

**SALE DATE AND TIME:**

**February 20, 2018**

**10:00 A.M. CST**

**NEW ISSUE – BOOK-ENTRY ONLY**

**RATING<sup>+</sup>: MOODY'S "Applied For"**

*Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion.*

**\$56,535,000\***

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 202**

**WILL AND KENDALL COUNTIES, ILLINOIS**

**(PLAINFIELD)**

**GENERAL OBLIGATION SCHOOL REFUNDING BONDS, SERIES 2018A**

**Dated: Date of Issuance**

**Due: January 1, as Shown on the Inside Cover Page**

The General Obligation School Refunding Bonds, Series 2018A (the "Bonds"), of Community Consolidated School District Number 202, Will and Kendall Counties, Illinois (the "District"), are issuable as fully registered bonds under the global book-entry system operated by The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry system form only. Beneficial owners of the Bonds will not receive physical delivery of the Bonds. The Bonds are issued in fully registered form in denominations of \$5,000 and integral multiples thereof, and will bear interest payable on January 1 and July 1 of each year, with January 1, 2019, as the first interest payment date. ZB, National Association dba Zions Bank, Chicago, Illinois, will act as registrar and paying agent for the Bonds. Details of payment of the Bonds are described herein. Interest is calculated based on a 360-day year consisting of twelve 30-day months.

Proceeds of the Bonds will be used to (i) currently refund the District's outstanding General Obligation School Building Bonds, Series 2008A, dated February 27, 2008, and (ii) pay costs associated with the issuance of the Bonds.

The Bonds, in the opinion of Bond Counsel, are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See "THE BONDS – Security and Payment" herein.

The Bonds are not subject to redemption prior to maturity.

The Bonds are offered at public sale, subject to the approval of legality by Bond Counsel. Chapman and Cutler LLP, Chicago, Illinois, is also acting as Disclosure Counsel to the District. Delivery of the Bonds through the facilities of DTC will be on or about March 7, 2018.



The date of this Official Statement is February \_\_, 2018.

\*Preliminary, subject to change.

+See "BOND RATING" herein.

**MATURITY SCHEDULE, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS**

**\$56,535,000\* General Obligation School Refunding Bonds, Series 2018A**

<u>Maturity</u> <u>(January 1)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP<sup>(1)</sup></u> <u>(968648)</u>
2019	1,075,000			
2020	1,245,000			
2021	1,545,000			
2022	3,360,000			
2023	115,000			
2024	4,720,000			
2025	345,000			
2026	15,245,000			
2027	21,555,000			
2028	7,330,000			

\*Preliminary, subject to change. The District reserves the right to increase or decrease the principal amount of the individual maturities of the Bonds on the day of sale in increments of \$5,000. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000 portion of a bond.

(1) CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw-Hill Companies Financial. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers are subject to change after the issuance of the Bonds.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by Community Consolidated School District Number 202, Will and Kendall Counties, Illinois (the “District”), from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Bonds described herein that is deemed final by the District as of the date hereof (or of any such supplement or amendment), except for the omission of certain information permitted to be omitted pursuant to such Rule.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as statements of the District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information set forth herein relating to governmental bodies other than the District has been obtained from such governmental bodies or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

PMA Securities, Inc., Naperville, Illinois, is serving as financial advisor (the “Financial Advisor”) to the District in connection with the issuance of the Bonds. In preparing this Official Statement, the Financial Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Financial Advisor’s knowledge, the information contained in this Official Statement is true and accurate. However, the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District’s beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Official Statement. Where statutes, resolutions, reports or other documents are referred to herein, reference should be made to such statutes, resolutions, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other Federal, State, Municipal or other governmental entity, other than the District, shall have passed upon the accuracy or adequacy of this Official Statement.

Certain persons participating in this offering may engage in transactions that maintain or otherwise affect the price of the Bonds. Specifically, the Underwriter may overallocate in connection with the offering, may bid for, and purchase, the Bonds in the open market. The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts.

**Community Consolidated School District Number 202  
Will and Kendall Counties, Illinois  
(Plainfield)  
15732 South Howard Street  
Plainfield, Illinois 60544  
(815) 577-4000**

\* \* \* \* \*

**Board of Education**

Greg Nichols, President  
Kevin Kirberg, Vice President  
David Koch, Secretary  
Heather Drake  
Dr. Michael Robey  
Bob Smith  
Rod Westfall

**School Treasurer**

Ron Kazmar

**Superintendent**

Dr. Lane Abrell

**Assistant Superintendent for Business and Operations**

Richard (Rick) Engstrom

**Director of Fiscal Services**

Rose Kidd

\* \* \* \* \*

**Paying Agent/Registrar/Escrow Agent**

ZB, National Association dba Zions Bank  
111 West Washington Street, Suite 1860  
Chicago, Illinois 60602

**Independent Auditors**

Klein Hall CPAs  
3957 75<sup>th</sup> Street  
Aurora, Illinois 60504

**Bond and Disclosure Counsel**

Chapman and Cutler LLP  
111 West Monroe Street  
Chicago, Illinois 60603

**Financial Advisor**

PMA Securities, Inc.  
2135 CityGate Lane, 7<sup>th</sup> Floor  
Naperville, Illinois 60563

**Underwriter**

## TABLE OF CONTENTS

PAGE

INTRODUCTION.....	1
THE BONDS .....	1
General Description .....	1
Registration and Exchange.....	1
Authority and Purpose .....	2
Security and Payment.....	2
THE REFUNDING .....	3
SOURCES AND USES.....	4
BOOK-ENTRY SYSTEM .....	4
REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES.....	7
Summary of Property Assessment, Tax Levy and Collection Procedures .....	7
Tax Levy and Collection Procedures .....	7
Exemptions .....	7
Property Tax Extension Limitation Law .....	9
Truth in Taxation Law .....	11
RISK FACTORS.....	11
Finances of the State of Illinois.....	11
Local Economy .....	12
High Unemployment.....	12
Loss or Change of Bond Rating .....	12
Secondary Market for the Bonds.....	12
Continuing Disclosure.....	13
Suitability of Investment.....	13
Future Changes in Laws.....	13
Factors Relating to Tax Exemption.....	13
Bankruptcy .....	14
THE DISTRICT .....	14
General Description .....	14
Educational Facilities .....	16
Enrollments.....	17
The Board of Education .....	17
Administration .....	18
Employees.....	18
SOCIO-ECONOMIC CHARACTERISTICS .....	18
Population Trend.....	18
Education .....	19
Income .....	19
Housing.....	20
Residential Housing Building Permits .....	21
Retail Sales.....	22
Employment by Occupation.....	22
Employment by Industry.....	23
Largest Area Employers.....	23
Historical Unemployment Statistics.....	24
FINANCIAL INFORMATION.....	24
Trend of EAV .....	24
EAV by County.....	25
Tax Increment Financing Districts Located within the District .....	25
Tax Rates .....	26
Representative Tax Rates for Property within the District.....	26
Tax Extensions and Collections .....	27
Largest Taxpayers .....	27
Summary of Outstanding Debt.....	28
Debt Repayment Schedule .....	28
Overlapping Bonded Debt .....	29

Debt Statement.....	30
Debt Ratios.....	30
Short-Term Financing Record.....	30
Future Financing .....	30
Default Record .....	31
SUMMARY OF OPERATING RESULTS .....	31
Combined Educational Fund and Operations and Maintenance Fund Revenue Sources.....	31
Summary of Operating Funds and Debt Service Fund.....	32
On-Behalf Payments Summary .....	33
Working Cash Fund .....	34
Budget Summary .....	35
STATE AID .....	35
General.....	35
General State Aid Through Fiscal Year 2017 .....	35
General State Aid After Fiscal Year 2017 - Evidence-Based Funding Model.....	36
Mandated Categorical State Aid .....	37
Competitive Grant State Aid.....	38
Payment for Mandated Categorical State Aid and Competitive Grant State Aid.....	38
SCHOOL DISTRICT FINANCIAL PROFILE .....	39
RETIREMENT PLANS .....	41
Background Regarding Pension Plans .....	41
Teachers' Retirement System of the State of Illinois.....	43
Illinois Municipal Retirement Fund .....	45
OPEB Summary.....	46
Post-Employment Benefit Trust.....	46
TAX EXEMPTION.....	47
LITIGATION .....	50
BOND RATING .....	50
CONTINUING DISCLOSURE .....	50
CERTAIN LEGAL MATTERS.....	51
UNDERWRITING.....	51
FINANCIAL ADVISOR.....	51
THE OFFICIAL STATEMENT.....	52
Accuracy and Completeness of the Official Statement.....	53

Appendices:

- A. Form of Legal Opinion of Bond Counsel
- B. Annual Financial Report for Fiscal Year Ended June 30, 2017
- C. Form of Continuing Disclosure Undertaking
- D. Official Notice of Sale and Bid Form

**\$56,535,000\***  
**Community Consolidated School District Number 202**  
**Will and Kendall Counties, Illinois**  
**(Plainfield)**  
**General Obligation School Refunding Bonds, Series 2018A**

**INTRODUCTION**

The purpose of this Official Statement is to set forth certain information concerning Community Consolidated School District Number 202, Will and Kendall Counties, Illinois (the “District”), in connection with the offering and sale of its \$56,535,000\* General Obligation School Refunding Bonds, Series 2018A (the “Bonds”). This Official Statement includes the cover page, the reverse thereof and the Appendices. Certain factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of the Bonds should read this Official Statement in its entirety.

**THE BONDS**

**General Description**

The Bonds will be issued in fully registered form, without coupons, in denominations of \$5,000 each or authorized integral multiples thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (“DTC”). Principal of and interest on the Bonds will be payable as described under the caption “BOOK-ENTRY SYSTEM” by ZB, National Association dba Zions Bank, Chicago, Illinois, as paying agent and registrar (the “Registrar”).

The Bonds will be dated as of the date of delivery and will mature as shown on the inside cover page of this Official Statement. Interest on the Bonds will be payable on each January 1 and July 1, beginning January 1, 2019. The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar in Chicago, Illinois. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date.

The Bonds are not subject to redemption prior to maturity.

**Registration and Exchange**

The Bonds may be transferred, registered and assigned only on the registration books of the Registrar, and such registration shall be at the expense of the District; provided, however, that the District or the Registrar may require payment of a sum sufficient to cover any tax or

\*Preliminary, subject to change.

other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the District shall execute and the Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the District of any fully registered Bond shall constitute full and due authorization of such Bond and the Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date.

### **Authority and Purpose**

The Bonds are issued pursuant to the School Code of the State of Illinois (the “School Code”), the Local Government Debt Reform Act of the State of Illinois (the “Debt Reform Act”), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Education (the “Board”) of the District on January 22, 2018, as supplemented by a notification of sale (together, the “Bond Resolution”). Proceeds of the Bonds will be used to (i) currently refund the District’s outstanding General Obligation School Building Bonds, Series 2008A, dated February 27, 2008 (the “2008A Bonds”), and (ii) pay costs associated with the issuance of the Bonds. See “THE REFUNDING” herein.

### **Security and Payment**

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois (“Bond Counsel”), are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Bond Resolution will be filed with the



County Clerks of The Counties of Will and Kendall, Illinois (the “County Clerks”), and will serve as authorization to the County Clerks to extend and collect the property taxes as set forth in the Bond Resolution to pay the Bonds.

Reference is made to Appendix A for the proposed form of legal opinion of Bond Counsel.

**THE REFUNDING**

Proceeds of the Bonds, together with funds of the District on hand and legally available for such purpose (the “Available Funds”), will be used to refund the 2008A Bonds described below (the “Refunded Bonds”). The purpose of the refunding is to realize debt service savings for the District.

**2008A Bonds**

(Dated Date: February 27, 2008)

CUSIP (968648)	Maturities (January 1)	Original		Redemption Price <sup>(1)</sup>	Redemption Date*
		Outstanding Amount	Refunded Bonds*		
WP6	2020	\$ 1,000,000	\$ 1,000,000	100.00%	April 6, 2018
WQ4	2021	1,250,000	1,250,000	100.00%	April 6, 2018
WR2	2022	3,000,000	3,000,000	100.00%	April 6, 2018
WS0	2023	3,000,000	3,000,000	100.00%	April 6, 2018
WT8	2024	5,000,000	5,000,000	100.00%	April 6, 2018
WU5	2025	5,000,000	5,000,000	100.00%	April 6, 2018
WV3	2026	16,000,000	16,000,000	100.00%	April 6, 2018
WW1	2027	16,000,000	16,000,000	100.00%	April 6, 2018
WX9	2028	11,900,000	11,900,000	100.00%	April 6, 2018
	Total:	<u>\$ 62,150,000</u>	<u>\$ 62,150,000</u>		

\*Preliminary, subject to change.

(1) Expressed as a percentage of par.

Proceeds of the Bonds, together with the Available Funds, will be used to fund an irrevocable escrow account (the “Escrow Account”) consisting of cash and direct obligations of the United States of America (the “Government Obligations”). The Escrow Account will be held by ZB, National Association dba Zions Bank, Chicago, Illinois (the “Escrow Agent”), and will be used to pay the principal of and interest on the Refunded Bonds on the redemption date thereof. The Escrow Account will be held by the Escrow Agent pursuant to an escrow agreement between the District and the Escrow Agent which irrevocably directs the Escrow Agent to (i) make all payments of the principal of and interest on the Refunded Bonds on the redemption date, and (ii) take all steps necessary to call the Refunded Bonds on such date. The Escrow Account will be funded in such amounts so that the initial cash deposit and the principal and

interest payments received on the Government Obligations will be sufficient, without reinvestment, to pay the principal of and interest on the Refunded Bonds on the redemption date.

**SOURCES AND USES**

**Estimated Sources of Funds**

Par Amount of the Bonds.....	\$
[Net] Original Issue Premium [Discount].....	
Available Funds.....	
Total Sources .....	<u>\$</u> -

**Estimated Uses of Funds**

Deposit to the Escrow Account.....	\$
Costs of Issuance..... <sup>(1)</sup>	
Total Uses .....	<u>\$</u> -

(1) Includes Underwriter’s discount, Bond and Disclosure Counsel fees, Financial Advisor’s fee, Registrar’s fee, Escrow Agent’s fee, rating agency fee and other costs of issuance.

**BOOK-ENTRY SYSTEM**

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing

agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the “Commission”). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as

possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District takes no responsibility for the accuracy thereof.

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any other action taken by the Securities Depository or any Participant.

## **REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES**

### **Summary of Property Assessment, Tax Levy and Collection Procedures**

A separate tax to pay the principal of and interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in Will and Kendall Counties, Illinois. There can be no assurance that the procedures described herein will not change.

### **Tax Levy and Collection Procedures**

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula, which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

### **Exemptions**

The Illinois Property Tax Code, as amended (the "Property Tax Code"), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the Equalized Assessed Valuation (“EAV”) of certain property owned and used for residential purposes (“Residential Property”) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000 for tax year 2012 and thereafter.

The Homestead Improvement Exemption applies to Residential Property that has been improved or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. Beginning with tax year 2013, the maximum exemption is \$5,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$55,000 for assessment year 2008 through assessment year 2017. Beginning in assessment year 2018, the maximum income limitation is \$65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen’s residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Beginning January 1, 2015, purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by the Consumer Price Index (“CPI”). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the “Natural Disaster Exemption”) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Three exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of \$5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

### **Property Tax Extension Limitation Law**

The Property Tax Extension Limitation Law, as amended (the "Limitation Law"), limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units, including the District. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes (such as the Bonds).

The District has the authority to levy taxes for many different purposes. See "FINANCIAL INFORMATION - Tax Rates" herein. The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (a) unlimited (as provided by statute), (b) initially set by statute but permitted to be increased by referendum, (c) capped by statute, or (d) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by

statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the District) have flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District's limiting rate computed in accordance with the provisions of the Limitation Law.

