation*

|   | Total<br>OPEB<br>Liability<br>(A) | Plan<br>Fiduciary<br>Net Position<br>(B) | Net<br>OPEB<br>Liability (Asset)<br>(A)-(B) |
|---|-----------------------------------|--|---|
| Balance of OPEB Liability at July 1, 2019       | \$ 201,921                        | \$ -                                     | \$ 201,921                                  |
| Changes for the year                            |                                   |  |   |
| Service Costs                                   | 24,565                            | -  | 24,565                                      |
| Interest on Total OPEB Liability                | 5,620                             | -  | 5,620                                       |
| Changes of Benefit Terms                        | 223,732                           | -  | 223,732                                     |
| Difference between expected & actual experience | (32,353)                          | -  | (32,353)                                    |
| Changes of assumptions                          | 27,870                            | -  | 27,870                                      |
| Benefit payments & refunds                      | (1,000)                           | -  | (1,000)                                     |
| Other Changes                                   | (48,266)                          | -  | (48,266)                                    |
| Net changes in total OPEB liability             | 200,168                           | -  | 200,168                                     |
| Balance of OPEB Liability as of June 30, 2020   | <u>\$ 402,089</u>                 | <u>\$ -</u>                              | <u>\$ 402,089</u>                           |

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

The following presents the District's proportionate share of the net OPEB liability calculation using the discount rate of 2.66 percent, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher.

|   | 1% Decrease<br>1.66% | Discount Rate<br>Assumption<br>2.66% | 1% Increase<br>3.66% |
|---|----------------------|--------------------------------------|----------------------|
| District's proportionate share<br>of the Net OPEB Liability | \$ 374,013           | \$ 402,089                           | \$ 431,740           |

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

The following presents the net OPEB liability of the School District would be if it were calculated using healthcare cost trend rates that are using the discount rate of 2.66 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher.

|   | 1% Decrease<br>1.66% | Healthcare Cost<br>Trend Rate<br>2.66% | 1% Increase<br>3.66% |
|---|----------------------|--|----------------------|
| District's proportionate share<br>of the Net OPEB Liability | \$ 418,626           | \$ 402,089                             | \$ 387,442           |

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

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 2019 Levy was passed by the Board on November 25, 2019. 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 2019 and 2018 tax levy years.

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

|                            | Legal<br>Limit | Actual           |                  |
|----------------------------|----------------|------------------|------------------|
|                            |                | 2019<br>Levy     | 2018<br>Levy     |
| Educational                | 3.5000         | \$ 2.2734        | \$ 2.2461        |
| Operations and Maintenance | 0.5500         | 0.3323           | 0.3218           |
| Bond and Interest          | *              | 0.0781           | 0.0780           |
| Transportation             | 0.1200         | 0.1049           | 0.1073           |
| Municipal Retirement       | *              | 0.0262           | 0.0230           |
| Social Security            | *              | 0.0262           | 0.0230           |
| SEDOL IMRF                 | *              | 0.0056           | 0.0061           |
| Working Cash               | 0.0500         | 0.0087           | 0.0098           |
|                            |                | <u>\$ 2.8554</u> | <u>\$ 2.8151</u> |

\* As Needed

10. INTERFUND BALANCES AND TRANSFERS

During the year the District made the following interfund transfers as permitted by the Illinois School Code. The amounts from the Working Cash Fund were considered excess fund balance and interest earnings and were transferred to the funds deemed most in need of such excess. The amounts transferred to the Bond and Interest Fund were for Principal and Interest payments.

|                               | Transferred<br>To   | Transferred<br>From |
|-------------------------------|---------------------|---------------------|
| Working Cash Fund             |                     | \$ 102,000          |
| Education Fund                |                     | 232,648             |
| Operations & Maintenance Fund | \$ 102,000          | 901,695             |
| Bond and Interest Fund        | 1,134,343           |                     |
|                               | <u>\$ 1,236,343</u> | <u>\$ 1,236,343</u> |

11. JOINT AGREEMENTS

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

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2020  
(Continued)

11. JOINT AGREEMENTS (continued)

*Special Education District of Lake County*

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

12. RISK MANAGEMENT

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

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

13. OVER-EXPENDITURE OF BUDGET

For the year ended June 30, 2020, actual direct disbursements in the following funds:

|                | <u>Actual</u> | <u>Budget</u> | <u>Excess</u> |
|----------------|---------------|---------------|---------------|
| General Fund   |               |               |               |
| Education fund | \$ 45,084,550 | \$ 45,017,900 | \$ 66,650     |

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, 2020

| RECEIPTS                                      | Original and<br>Final Budget | Actual                |
|---|------------------------------|-----------------------|
| Receipts from Local Sources                   |                              |                       |
| Taxes   | \$ 25,138,400                | \$ 23,332,218         |
| Tuition                                       | 260,000                      | -                     |
| Earnings on Investments                       | 175,000                      | 237,471               |
| Food Service Fees                             | 360,000                      | 289,548               |
| Pupil Activity Fees                           | 250,000                      | -                     |
| Textbook Fees                                 | 325,000                      | 255,636               |
| Donations                                     | 7,500                        | 4,701                 |
| Surplus Moneys from TIF District              | 240,000                      | 100,000               |
| Other   | 200,000                      | 121,555               |
| Total Receipts from Local Sources             | <u>\$ 26,955,900</u>         | <u>\$ 24,341,129</u>  |
| Receipts from State Sources                   |                              |                       |
| Evidence Based Funding Formula                | \$ 1,950,000                 | \$ 1,794,378          |
| Special Education                             | 180,000                      | 120,910               |
| State Library Grant                           | 1,500                        | -                     |
| Total Receipts from State Sources             | <u>\$ 2,131,500</u>          | <u>\$ 1,915,288</u>   |
| Receipts from Federal Sources                 |                              |                       |
| Title I - Low Income                          | \$ 75,200                    | \$ 78,460             |
| Title IV - Safe & Drug-Free Schools Formula   | 10,000                       | 9,246                 |
| Federal Special Education                     | 6,000                        | 19,404                |
| Title II - Teacher Quality                    | 25,100                       | 29,036                |
| Special Education - Pre-School - Flow-Through | 341,100                      | 235,443               |
| Medicaid Matching Funds                       | 75,000                       | 63,245                |
| Other Grants-In-Aid                           | 112,500                      | -                     |
| Total Receipts from Federal Sources           | <u>\$ 644,900</u>            | <u>\$ 434,834</u>     |
| Total Direct Receipts                         | \$ 29,732,300                | \$ 26,691,251         |
| "On-Behalf" Receipt for TRS Benefits          | <u>15,150,000</u>            | <u>15,543,601</u>     |
| TOTAL RECEIPTS                                | \$ 44,882,300                | \$ 42,234,852         |
| TOTAL DISBURSEMENTS                           | <u>45,017,900</u>            | <u>45,084,550</u>     |
| EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS | <u>\$ (135,600)</u>          | <u>\$ (2,849,698)</u> |
| OTHER FINANCING SOURCES (USES)                |                              |                       |
| Transfers Out                                 | \$ (493,600)                 | \$ (232,648)          |
| TOTAL OTHER FINANCING SOURCES (USES)          | <u>\$ (493,600)</u>          | <u>\$ (232,648)</u>   |
| NET CHANGE IN FUND BALANCE                    | <u>\$ (629,200)</u>          | \$ (3,082,346)        |
| FUND BALANCE - JULY 1, 2019                   |                              | <u>11,032,951</u>     |
| FUND BALANCE - JUNE 30, 2020                  |                              | <u>\$ 7,950,605</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, 2020

| INSTRUCTION                                   | Original and<br>Final Budget | Actual               |
|---|------------------------------|----------------------|
| Regular Programs                              |                              |                      |
| Salaries                                      | \$ 12,093,900                | \$ 12,286,219        |
| Employee Benefits                             | 1,923,300                    | 1,991,988            |
| Purchased Services                            | 59,600                       | 38,613               |
| Supplies & Materials                          | 540,100                      | 210,920              |
| Capital Outlay                                | 43,100                       | 47,519               |
| Termination Benefits                          | 145,000                      | -                    |
| Total Regular Programs                        | <u>\$ 14,805,000</u>         | <u>\$ 14,762,072</u> |
| Special Education Programs                    |                              |                      |
| Salaries                                      | \$ 1,974,900                 | \$ 2,010,417         |
| Employee Benefits                             | 548,300                      | 537,707              |
| Purchased Services                            | 48,400                       | 43,913               |
| Supplies & Materials                          | 18,300                       | 33,871               |
| Capital Outlay                                | 2,200                        | 869                  |
| Tuition                                       | 350,000                      | 279,041              |
| Total Special Education Programs              | <u>\$ 2,942,100</u>          | <u>\$ 2,905,818</u>  |
| Special Education Programs Pre-K              |                              |                      |
| Salaries                                      | \$ 113,900                   | \$ 112,899           |
| Employee Benefits                             | 27,800                       | 21,343               |
| Purchased Services                            | 300                          | 8,134                |
| Supplies & Materials                          | 4,000                        | -                    |
| Total Special Education Programs Pre-K        | <u>\$ 146,000</u>            | <u>\$ 142,376</u>    |
| Remedial and Supplemental Programs K-12       |                              |                      |
| Salaries                                      | \$ 81,600                    | \$ 81,512            |
| Employee Benefits                             | 22,500                       | 14,865               |
| Purchased Services                            | 300                          | 2,000                |
| Supplies & Materials                          | 8,300                        | 2,898                |
| Total Remedial and Supplemental Programs K-12 | <u>\$ 112,700</u>            | <u>\$ 101,275</u>    |
| Interscholastic Programs                      |                              |                      |
| Salaries                                      | \$ 480,000                   | \$ 469,300           |
| Employee Benefits                             | 7,200                        | 6,464                |
| Purchased Services                            | 9,500                        | 8,216                |
| Supplies & Materials                          | 3,000                        | 8,352                |
| Capital Outlay                                | 10,000                       | 4,901                |
| Total Interscholastic Programs                | <u>\$ 509,700</u>            | <u>\$ 497,233</u>    |
| Summer School                                 |                              |                      |
| Salaries                                      | \$ 290,500                   | \$ 151,530           |
| Employee Benefits                             | 3,500                        | 1,971                |
| Purchased Services                            | 2,700                        | 1,381                |
| Supplies & Materials                          | 12,500                       | 13,163               |
| Total Summer School                           | <u>\$ 309,200</u>            | <u>\$ 168,045</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, 2020

| INSTRUCTION (CONTINUED)      | Original and<br>Final Budget | Actual               |
|------------------------------|------------------------------|----------------------|
| Gifted Programs              |                              |                      |
| Salaries                     | \$ 453,700                   | \$ 422,691           |
| Employee Benefits            | 70,900                       | 74,763               |
| Purchased Services           | 7,100                        | 3,198                |
| Supplies & Materials         | 6,500                        | 1,838                |
| Total Gifted Programs        | <u>\$ 538,200</u>            | <u>\$ 502,490</u>    |
| Bilingual Programs           |                              |                      |
| Salaries                     | \$ 198,100                   | \$ 197,872           |
| Employee Benefits            | 20,800                       | 22,300               |
| Purchased Services           | 7,200                        | 4,291                |
| Supplies & Materials         | 2,000                        | 455                  |
| Total Bilingual Programs     | <u>\$ 228,100</u>            | <u>\$ 224,918</u>    |
| TOTAL INSTRUCTION            | <u>\$ 19,591,000</u>         | <u>\$ 19,304,227</u> |
| <br>SUPPORT SERVICES         |                              |                      |
| Pupils                       |                              |                      |
| Salaries                     | \$ 2,154,900                 | \$ 2,152,796         |
| Employee Benefits            | 333,000                      | 347,867              |
| Purchased Services           | 77,700                       | 116,174              |
| Supplies & Materials         | 12,600                       | 18,552               |
| Total Pupils                 | <u>\$ 2,578,200</u>          | <u>\$ 2,635,389</u>  |
| Instructional Staff          |                              |                      |
| Salaries                     | \$ 931,200                   | \$ 877,327           |
| Employee Benefits            | 156,800                      | 173,293              |
| Purchased Services           | 137,100                      | 144,004              |
| Supplies & Materials         | 328,400                      | 314,620              |
| Capital Outlay               | 13,200                       | 1,494                |
| Total Instructional Staff    | <u>\$ 1,566,700</u>          | <u>\$ 1,510,738</u>  |
| General Administration       |                              |                      |
| Salaries                     | \$ 463,200                   | \$ 471,660           |
| Employee Benefits            | 78,500                       | 71,615               |
| Purchased Services           | 328,000                      | 306,445              |
| Supplies & Materials         | 12,200                       | 14,931               |
| Capital Outlay               | 6,400                        | -                    |
| Total General Administration | <u>\$ 888,300</u>            | <u>\$ 864,651</u>    |
| School Administration        |                              |                      |
| Salaries                     | \$ 1,214,500                 | \$ 1,205,674         |
| Employee Benefits            | 198,400                      | 189,989              |
| Purchased Services           | 32,900                       | 38,578               |
| Supplies & Materials         | 10,100                       | 8,319                |
| Capital Outlay               | 13,500                       | 8,967                |
| Total School Administration  | <u>\$ 1,469,400</u>          | <u>\$ 1,451,527</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, 2020