Public Act 100-465, effective August 31, 2017 ("Public Act 100-465"), provides that if the District's Adequacy Target (as defined under "STATE AID" herein) exceeds 110% for the school year that begins during the calendar year immediately preceding the levy year for which a tax reduction is sought, a petition signed by at least 10% of the registered voters in the District may be filed requiring a proposition to be submitted to the District's voters at the next consolidated election in April of odd-numbered years asking the voters whether the District must reduce its extension for educational purposes for the levy year in which the election is held to an amount that is less than the extension for educational purposes for the immediately preceding levy year. The reduced extension, however, may not be more than 10% lower than the amount extended for educational purposes in the previous levy year and may not cause the District's Adequacy Target to fall below 110% for the levy year for which the reduction is sought. If the voters approve the proposition, the County Clerks will extend a rate for educational purposes that is no greater than the limiting rate for educational purposes computed in accordance with the Limitation Law. Furthermore, if the voters approve such proposition, separate limiting rates for educational purposes and for the aggregate of the District's other funds subject to the Limitation Law will be computed in accordance with the provisions of the Limitation Law. If such proposition is submitted to the voters, it may not be submitted again at any of the next two consolidated elections.

Local governments, including the District, can issue limited bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Illinois legislators have introduced several proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. In particular, the House passed Senate Bill 851 ("Senate Bill 851") on November 8, 2017. Senate Bill 851 provides that for levy years 2017 and 2018, for taxing districts (including home rule units) with a majority of EAV in Cook and the collar counties (Lake, McHenry, Kane, DuPage and Will Counties), other than qualified school districts, the extension limitation under the Limitation Law will be 0% or the rate of increase approved by voters. "Qualified school districts" are school districts that have been designated, through the School District Financial Profile System (as described below), as on financial watch status or financial early warning status in the report issued in the applicable levy year; provided, however, that school districts designated as on financial early warning status must also receive a financial hardship exception from the State Superintendent of Education. Senate Bill 851 is subject to a vote of concurrence by the Senate and approval from the Governor prior to being enacted into law. If Senate Bill 851 or similar legislation were to become law, such reform may have a material impact on the finances of the District. The District cannot predict whether, or in what form, any change to the Limitation Law, including Senate Bill 851, may be enacted into law, nor can the District predict the effect of any such change on the District's finances.



## **Truth in Taxation Law**

Legislation known as the Truth in Taxation Law (the “Law”) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The District covenanted in the Bond Resolution that it will not take any action or fail to take any action which would adversely affect the ability of the District to levy and collect the taxes levied by the District for payment of principal of and interest on the Bonds. The District also covenanted that it will comply with all present and future applicable laws to assure that such taxes will be levied, extended, collected and deposited as provided in the Bond Resolution.

### **RISK FACTORS**

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

## **Finances of the State of Illinois**

The State of Illinois (the “State”) has experienced adverse fiscal conditions resulting in significant shortfalls between the State’s general fund revenues and spending demands. The State failed to enact a full budget for the State fiscal years ending June 30, 2016, and June 30, 2017, which had a significant, negative impact on the State’s finances, although certain spending occurred through statutory transfers, statutory continuing appropriations, court orders and consent decrees, including spending for elementary and secondary education. In addition, the underfunding of the State’s pension systems and a bill backlog of billions of dollars contributed to the State’s poor financial health.

On July 6, 2017, the General Assembly of the State (the “General Assembly”) enacted a budget for the State fiscal year ending June 30, 2018 (the “Fiscal Year 2018 Budget”). The Fiscal Year 2018 Budget contained an appropriation for General State Aid (as hereinafter defined), contingent upon General State Aid being allocated among school districts in accordance with an “Evidence-Based Funding Model.” See “STATE AID” herein for more information on the Evidence-Based Funding Model. Public Act 100-465 provides for an Evidence-Based Funding Model for allocating General State Aid to school districts (28.92% of the District’s Combined Educational Fund and Operations and Maintenance Fund Revenue Sources for the fiscal year ended June 30, 2017) beginning with the 2017-2018 school year.

The District cannot predict the effect the State's ongoing financial problems may have on the District's future finances.

### **Local Economy**

The financial health of the District is in part dependent on the strength of the local economy. Many factors impact the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the District.

### **High Unemployment**

Unemployment rates are not specifically compiled for the District. However, the City of Joliet (the "City") located within the District has had a high unemployment rate as compared to the State for the last five years. Unemployed workers who reside within the District may lack the financial resources to pay taxes owed to the District in a timely manner or at all. The high number of unemployed workers residing within the District could increase the likelihood that the District will not be able to collect the full amount of taxes levied, both to pay the Bonds and to fund the District's operations, which could adversely affect the District's ability to repay or the timing of repayment of the Bonds.

### **Loss or Change of Bond Rating**

The Bonds have received a credit rating from Moody's Investors Service, New York, New York ("Moody's"). The rating can be changed or withdrawn at any time for reasons both under and outside the District's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

### **Secondary Market for the Bonds**

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The hereinafter-defined Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

## **Continuing Disclosure**

A failure by the District to comply with the Undertaking for continuing disclosure (see “CONTINUING DISCLOSURE” herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the “Rule”) adopted by the Commission under the Exchange Act, and may adversely affect the transferability and liquidity of the Bonds and their market price.

## **Suitability of Investment**

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

## **Future Changes in Laws**

Various state and federal laws, regulations and constitutional provisions apply to the District and to the Bonds. The District can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the District, or the taxing authority of the District. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Future actions of the State may affect the overall financial conditions of the District, the taxable value of property within the District, and the ability of the District to levy property taxes or collect revenues for its ongoing operations.

## **Factors Relating to Tax Exemption**

As discussed under “TAX EXEMPTION” herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the District in violation of its covenants in the Bond Resolution. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States (“Congress”) legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the District’s ability to access the capital markets to finance future capital or operational needs by

reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the “Service”) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

### **Bankruptcy**

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors’ rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

## **THE DISTRICT**

### **General Description**

The District was formed on June 12, 1920. The District includes 64 square miles and has an estimated 2016 population of 121,566. The District includes the Village of Plainfield (the “Village”) (36.21% of the District’s 2016 EAV), a part of the City (29.37% of the District’s 2016 EAV), portions of the Village of Bolingbrook (11.10% of the District’s 2016 EAV) and Village of Romeoville (9.06% of the District’s 2016 EAV), and small portions of the Cities of Naperville, Crest Hill and Lockport. The District is mostly in Will County (the “County”) (95.22% of the District’s 2016 EAV) with a small portion in Kendall County (4.79% of the District’s 2016 EAV).

The District’s 27,001 students are currently being housed in 17 elementary schools, seven middle schools, four traditional high schools, an alternative school (Plainfield Academy) and one early childhood center. The District is a member of the Will County Vocational Education Cooperative and the Will County Regional Alternative Education Program. The District contracts out its bus and food services. District students have received numerous awards for excellence in such area as computers, mathematics, speech, student council programs, athletics and music. The District offers a comprehensive gifted student program for high ability students on the elementary, junior high and high school levels. In addition, the District offers a computer education program with instruction beginning at the kindergarten level.

The Village is located 37 miles southwest of Chicago’s Loop off of I-55 (Stevenson Expressway) and is also near other major transportation arteries such as I-80, I-355 (North-South

Tollway), I-88 (East-West Tollway) and Illinois Route 59 (Route 59) which runs through the middle of the Village. O'Hare International Airport is an hour to the northeast, Midway International Airport is 45 minutes to the east and Lewis University Airport is seven miles east of the Village. The Rock Island District Railroad line serves Joliet and the Burlington Northern serves Naperville and Aurora. Each of the three stations is about a ten to fifteen minute drive from the Village. Travel times to Chicago via train are about one hour.

The Plainfield area is experiencing residential and commercial types of growth due to the available land that is being developed into a blend of housing and commercial properties. Louis Joliet Mall, with over 100 stores, is at U.S. 30 and I-55. Retail and other commercial types of businesses are continually expanding southward along Route 59 toward the Village area. Route 59 has expanded and improved to accommodate the increased traffic flow. The improvement of Route 59 between I-88 and the Village enhances the possibility of commercial development. The northern boundary of the District borders the City of Naperville, which is home to many "high-tech" firms, such as Ondeo Nalco, BP and NICOR.

[Remainder of Page Intentionally Left Blank]

## Educational Facilities

The District operates thirty facilities.

<u>Facility</u>	<u>Grades</u>	<u>Current Enrollment</u>	<u>Capacity Enrollment</u>	<u>Constructed</u>	<u>Years of Additions/Renovations</u>
Early Childhood Center:					
Bonnie McBeth.....	Preschool	795	N/A	2001	N/A
Elementary Schools:					
Central.....	PreK-5	681	800	2006	N/A
Crystal Lawns.....	PreK-5	371	570	1958	1960, 1969, 1996
Grand Prairie.....	PreK-5	587	945	1973	1990
Walkers Grove.....	PreK-5	514	700	1992	1994
Wesmere.....	PreK-5	485	800	1996	1999
Lakewood Falls.....	PreK-5	650	800	1997	N/A
River View.....	PreK-5	747	800	1999	N/A
Meadow View.....	PreK-5	509	800	2000	N/A
Creeside.....	PreK-5	562	800	2001	N/A
Eagle Pointe.....	PreK-5	682	800	2002	N/A
Ridge.....	PreK-5	599	800	2002	N/A
Lincoln.....	PreK-5	793	800	2003	N/A
Charles Reed.....	PreK-5	564	800	2005	N/A
Liberty.....	PreK-5	622	800	2005	N/A
Freedom.....	PreK-5	772	800	2007	N/A
Thomas Jefferson.....	PreK-5	630	800	2007	N/A
Eichelberger.....	PreK-5	641	800	2008	N/A
Middle Schools:					
Indian Trail.....	6-8	757	1,080	1963	1967, 1972, 1996
Timber Ridge.....	6-8	1,017	900	1996	N/A
Heritage Grove.....	6-8	986	900	1999	N/A
Drauden Point.....	6-8	715	900	2002	N/A
Ira Jones.....	6-8	894	900	2004	N/A
Aux Sable.....	6-8	994	900	2006	N/A
J F Kennedy.....	6-8	1,139	900	2007	N/A
High Schools:					
PHS Central.....	9-12	2,065	2,700	1993	1994, 1999
PSHS.....	9-12	2,521	2,400	2000	2002
PNHS.....	9-12	2,320	2,400	2004	2005
PEHS.....	9-12	2,250	2,400	2008	2009

Note: Excludes the 139 students that attend Plainfield Academy.

Source: The District

The District owns an additional seven sites totaling 352.5 acres which could be developed for school purposes as needed.

**Enrollments**

The table below includes historical enrollment utilizing the Fall Housing Count (Housed) which reflects students enrolled as of the last school day in September and the projected enrollment for the next five years. The projected enrollment figures are based on the average change over the last five years applied to each class level.

<u>School Year</u>	<u>Enrollment</u>	<u>School Year</u>	<u>Enrollment</u> <sup>(1)</sup>
2013-2014	28,424	2018-2019	26,283
2014-2015	27,982	2019-2020	25,854
2015-2016	27,750	2020-2021	25,424
2016-2017	27,437	2021-2022	24,996
2017-2018	27,001	2022-2023	24,567

(1) Projected enrollment.

Note: The decrease in historical and future enrollment is due to an aging community.

Source: The District

**The Board of Education**

The District is governed by the Board whose members are elected for staggered terms of office. The Board is a policy making body whose primary functions are to establish policies for the District, provide for the general operation and personnel of the District, and oversee the property and facilities of the District. The Board elects a President, Vice President and Secretary from its membership. The present members are as follows:

<u>Title</u>	<u>Name</u>	<u>Current Term Expires</u>
President.....	Greg Nichols.....	2019
Vice President.....	Kevin Kirberg.....	2019
Secretary.....	David Koch.....	2021
Member.....	Heather Drake.....	2019
Member.....	Dr. Michael Robey.....	2021
Member.....	Bob Smith.....	2021
Member.....	Rod Westfall.....	2021
School Treasurer.....	Ron Kazmar.....	Appointed

**Administration**

The District’s Superintendent is Dr. Lane Abrell, who has been with the District since 2013. His prior position was Superintendent at Leland Community Unit School District Number 1. Richard Engstrom joined the District in 2014 as the Director of Finance/CSBO, then in 2016 he became the Assistant Superintendent for Business and Operations. His prior position was Business Manager/CSBO at Big Hollow School District Number 38. Rose Kidd joined the District in 2016 as the Director of Fiscal Services. Her prior position was Business Manager at Leland Community Unit School District Number 1.

**Employees**

The District has approximately 3,107 employees of whom 2,012 are certified employees and 1,095 are non-certified. Of the total number, the Association of Plainfield Teachers represents 1,908 members. Salary increases for fiscal years 2018 through 2022 will be 5%, 3%, 3%, 4% and 4%, respectively. The 5-year contract expires June 30, 2022. The Plainfield Association of Support Staff represents 1,010 members. Salary increases for fiscal years 2017 through 2019 are 2.50%, 2.25% and 2.25%, respectively. The 3-year contract expires June 30, 2019. The District considers its relationship with its employees to be stable and communicative.

**SOCIO-ECONOMIC CHARACTERISTICS**

**Population Trend**

Below are the population statistics for the District, the Village, the City, the County and the State.

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>% Change</u> <u>1990-2010</u>
The District.....	N/A	N/A	120,091	N/A
The Village.....	4,557	13,038	39,581	768.58
The City.....	76,836	106,221	147,433	91.88
The County .....	357,313	502,266	677,560	89.63
The State .....	11,430,602	12,419,293	12,830,632	12.25

Source: U.S. Census Bureau, 1990 Census, 2000 Census and 2010 Census.



## Education

The educational background of residents living in the District compared to the County and the State is illustrated in the following table.

### Educational Levels for Persons 25 Years of Age and Older

<u>Education Level</u>	<u>The District</u>	<u>The County</u>	<u>The State</u>
Less than 9th Grade .....	2.4%	4.1%	5.3%
9th to 12th grade, no diploma .....	3.9	5.1	6.4
High school graduate .....	22.4	26.9	26.5
Some college, no degree .....	23.3	22.2	21.1
Associate degree .....	9.1	8.3	7.8
Bachelor's degree .....	26.0	21.5	20.2
Graduate or professional degree .....	12.9	11.9	12.7
Total .....	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: American Community Survey, 2012-2016 American Community Survey 5-year Estimates, Census Bureau  
Please note that total of the columns may not equal 100.0% due to rounding.

## Income

The following table sets forth the distribution of household income and median household income for the District compared with the County and the State.

<u>Household Income</u>	<u>The District</u>	<u>The County</u>	<u>The State</u>
Under \$10,000 .....	1.6%	3.6%	7.1%
\$10,000 to \$14,999 .....	0.9	2.3	4.4
\$15,000 to \$24,999 .....	3.6	6.8	9.6
\$25,000 to \$34,999 .....	5.5	7.0	9.2
\$35,000 to \$49,999 .....	8.8	10.8	12.6
\$50,000 to \$74,999 .....	16.1	17.8	17.5
\$75,000 to \$99,999 .....	17.1	14.8	12.7
\$100,000 to \$149,999 .....	26.3	20.4	14.5
\$150,000 to \$199,999 .....	11.5	9.1	6.0
\$200,000 or more .....	8.5	7.5	6.2
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Median household income ...	\$94,335	\$77,507	\$59,196

Source: American Community Survey, 2012-2016 American Community Survey 5-year Estimates, Census Bureau  
Please note that total of the columns may not equal 100.0% due to rounding.

## Housing

The following table sets forth the distribution of home values for owner-occupied units as well as the median home value and percent owner-occupied in the District compared to the County and the State.

<u>Value of Specified Owner-Occupied Units</u>	<u>The District</u>	<u>The County</u>	<u>The State</u>
Less than \$50,000 .....	2.4%	3.3%	7.5%
\$50,000 to \$99,999 .....	2.3	6.9	16.2
\$100,000 to \$149,999 .....	11.3	14.7	16.6
\$150,000 to \$199,999 .....	29.0	21.7	16.4
\$200,000 to \$299,999 .....	34.1	27.9	20.3
\$300,000 to \$499,999 .....	18.5	20.1	15.1
\$500,000 to \$999,999 .....	2.2	4.9	6.2
\$1,000,000 or more .....	0.2	0.4	1.5
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Median value .....	\$212,400	\$210,600	\$174,800
Owner-occupied .....	88.70%	81.10%	66.00%

Source: American Community Survey, 2012-2016 American Community Survey 5-year Estimates, Census Bureau  
Please note that total of the columns may not equal 100.0% due to rounding.