| SUPPORT SERVICES (CONTINUED)              | Original and<br>Final Budget | Actual               |
|---|------------------------------|----------------------|
| Business                                  |                              |                      |
| Salaries                                  | \$ 666,600                   | \$ 619,803           |
| Employee Benefits                         | 70,700                       | 59,719               |
| Purchased Services                        | 595,100                      | 604,071              |
| Supplies & Materials                      | 17,500                       | 14,077               |
| Capital Outlay                            | 6,500                        | 16,709               |
| Total Business                            | <u>\$ 1,356,400</u>          | <u>\$ 1,314,379</u>  |
| Central                                   |                              |                      |
| Salaries                                  | \$ 917,400                   | \$ 974,301           |
| Employee Benefits                         | 146,500                      | 164,509              |
| Purchased Services                        | 282,400                      | 329,232              |
| Supplies & Materials                      | 202,200                      | 190,955              |
| Capital Outlay                            | 202,000                      | 279,882              |
| Total Central                             | <u>\$ 1,750,500</u>          | <u>\$ 1,938,879</u>  |
| TOTAL SUPPORT SERVICES                    | <u>\$ 9,609,500</u>          | <u>\$ 9,715,563</u>  |
| COMMUNITY SERVICES                        |                              |                      |
| Salaries                                  | \$ 25,100                    | \$ 22,203            |
| Employee Benefits                         | 7,100                        | 4,450                |
| Purchased Services                        | 21,300                       | 3,693                |
| Supplies & Materials                      | 35,000                       | 35,927               |
| TOTAL COMMUNITY SERVICES                  | <u>\$ 88,500</u>             | <u>\$ 66,273</u>     |
| NONPROGRAMMED CHARGES                     |                              |                      |
| Payments for Special Education Programs   |                              |                      |
| Purchased Services                        | \$ 66,600                    | \$ 68,665            |
| Other                                     | 512,300                      | -                    |
| TOTAL NONPROGRAMMED CHARGES               | <u>\$ 578,900</u>            | <u>\$ 454,886</u>    |
| Total Direct Disbursements                | \$ 29,867,900                | \$ 29,540,949        |
| "On-Behalf" Disbursement for TRS Benefits | 15,150,000                   | 15,543,601           |
| TOTAL DISBURSEMENTS                       | <u>\$ 45,017,900</u>         | <u>\$ 45,084,550</u> |

See accompanying Independent Auditor's Report.

**LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**OPERATIONS AND MAINTENANCE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

|  | Original and<br>Final Budget | Actual                     |
|--|------------------------------|----------------------------|
| <b>RECEIPTS</b>                                      |                              |                            |
| Receipts from Local Sources                          |                              |                            |
| Taxes  | \$ 3,690,300                 | \$ 3,392,885               |
| Surplus Moneys from TIF District                     | 500,000                      | 407,657                    |
| Earnings on Investments                              | 10,000                       | 18,182                     |
| Rentals  | 50,000                       | 55,623                     |
| Impact Fees  | 15,000                       | 70,973                     |
| Other  | -                            | 12,064                     |
| Total Receipts from Local Sources                    | <u>\$ 4,265,300</u>          | <u>\$ 3,957,384</u>        |
| Receipts from State Sources                          |                              |                            |
| Infrastructure Improvement Grant                     | <u>\$ -</u>                  | <u>\$ 50,000</u>           |
| <b>TOTAL RECEIPTS</b>                                | <u><u>\$ 4,265,300</u></u>   | <u><u>\$ 4,007,384</u></u> |
| <b>DISBURSEMENTS</b>                                 |                              |                            |
| Support Services                                     |                              |                            |
| Operations and Maintenance                           |                              |                            |
| Salaries   | \$ 1,191,100                 | \$ 1,197,685               |
| Employee Benefits                                    | 286,900                      | 316,524                    |
| Purchased Services                                   | 491,900                      | 470,214                    |
| Supplies & Materials                                 | 575,000                      | 526,032                    |
| Capital Outlay                                       | 1,250,000                    | 314,061                    |
| Total Support Services                               | <u>\$ 3,794,900</u>          | <u>\$ 2,824,516</u>        |
| Nonprogrammed Charges                                |                              |                            |
| Payments for Special Education Programs              |                              |                            |
| Other  | <u>\$ 106,600</u>            | <u>\$ 104,716</u>          |
| <b>TOTAL DISBURSEMENTS</b>                           | <u><u>\$ 3,901,500</u></u>   | <u><u>\$ 2,929,232</u></u> |
| <b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b> | <u><u>\$ 363,800</u></u>     | <u><u>\$ 1,078,152</u></u> |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                              |                            |
| Transfers In   | \$ -                         | \$ 102,000                 |
| Transfers Out  | (1,006,500)                  | (901,695)                  |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>          | <u><u>\$ (1,006,500)</u></u> | <u><u>\$ (799,695)</u></u> |
| <b>NET CHANGE IN FUND BALANCE</b>                    | <u><u>\$ (642,700)</u></u>   | <u><u>\$ 278,457</u></u>   |
| <b>FUND BALANCE - JULY 1, 2019</b>                   |                              | <u>1,403,807</u>           |
| <b>FUND BALANCE - JUNE 30, 2020</b>                  |                              | <u><u>\$ 1,682,264</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, 2020

|                                   | Original and<br>Final Budget | Actual       |
|-----------------------------------|------------------------------|--------------|
| RECEIPTS                          |                              |              |
| Receipts from Local Sources       |                              |              |
| Taxes                             | \$ 1,196,800                 | \$ 1,094,871 |
| Earnings on Investments           | 3,000                        | 4,262        |
| Transportation Fees               | 602,500                      | 463,973      |
| Total Receipts from Local Sources | \$ 1,802,300                 | \$ 1,563,106 |
| Receipts from State Sources       |                              |              |
| State Transportation Aid          | 804,200                      | 720,278      |
| TOTAL RECEIPTS                    | \$ 2,606,500                 | \$ 2,283,384 |
| DISBURSEMENTS                     |                              |              |
| Support Services                  |                              |              |
| Pupil Transportation              |                              |              |
| Salaries                          | \$ 18,100                    | \$ 16,586    |
| Purchased Services                | 1,702,800                    | 1,703,321    |
| Supplies & Materials              | 775,000                      | 484,204      |
| Total Support Services            | \$ 2,495,900                 | \$ 2,204,111 |
| TOTAL DISBURSEMENTS               | \$ 2,495,900                 | \$ 2,204,111 |
| NET CHANGE IN FUND BALANCE        | \$ 110,600                   | \$ 79,273    |
| FUND BALANCE - JULY 1, 2019       |                              | 262,956      |
| FUND BALANCE - JUNE 30, 2020      |                              | \$ 342,229   |

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, 2020

|   | Original and<br>Final Budget | Actual             |
|---|------------------------------|--------------------|
| RECEIPTS                                |                              |                    |
| Receipts from Local Sources             |                              |                    |
| Taxes                                   | \$ 934,500                   | \$ 936,332         |
| Earnings on Investments                 | 3,800                        | 5,760              |
| TOTAL RECEIPTS                          | <u>\$ 938,300</u>            | <u>\$ 942,092</u>  |
| DISBURSEMENTS                           |                              |                    |
| Instruction                             |                              |                    |
| Employee Benefits                       |                              |                    |
| Regular Programs                        | \$ 178,000                   | \$ 176,370         |
| Special Education Programs              | 133,500                      | 131,400            |
| Special Education Programs Pre-K        | 1,700                        | 1,615              |
| Remedial and Supplemental Programs K-12 | 1,200                        | 1,092              |
| Gifted Programs                         | 6,700                        | 5,625              |
| Interscholastic Programs                | 9,800                        | 12,453             |
| Summer School Programs                  | 9,700                        | 5,736              |
| Bilingual Programs                      | 3,000                        | 2,865              |
| Total Instruction                       | <u>\$ 343,600</u>            | <u>\$ 337,156</u>  |
| Support Services                        |                              |                    |
| Employee Benefits                       |                              |                    |
| Attendance and Social Work Services     | \$ 7,000                     | \$ 6,505           |
| Health Services                         | 71,100                       | 75,671             |
| Psychological Services                  | 5,000                        | 4,783              |
| Speech Pathology & Audiology Services   | 13,200                       | 11,444             |
| Improvement of Instruction Services     | 19,800                       | 11,560             |
| Educational Media Services              | 33,700                       | 31,567             |
| Executive Administration Services       | 14,600                       | 14,413             |
| Special Area Administrative Services    | 8,700                        | 9,230              |
| Office of the Principal Services        | 59,500                       | 56,683             |
| Direction of Business Support Services  | 16,900                       | 15,878             |
| Fiscal Services                         | 28,000                       | 28,706             |
| Operations and Maintenance Services     | 218,100                      | 197,955            |
| Food Services                           | 15,900                       | 25,114             |
| Information Services                    | 14,400                       | 14,365             |
| Staff Services                          | 11,100                       | 9,891              |
| Data Processing Services                | 61,100                       | 65,255             |
| Total Support Services                  | <u>\$ 598,100</u>            | <u>\$ 579,020</u>  |
| Community Services                      |                              |                    |
| Employee Benefits                       | <u>\$ 400</u>                | <u>\$ 287</u>      |
| Nonprogrammed Charges                   |                              |                    |
| Payments for Special Education Programs | <u>\$ 68,000</u>             | <u>\$ 67,935</u>   |
| TOTAL DISBURSEMENTS                     | <u>\$ 1,010,100</u>          | <u>\$ 984,398</u>  |
| NET CHANGE IN FUND BALANCE              | <u>\$ (71,800)</u>           | <u>\$ (42,306)</u> |
| FUND BALANCE - JULY 1, 2019             |                              | <u>287,169</u>     |
| FUND BALANCE - JUNE 30, 2020            |                              | <u>\$ 244,863</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  
WORKING CASH FUND  
FOR THE YEAR ENDED JUNE 30, 2020

|   | Original and<br>Final Budget | Actual              |
|---|------------------------------|---------------------|
| RECEIPTS                                      |                              |                     |
| Receipts from Local Sources                   |                              |                     |
| Taxes   | \$ 102,500                   | \$ 94,003           |
| Earnings on Investments                       | 110,000                      | 109,019             |
|   | <u>212,500</u>               | <u>203,022</u>      |
| TOTAL RECEIPTS                                | \$ 212,500                   | \$ 203,022          |
| DISBURSEMENTS                                 | <u>-</u>                     | <u>-</u>            |
| EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS | <u>\$ 212,500</u>            | <u>\$ 203,022</u>   |
| OTHER FINANCING SOURCES (USES)                |                              |                     |
| Permanent Transfer of Working Cash Fund       | \$ (110,000)                 | \$ (102,000)        |
|   | <u>(110,000)</u>             | <u>(102,000)</u>    |
| TOTAL OTHER FINANCING SOURCES (USES)          | \$ (110,000)                 | \$ (102,000)        |
| NET CHANGE IN FUND BALANCE                    | <u>\$ 102,500</u>            | \$ 101,022          |
| FUND BALANCE - JULY 1, 2019                   |                              | <u>5,630,496</u>    |
| FUND BALANCE - JUNE 30, 2020                  |                              | <u>\$ 5,731,518</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  
BOND AND INTEREST FUND  
FOR THE YEAR ENDED JUNE 30, 2020