## Residential Housing Building Permits

The following table sets forth the reported number of residential building permits issued and relative construction costs in the Village, the City and the Villages of Bolingbrook and Romeoville for each of the years listed.

<u>Year</u>	<u>The Village</u>		<u>The City</u>	
	Reported Number of <u>Building Permits</u>	<u>Construction Cost</u>	Reported Number of <u>Building Permits</u>	<u>Construction Cost</u>
2012.....	123	\$ 56,506,857	45	\$ 9,061,541
2013.....	136	34,589,582	74	14,091,056
2014.....	163	49,524,780	122	26,479,897
2015.....	145	47,793,566	147	40,533,199
2016.....	153	67,090,902	210	39,543,167
2017 <sup>(1)</sup> .....	138	34,061,672	209	43,446,454

<u>Year</u>	<u>Village of Bolingbrook</u>		<u>Village of Romeoville</u>	
	Reported Number of <u>Building Permits</u>	<u>Construction Cost</u>	Reported Number of <u>Building Permits</u>	<u>Construction Cost</u>
2012.....	68	\$ 13,661,492	17	\$ 3,624,080
2013.....	108	18,304,771	24	5,105,643
2014.....	124	20,447,878	16	3,123,979
2015.....	124	20,282,596	20	3,144,397
2016.....	35	42,540,162	20	4,474,432
2017 <sup>(1)</sup> .....	14	12,580,653	42	11,694,158

(1) Through November.  
Source: U.S. Census

**Retail Sales**

The following table demonstrates the estimated sales reported by retailers in the Village and the City for the last five calendar years and through the third quarter of 2017.

Calendar		
<u>Year</u>	<u>The Village</u>	<u>The City</u>
2012	\$ 469,780,039	\$ 1,896,673,674
2013	484,777,200	1,992,712,256
2014	503,120,351	2,088,967,803
2015	520,074,239	2,154,561,151
2016	531,738,208	2,191,272,913
2017 <sup>(1)</sup>	403,288,239	1,625,481,353

(1) Through the third quarter of 2017.  
 Source: The Department

**Employment by Occupation**

The District has an employment base provided by a range of manufacturing, commercial and public enterprises. The following table categorizes occupations for residents 16 years of age and older living in the District compared with the County and the State.

<u>Occupational Category</u>	<u>The District</u>	<u>The County</u>	<u>The State</u>
Management, business, science, and arts occupations.....	39.2%	36.6%	37.2%
Service occupations.....	15.3	16.0	17.3
Sales and office occupations.....	25.9	24.9	24.3
Natural resources, construction, and maintenance occupations.....	7.6	8.7	7.2
Production, transportation, and material moving occupations.....	12.0	13.8	14.0
Totals .....	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: American Community Survey, 2012-2016 American Community Survey 5-year Estimates, Census Bureau  
 Please note that total of the columns may not equal 100.0% due to rounding.

## Employment by Industry

The following table categorizes employment by industry for residents 16 years of age and older living in the District compared with the County and the State.

<u>Industry Category</u>	<u>The District</u>	<u>The County</u>	<u>The State</u>
Agriculture, forestry, fishing, hunting, and mining.....	0.4%	0.4%	1.1%
Construction.....	4.9	6.4	5.2
Manufacturing.....	10.9	11.4	12.4
Wholesale trade.....	3.2	3.1	3.1
Retail trade.....	13.1	12.2	10.9
Transportation, warehousing, and utilities.....	7.6	7.4	6.0
Information.....	2.1	2.0	2.0
Finance, insurance, real estate, rental and leasing.....	7.4	6.8	7.3
Professional, scientific, management, administrative and waste management services.....	11.7	11.2	11.6
Educational services, health care and social assistance.....	22.1	22.4	22.9
Arts, entertainment, recreation, accommodation and food services.....	8.4	8.7	9.1
Other services, except public administration .....	4.5	4.5	4.7
Public administration.....	3.8	3.6	3.7
Total.....	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: American Community Survey, 2012-2016 American Community Survey 5-year Estimates, Census Bureau  
Please note that total of the columns may not equal 100.0% due to rounding.

## Largest Area Employers

The following table reflects the major employers in the area surrounding the District by the products manufactured or services performed and approximate number of employees.

<u>Company Name</u>	<u>Product or Service</u>	<u>Location</u>	<u>Approximate employees at location</u>
The District.....	Education.....	Plainfield	3,107
Presence St. Joseph Medical Center....	Regional medical center.....	Joliet	2,430
Hollywood Casino Joliet.....	Casinos, hotels, resorts & riverboats.....	Joliet	2,000
Central Grocers Co-Op, Inc.....	Wholesaler of groceries & frozen, dairy & canned goods.....	Joliet	600
Caterpillar, Inc. <sup>(1)</sup> .....	Hydraulic & hydrostatic controls & components & operator cabs.....	Joliet	475
Ecolab, Inc.....	Cleaning compounds.....	Joliet	450
CB&I.....	Structural steel fabrication.....	Plainfield	400
Diageo North America, Inc.....	Gin & vodka distilling.....	Plainfield	400
Crown Lift Trucks Corp.....	Forklift sales.....	Joliet	250
AT&T, Inc.....	Wireline & wireless communication services .....	Joliet	200

(1) Caterpillar, Inc. has announced the move of two production lines from its Joliet plant to Mexico beginning in late 2016. Such move is expected to be completed by the middle of 2018.

Source: 2018 Manufacturers' News, Inc. Illinois Manufacturers and Illinois Services Directories

## Historical Unemployment Statistics

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates as well as the monthly unemployment rates for December 2016 and 2017 for the Village and the City compared with the County and the State.

	<u>The Village</u>	<u>The City</u>	<u>The County</u>	<u>The State</u>
Average, 2012.....	8.3%	11.8%	9.8%	9.0%
Average, 2013.....	8.4	12.0	9.8	9.1
Average, 2014.....	6.6	9.3	7.6	7.1
Average, 2015.....	5.3	7.4	6.0	5.9
Average, 2016.....	4.8	7.4	6.1	5.9
December, 2016.....	4.4	7.2	5.7	5.6
December, 2017.....	3.6	6.3	5.0	4.7

Source: Illinois Department of Employment Security

## FINANCIAL INFORMATION

### Trend of EAV

(Estimated 33-1/3% of Fair Market Value)

<u>Property Type</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Residential .....	\$ 2,383,532,029	\$ 2,268,904,901	\$ 2,280,809,022	\$ 2,383,276,073	\$ 2,550,730,311
Farm .....	8,712,881	8,725,906	8,914,531	9,082,283	9,515,974
Commercial .....	331,314,419	324,542,670	339,965,447	324,484,383	332,036,834
Industrial .....	201,257,978	193,717,388	206,026,601	213,575,756	234,112,926
Railroad .....	1,038,790	2,408,850	2,820,589	3,401,378	3,757,426
Total <sup>(1)</sup> .....	<u>\$ 2,925,856,097</u>	<u>\$ 2,798,299,715</u>	<u>\$ 2,838,536,190</u>	<u>\$ 2,933,819,873</u>	<u>\$ 3,130,153,471</u>
Percent of Change.....	-6.46% <sup>(2)</sup>	-4.36%	1.44%	3.36%	6.69% <sup>(3)</sup>
New Property Amounts...	\$12,839,831	\$18,530,605	\$47,583,922	\$36,268,950	\$46,070,391

(1) Excludes tax increment financing (“TIF”) incremental EAV. The 2016 TIF incremental EAV was \$24,710,142. See “Tax Increment Financing Districts Located within the District” herein.

(2) Based on the District’s 2011 EAV of \$3,127,789,219.

(3) The District expects an approximate 5% increase in the District’s 2017 EAV.

Source: Will and Kendall County Clerks’ Offices

**EAV by County**

<u>Tax Year</u>	<u>Will County</u>	<u>Kendall County</u>	<u>Total</u>
2012	\$ 2,793,335,661	\$ 132,520,436	\$ 2,925,856,097
2013	2,669,877,395	128,422,320	2,798,299,715
2014	2,707,789,906	130,746,284	2,838,536,190
2015	2,793,618,803	140,201,070	2,933,819,873
2016	2,980,455,387	149,698,084	3,130,153,471

Source: Will and Kendall County Clerks' Offices

**Tax Increment Financing Districts Located within the District**

A portion of the District's EAV is contained in TIF districts, as detailed below. When a TIF district is created within the boundaries of a taxing body, such as the District, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated (the "Base EAV"). Any incremental increases in property tax revenue produced by the increase in EAV derived from the redevelopment project area during the life of the TIF district are not provided to the District until the TIF district expires. The TIF districts are not expected to expire in the near future and the District is not aware of any new TIF districts planned in the immediate future.

<u>Location</u>	<u>Year</u>		<u>Base EAV</u>	<u>2016 EAV</u>	<u>Incremental EAV</u>
	<u>Established</u>				
Bolingbrook TIF 3.....	2003		\$ 44,850	\$ 16,840,387	\$ 16,812,659
Plainfield TIF 1.....	1997		<u>3,902,976</u>	<u>11,348,130</u>	<u>7,897,483</u>
Total.....			<u>\$ 3,947,826</u>	<u>\$ 28,188,517</u>	<u>\$ 24,710,142</u>

Source: Will County Clerk's Office

**Tax Rates**  
(Per \$100 EAV)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Statutory Maximum Rate</u> <sup>(1)</sup>
Education .....	\$ 3.705	\$ 3.806	\$ 3.791	\$ 3.787	\$ 3.645	N/A <sup>(2)</sup>
O&M .....	0.462	0.552	0.551	0.595	0.508	\$0.750
Special Education.....	0.075	0.170	0.194	0.188	0.162	0.800
Transportation .....	0.139	0.204	0.217	0.275	0.269	N/A
IMRF.....	0.061	0.072	0.074	0.081	0.055	N/A
Tort.....	0.205	0.210	0.204	0.042	0.128	N/A
Bond & Interest.....	1.080	1.126	1.111	1.146	1.025	N/A
Social Security .....	0.061	0.000	0.074	0.081	0.056	N/A
Working Cash.....	0.045	0.048	0.047	0.047	0.046	0.050
Adjustment.....	0.000	0.039	0.000	0.000	0.000	N/A
Total.....	<u>\$ 5.832</u>	<u>\$ 6.227</u>	<u>\$ 6.262</u>	<u>\$ 6.241</u>	<u>\$ 5.894</u>	

(1) See “REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES – Property Tax Extension Limitation Law” herein for information on the operation of such maximum rates under the Limitation Law.

(2) Pursuant to Public Act 100-465, beginning with levy year 2017, the District will no longer have a maximum tax rate for educational fund purposes. The aggregate tax rate for the various purposes subject to the Limitation Law, however, may not exceed the District’s limiting rate under the Limitation Law.

Source: Will County Clerk’s Office

**Representative Tax Rates for Property within the District**  
(Per \$100 EAV)

The following table of representative tax rates is for a resident of the District living in the Village.

<u>Taxing Body</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
The County..... <sup>(1)</sup>	\$ 0.591	\$ 0.622	\$ 0.643	\$ 0.636	\$ 0.615
Will County Forest Preserve.....	0.186	0.197	0.198	0.194	0.194
Plainfield Township.....	0.083	0.090	0.091	0.090	0.086
Plainfield Township Road.....	0.056	0.061	0.121	0.119	0.114
Plainfield Fire Protection District.....	0.922	0.997	1.012	1.004	0.967
Plainfield Park District.....	0.243	0.254	0.274	0.269	0.256
Plainfield Public Library District.....	0.189	0.201	0.206	0.202	0.194
Joliet Junior College No. 525.....	0.277	0.296	0.309	0.307	0.310
The Village.....	0.457	0.467	0.467	0.467	0.467
The District.....	5.832	6.227	6.262	6.241	5.894
Total.....	<u>\$ 8.837</u>	<u>\$ 9.409</u>	<u>\$ 9.583</u>	<u>\$ 9.528</u>	<u>\$ 9.096</u>

(1) Includes Building Commission.

Source: Will County Clerk’s Office



## Tax Extensions and Collections

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Extensions .....	\$170,605,800	\$174,185,988	\$177,754,801	\$183,110,161	\$184,486,891
Collections .....	169,923,856	171,842,866	177,443,801	182,904,801	184,008,057
% Collected .....	99.60%	98.65%	99.83%	99.89%	99.74%

Source: Will and Kendall County Treasurers' Offices

## Largest Taxpayers

The taxpayers listed below represent 4.51% of the District's 2016 EAV which is \$3,130,153,471 (which excludes TIF incremental EAV totaling \$24,710,142). Reasonable efforts have been made to determine and report the largest taxpayers and to include all taxable property of those taxpayers listed. Many of the taxpayers listed, however, may own multiple parcels, and it is possible that some parcels and their valuations may not be included.

<u>Taxpayer</u>	<u>Product or Service</u>	<u>2016 EAV</u>	<u>% of EAV</u>
Hart I55 Industrial LLC.....	Industrial.....	\$ 23,860,666	0.76%
Star-West Louis Joliet LLC.....	Commercial.....	23,716,445	0.76%
DCT Boldt Park LLC.....	Industrial.....	19,702,411	0.63%
Middleton Tallgrass Investors.....	Industrial.....	14,250,454	0.46%
Hart 155 Industrial LLC, Heitman Cap Mgmt...	Industrial.....	13,594,024	0.43%
Individual Trust.....	Industrial.....	11,446,757	0.37%
JVM Plainfield Apartments LLC.....	Commercial.....	11,332,200	0.36%
JRC Remington/Et Al LLC.....	Commercial.....	8,885,019	0.28%
LIT Industrial LP.....	Industrial.....	7,367,035	0.24%
Ashley Furniture Ind Inc.....	Industrial.....	6,870,100	0.22%
Total.....		<u>\$ 141,025,111</u>	<u>4.51%</u>

Source: Will and Kendall County Clerks' Offices

## Summary of Outstanding Debt

Shown below is a summary of the outstanding debt of the District as of the closing of the Bonds and the refunding of the Refunded Bonds.

Issue Description	Dated Date	Original Amount Of Issue	Current Amount Outstanding	Final Maturity Date
G.O. Limited School Bonds, Series 2008B.....	05/07/08	\$ 5,000,000	\$ 5,000,000	01/01/28
Taxable G.O. Limited School Bonds, Series 2008C.....	05/07/08	6,820,000	6,820,000	01/01/25
G.O. School Refunding Bonds, Series 2012B.....	07/18/12	16,460,000	12,960,000	01/01/22
G.O. Limited Tax Refunding Debt Certificates, Series 2012C.....	07/18/12	11,555,000	9,630,000	07/01/24
G.O. School Refunding Bonds, Series 2013A.....	02/19/13	9,915,000	9,915,000	01/01/25
G.O. School Refunding Bonds, Series 2015A.....	05/12/15	47,145,000	46,020,000	01/01/26
Taxable G.O. Limited School Bonds, Series 2016A.. <sup>(1)</sup> .....	02/03/16	5,500,000	5,500,000	01/01/28
G.O. Limited School Bonds, Series 2016B.. <sup>(1)</sup> .....	02/03/16	10,110,000	8,405,000	01/01/31
G.O. Refunding School Bonds, Series 2016C.....	02/03/16	24,820,000	22,745,000	01/01/25
G.O. Refunding School Bonds, Series 2017.. <sup>(2)</sup> .....	02/07/17	53,675,000	37,600,000	01/01/23
The Bonds.....	03/07/18	56,535,000 *	56,535,000 *	01/01/28
Total .....			<u>\$ 221,130,000</u> *	

(1) The "2016 Limited Bonds."

(2) The "2017 Bonds."

\*Preliminary, subject to change.

## Debt Repayment Schedule

Shown below is the maturity schedule for the outstanding debt of the District as of the closing of the Bonds and the refunding of the Refunded Bonds.