|   | Original and<br>Final Budget | Actual                  |
|---|------------------------------|-------------------------|
| RECEIPTS  |                              |                         |
| Receipts from Local Sources                       |                              |                         |
| Taxes   | \$ 869,700                   | \$ 803,713              |
| Earnings on Investments                           | 1,000                        | 1,328                   |
| Surplus Moneys from TIF District                  | 370,000                      | 590,000                 |
| Total Receipts from Local Sources                 | <u>\$ 1,240,700</u>          | <u>\$ 1,395,041</u>     |
| <br>TOTAL RECEIPTS                                | <br><u>\$ 1,240,700</u>      | <br><u>\$ 1,395,041</u> |
| DISBURSEMENTS                                     |                              |                         |
| Debt Service                                      |                              |                         |
| Interest on Bonds                                 | \$ 658,000                   | \$ 646,750              |
| Bond Principal Retired                            | 2,022,200                    | 1,856,493               |
| Fees on Bonds                                     | 2,500                        | 1,425                   |
|   | <u>\$ 2,682,700</u>          | <u>\$ 2,504,668</u>     |
| <br>TOTAL DISBURSEMENTS                           | <br><u>\$ 2,682,700</u>      | <br><u>\$ 2,504,668</u> |
| <br>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS | <br>\$ (1,442,000)           | <br>\$ (1,109,627)      |
| OTHER FINANCING SOURCES (USES)                    |                              |                         |
| Transfers In                                      | \$ 1,500,100                 | \$ 1,134,343            |
| TOTAL OTHER FINANCING SOURCES (USES)              | <u>\$ 1,500,100</u>          | <u>\$ 1,134,343</u>     |
| <br>NET CHANGE IN FUND BALANCE                    | <br><u>\$ 58,100</u>         | <br>\$ 24,716           |
| <br>FUND BALANCE - JULY 1, 2019                   |                              | <br><u>1,198</u>        |
| <br>FUND BALANCE - JUNE 30, 2020                  |                              | <br><u>\$ 25,914</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  
CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2020

|  | Original and<br>Final Budget | Actual                |
|--|------------------------------|-----------------------|
| RECEIPTS   |                              |                       |
| Receipts from Local sources                      |                              |                       |
| Earnings on Investments                          | \$ 50,000                    | \$ 25,707             |
| TOTAL RECEIPTS                                   | <u>\$ 50,000</u>             | <u>\$ 25,707</u>      |
| DISBURSEMENTS                                    |                              |                       |
| Facilities Acquisition and Construction Services |                              |                       |
| Purchased Services                               | \$ -                         | \$ 86,800             |
| Capital Outlay                                   | 6,050,000                    | 5,863,600             |
| TOTAL DISBURSEMENTS                              | <u>\$ 6,050,000</u>          | <u>\$ 5,950,400</u>   |
| NET CHANGE IN FUND BALANCE                       | <u>\$ (6,000,000)</u>        | <u>\$ (5,924,693)</u> |
| FUND BALANCE - JULY 1, 2019                      |                              | <u>6,005,493</u>      |
| FUND BALANCE - JUNE 30, 2020                     |                              | <u>\$ 80,800</u>      |

See accompanying Independent Auditor's Report.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020

|                              | Balance<br>July 1, 2019 | Receipts   | Disbursements | Balance<br>June 30, 2020 |
|------------------------------|-------------------------|------------|---------------|--------------------------|
| STUDENT ACTIVITY ACCOUNTS    |                         |            |               |                          |
| ASSETS                       |                         |            |               |                          |
| Cash in Bank Accounts        | \$ 150,039              | \$ 135,835 | \$ 131,951    | \$ 153,923               |
| LIABILITIES                  |                         |            |               |                          |
| Due to Student Groups        |                         |            |               |                          |
| Adler School                 | \$ 2,949                | \$ 5,932   | \$ 5,016      | \$ 3,865                 |
| Adler School - Vending       | 2,464                   | 326        | 438           | 2,352                    |
| Butterfield School           | 22,114                  | 3,706      | 15            | 25,805                   |
| Butterfield School - Vending | 2,280                   | 960        | 1,106         | 2,134                    |
| Copeland School              | 5,383                   | 17,170     | 17,886        | 4,667                    |
| Copeland School - Vending    | 938                     | -          | 333           | 605                      |
| HMS - General                | 18,664                  | 68,237     | 72,255        | 14,646                   |
| HMS - Band                   | 7,140                   | 3,287      | 2,961         | 7,466                    |
| HMS - Drama                  | 1,122                   | 2,528      | 1,202         | 2,448                    |
| HMS - Library                | 4,165                   | 4,236      | 4,694         | 3,707                    |
| HMS - Locks                  | 5,938                   | 1,914      | 1,755         | 6,097                    |
| HMS - Orchestra              | 24,597                  | 5,482      | 2,922         | 27,157                   |
| HMS - Social Fund            | 887                     | 451        | 238           | 1,100                    |
| HMS - Strolling Strings      | 1,868                   | -          | -             | 1,868                    |
| HMS - Vending                | 33                      | -          | -             | 33                       |
| HMS - Vocal Music            | 1,534                   | 636        | 1,307         | 863                      |
| HMS - Yearbook               | 12,339                  | -          | -             | 12,339                   |
| Rockland School              | 3,904                   | 9,510      | 6,465         | 6,949                    |
| Rockland Birthday Boosters   | 2,367                   | 754        | 941           | 2,180                    |
| Rockland Outdoor Classroom   | 924                     | 1          | -             | 925                      |
| Rockland PE                  | 900                     | -          | -             | 900                      |
| Rockland Secret Angel        | 1,260                   | 1,821      | 264           | 2,817                    |
| Rockland School - Vending    | 4,046                   | 782        | 2,437         | 2,391                    |
| Computer Academy             | 4,031                   | -          | 4,031         | -                        |
| Custodial                    | 1,833                   | 121        | -             | 1,954                    |
| FAD #70                      | 1,389                   | 15         | 57            | 1,347                    |
| ERC Soda Fund                | 916                     | 40         | -             | 956                      |
| Emergency Fund               | 10,906                  | -          | -             | 10,906                   |
| Robert Boos Memorial         | 1,124                   | -          | 1,124         | -                        |
| Savings                      | 2,024                   | 7,926      | 4,504         | 5,446                    |
| Total Due to Student Groups  | \$ 150,039              | \$ 135,835 | \$ 131,951    | \$ 153,923               |
| NET POSITION                 | \$ -                    | \$ -       | \$ -          | \$ -                     |