Fiscal Year	Principal Outstanding	Less: The Refunded Bonds*	The Bonds*	Total Principal*	Cumulative Amount*	Retirement Percent*
2019	\$ 20,920,000	\$ -	\$ 1,075,000	\$ 21,995,000	\$ 21,995,000	9.95%
2020	21,325,000	(1,000,000)	1,245,000	21,570,000	43,565,000	19.70
2021	22,915,000	(1,250,000)	1,545,000	23,210,000	66,775,000	30.20
2022	23,620,000	(3,000,000)	3,360,000	23,980,000	90,755,000	41.04
2023	24,560,000	(3,000,000)	115,000	21,675,000	112,430,000	50.84
2024	22,865,000	(5,000,000)	4,720,000	22,585,000	135,015,000	61.06
2025	28,220,000	(5,000,000)	345,000	23,565,000	158,580,000	71.71
2026	23,530,000	(16,000,000)	15,245,000	22,775,000	181,355,000	82.01
2027	18,200,000	(16,000,000)	21,555,000	23,755,000	205,110,000	92.76
2028	14,195,000	(11,900,000)	7,330,000	9,625,000	214,735,000	97.11
2029	2,450,000	-	-	2,450,000	217,185,000	98.22
2030	2,545,000	-	-	2,545,000	219,730,000	99.37
2031	1,400,000	-	-	1,400,000	221,130,000	100.00
	<u>\$ 226,745,000</u>	<u>\$ (62,150,000)</u>	<u>\$ 56,535,000</u>	<u>\$ 221,130,000</u>		

\*Preliminary, subject to change.

**Overlapping Bonded Debt**  
(As of January 15, 2018)

<u>Taxpayer</u>	<u>Bonded Debt</u> <sup>(1)</sup>	<u>Allocated to the District</u>	
		<u>Percent</u>	<u>Amount</u>
Will County Forest Preserve.....	\$ 108,309,792	15.37%	\$ 16,647,215
Kendall County Forest Preserve.....	38,635,000	5.27%	2,036,065
Bolingbrook Park District.....	15,935,000	17.95%	2,860,333
Joliet Park District.....	46,900,000	1.20%	562,800
Lockport Twp. Park District.....	6,050,000	2.04%	123,420
Oswegoland Park District.....	4,385,000	1.45%	63,583
Plainfield Twp. Park District.....	11,248,000	97.46%	10,962,301
White Oak Public Library District.....	20,070,000	2.82%	565,974
Fountaindale Public Library District.....	33,515,000	20.68%	6,930,902
Village of Bolingbrook.....	175,195,621	17.58%	30,799,390
The City.....	6,540,000	33.94%	2,219,676
The Village.....	315,000	88.42%	278,523
Village of Romeoville.....	69,395,884	24.87%	17,258,756
Community College District No. 525.....	73,435,000	16.51%	12,124,119
City of Naperville/Library.....	146,255,000	0.79%	1,155,415
Naperville Park District.....	21,760,000	0.68%	147,968
Total.....			<u>\$ 104,736,438</u>

(1) Does not include alternate revenue bonds. Under the Debt Reform Act, alternate revenue bonds are not included in the computation of indebtedness of the overlapping taxing bodies unless the taxes levied to pay the principal of and interest on such alternate revenue bonds are extended for collection by the County Clerks. The District provides no assurance that any of the taxes so levied have not been extended, nor can the District predict whether any of such taxes will be extended in the future.

Source: With respect to the applicable taxing bodies and the percentage of overlapping EAV, the County Clerks' Offices. Information regarding the outstanding indebtedness of the overlapping taxing bodies was obtained from publicly-available sources.

**Debt Statement**

General Obligation Direct Debt.....	\$226,745,000
Less: Refunded Bonds.....	(\$62,150,000) *
The Bonds.....	\$56,535,000 *
Leases.....	\$6,291,083
Net Direct Debt .....	\$227,421,083 *
Overlapping Bonded Debt.....	\$104,736,438
Net Direct Debt and Overlapping Bonded Debt.....	\$332,157,521 *
EAV (2016) <sup>(1)</sup> .....	\$3,130,153,471
Statutory Debt Limit (13.8% of EAV).....	\$431,961,178
Statutory Debt Margin .....	\$204,540,095 *

(1) Excludes TIF incremental EAV. The 2016 TIF incremental EAV was \$24,710,142. See “Tax Increment Financing Districts Located within the District” herein.

\*Preliminary, subject to change.

**Debt Ratios**

Estimated Market Valuation (2016).....	\$9,390,460,413
EAV (2016) <sup>(1)</sup> .....	\$3,130,153,471
2012-2016 American Community Survey Population Estimate.....	122,012
Net Direct Debt to EAV.....	7.27% *
Net Direct Debt to Estimated Market Valuation .....	2.42% *
Net Direct Debt and Overlapping Bonded Debt to EAV .....	10.61% *
Net Direct Debt and Overlapping Bonded Debt to Estimated Market Valuation .....	3.54% *
Net Direct Debt Per Capita .....	\$1,863.92 *
Net Direct Debt and Overlapping Bonded Debt Per Capita.....	\$2,722.33 *

(1) Excludes TIF incremental EAV. The 2016 TIF incremental EAV was \$24,710,142. See “Tax Increment Financing Districts Located within the District” herein.

\*Preliminary, subject to change.

**Short-Term Financing Record**

The District has not issued any tax anticipation warrants since fiscal year 2013. In the last five years, the District has not issued any revenue anticipation notes and has no plans to issue tax anticipation warrants or revenue anticipation notes in the foreseeable future.

**Future Financing**

The District intends to refund additional outstanding limited tax bonds in the next three months for debt service savings.

**Default Record**

The District has no record of default and has met its debt repayment obligations promptly.

**SUMMARY OF OPERATING RESULTS**

**Combined Educational Fund and Operations and Maintenance Fund Revenue Sources**  
(Years Ended June 30)

Below is a combined summary of the Educational Fund and Operations and Maintenance Fund revenue sources exclusive of “on-behalf” payments made by the State to TRS, as defined herein. This summary is provided since Moody’s previously combined these funds as the “General Fund” in its report. However, the District’s General Fund in its Audited Financial Statements includes the Educational Fund, Operations and Maintenance Fund, Working Cash Fund and Tort Fund.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Local Sources.....	63.47 %	62.94 %	62.02 %	62.14 %	60.69 %
Flow-through Receipts.....	-	-	-	-	-
State Sources:					
General Aid.....	25.18	25.95	27.35	27.97	28.92
Supplementary General Aid....	-	-	-	0.09	-
Mandated Categorical.....	5.18	4.87	4.60	3.95	5.14
Competitive Grant Aid.....	<u>1.06</u>	<u>0.88</u>	<u>1.39</u>	<u>0.75</u>	<u>0.68</u>
Total State Sources.....	31.42	31.70	33.33	32.76	34.75
Federal Sources.....	<u>5.12</u>	<u>5.36</u>	<u>4.65</u>	<u>5.10</u>	<u>4.56</u>
Total.....	<u><u>100.00 %</u></u>	<u><u>100.00 %</u></u>	<u><u>100.00 %</u></u>	<u><u>100.00 %</u></u>	<u><u>100.00 %</u></u>

Source: Compiled from the District’s Annual Financial Reports filed with the Illinois State Board of Education (“ISBE”) for fiscal years ended June 30, 2013-2017.

## Summary of Operating Funds and Debt Service Fund (Years Ended June 30)

Below is a combined summary of the operating funds of the District (consisting of the Educational Fund, Operations and Maintenance Fund, Transportation Fund, Working Cash Fund, IMRF/Social Security Fund and Tort Fund) in addition to the Debt Service Fund exclusive of “on-behalf” payments made by the State to TRS. The District’s General Fund in its Audited Financial Statements includes the Educational Fund, Operations and Maintenance Fund, Working Cash Fund and Tort Fund.

	Educational Fund	Operations and Maintenance Fund	Combined Educational Fund and Operations and Maintenance Fund	Transportation Fund	Working Cash Fund <sup>(1)</sup>	IMRF/Social Security Fund	Tort Fund	Debt Service Fund	Combined Operating Funds and Debt Service Fund
<b>2013</b>									
Receipts.....	\$ 190,827,630	\$ 17,580,827	\$ 208,408,457	\$ 11,749,290	\$ 1,297,433	\$ 5,113,522	\$ 5,451,176	\$ 31,510,436	\$ 263,530,314
Disbursements.....	192,246,153	17,575,308	209,821,461	13,193,273	-	6,128,924	3,209,015	45,593,915	277,946,588
Net Surplus (Deficit).....	(1,418,523)	5,519	(1,413,004)	(1,443,983)	1,297,433	(1,015,402)	2,242,161	(14,083,479)	(14,416,274)
Other Sources (Uses).....	2,666,448	-	2,666,448	(69,293)	-	-	-	13,868,436	16,465,591
Beginning Fund Balance.....	(2,476,516)	(473,737)	(2,950,253)	6,689,313	23,763,341	(1,983,082)	(2,674,530)	15,253,350	38,098,139
Ending Fund Balance.....	\$ (1,228,591)	\$ (468,218)	\$ (1,696,809)	\$ 5,176,037	\$ 25,060,774	\$ (2,998,484)	\$ (432,369)	\$ 15,038,307	\$ 40,147,456
<b>2014</b>									
Receipts.....	\$ 200,363,571	\$ 18,800,814	\$ 219,164,385	\$ 12,636,651	\$ 1,343,235	\$ 7,794,465	\$ 5,906,716	\$ 31,459,756	\$ 278,305,208
Disbursements.....	193,842,011	19,381,081	213,223,092	13,904,596	-	6,377,088	3,437,498	33,548,104	270,490,378
Net Surplus (Deficit).....	6,521,560	(580,267)	5,941,293	(1,267,945)	1,343,235	1,417,377	2,469,218	(2,088,348)	7,814,830
Other Sources (Uses).....	(624,111)	-	(624,111)	(69,294)	-	-	-	2,464,562	1,771,157
Beginning Fund Balance.....	(1,228,591)	(468,218)	(1,696,809)	5,176,037	25,060,774	(2,998,484)	(432,369)	15,038,307	40,147,456
Ending Fund Balance.....	\$ 4,668,858	\$ (1,048,485)	\$ 3,620,373	\$ 3,838,798	\$ 26,404,009	\$ (1,581,107)	\$ 2,036,849	\$ 15,414,521	\$ 49,733,443
<b>2015</b>									
Receipts.....	\$ 205,627,722	\$ 19,025,604	\$ 224,653,326	\$ 13,367,692	\$ 1,359,735	\$ 7,371,907	\$ 5,844,292	\$ 31,610,245	\$ 284,207,197
Disbursements.....	198,734,791	19,186,579	217,921,370	14,344,083	-	6,377,248	4,856,562	35,064,962	278,564,225
Net Surplus (Deficit).....	6,892,931	(160,975)	6,731,956	(976,391)	1,359,735	994,659	987,730	(3,454,717)	5,642,972
Other Sources (Uses).....	1,056,176	-	1,056,176	(69,293)	-	-	-	3,565,983	4,552,866
Beginning Fund Balance.....	4,668,858	(1,048,485)	3,620,373	3,838,798	26,404,009	(1,581,107)	2,036,849	15,414,521	49,733,443
Ending Fund Balance.....	\$ 12,617,965	\$ (1,209,460)	\$ 11,408,505	\$ 2,793,114	\$ 27,763,744	\$ (586,448)	\$ 3,024,579	\$ 15,525,787	\$ 59,929,281
<b>2016</b>									
Receipts.....	\$ 209,018,005	\$ 23,094,698	\$ 232,112,703	\$ 16,545,589	\$ 1,409,171	\$ 7,674,990	\$ 3,508,417	\$ 32,611,110	\$ 293,861,980
Disbursements.....	202,279,226	18,993,116	221,272,342	13,967,438	184,530	6,503,000	3,126,999	34,826,137	279,880,446
Net Surplus (Deficit).....	6,738,779	4,101,582	10,840,361	2,578,151	1,224,641	1,171,990	381,418	(2,215,027)	13,981,534
Other Sources (Uses).....	(2,082,661)	-	(2,082,661)	(69,293)	8,912,879 <sup>(2)</sup>	-	-	3,295,212	10,056,137
Beginning Fund Balance.....	12,617,965	(1,209,460)	11,408,505	2,793,114	27,763,744	(586,448)	3,024,579	15,525,787	59,929,281
Ending Fund Balance.....	\$ 17,274,083	\$ 2,892,122	\$ 20,166,205	\$ 5,301,972	\$ 37,901,264	\$ 585,542	\$ 3,405,997	\$ 16,605,972	\$ 83,966,952
<b>2017</b>									
Receipts.....	\$ 215,994,143	\$ 23,588,690	\$ 239,582,833	\$ 18,781,429	\$ 1,596,281	\$ 6,768,194	\$ 2,609,018	\$ 32,471,400	\$ 301,809,155
Disbursements.....	205,742,748	18,556,594	224,299,342	15,280,383	-	6,302,306	3,462,249	89,374,935 <sup>(3)</sup>	338,719,215
Net Surplus (Deficit).....	10,251,395	5,032,096	15,283,491	3,501,046	1,596,281	465,888	(853,231)	(56,903,535)	(36,910,060)
Other Sources (Uses).....	(1,563,185)	3,300	(1,559,885)	785,376	(3,250,000)	-	-	58,242,588 <sup>(4)</sup>	54,218,079
Beginning Fund Balance.....	17,274,083	2,892,122	20,166,205	5,301,972	37,901,264	585,542	3,405,997	16,605,972	83,966,952
Ending Fund Balance.....	\$ 25,962,293	\$ 7,927,518	\$ 33,889,811	\$ 9,588,394	\$ 36,247,545	\$ 1,051,430	\$ 2,552,766	\$ 17,945,025	\$ 101,274,971

Fund Balance as % of Disbursements.....

15.11%

29.90%

(1) See “Working Cash Fund” herein for a description of the Working Cash Fund.

(2) Portion of the proceeds from the 2016 Limited Bonds, which were issued for approximately \$5.5 million to remain in the Working Cash Fund and approximately \$6.5 million, after proper abatement, to be used for capital projects.

(3) Reflects the redemption of the District’s General Obligation School Building Bonds, Series 2007, which were refunded by the 2017 Bonds.

(4) Proceeds of 2017 Bonds.

Source: Compiled from the District’s Annual Financial Reports for fiscal years ended June 30, 2013-2017.

**On-Behalf Payments Summary**  
 (Years Ended June 30)

Below is a history of “on-behalf payments” made by the State to TRS with respect to the pension costs associated with the pensions of current and former District employees. At present, the State maintains the primary responsibility for funding TRS with respect to the District’s employees, however, such payments by the State on-behalf of the District are treated in the District’s financial statements as flowing through the District to the State. As such, the District’s financial statements recognize revenues and expenditures each in an amount equal to the amount paid by the State to TRS on the District’s behalf. The amount of on-behalf payments may vary significantly from year to year as a result of factors entirely outside the District’s control, including, but not limited to, changes in the law governing the State’s contributions to TRS, investment returns on TRS assets and changes in actuarial assumptions and methods used in calculating TRS’s liability.

As noted in the paragraphs preceding the tables titled “Combined Educational Fund and Operations and Maintenance Fund Revenue Sources” (the “Revenue Sources Table”) and “Summary of Operating Funds and Debt Service Fund” (the “Fund Summary Table” and, together with the Revenue Sources Table, the “Financial Summary Tables”) above, the on-behalf payments have been excluded from the Financial Summary Tables for the purpose of isolating the revenues and expenditures derived from the District’s operations. However, as a result of this practice, the revenue and expenditure amounts used to make the calculations necessary to produce the Revenue Sources Table and the revenue and expenditure amounts set forth in the Fund Summary Table are inconsistent with the amount of revenues and expenditures set forth in the District’s respective audited financial statements for any fiscal year. For each fiscal year, the amount set forth in the table below constitutes the difference between the revenue and expenditure amounts in the financial statements and those used in, or used to produce, the Financial Summary Tables.

See the District’s Annual Financial Report for the fiscal year ended June 30, 2017 (the “Audit”), attached hereto as Appendix B, for additional information regarding the District’s on-behalf payments.

<u>Fiscal Year</u>	<u>On-Behalf Payments</u>
2013	\$ 34,682,928
2014	43,755,082
2015	41,960,382
2016	46,271,879
2017	50,537,800

Source: Compiled from the District’s Annual Financial Reports for fiscal years ended June 30, 2013-2017.

## **Working Cash Fund**

The District is authorized to issue (subject to the provisions of the Limitation Law) general obligation bonds to create, re-create or increase a Working Cash Fund. Such fund can also be created, re-created or increased by the levy of an annual tax not to exceed \$0.05 per hundred dollars of EAV (the "Working Cash Fund Tax"). The purpose of the fund is to enable the District to have sufficient cash to meet demands for expenditures for corporate purposes. Moneys in the Working Cash Fund may be loaned, in whole or in part, as authorized and directed by the Board, to any fund or funds of the District in anticipation of ad valorem property taxes levied by the District for such fund or funds. The Working Cash Fund is reimbursed when the anticipated taxes or other moneys are received by the District.

Any time moneys are available in the Working Cash Fund, they must be transferred to such other funds of the District and used for any and all school purposes so as to avoid, whenever possible, the issuance of tax anticipation warrants or notes. Interest earned from the investment of the Working Cash Fund may be transferred from the Working Cash Fund to other funds of the District that are most in need of the interest. Moneys in the Working Cash Fund may not be appropriated by the Board in the annual budget.

The District also has the authority to abate amounts in the Working Cash Fund to any other fund of the District if the amount on deposit in such other fund after the abatement will not constitute an excess accumulation of money in that fund and as long as the District maintains an amount to the credit of the Working Cash Fund at least equal to 0.05% of the then current value, as equalized or assessed by the Department, of the taxable property in the District.

Finally, the District may abolish the Working Cash Fund and direct the transfer of any balance thereof to the Educational Fund at the close of the then current fiscal year. After such abolishment, all outstanding Working Cash Fund Taxes levied will be paid into the Educational Fund upon collection. Outstanding loans from the Working Cash Fund to other funds of the District at the time of abolishment will be paid or become payable to the Educational Fund at the close of the then current fiscal year. The outstanding balance in the Working Cash Fund at the time of abolishment, including all outstanding loans from the Working Cash Fund to other funds of the District and all outstanding Working Cash Fund Taxes levied, may be used and applied by the District for the purpose of reducing, by the balance in the Working Cash Fund at the close of the fiscal year, the amount of taxes that the Board otherwise would be authorized or required to levy for educational purposes for the fiscal year immediately succeeding the fiscal year in which the Working Cash Fund is abolished.



## Budget Summary

Below is the District's budget summary for the fiscal year ended June 30, 2018 that was filed with ISBE.

Fund	Fund Balances	FY18	FY18	FY18	Fund Balances
	July 1, 2017 <sup>(1)</sup>	Revenue	Expenditures	Other Sources/ (Uses)	June 30, 2018
Educational.....	\$ 25,962,293	\$ 207,747,332	\$ 217,931,351	\$ (2,126,020)	\$ 13,652,254 <sup>(2)</sup>
Operations & Maintenance.....	7,927,518	20,309,121	19,124,076	-	9,112,563
Transportation.....	9,588,394	13,270,015	15,815,499	-	7,042,910
IMRF/Social Security.....	1,051,430	6,756,957	6,644,638	-	1,163,749
Working Cash.....	36,247,545	1,543,925	-	-	37,791,470
Total Operating Funds .....	<u>\$ 80,777,180</u>	<u>\$ 249,627,350</u>	<u>\$ 259,515,564</u>	<u>\$ (2,126,020)</u>	<u>\$ 68,762,946</u>
Debt Service.....	\$ 17,945,025	\$ 31,701,596	\$ 33,322,505	\$ 2,917,480	\$ 19,241,596
Fire Prevention & Safety.....	-	-	-	-	-
Capital Projects.....	9,316,155	986,456	5,079,433	(791,460)	4,431,718
Tort.....	2,552,766	4,011,326	4,702,414	-	1,861,678
Total All Funds .....	<u>\$ 110,591,126</u>	<u>\$ 286,326,728</u>	<u>\$ 302,619,916</u>	<u>\$ -</u>	<u>\$ 94,297,938</u>

(1) The beginning fund balance was revised from the adopted budget to reflect the actual ending fund balance for the prior fiscal year. The budget is adopted before the audit for the prior fiscal year is available.

(2) Reduction in fund balance due to a very conservative budgeting technique and lack of reliability of the State.

Note: If State money is received at 100%, instead of the 92% budgeted amount, the District expects to receive approximately \$12 million more than the budgeted State amounts. The budget does not include the approximate amount of \$5 million of the hereinafter defined New State Funds. The Board expects to amend this budget so that the budget is more in line with actual revenues and expenditures.

Source: The District

## STATE AID

### General

The State provides aid to local school districts on an annual basis as part of the State's appropriation process. Many school districts throughout the State rely on such "State Aid" as a significant part of their budgets. For the fiscal year ended June 30, 2017, 34.75% of the District's General Fund revenue came from sources at the State, including State Aid. See "SUMMARY OF OPERATING RESULTS – Combined Educational Fund and Operations and Maintenance Fund Revenue Sources" herein for more information concerning the breakdown of the District's revenue sources.

### General State Aid Through Fiscal Year 2017

Through fiscal year 2017, general State financial aid ("General State Aid") was allocated to each Illinois school district based on the difference between available local resources per pupil

(which was calculated based on a number of factors, including the district's EAV, the number of students in attendance in the district and the district's corporate personal property replacement tax receipts) and a foundation level (the "Foundation Level"). The Foundation Level was an amount established annually by the State's budget representing the minimum level of per pupil financial support that was to be available to provide for the basic education of each pupil. The Foundation Level was established at \$6,119 in each of school years 2013 through 2017.

While the Foundation Level had not been adjusted in recent years, the State appropriation for General State Aid in some fiscal years prior to fiscal year 2017 was reduced. As such, the State was not able to fully fund General State Aid and the amount each district received was prorated (ranging from a 95% proration in fiscal year 2012 to a 92% proration in fiscal year 2016). For fiscal year 2017, the State appropriation was increased to fully fund General State Aid.

In addition to General State Aid, districts with specified levels or concentrations of pupils from low income households were eligible to receive supplemental general State aid financial grants ("Supplemental General State Aid"). Supplemental General State Aid was distributed to districts pursuant to a statutory formula based upon the number of low income pupils in the district. The amount of Supplemental General State Aid received by a district increased as the ratio of low income pupils to the average daily attendance in the district increased.

For fiscal year 2017, the General Assembly approved a budget for elementary and secondary education, which included a \$361 million increase over the fiscal year 2016 appropriation. The budget also included \$250 million in equity grants directed at school districts with a high concentration of poverty students.

### **General State Aid After Fiscal Year 2017 - Evidence-Based Funding Model**

The State's Fiscal Year 2018 Budget appropriates General State Aid in an amount \$350 million greater than the appropriation for fiscal year 2017 and requires such additional funds to be distributed to school districts under an Evidence-Based Funding Model. The Evidence-Based Funding Model provided for in Public Act 100-465 sets forth a new school funding formula which ties individual district funding to 27 evidence-based best practices that certain research shows enhance student achievement in the classroom. Under the new funding formula, ISBE will calculate an adequacy target (the "Adequacy Target") each year for each district based upon its unique student population, regional wage differences and best practices. Each district will be placed in one of four tiers depending on how close the sum of its local resources available to support education (based on certain State resources and its expected property tax collections, its "Local Capacity Target") and its Base Funding Minimum (as hereinafter defined) are to its Adequacy Target; Tier One and Tier Two for those districts that are the furthest away from their Adequacy Targets and Tier Three and Tier Four for those districts that are the closest to (or above) their Adequacy Targets. For each school year, all State funds appropriated for General State Aid in excess of the amount needed to fund the Base Funding Minimum for all school districts ("New State Funds") will be distributed to districts based on tier placement. Of any New State Funds available, Tier One receives 50%, Tier Two receives 49%, Tier Three receives

0.9%, and Tier Four receives 0.1%. Tier Two includes all Tier One districts for the purpose of the allocation percentages for New State Funds.

For school year 2017-2018, the District understands (based on publicly available information) that its Local Capacity Target, which is assigned by ISBE, plus its Base Funding Minimum will equal approximately 61% of its Adequacy Target and that it will be placed in Tier One. For school year 2017-2018, the District believes that it will receive approximately \$5 million of New State Funds. Until the District is formally notified by ISBE of its Adequacy Target, Local Capacity Target and Tier placement, no assurance can be given that the Adequacy Target, Local Capacity Target, Tier placement and expected New State Funds for school year 2017-2018 will not be materially different than as indicated in this paragraph.

Public Act 100-465 also provides that each school district will be allocated at least as much in General State Aid in future years as it received in school year 2016-2017 (such amount being that district's "Base Funding Minimum"), which for the District was \$80.120 million for school year 2017-2018. No district should receive less General State Aid funding than it received the prior year since all New State Funds received by a district in a year become part of its Base Funding Minimum in the following year. If the State appropriates insufficient funds to cover the cost of the Base Funding Minimum, reductions will be made first to the Base Funding Minimum for all Tier Three and Tier Four school districts on a per pupil basis; provided, however, that such reductions may not reduce State funding for such districts below the Base Funding Minimum for school year 2017-2018. If funds are still insufficient, then further reductions are to be done on a per pupil basis for all school districts. Consequently, reduced appropriations for General State Aid in future years could result in the District receiving less in a future fiscal year than its Base Funding Minimum.

Senate Bill 444 ("SB 444"), which would make certain technical changes to the Evidence-Based Funding Model, passed both houses of the General Assembly on November 9, 2017. The District understands that ISBE requested the changes in SB 444 to clarify adequacy target calculations and tier funding distributions under the Evidence-Based Funding Model. On January 8, 2018, the Governor issued an amendatory veto of SB 444. On January 31, 2018, the General Assembly voted to override the amendatory veto. The District cannot provide any assurance that additional technical changes to the Evidence-Based Funding Model will not be necessary in order to facilitate distribution of New State Funds.

### **Mandated Categorical State Aid**

Illinois school districts are entitled to reimbursement from the State for expenditures incurred in providing programs and services legally required to be available to students under State law. Such reimbursements, referred to as "Mandated Categorical State Aid," are made to the school district in the fiscal year following the expenditure, provided that the school district files the paperwork necessary to inform the State of such an entitlement. Prior to fiscal year 2018, the School Code provided for Mandated Categorical State Aid with respect to mandatory school programs relating to: (a) special education, (b) transportation, (c) free and reduced breakfast and lunch, and (d) orphanage tuition. Beginning with fiscal year 2018, Mandated Categorical State Aid will be available only with respect to mandatory school programs relating

to (a) transportation and (b) extraordinary special education. Mandated Categorical State Aid received by a district in fiscal year 2017 for programming no longer available for Mandated Categorical State Aid in fiscal year 2018 is included in the Base Funding Minimum for that district.

In addition, although school districts are entitled to reimbursement for expenditures made under these programs, these reimbursements are subject to the State's appropriation process. In the event that the State does not appropriate an amount sufficient to fund fully the Mandated Categorical State Aid owed to each school district, the total Mandated Categorical State Aid is proportionally reduced such that each school district receives the same percentage of its Mandated Categorical State Aid request with respect to a specific category of such aid as every other school district.

In past years, the State has not fully funded all Mandated Categorical State Aid payments. Therefore, pursuant to the procedures discussed above, proportionate reductions in Mandated Categorical State Aid payments to school districts have occurred. However, because these programs are "mandatory" under the School Code, each school district must provide these programs regardless of whether such school district is reimbursed by the State for the related expenditures. No assurance can be given that the State will make appropriations in the future sufficient to fund fully the Mandatory Categorical State Aid requirements. As such, the District's revenues may be impacted in the future by increases or decreases in the level of funding appropriated by the State for Mandated Categorical State Aid.

### **Competitive Grant State Aid**

The State also provides funds to school districts for expenditures incurred in providing additional programs that are allowed, but not mandated by, the School Code. In contrast to Mandated Categorical State Aid, such "Competitive Grant State Aid" is not guaranteed to a school district that provides these programs. Instead, a school district applying for Competitive Grant State Aid must compete with other school districts for the limited amount appropriated each year by the State for such program.

Competitive Grant State Aid is allocated, after appropriation by the State, among certain school districts selected by the State. The level of funding is annually determined separately for each category of aid based on the State's budget. This process does not guarantee that any funding will be available for Competitive Grant State Aid programs, even if a school district received such funding in a prior year. Therefore, school districts may incur expenditures with respect to certain Competitive Grant State Aid programs without any guarantee that the State will appropriate the money necessary to reimburse such expenditures.

### **Payment for Mandated Categorical State Aid and Competitive Grant State Aid**

The State makes payments to school districts for Mandated Categorical State Aid and Competitive Grant State Aid (together, "Categorical State Aid") in accordance with a voucher system involving ISBE. ISBE vouchers payments to the State on a periodic basis. The time between vouchers varies depending on the type of Categorical State Aid in question. For

example, with respect to the categories of Mandated Categorical State Aid related to extraordinary special education and transportation, ISBE vouchers the State for payments on a quarterly basis. With respect to Competitive Grant State Aid, a payment schedule is established as part of the application process, and ISBE vouchers the State for payment in accordance with this payment schedule.

Once ISBE has vouchered the State for payment, the State is required to make the Categorical State Aid payments to the school districts. As a general matter, the State is required to make such payments within 90 days after the end of the State's fiscal year.

As noted above, the State makes Mandated Categorical State Aid payments to school districts in quarterly installments. For fiscal year 2016, the State did not make the final Mandated Categorical State Aid payment until December of the following fiscal year. The State made all Mandated Categorical State Aid payments to school districts for fiscal year 2017.

See "SUMMARY OF OPERATING RESULTS – Combined Educational Fund and Operations and Maintenance Fund Revenue Sources" herein for a summary of the District's general fund revenue sources.

### **SCHOOL DISTRICT FINANCIAL PROFILE**

ISBE utilizes a system for assessing a school district's financial health referred to as the "School District Financial Profile" which replaced the Financial Watch List and Financial Assurance and Accountability System (FAAS). This system identifies those school districts which are moving into financial distress.

The system uses five indicators which are individually scored, placed into a category of a four, three, two or one, with four being the best possible, and weighted in order to arrive at a composite district financial profile. The indicators and the weights assigned to those indicators are as follows: fund balance to revenue ratio (35%); expenditures to revenue ratio (35%); days cash on hand (10%); percent of short term borrowing ability remaining (10%); and percent of long-term debt margin remaining (10%).

The scores of the weighted indicators are totaled to obtain a district's overall score. The highest score is 4.0 and the lowest score is 1.0. A district is then placed in one of four categories as follows:

- Financial Recognition. A school district with a score of 3.54-4.00 is assigned to this category, which is the best category of financial strength. These districts require minimal or no active monitoring by ISBE unless requested by the district.
- Financial Review. A school district with a score of 3.08-3.53 is assigned to this category, the next highest financial strength category. These districts receive a limited review by ISBE, but are monitored for potential downward trends. ISBE staff also review the next year's school budget for further negative trends.

- **Financial Early Warning.** A school district with a score of 2.62-3.07 is placed in this category. ISBE monitors these districts closely and offers proactive technical assistance, such as financial projections and cash flow analysis. These districts also are reviewed to determine whether they meet the criteria set forth in Article 1A-8 of the School Code to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.
- **Financial Watch.** A school district with a score of 1.00-2.61 is in this category, the highest risk category. ISBE monitors these districts very closely and offers technical assistance with, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories and enrollment projections. These districts are also assessed to determine if they qualify for a Financial Oversight Panel.

For each school district, ISBE calculates an original financial profile score (the “Original Score”) and an adjusted financial profile score (the “Adjusted Score”). The Original Score is calculated based solely on such school district’s audited financial statements as of the close of the most recent fiscal year. The Adjusted Score is calculated based initially on a school district’s audited financial statements for the most recent fiscal year, with adjustments made to reflect the impact on the Original Score of timing differences between such school district’s actual and expected receipt of State Aid payments or evidence-based funding, as required by Section 1A-8 of the School Code. ISBE has implemented this statutory requirement by adding in payments expected to be received during the calculation year but not actually received until the following fiscal year, as well as by subtracting certain State Aid payments or evidence-based funding received during the current fiscal year but attributable to a prior fiscal year. Such adjustments may have a varying effect on a school district’s Adjusted Score based on the amount of time by which such State Aid payments or evidence-based funding are delayed and the accounting basis adopted by such school district. Due to the manner in which such requirement has been implemented by ISBE, a school district’s Adjusted Score may be different than it otherwise would have been in certain years based on the scheduled receipt of State Aid payments or evidence-based funding.