See accompanying Independent Auditor's Report.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
SUPPLEMENTAL INFORMATION  
SCHEDULE OF ASSESSED VALUATIONS, TAX RATES AND TAX EXTENSIONS  
FOR THE YEARS 2019, 2018, 2017 AND 2016

|  | 2019                    | 2018                    | 2017                    | 2016                    |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| ASSESSED VALUATIONS                      | <u>\$ 1,126,881,815</u> | <u>\$ 1,114,595,919</u> | <u>\$ 1,084,827,541</u> | <u>\$ 1,030,163,272</u> |
| TAX RATES                                |                         |                         |                         |                         |
| Educational                              | \$ 2.2734               | \$ 2.2461               | \$ 2.1982               | \$ 2.2624               |
| Operations and Maintenance               | 0.3323                  | 0.3218                  | 0.3879                  | 0.4012                  |
| Bond and Interest                        | 0.0781                  | 0.0780                  | 0.0721                  | 0.0804                  |
| Transportation                           | 0.1049                  | 0.1073                  | 0.0892                  | 0.0880                  |
| Municipal Retirement/<br>Social Security | -<br>0.0525             | 0.0465                  | 0.0460                  | 0.0375                  |
| SEDOL IMRF                               | 0.0056                  | 0.0061                  | 0.0071                  | 0.0075                  |
| Working Cash                             | 0.0087                  | 0.0094                  | 0.0098                  | 0.0098                  |
|  | <u>\$ 2.8554</u>        | <u>\$ 2.8152</u>        | <u>\$ 2.8103</u>        | <u>\$ 2.8868</u>        |
| TAX EXTENSIONS                           |                         |                         |                         |                         |
| Educational                              | \$ 25,618,216           | \$ 25,035,050           | \$ 23,846,885           | \$ 23,306,847           |
| Operations and Maintenance               | 3,744,200               | 3,587,115               | 4,208,079               | 4,132,840               |
| Bond and Interest                        | 879,971                 | 869,775                 | 782,801                 | 829,240                 |
| Transportation                           | 1,182,381               | 1,195,705               | 967,927                 | 906,626                 |
| Municipal Retirement/<br>Social Security | 591,207                 | 518,131                 | 500,019                 | 383,880                 |
| SEDOL IMRF                               | 62,812                  | 67,946                  | 77,164                  | 76,788                  |
| Working Cash                             | 98,546                  | 104,627                 | 100,010                 | 101,275                 |
|  | <u>\$ 32,177,333</u>    | <u>\$ 31,378,349</u>    | <u>\$ 30,482,885</u>    | <u>\$ 29,737,496</u>    |

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
SUPPLEMENTAL INFORMATION  
SCHEDULE OF OPERATING EXPENDITURES PER STUDENT  
FOR THE YEAR ENDED JUNE 30, 2020

|  |    |                   |                         |
|--|----|-------------------|-------------------------|
| <b>TOTAL EXPENDITURES</b>  |    |                   |                         |
| Educational Fund   | \$ | 45,084,550        |                         |
| Operations and Maintenance Fund  |    | 2,929,232         |                         |
| Bond and Interest Fund   |    | 2,504,668         |                         |
| Transportation Fund  |    | 2,204,111         |                         |
| Municipal Retirement/Social Security Fund  |    | <u>984,398</u>    | \$ 53,706,959           |
| <b>Less: Receipts/Expenditures Not Applicable to<br/>Operating Expense of Regular Programs</b> |    |                   |                         |
| <b>Educational Fund</b>  |    |                   |                         |
| Special Education Programs - Pre-K   | \$ | 142,376           |                         |
| Summer School Programs   |    | 168,045           |                         |
| Community Services   |    | 66,273            |                         |
| Nonprogrammed Charges  |    | 454,886           |                         |
| Capital Outlay   |    | 360,341           |                         |
| Tuition  |    | 279,041           |                         |
| "On-Behalf" Disbursement for TRS Benefits  |    | <u>15,543,601</u> |                         |
| <b>Operations and Maintenance Fund</b>   |    |                   |                         |
| Nonprogrammed Charges  |    | 104,716           |                         |
| Capital Outlay   |    | <u>314,061</u>    |                         |
| <b>Bond and Interest Fund</b>  |    |                   |                         |
| Bond Principal Paid  |    | <u>1,856,493</u>  |                         |
| <b>Transportation Fund</b>   |    |                   |                         |
| Transportation Fees  |    | <u>461,423</u>    |                         |
| <b>Municipal Retirement/Social Security Fund</b>   |    |                   |                         |
| Special Education Programs - Pre-K   |    | 1,615             |                         |
| Summer School  |    | 5,736             |                         |
| Community Service  |    | 287               |                         |
| Nonprogrammed Charges  |    | <u>67,935</u>     | \$ 19,826,829           |
| <b>NET OPERATING EXPENDITURES</b>  |    |                   | <u>\$ 33,880,130</u>    |
| <b>AVERAGE DAILY ATTENDANCE</b>  |    |                   | <u>2,262.20</u>         |
| <b>OPERATING EXPENDITURES PER STUDENT</b>  |    |                   | <u><u>\$ 14,977</u></u> |

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
SUPPLEMENTAL INFORMATION  
SCHEDULE OF PER CAPITA TUITION CHARGE  
FOR THE YEAR ENDED JUNE 30, 2020

|   |    |         |               |
|---|----|---------|---------------|
| NET OPERATING EXPENDITURES                    |    |         | \$ 33,880,130 |
| LESS: Offsetting Receipts/Revenues            |    |         |               |
| Educational Fund                              |    |         |               |
| Special Education                             | \$ | 120,910 |               |
| Title II - Teacher Quality                    |    | 29,036  |               |
| Federal Special Education                     |    | 19,404  |               |
| Title IV - Safe & Drug-Free Schools           |    | 9,246   |               |
| Title I - Low Income                          |    | 78,460  |               |
| Medicaid Matching Funds                       |    | 63,245  |               |
| Food Services                                 |    | 289,548 |               |
| Textbooks                                     |    | 255,636 |               |
| Special Education Contribution to EBF         |    | 764,110 |               |
| English Learners Contribution to EBF          |    | 61      |               |
| Operations and Maintenance Fund               |    |         |               |
| Other State Grants-In-Aid                     |    | 50,000  |               |
| Rentals                                       |    | 55,623  |               |
| Transportation Fund                           |    |         |               |
| Transportation Fees                           |    | 2,550   |               |
| State Transportation Aid                      |    | 720,278 | 2,458,107     |
| NET OPERATING EXPENSE FOR TUITION COMPUTATION |    |         | \$ 31,422,023 |
| ADD: Depreciation Allowance                   |    |         | 2,028,496     |
| TOTAL ALLOWANCE FOR TUITION COMPUTATION       |    |         | \$ 33,450,519 |
| AVERAGE DAILY ATTENDANCE                      |    |         | 2,262.20      |
| PER CAPITA TUITION CHARGE                     |    |         | \$ 14,787     |

**LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70**  
**SUPPLEMENTAL INFORMATION**  
**JUNE 30, 2020**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

| <u>Fiscal Year Ending June 30</u>   | <u>2019</u>           | <u>2018</u>           | <u>2017</u>           | <u>2016</u>           | <u>2015</u>           | <u>2014</u>          |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| District's proportion of the net pension liability  | 0.2441517500%         | 0.0025689233%         | 0.0036236800%         | 0.0037592100%         | 0.0035730771%         | 0.0033957352%        |
| District's proportionate share of the net pension liability   | \$ 1,980,270          | \$ 2,002,343          | \$ 2,768,422          | \$ 2,967,373          | \$ 2,340,725          | \$ 2,066,586         |
| State's proportionate share of the net pension liability associated with the District                       | 140,933,661           | 137,168,892           | 131,967,430           | 138,162,035           | 108,123,980           | 96,540,553           |
| <b>Total</b>  | <b>\$ 142,913,931</b> | <b>\$ 139,171,235</b> | <b>\$ 134,735,852</b> | <b>\$ 141,129,408</b> | <b>\$ 110,464,705</b> | <b>\$ 98,607,139</b> |
| District's covered-employee payroll   | \$ 19,493,535         | \$ 18,959,437         | \$ 18,407,942         | \$ 17,821,250         | \$ 1,737,464          | \$ 16,725,902        |
| District's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 10.16%                | 13.62%                | 15.04%                | 16.65%                | 13.47%                | 12.36%               |
| Plan fiduciary net position as a percentage of the total pension liability                                  | 39.6%                 | 40.0%                 | 39.20%                | 36.40%                | 41.47%                | 42.95%               |
| * The amounts presented were determined as of the prior fiscal-year end.                                    |                       |                       |                       |                       |                       |                      |

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

| <u>Fiscal Year Ending June 30</u>  | <u>2019</u>   | <u>2018</u>   | <u>2017</u>      | <u>2016</u>      | <u>2015</u>      | <u>2014</u>      |
|--|---------------|---------------|------------------|------------------|------------------|------------------|
| Contractually-required contribution                                      | \$ 110,571    | \$ 106,736    | \$ 261,435       | \$ 171,476       | \$ 146,433       | \$ 137,993       |
| Contributions in relation to the contractually-required contribution     | (110,571)     | (106,736)     | (221,960)        | (145,583)        | (125,200)        | (121,158)        |
| <b>Contribution deficiency (excess)</b>                                  | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ 39,475</b> | <b>\$ 25,893</b> | <b>\$ 21,233</b> | <b>\$ 16,835</b> |
| District's covered-employee payroll                                      | \$ 19,493,535 | \$ 18,959,437 | \$ 18,407,942    | \$ 17,821,250    | \$ 17,374,684    | \$ 16,725,902    |
| Contributions as a percentage of covered-employee payroll                | 0.57%         | 0.05%         | 1.21%            | 0.82%            | 0.72%            | 0.72%            |
| * The amounts presented were determined as of the prior fiscal-year end. |               |               |                  |                  |                  |                  |

These 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.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
SUPPLEMENTAL INFORMATION  
SCHEDULE OF CHANGES IN THE IMRF NET PENSION LIABILITY AND RELATED RATIOS  
JUNE 30, 2020

| Calendar Year Ending December 31,   | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total Pension Liability</b>  |                      |                      |                      |                      |                      |                      |
| Service Costs   | \$ 344,974           | \$ 317,926           | \$ 328,972           | \$ 324,353           | \$ 326,885           | \$ 341,791           |
| Interest on the Total Pension Liability                                       | 1,169,000            | 1,118,283            | 1,096,836            | 1,053,928            | 975,556              | 878,692              |
| Benefit Changes   | -                    | -                    | -                    | -                    | -                    | -                    |
| Difference between Expected and Actual Experience                             | 509,821              | 226,388              | 163,250              | (121,659)            | 422,052              | 98,740               |
| Assumption Changes  | -                    | 439,700              | (488,538)            | (34,178)             | 16,771               | 585,310              |
| Benefit Payments & Refunds  | (878,420)            | (925,818)            | (692,259)            | (688,197)            | (661,449)            | (514,937)            |
| <b>Net Change in Total Pension Liability</b>                                  | 1,145,375            | 1,176,479            | 408,261              | 534,247              | 1,079,815            | 1,389,596            |
| <b>Total Pension Liability - Beginning</b>                                    | 16,390,862           | 15,214,383           | 14,806,122           | 14,271,875           | 13,192,060           | 11,802,464           |
| <b>Total Pension Liability - Ending (a)</b>                                   | <u>\$ 17,536,237</u> | <u>\$ 16,390,862</u> | <u>\$ 15,214,383</u> | <u>\$ 14,806,122</u> | <u>\$ 14,271,875</u> | <u>\$ 13,192,060</u> |
| <b>Plan Fiduciary Net Position</b>  |                      |                      |                      |                      |                      |                      |
| Employer Contributions  | \$ 340,366           | \$ 377,969           | \$ 346,432           | \$ 323,693           | \$ 323,502           | \$ 312,073           |
| Employee Contributions  | 155,940              | 144,631              | 136,526              | 135,115              | 128,492              | 129,623              |
| Pension Plan Net Investment Income  | 2,563,374            | (793,071)            | 2,235,256            | 839,778              | 61,194               | 714,220              |
| Benefit Payments & Refunds  | (878,420)            | (925,818)            | (692,259)            | (688,197)            | (661,499)            | (514,937)            |
| Other   | 67,727               | 279,166              | (199,857)            | (134,536)            | 3,924                | (42,609)             |
| <b>Net Change in Plan Fiduciary Net Position</b>                              | 2,248,987            | (917,123)            | 1,826,098            | 475,853              | (144,387)            | 598,370              |
| <b>Plan Fiduciary Net Position - Beginning</b>                                | 13,584,007           | 14,501,130           | 12,675,032           | 12,199,179           | 12,343,516           | 11,745,146           |
| <b>Plan Fiduciary Net Position - Ending (b)</b>                               | <u>\$ 15,832,994</u> | <u>\$ 13,584,007</u> | <u>\$ 14,501,130</u> | <u>\$ 12,675,032</u> | <u>\$ 12,199,129</u> | <u>\$ 12,343,516</u> |
| <b>Net Pension Liability/(Asset) -Ending (a-b)</b>                            | <u>\$ 1,703,243</u>  | <u>\$ 2,806,855</u>  | <u>\$ 713,253</u>    | <u>\$ 2,131,090</u>  | <u>\$ 2,072,746</u>  | <u>\$ 848,544</u>    |
| <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b> | 90.29%               | 82.88%               | 95.31%               | 85.61%               | 85.48%               | 93.57%               |
| <b>Covered Valuation Payroll</b>  | \$ 3,367,711         | \$ 3,214,019         | \$ 3,007,218         | \$ 2,929,348         | \$ 2,855,362         | \$ 2,880,485         |
| <b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>     | 50.58%               | 87.33%               | 23.72%               | 72.75%               | 72.59%               | 29.46%               |