The following table sets forth the District’s Original Scores and Adjusted Scores, as well as the designation assigned to each score, for each of the last five fiscal years (as released by ISBE in March of the year following the conclusion of each fiscal year):

Fiscal Year (June 30)	Original Score	Designation Based on Original Score	Adjusted Score	Designation Based on Adjusted Score
2012	3.05	Early Warning	2.35	Watch
2013	2.90	Early Warning	2.80	Early Warning
2014	3.15	Review	3.15	Review
2015	3.35	Review	3.35	Review
2016	3.70	Recognition	3.70	Recognition
2017 <sup>(1)</sup>	3.70	Recognition	N/A	N/A

(1) A preliminary score reported in the District’s fiscal year 2017 Annual Financial Report. The District expects that ISBE will release its official Original Score and Adjusted Score in March 2018.

## **RETIREMENT PLANS**

The District participates in two defined benefit pension plans: (i) the Teachers' Retirement System of the State of Illinois ("TRS"), which provides retirement benefits to the District's teaching employees, and (ii) the Illinois Municipal Retirement Fund (the "IMRF" and, together with TRS, the "Pension Plans"), which provides retirement benefits to the District's non-teaching employees. The District makes certain contributions to the Pension Plans on behalf of its employees, as further described in this section. The operations of the Pension Plans, including the contributions to be made to the Pension Plans, the benefits provided by the Pension Plans, and the actuarial assumptions and methods employed in generating the liabilities and contributions of the Pension Plans, are governed by the Illinois Pension Code, as amended (the "Pension Code").

The following summarizes certain provisions of the Pension Plans and the funded status of the Pension Plans, as more completely described in Note 6 to the Audit, attached hereto as Appendix B.

### **Background Regarding Pension Plans**

#### *The Actuarial Valuation*

The disclosures in the Audit related to the Pension Plans are based in part on the actuarial valuations of the Pension Plans. In the actuarial valuations, the actuary for each of the Pension Plans measures the financial position of the Pension Plan, determines the amount to be contributed to a Pension Plan pursuant to statutory requirements, and produces information mandated by the financial reporting standards issued by the Governmental Accounting Standards Board ("GASB"), as described below.

In producing an actuarial valuation, the actuary for a Pension Plan uses demographic data (including employee age, salary and service credits), economic assumptions (including estimated future salary and interest rates), and decrement assumptions (including employee turnover, mortality and retirement rates) and employs various actuarial methods to generate the information required to be included in such valuation.

#### *GASB Standards*

Prior to the fiscal year ended June 30, 2015, the applicable GASB financial reporting standards with respect to the Pension Plans were GASB Statement No. 25 and GASB Statement No. 27 (together, the "Prior GASB Standards"). The Prior GASB Standards required the disclosure of an Annually Required Contribution (which was such pronouncement's method for calculating the annual amounts needed to fully fund a pension plan) and the calculation of pension funding statistics such as the unfunded actuarial accrued liability ("UAAL"), which was the shortfall of the assets held by the pension plan when compared against the liabilities of such pension plan, as actuarially determined (the "Actuarial Accrued Liability"), and the "Funded Ratio," which was the ratio, expressed as a percentage, derived from dividing the assets of the pension plan by the Actuarial Accrued Liability. In addition, the Prior GASB Standards allowed

pension plans to prepare financial reports pursuant to various approved actuarial methods and to use an assumed investment rate of return determined by the pension plan for financial reporting purposes.

Beginning with the fiscal year ended June 30, 2015, the applicable GASB financial reporting standards with respect to the Pension Plans became GASB Statement No. 67 and GASB Statement No. 68 (together, the “New GASB Standards”). Unlike the Prior GASB Standards, the New GASB Standards do not establish approaches to funding pension plans, and, therefore, do not require computation of the Annually Required Contribution or a similar contribution number. Instead, the New GASB Standards provide standards solely for financial reporting and accounting related to pension plans.

The New GASB Standards require calculation and disclosure of a “Net Pension Liability” or “Net Pension Asset”, which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the New GASB Standards (referred to in such statements as the “Total Pension Liability”) and the fair market value of the pension plan’s assets (referred to as the “Fiduciary Net Position”). This concept is similar to the UAAL, which was calculated under the Prior GASB Standards, but most likely will differ from the UAAL on any calculation date because the Fiduciary Net Position is calculated at fair market value and because of the differences in the manner of calculating the Total Pension Liability as compared to the Actuarial Accrued Liability under the Prior GASB Standards.

Furthermore, the New GASB Standards employ a rate, referred to in such statements as the “Discount Rate,” which is used to discount projected benefit payments to their actuarial present values. The Discount Rate is a blended rate comprised of (1) a long-term expected rate of return on a pension plan’s investments (to the extent that such assets are projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate meeting certain specifications set forth in the New GASB Standards. Therefore, in certain cases in which the assets of a pension plan are not expected to be sufficient to pay the projected benefits of such pension plan, the Discount Rate calculated pursuant to the New GASB Standards may differ from the assumed investment rate of return used in reporting pursuant to the Prior GASB Standards.

Finally, the New GASB Standards require that the Net Pension Liability be disclosed in the notes to the financial statements of the pension system and that a proportionate share of the Net Pension Liability be recognized on the balance sheet of the employer. In addition, the New GASB Standards require an expense to be recognized on the income statement of the District.

#### *Pension Plans Remain Governed by the Pension Code*

As described above, each of the Prior GASB Standards and the New GASB Standards establish requirements for financial reporting purposes. However, the Pension Plans are ultimately governed by the provisions of the Pension Code in all respects, including, but not limited to, the amounts to be contributed by the District to the Pension Plans in each year.



## Teachers' Retirement System of the State of Illinois

The District participates in TRS, which is a cost-sharing multiple-employer defined benefit pension plan that was created by the General Assembly for the benefit of Illinois public school teachers outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer, which includes all school districts located outside of the City of Chicago, to provide services for which teacher licensure is required.

The Pension Code sets the benefit provisions of TRS, which can only be amended by the General Assembly. The State maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. The report may be viewed at TRS's website as follows: <http://trs.illinois.gov/pubs/cafr.htm>.

For information relating to the actuarial assumptions and methods used by TRS, including the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate, see Note 6 to the Audit.

### *Employer Funding of Teachers' Retirement System*

Under the Pension Code, active members contribute 9.0% of creditable earnings to TRS. The State makes the balance of employer contributions to the State on behalf of the District, except for a small portion contributed by the teacher's employer, such as the District. For the fiscal years ended June 30, 2015 through June 30, 2017, all amounts contributed by the District to TRS were as follows:

Fiscal Year Ended June 30	TRS Contributions
2015	\$ 1,255,780
2016	1,288,060
2017	1,326,672

Source: The District's Annual Financial Reports for the fiscal years ended June 30, 2015-2017.

For information regarding additional contributions the District may be required to make to TRS with respect to certain salary increases and other programs, see Note 6 to the Audit.

### *Shift of Contributions from the State to Employers*

Various proposals have been introduced into the General Assembly to shift the burden of making certain contributions to TRS from the State to the school districts employing participants in TRS, such as the District. Though these proposals have differed in certain respects, the most common formulation would require a school district, such as the District, to contribute the full

amount of the normal costs of its employees' TRS pensions, with such additional contributions being phased in over the course of several years (the "Cost Shifting Proposal").

Discussions and deliberations on the complex topic of pension reform remain fluid. The District cannot predict whether, or in what form, the Cost Shifting Proposal may be introduced in the General Assembly or ultimately be enacted into law. Furthermore, it is possible that any future pension reform legislation that is passed by the General Assembly (including any legislation containing the Cost Shifting Proposal) could face court challenges.

If the Cost Shifting Proposal were to become law, it may have a material adverse effect on the finances of the District. How local school districts, including the District, would pay for such shift of contributions cannot be determined at the current time. Property taxes to pay pension costs are capped by the Limitation Law. If such pension expenditures are not exempted from the Limitation Law, school districts (such as the District) would have to pay such additional contributions from revenues or reserves.

Although the Cost Shifting Proposal has not been adopted as of the date hereof, the General Assembly approved legislation shifting a portion of the State's contributions to TRS to individual school districts. On July 6, 2017, the General Assembly enacted Public Act 100-23 ("P.A. 100-23") which, among other things, requires employers participating in TRS, such as the District, to make certain contributions to TRS that were not required under prior law. P.A. 100-23 includes provisions for a separate set of benefits (the "New Tier Benefits") applicable to employees hired after the "Implementation Date," the same being the date on which TRS authorizes new hires to participate in the New Tier Benefits, which P.A. 100-23 directs should be "as soon as possible" after the effective date of P.A. 100-23. Under P.A. 100-23, beginning in Fiscal Year 2018, the District will be responsible for paying the normal cost for those employees earning the New Tier Benefits (as well as the normal cost for certain employees hired after the Implementation Date that elect to earn the benefits currently in place) and to amortize any unfunded liability related thereto. Finally, P.A. 100-23 mandates that the District make an additional payment to TRS to the extent that any employee's salary exceeds the salary of the Governor of the State of Illinois (currently \$177,412), as calculated therein.

The contributions required by P.A. 100-23 represent an increase in the District's contributions to TRS in comparison to prior law; however, the District is unable to predict the timing or the degree of any such additional contributions, and as such, the District is not able to predict whether the impact of such additional contributions on its finances will be material.

#### *Recognition of Net Pension Liability*

The New GASB Standards divide the Net Pension Liability of a pension plan for which multiple entities make a portion of the employer contribution among such contributing entities. With respect to TRS, each of the District and the State provide a portion of the employer contribution with respect to the District's TRS liability. As of June 30, 2017, the Net Pension Liability associated with the District was \$1,026,798,781, of which the District's proportionate share was \$26,136,070, and the State's proportionate share was \$1,000,662,711.

## Illinois Municipal Retirement Fund

The District also participates in the IMRF, which is a defined-benefit, agent multiple employer pension plan that acts as a common investment and administrative agent for units of local government and school districts in Illinois. The IMRF is established and administered under statutes adopted by the General Assembly. The Pension Code sets the benefit provisions of the IMRF, which can only be amended by the General Assembly.

Each employer participating in the IMRF, including the District has an employer reserve account with the IMRF separate and distinct from all other participating employers (the “IMRF Account”) along with a unique employer contribution rate determined by the IMRF Board of Trustees (the “IMRF Board”), as described below. The employees of a participating employer receive benefits solely from such employer’s IMRF Account. Participating employers are not responsible for funding the deficits of other participating employers.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information which may be viewed at the IMRF’s website.

See Note 6 to the Audit for additional information on the IMRF’s actuarial methods and assumptions, including information regarding the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate.

### *Contributions*

Both employers and employees contribute to the IMRF. At present, employees contribute 4.50% of their salary to the IMRF, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF to its employees. The annual rate at which an employer must contribute to the IMRF is established by the IMRF Board. The District’s contribution rate for calendar year 2017 was 10.17% of covered payroll.

For the calendar years ended December 31, 2014 through December 31, 2016, the District contributed the following amounts to IMRF:

Calendar Year Ended	IMRF
<u>December 31</u>	<u>Contributions</u>
2014	\$ 2,585,778
2015	2,648,152
2016	2,658,655

Source: The District’s Annual Financial Report for the fiscal year ended June 30, 2017.

### Measures of Financial Position

The following table presents the measures of the IMRF Account's financial position as of December 31, 2014, December 31, 2015 and December 31, 2016 which are presented pursuant to the New GASB Standards. The Total Pension Liability as of December 31, 2016, was calculated pursuant to the current Discount Rate of 7.50%.

Calendar Year Ended December 31	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Fiduciary Net Position as a % of Total Pension
2014	\$ 69,712,909	\$ 63,134,396	\$ 6,578,513	90.56%
2015	75,220,466	63,561,381	11,659,085	84.50%
2016	83,178,561	69,551,951	13,626,610	83.62%

Source: The District's Annual Financial Report for the fiscal year ended June 30, 2017.

See Note 6 to the Audit, and the related required supplementary information disclosures, for a description of the IMRF, the IMRF Account, the District's funding policy, information on the assumptions and methods used by the actuary, and the financial reporting information required by the New GASB Standards.

### OPEB Summary

The District administers a single-employer defined benefit healthcare plan, the "retiree Healthcare Benefit Program: or "the Plan". The Plan provides healthcare insurance for eligible retirees and their dependents through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the District and the unions representing District employees and are renegotiated each bargaining period. As of June 30, 2016, all retirees are eligible for benefits pre and post-Medicare. The Plan does not issue a stand-alone financial report. The net OPEB obligation for fiscal year ending June 30, 2017 was \$14,795,804. See Note 8 to the Audit, and the related required supplementary information disclosures, for a description of the OPEB.

### Post-Employment Benefit Trust

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 General Assembly for the benefit of the State's retired public school teachers employed outside the City of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the TRS. Annuitants may participate in the State administered participating provider option plan or choose from several managed care options.

The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.84% during the year ended June 30, 2017, 0.80% during the year ended

June 30, 2016 and 0.76% during the year ended June 30, 2015. For the year ended June 30, 2017, the District paid \$1,081,923 to the THIS fund. For the years ended June 30, 2016 and June 30, 2015, the District paid \$1,008,810 and \$947,441, respectively, to the THIS Fund, which was 100% of the required contribution.

### **TAX EXEMPTION**

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the regular corporate tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Bonds. The AMT for corporations is repealed for taxable years beginning after December 31, 2017.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the “OID Issue Price”) for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the “OID Bonds”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond’s stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the “Revised Issue Price”), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or

secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor’s basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

## **LITIGATION**

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof.

## **BOND RATING**

Moody's has assigned its municipal rating of "\_\_\_\_" to the Bonds. The rating reflects only the views of Moody's and any explanation of the significance of such rating may only be obtained from Moody's. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to Moody's by the District. There is no assurance that the rating will be maintained for any given period of time or that it may not be changed by Moody's, if, in the rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Bonds. Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

## **CONTINUING DISCLOSURE**

The District will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of the Rule. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth in "Appendix C – Form of Continuing Disclosure Undertaking."

The District failed to timely file notice of certain bond insurer rating changes in the last five years. Such bond insurer rating changes and a reportable event for the insurer rating changes were filed on the Electronic Municipal Market Access ("EMMA") system on May 16, 2016. Except to the extent the preceding is deemed to be material, to the best of the District's knowledge, it has not failed to comply in the previous five years in any material respect with undertakings previously entered into by it pursuant to the Rule. The Board expects to adopt a resolution in the near future to approve disclosure policies and procedures. The District has retained PMA Securities Inc., Naperville, Illinois to act as the District's Dissemination Agent for its future continuing disclosure filings. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the



Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

### **CERTAIN LEGAL MATTERS**

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois (“Chapman and Cutler”), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District. Chapman and Cutler has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Bonds. Although as Disclosure Counsel to the District, Chapman and Cutler has assisted the District with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of any of the statements contained in this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler’s engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the District, to assist it in discharging its responsibility with respect to this Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor.

### **UNDERWRITING**

The Bonds were offered for sale by the District at a public, competitive sale on February 20, 2018. The best bid submitted at the sale was submitted by \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (the “Underwriter”). The District awarded the contract for sale of the Bonds to the Underwriter at a price of \$ \_\_\_\_\_. The Underwriter has represented to the District that the Bonds have been subsequently reoffered to the public at the approximate initial offering yields as set forth on the inside cover hereto. The Underwriter may offer and sell the Bonds to certain dealers and others at yields different than the offering yields stated on the inside cover hereto. The offering yields may be changed from time to time by the Underwriter. The aggregate underwriting fee equals \$\_\_\_\_\_.

### **FINANCIAL ADVISOR**

PMA Securities, Inc. of Naperville, Illinois, has been retained as financial advisor (the “Financial Advisor” or “PMA”) in connection with the issuance of the Bonds. In preparing this Official Statement, the Financial Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Financial Advisor’s knowledge, the information contained in this Official Statement is true and accurate. However, the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

PMA is a broker-dealer and municipal advisor registered with the Commission and the MSRB and is a member of the Financial Industry Regulatory Authority and the Securities

Investor Protection Corporation. In these roles, PMA generally provides fixed income brokerage services and public finance services to municipal entity clients, including financial advisory services and advice with respect to the investment of proceeds of municipal securities. PMA is affiliated with PMA Financial Network, Inc., a financial services provider, and Prudent Man Advisors, Inc., an investment adviser registered with the Commission. These entities operate under common ownership with PMA and are collectively referred to in this disclosure as the “PMA Affiliates.” PMA is also affiliated with Forecast5 Analytics, Inc., a data analytics company which offers software and forecasting and consulting services to municipal entities, and PMA Leasing, Inc., an equipment leasing company. These entities and the PMA Affiliates are referred to in this disclosure collectively as the “Affiliates.” Each of these Affiliates also provides services to municipal entity clients and PMA and Affiliates market the services of the other Affiliates. Unless otherwise stated, separate fees are charged for each of these products and services and referrals to its Affiliates result in an increase in revenue to the overall Affiliated companies and potential benefit to PMA or its staff who own an Affiliate’s stock or stock options.

The Financial Advisor’s duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as financial advisor on the Bonds. PMA’s compensation for serving as financial advisor on the Bonds is conditional on the final amount and successful closing of the Bonds. PMA receives additional fees for the services used by the District, if any, described in the paragraph above. The fees for these services arise from separate agreements with the District and with institutions of which the District may be a member.

### **THE OFFICIAL STATEMENT**

This Official Statement includes the cover page, reverse thereof and the Appendices hereto.

All references to material not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provisions thereof, copies of which will be furnished upon request to the District.

**Accuracy and Completeness of the Official Statement**

This Official Statement has been approved by the District for distribution to the Underwriter.

The District’s officials will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming to the Underwriter that, to the best of their knowledge and belief, this Official Statement as of the date hereof and at the time of the sale and delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

/s/  
Assistant Superintendent for Business and Operations  
Community Consolidated School District Number 202  
Will and Kendall Counties, Illinois

February \_\_, 2018

**Form of Legal Opinion of Bond Counsel**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

**[LETTERHEAD OF CHAPMAN AND CUTLER LLP]**

**[TO BE DATED CLOSING DATE]**

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the Board of Education of Community Consolidated School District Number 202, Will and Kendall Counties, Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered General Obligation School Refunding Bonds, Series 2018A (the “*Bonds*”), to the amount of \$\_\_\_\_\_, dated \_\_\_\_\_, 2018, due serially on January 1 of the years and in the amounts and bearing interest as follows:

2019	\$	%
2020	\$	%
2021	\$	%
2022	\$	%
2023	\$	%
2024	\$	%
2025	\$	%
2026	\$	%
2027	\$	%
2028	\$	%

and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District and is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District’s compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the District with respect to certain material facts within the District's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

## **Appendix B**

### **Annual Financial Report for Fiscal Year Ended June 30, 2017**

The Annual Financial Report of the District contained in this Appendix B (the "Audit"), including the independent auditor's report accompanying the Audit, has been prepared by Klein Hall CPAs, Aurora, Illinois (the "Auditor"), and accepted by formal action of the Board of Education of the District. The District has not requested the Auditor to update information contained in the Audit; nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. If you have a specific question or inquiry relating to the financial information of the District since the date of the Audit, you should contact Richard Engstrom, Assistant Superintendent for Business and Operations of the District.

**PLAINFIELD COMMUNITY  
CONSOLIDATED SCHOOL DISTRICT NO.  
202  
PLAINFIELD, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

For The Year Ended  
**June 30, 2017**

Submitted by:

Business Office





**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Table of Contents

---

	<u>Page(s)</u>
<b>INTRODUCTORY SECTION</b>	
District Officials .....	i
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report .....	1-3
Management's Discussion and Analysis .....	4-11
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position .....	12
Statement of Activities .....	13
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	17
Statement of Fiduciary Assets and Liabilities – Agency Fund .....	18
Notes to Financial Statements .....	19-49
<b>Required Supplementary Information</b>	
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios – Illinois Municipal Retirement Fund .....	50
Schedule of Employer Contributions – Illinois Municipal Retirement Fund .....	51
Schedule of the District's Proportionate Share of the Net Pension Liability – Teachers' Retirement System .....	52
Schedule of Employer Contributions – Teachers' Retirement System .....	53
Schedule of Funding Progress – Other Postemployment Benefits .....	54
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund and Major Special Revenue Fund .....	55-56
Notes to Required Supplementary Information .....	57

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Table of Contents

---

	<u>Page(s)</u>
<b>Combining and Individual Fund Financial Statements and Schedules</b>	
General Fund	
Balance Sheet by Account .....	58
Schedule of Revenues, Expenditures, and Changes in Fund Balances by Account .....	59
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
Educational Account.....	60-68
Operations and Maintenance Account .....	69
Working Cash Account.....	70
Tort Immunity Account.....	71
Major Special Revenue Fund	
Transportation Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	72
Major Debt Service Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	73
Major Capital Projects Fund	
Capital Projects Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	74
Nonmajor Governmental Funds	
Municipal Retirement/Social Security Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	75-76
Fiduciary Fund – Agency Fund	
Agency Fund – Activity Funds – Schedule of Changes in Assets and Liabilities.....	77
Other Supplementary Schedules (Unaudited)	
Property Tax Rates, Levies, and Collections.....	78-79
Equalized Assessed Valuation and Estimated Actual Value of Taxable Property .....	80
Operating Expenditures per Student.....	81
Demographic and Miscellaneous Statistics .....	82

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

**15732 Howard Street  
Plainfield, Illinois 60544**

**Annual Financial Report for  
the Fiscal Year Ended June 30, 2017**

---

**Board of School Inspectors**

		<u>Term Expires</u>
Greg Nichols	President	2019
Kevin Kirberg	Vice President	2019
David Koch	Secretary	2021
Rod Westfall	Member	2021
Heather Drake	Member	2019
Dr. Michael Robey	Member	2021
Robert Smith	Member	2021

**District Administration**

Dr. Lane Abrell	Superintendent of Schools
Tony Manville	Assistant Superintendent for Administration and Personnel
Richard Engstrom	Assistant Superintendent for Business and Operations
Glenn Wood	Assistant Superintendent for Curriculum and Instruction
Mina Griffith	Assistant Superintendent for Student Services





3957 75<sup>th</sup> Street, Aurora, IL 60504  
Phone 630.898.5578 | Fax 630.225.5128  
KleinHallcpa.com

*Independent Auditor's Report*

Board of Education  
Plainfield Community Consolidated District No. 202  
Plainfield, Illinois

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plainfield Community Consolidated District No. 202 (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 accounting principles generally accepted in the United States of America; this includes 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 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 from 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.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Plainfield Community Consolidated District No. 202 as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and other supplementary schedules as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and other supplementary schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We have also audited, in accordance with auditing standards generally accepted in the United States of America, the District's basic financial statements for the year ended June 30, 2016, which are not presented with the accompanying financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The schedules of revenues, expenditures and changes in fund balances - budget and actual, related to the 2016 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2016 schedules of revenues, expenditures and changes in fund balances - budget and actual are fairly stated in material respects in relation to the basic financial statements from which they have been derived.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report August 18, 2017, on our consideration of Plainfield Community Consolidated District No. 202'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 the District's internal control over financial reporting and compliance.

Handwritten signature of Klein Hall CPAs in cursive script.

Klein Hall CPAs  
Aurora, Illinois  
August 18, 2017



**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2017

---

We offer readers of the District's financial statements this overview of the financial position and activities of the Plainfield Community Consolidated School District 202 for the fiscal year ended June 30, 2017.

### **Financial Highlights**

Financial Highlights for the year ended June 30, 2017, include:

- Statement of Net Position – Total District assets plus deferred outflows exceeded its liabilities plus deferred inflows at June 30, 2017 by \$216,196,050. Of this amount, \$17,171,103 is unrestricted and available to meet District obligations.
- Statement of Activities – Total District net position increased by \$29,887,053 during the year ended June 30, 2017.
- Governmental Funds Balance Sheet – District combined fund balances at June 30, 2017 were \$110,591,126, an increase of \$15,891,206 from the previous year. The amount of the fund balance restricted for health claims, liability insurance, student transportation, debt service, capital projects, and employee retirement is \$50,404,086.
- Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position – Total capital assets, net of depreciation, were \$404,699,390. Total long-term debt is \$316,823,401, of which \$238,215,000 is attributable to principal on general obligation bonds.
- Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances – Total revenues for the year ended June 30, 2017 were \$353,343,802. Approximately 51.4% are received from local property taxes. Total expenditures were \$394,114,465. Approximately 74.1% are instruction and support services expenditures.

### **Using This Financial Report**

The general format of this report is required by Statement No. 34 of the Governmental Accounting Standards Board (GASB). Components and purposes of the report are explained below.

### **Overview of the Financial Statements**

This management discussion and analysis is intended to serve as an introduction to the Plainfield Community Consolidated School District's basic financial statements. The District's basic financial statements comprise three components: (1) district-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves, and other supplementary schedules.

**District-Wide Financial Statements** – The district-wide financial statements are designed to provide readers with a broad view of the Plainfield School District finances. These statements measure inputs and outflows using an economic resources measurement focus, and use the accrual basis of accounting.

- The **Statement of Net Position** presents information on assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, the resources that would remain if all obligations were settled. The statement categorizes assets to show that some assets are very liquid, such as cash. Some assets are invested in fixed or capital assets such as buildings, equipment, and other long-lived property; and some assets are available to fund budgets of the following year.
- The **Statement of Activities** presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position is reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes.)

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2017

---

Both of the district-wide financial statements reflect functions of the Plainfield School District that are principally supported by property taxes and state grant funds. The governmental activities of the District include instruction, support services, community services, payments to other governments, state on-behalf payments, and interest on debt.

**Fund Financial Statements** – A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. All of the funds of the District can be divided into two categories: governmental and fiduciary, with the emphasis on major governmental funds. The fund statements provide detailed information about the funds used by the District. State law and Generally Accepted Accounting Principles (GAAP) establish the fund structure of school districts. The fund statements report balances and activities of the major funds separately. The District also maintains one nonmajor fund. Significance of funds is determined based on the proportional size of the funds, the relative importance of the activities of the funds to the District's operations, and the existence of legal budget requirements.

**Governmental Funds** – The Plainfield School District maintains five individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. The Plainfield School District adopts an annual appropriated budget for its major funds; the General Fund, Transportation Fund, and Capital Projects Fund. Budgetary comparison statements have been provided to demonstrate compliance with these budgets. Individual fund data for the nonmajor governmental fund, a special revenue fund, is also provided in this report.

**Fiduciary Funds** – Fiduciary funds or agency funds are used to account for resources held by the District for student organizations such as student activity funds. Fiduciary funds are not reflected in the district-wide financial statements because the resources of the fund are not available to support the Plainfield School District's own programs. The District maintains this fund to ensure these assets are used for their intended purpose.

**Notes to the Financial Statements** – The notes provide additional information that is essential to full understanding of the data provided in the district-wide and fund financial statements. The notes contain a summary of significant accounting policies, legal compliance and accountability, deposits and investments, capital assets, risk management, employee retirement systems and plans, postemployment benefits other than pensions, long-term debt, fund balances, joint venture, contingent liabilities, and commitments.

**Other information** – In addition to the basic financial statements and accompanying notes, the District presents other supplementary information.

**District-wide Financial Analysis**

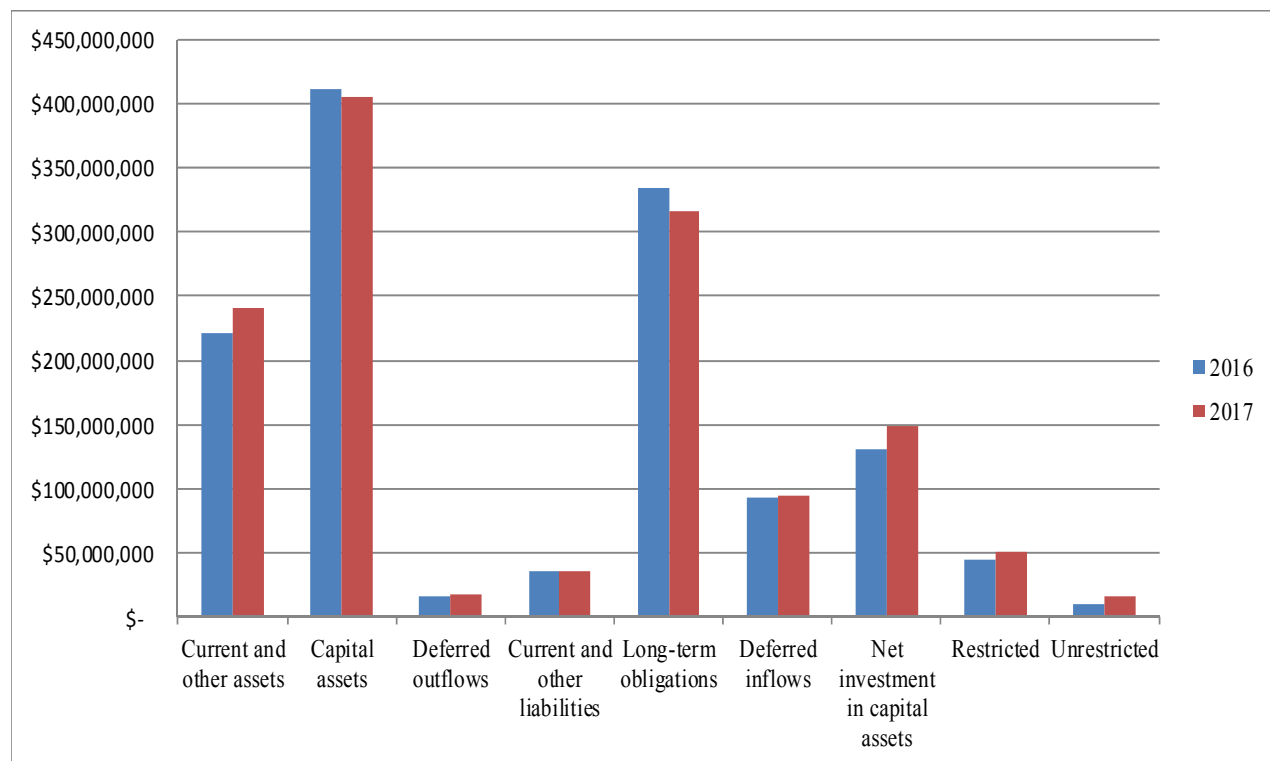
**Net Position** – As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Plainfield School District, assets plus deferred outflows of resources on June 30, 2017 exceed liabilities plus deferred inflows of resources by \$216,196,050.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2017

Plainfield School District No. 202  
Statement of Net Position  
June 30, 2017

**Governmental Activities**

	<b>2017</b>	<b>2016</b>	<b>\$ Change</b>	<b>% Change</b>
Current and other assets	\$ 241,087,197	\$ 221,608,876	\$ 19,478,321	9%
Capital assets	404,699,390	411,664,768	(6,965,378)	-2%
<b>Total assets</b>	<b>645,786,587</b>	<b>633,273,644</b>	<b>12,512,943</b>	<b>2%</b>
Deferred outflows	18,085,870	16,460,269	1,625,601	10%
Current and other liabilities	36,523,786	36,132,331	391,455	1%
Long-term obligations	316,823,401	334,706,983	(17,883,582)	-5%
<b>Total liabilities</b>	<b>353,347,187</b>	<b>370,839,314</b>	<b>(17,492,127)</b>	<b>-5%</b>
Deferred inflows	94,329,220	92,585,602	1,743,618	2%
<b>Net Position:</b>				
Net investment in capital assets	148,620,861	130,552,360	18,068,501	14%
Restricted	50,404,086	44,621,277	5,782,809	13%
Unrestricted	17,171,103	11,135,360	6,035,743	54%
<b>Total net position</b>	<b>\$ 216,196,050</b>	<b>\$ 186,308,997</b>	<b>29,887,053</b>	<b>16%</b>



**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2017

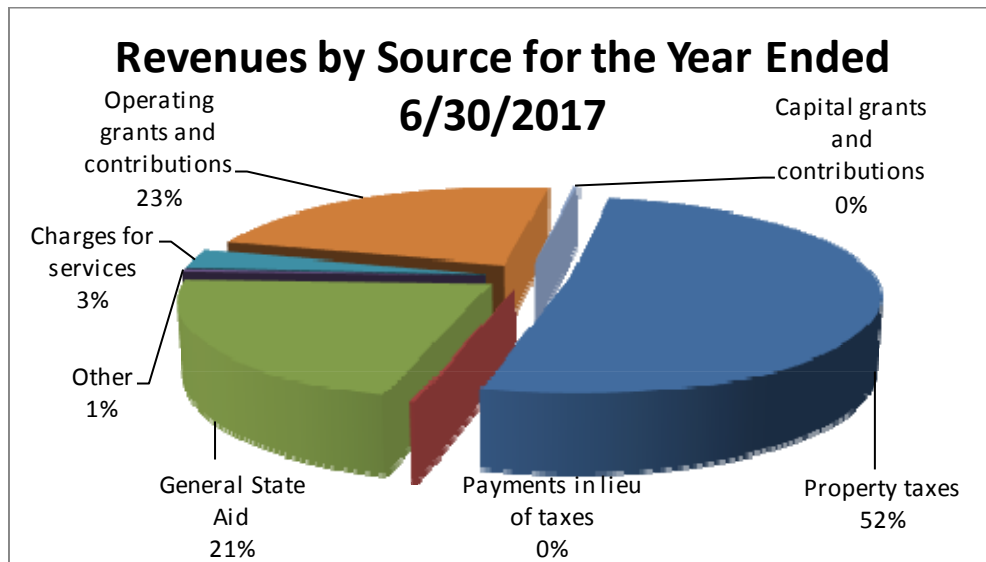
Governmental Activities – Governmental activities indicate the District's revenues and expenses for the fiscal year ended June 30, 2017. These two main components are combined to determine the changes in net position.