These 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.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER IMRF CONTRIBUTIONS

| Calendar<br>Year<br>Ended<br>December 31, | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Valuation<br>Payroll | Actual<br>Contribution<br>As a %<br>of Covered<br>Valuation<br>Payroll |
|---|---|------------------------|--|---------------------------------|--|
| 2014                                      | \$ 297,892                                | \$ 312,073             | \$ (14,181)                            | \$ 2,805,014                    | 11.13%   |
| 2015                                      | 306,666                                   | 323,502                | (16,836)                               | 2,855,362                       | 11.33%   |
| 2016                                      | 323,693                                   | 323,693                | -                                      | 2,929,348                       | 11.05%   |
| 2017                                      | 346,432                                   | 346,432                | -                                      | 3,007,218                       | 11.52%   |
| 2018                                      | 377,969                                   | 377,969                | -                                      | 3,214,019                       | 11.76%   |
| 2019                                      | 331,383                                   | 340,366                | (8,983)                                | 3,367,711                       | 10.11%   |

These 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.

\* Estimated based on contribution rate of 9.84% and covered valuation payroll of \$3,367,711.

LIBERTYVILLE ELEMENTARY SCHOOL DISTRICT NO. 70  
 SUPPLEMENTARY INFORMATION  
 NOTES TO SCHEDULE OF EMPLOYER IMRF CONTRIBUTIONS  
 JUNE 30, 2020

**Valuation Date:**

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine 2019 Contribution Rates\***

|                               |  |
|-------------------------------|--|
| Actuarial Cost Method         | Aggregate Entry Age Normal   |
| Amortization Method           | Level Percentage of Payroll, Closed  |
| Remaining Amortization Period | Non-Taxing bodies: 10-year rolling period.<br>Taxing Bodies (Regular, SLEP and ECO groups): 24-year closed period until Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.<br>SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years) and four others were financed over 29 years).  |
| Asset Valuation Method        | 5-Year smoothed market; 20% corridor   |
| Wage growth                   | 3.25%  |
| Price Inflation               | 2.50% - approximate; No explicit price inflation assumption is used in this valuation  |
| Salary Increases              | 3.35% to 14.25% including inflation  |
| Investment Rate of Return     | 7.50%  |
| Retirement Age                | Experienced-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016   |
| Mortality                     | For non-disabled retirees, and IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality table with adjustments to match current IMRF experience. |

**Other Information**

Notes There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation

**Illinois Grant Accountability and Transparency  
Consolidated Year-End Financial Report**

|                      |   |
|----------------------|---|
| <b>Grantee Name</b>  | LIBERTYVILLE SCHOOL DISTRICT #70  |
| <b>ID Numbers</b>    | AUDIT:22932    Grantee:674674    DUNS:605425214    FEIN:366004864                           |
| <b>Audit Period</b>  | 7/1/2019 - 6/30/2020  |
| <b>Submitted</b>     | 12/02/2020; John Herrin; Chief School Business Official; jherrin@d70schools.org; 8473629695 |
| <b>Accepted</b>      |   |
| <b>Program Count</b> | 8   |

| <b>All Programs Total</b>              |                     |                   |                      |                      |
|--|---------------------|-------------------|----------------------|----------------------|
| <b>Category</b>                        | <b>State</b>        | <b>Federal</b>    | <b>Other</b>         | <b>Total</b>         |
| Personal Services (Salaries and Wages) | 0.00                | 0.00              | 23,270,475.00        | 23,270,475.00        |
| Fringe Benefits                        | 0.00                | 0.00              | 4,983,765.00         | 4,983,765.00         |
| Travel                                 | 0.00                | 0.00              | 0.00                 | 0.00                 |
| Equipment                              | 0.00                | 0.00              | 674,402.00           | 674,402.00           |
| Supplies                               | 0.00                | 0.00              | 1,887,248.00         | 1,887,248.00         |
| Contractual Services                   | 0.00                | 0.00              | 0.00                 | 0.00                 |
| Consultant (Professional Services)     | 0.00                | 0.00              | 4,077,525.00         | 4,077,525.00         |
| Construction                           | 0.00                | 0.00              | 5,863,600.00         | 5,863,600.00         |
| Occupancy - Rent and Utilities         | 0.00                | 0.00              | 0.00                 | 0.00                 |
| Research and Development               | 0.00                | 0.00              | 0.00                 | 0.00                 |
| Telecommunications                     | 0.00                | 0.00              | 0.00                 | 0.00                 |
| Training and Education                 | 0.00                | 0.00              | 0.00                 | 0.00                 |
| Direct Administrative Costs            | 0.00                | 0.00              | 0.00                 | 0.00                 |
| Miscellaneous Costs                    | 0.00                | 0.00              | 16,727,650.00        | 16,727,650.00        |
| All Grant Specific Categories          | 1,794,378.00        | 378,316.39        | 0.00                 | 2,172,694.39         |
| <b>TOTAL DIRECT EXPENDITURES</b>       | <b>1,794,378.00</b> | <b>378,316.39</b> | <b>57,484,665.00</b> | <b>59,657,359.39</b> |
| Indirect Costs                         | 0.00                | 0.00              | 0.00                 | 0.00                 |
| <b>TOTAL EXPENDITURES</b>              | <b>1,794,378.00</b> | <b>378,316.39</b> | <b>57,484,665.00</b> | <b>59,657,359.39</b> |