Plainfield School District No. 202  
Statement of Activities  
June 30, 2017

	2017	2016	\$ Change	% Change
<b>Revenues</b>				
<b>Program Revenues:</b>				
Charges for services	\$ 10,811,352	\$ 10,066,010	\$ 745,342	6.89%
Operating grants and contributions	82,035,424	63,229,748	18,805,676	22.92%
Capital grants and contributions	859,771	1,021,136	(161,365)	-18.77%
<b>General Revenues:</b>				
Property taxes	181,478,120	180,850,529	627,591	0.35%
Payments in lieu of taxes	825,675	743,293	82,382	9.98%
General state aid	74,795,369	71,278,940	3,516,429	4.70%
Investment earnings	487,626	104,356	383,270	78.60%
Other general revenues	1,101,414	2,001,798	(900,384)	-81.75%
<b>Total Revenues</b>	<b>352,394,751</b>	<b>329,295,810</b>	<b>23,098,941</b>	<b>6.55%</b>
<b>Expenditures</b>				
Instruction services	166,090,520	166,254,090	(163,570)	-0.10%
Support services	91,158,176	89,876,596	1,281,580	1.41%
Community services	361,940	335,588	26,352	7.28%
Payments to other governments	7,175,854	6,648,436	527,418	7.35%
State on-behalf payments	50,537,800	46,271,879	4,265,921	8.44%
Interest on debt	7,183,408	11,523,916	(4,340,508)	-60.42%
<b>Total Expenses</b>	<b>322,507,698</b>	<b>320,910,505</b>	<b>1,597,193</b>	<b>0.50%</b>
Increase (decrease) in net position	29,887,053	8,385,305	21,501,748	71.94%
Net position-beginning	186,308,997	177,923,692	8,385,305	4.50%
<b>Net position-ending</b>	<b>\$ 216,196,050</b>	<b>\$ 186,308,997</b>	<b>\$ 29,887,053</b>	<b>13.82%</b>

Revenue is divided into two major components: Program revenue and General revenue. Program revenue is defined as charges for services, operating grants and contributions, and capital grants and contributions. General revenue includes property taxes, unrestricted grants such as general state aid, investment earnings, and other general revenues.

Operating grants and contributions include a contribution on behalf of the District from the State in the amount of \$50,537,800. Remaining revenue is derived from federal and state grants and interest income.

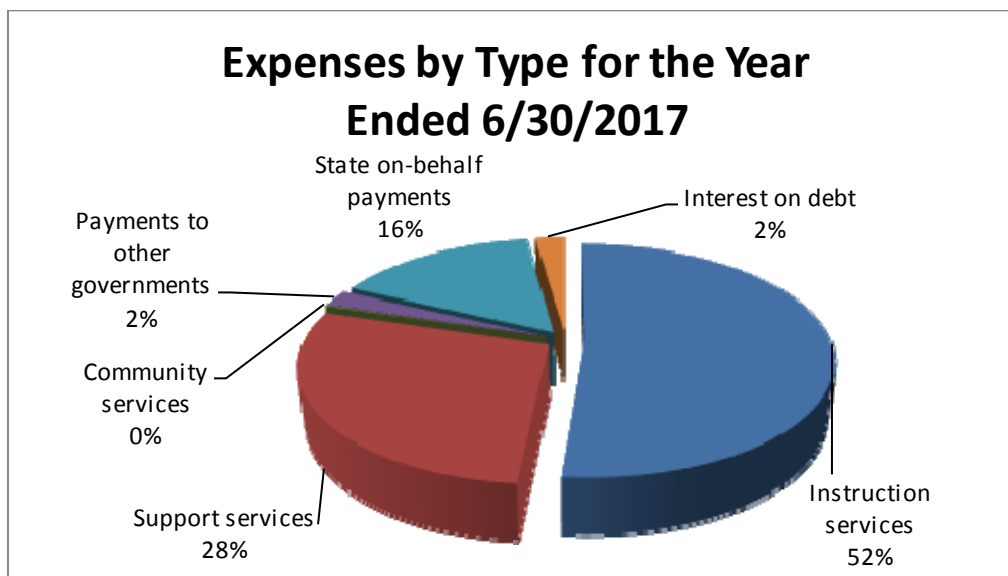


Instructional services account for 51.5% of District expenses and include all expenses for regular, special education, CTE, interscholastic, summer school, driver's education, bilingual, and alternative programs.

Support services account for 28.3% of District expenses and include all expenses that support the instructional process including pupil, instructional staff, general and school administration, business office, transportation, operations and maintenance of plant, food service, printing and data processing services.

Payments to other governments account for 2.2% and include special education and CTE tuition.

Interest on debt accounts for 2.2% of District expenses.



**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2017

**Net Cost of Services** – Expenses are all costs related to programs, and revenues reflect funds available to offset the expenses. Net cost of services shows how much is not covered by program revenues. Property taxes or unrestricted state aid must cover net costs.

Plainfield School District No. 202  
Cost of Services  
June 30, 2017

**Governmental Activities**

Programs	Expenses	Revenues	Net Cost of Services
Instruction	\$ 166,090,520	\$ 27,267,100	\$ (138,823,420)
Support services	91,158,176	15,901,647	(75,256,529)
Community Services	361,940	-	(361,940)
Payments to Other Governments	7,175,854	-	(7,175,854)
State On-behalf Payments	50,537,800	50,537,800	-
Interest on debt	7,183,408	-	(7,183,408)
	<u>\$ 322,507,698</u>	<u>\$ 93,706,547</u>	<u>\$ (228,801,151)</u>

**Analysis of Financial Information**

In fulfilling our District's mission We Prepare Learners for the Future, primary activities revolve around the education of our students. This being true, our largest fund is the General Fund. The district maintains four accounts within this fund, Education, Operations and Maintenance, Working Cash and Tort Immunity. The Working Cash Fund maintains resources to be loaned to other funds. The Education Fund records the direct costs of instruction and administration that includes regular instruction, special education, interscholastic, food service, social work services, media services, and principal and staff services. The Operations and Maintenance Fund records all costs of maintaining, improving, and repairing school buildings and property. The Working Cash Fund maintains resources to be loaned to other funds. The Tort Immunity Fund accounts for the District's risk financing activities.

The District's major source of funding comes from property taxes followed by unrestricted grants-in-aid and TRS on-behalf payments from state. Property taxes levied in one year become payable to the District in the subsequent year.

There are three major sources of expenditures for the District; instruction, support services, and capital outlay. Instruction includes all programs relating to the education of our students such as elementary, middle, and high school instruction, bilingual, special education, and CTE. Support services aid in the education of students, such as social work, guidance, health, psychological, speech pathology and audiology, board of education, administrative services, principal services, and media. Capital outlay accounts for purchase of equipment, construction costs, and school site improvement.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
For the Year Ended June 30, 2017

**Analysis of Fund Balances and Variances in Budget vs. Actual** – The General Fund includes the Educational, Operations and Maintenance, Working Cash, and Tort accounts. The Special Revenue Funds include the Transportation Fund. The last two of the major funds are the Debt Service Fund and the Capital Projects Fund. All balances in these funds include accruals.

Plainfield School District No. 202  
June 30, 2017  
Fund Balances (with accruals)

	Education	O&M	Tort	Transportation	Working Cash	Debt Service	Capital Projects
Total Revenues	\$ 266,531,943	\$ 23,588,690	\$ 2,609,018	\$ 18,781,429	\$ 1,596,281	\$ 32,471,400	\$ 996,847
Total Expenditures	256,280,548	18,556,594	3,462,249	15,280,383	-	89,374,935	4,857,450
Other Financing	(1,563,185)	3,300	-	785,376	(3,250,000)	58,242,588	2,443,790
Net Change	8,688,210	5,035,396	(853,231)	4,286,422	(1,653,719)	1,339,053	(1,416,813)
Beginning Balance	17,274,083	2,892,122	3,405,997	5,301,972	37,901,264	16,605,972	10,732,968
Ending Balance	<u>\$ 25,962,293</u>	<u>\$ 7,927,518</u>	<u>\$ 2,552,766</u>	<u>\$ 9,588,394</u>	<u>\$ 36,247,545</u>	<u>\$ 17,945,025</u>	<u>\$ 9,316,155</u>

The General Fund's ending balance is \$72,690,122, which includes \$36,247,545 of working cash funds, an increase from the 2016 ending balance of \$11,216,656.

The Transportation Fund increased by \$4,286,422, the Debt Service Fund increased by \$1,339,053 the Capital Projects Fund decreased by \$1,416,813.

The District's budget for the General Fund anticipated that expenditures would exceed revenues and other sources by \$326,350. The actual results for the year show an excess of revenues over expenditures and other sources of \$11,216,656. Actual revenues exceeded budget figures by \$7,692,829 (excluding on behalf pension payments from the state), primarily associated with higher than anticipated general state aid. Additional federal revenue was also received for Medicaid funding. Actual expenditures and other uses were \$3,194,175 lower than anticipated (excluding on behalf pension payments from the state).

**Capital Assets** – The Capital Projects Fund is used to account for the costs incurred in site improvement, construction of the new buildings, and remodeling of facilities. All capital assets are valued at cost or estimated where no historical records exist. The District uses a capitalization threshold of \$5,000. Capital assets include 32 buildings covering 3,605,344 square feet. Note 4 to the basic financial statements include additional information about capital assets.

Plainfield School District No. 202  
Capital Assets  
June 30, 2017

Land	\$ 51,140,196
Buildings	454,162,202
Improvements other than buildings	28,158,576
Capitalized Equipment	66,483,278
Total Capital Assets	<u>599,944,252</u>
Accumulated Depreciation	<u>195,244,862</u>
Net Capital Assets	<u>\$ 404,699,390</u>

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
 For the Year Ended June 30, 2017

**Debt-** Total outstanding principal on long-term debt as of June 30, 2017 is \$261,935,123. Total general obligation bonds, which include unamortized bond discounts and premiums, account for 79.1% of total debt. The District's bond indebtedness is limited by the Illinois School Code to 13.8% of the most recent equalized assessed valuation (EAV), which is \$3,127,666,511. Capital leases, compensated absences, net pension liability and other postemployment benefits account for 17.7%. The District leases a portion of its computer and copier equipment for a typical period of 3 to 5 years. Compensated absences refer to vacation time earned at year-end that will be used in the following fiscal year. Postemployment benefits provide healthcare insurance for eligible retirees and their dependents based on the funding policy.

District currently has an underlying rating of AA- from Standard & Poor's and a rating of Aa2 from Moody's, both of which are a one-level upgrade from the previous bond issue. Bond issues have been sold with bond insurance resulting in issues with an AAA rating. Note 5 to the basic financial statements includes additional information about debt.

General Obligation Bonds	\$ 250,559,648
Debt Certificates	10,130,000
Capital Leases	1,245,475
Compensated Absences	329,794
Net Pension Liability	39,762,680
Other Postemployment Benefits	14,795,804
Total Long-term Debt	<u>\$ 316,823,401</u>

**Changes and Trends for the Future** – The following factors are expected to affect the District's overall financial position in the future.

- In 1991 Illinois General Assembly imposed property tax legislation on school districts to give property taxpayers relief by delaying tax increases each year. The legislation limits the levy increase to the lesser of the consumer price index (CPI) or 5 percent. This "tax cap" continues to limit the District's tax collection ability.
- The District will continue on improvements to existing buildings.
- The District is continually projecting enrollment, anticipating building space and staffing levels.
- With the State of Illinois experiencing its own financial difficulties; the timing of State Receipts is delayed along with the amount of State funding the District receives is expected to be reduced.
- The District's certified staff are under contract through the 2017 fiscal year.

**Request for Information**

These financial statements are discussions are designed to be a general overview of the district's finances for all those interested. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Assistant Superintendent of Business and Operations, Plainfield Community Consolidated School District, 15732 Howard Street, Plainfield, Illinois 60544. Information about our District can also be found on our website: [www.Psd202.org](http://www.Psd202.org).



**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Statement of Net Position

June 30, 2017

---

	Governmental Activities
<b>Assets</b>	
Cash and investments	\$ 134,934,799
Receivables	
Property taxes	92,632,385
Due from other governments	12,098,313
Equity interest in Joint Venture	1,421,700
Capital assets	
Land	51,140,196
Other capital assets, net of depreciation	<u>353,559,194</u>
 Total Assets	 <u>645,786,587</u>
 <b>Deferred Outflows</b>	
Deferred amount on refunding	5,856,594
Deferred outflows - TRS	4,883,277
Deferred outflows IMRF	<u>7,345,999</u>
 Total deferred outflows	 <u>18,085,870</u>
 <b>Liabilities, Deferred Inflows and Net position</b>	
<b>Liabilities</b>	
Accounts payable	10,145,288
Accrued interest payable	4,724,597
Accrued salaries	21,653,901
Noncurrent liabilities:	
Due within one year	24,351,303
Due in more than one year	<u>292,472,098</u>
 Total Liabilities	 <u>353,347,187</u>
 <b>Deferred Inflows</b>	
Property taxes levied for subsequent year	92,632,385
Deferred inflows - TRS	638,169
Deferred inflows - IMRF	<u>1,058,666</u>
 Total deferred inflows	 <u>94,329,220</u>
 <b>Net Position</b>	
Net investment in capital assets	148,620,861
Restricted for	
Health claims	9,950,316
Liability insurance	2,552,766
Student transportation	9,588,394
Debt service	17,945,025
Capital projects	9,316,155
Employee retirement	1,051,430
Unrestricted	<u>17,171,103</u>
 <b>Total net position</b>	 <u><u>\$ 216,196,050</u></u>

See accompanying notes to basic financial statements

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Statement of Activities

Year Ended June 30, 2017

Functions	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and
					Changes in
					Total
					Governmental
					Activities
<b>Governmental Activities</b>					
Instruction	\$ 166,090,520	\$ 6,374,459	\$ 20,892,641	\$ -	\$ (138,823,420)
Support services	91,158,176	4,436,893	10,604,983	859,771	(75,256,529)
Community services	361,940	-	-	-	(361,940)
Payments to other governments	7,175,854	-	-	-	(7,175,854)
State On-Behalf payments	50,537,800	-	50,537,800	-	-
Interest on long-term liabilities	7,183,408	-	-	-	(7,183,408)
<b>Total Governmental Activities</b>	<b>\$ 322,507,698</b>	<b>\$ 10,811,352</b>	<b>\$ 82,035,424</b>	<b>\$ 859,771</b>	<b>(228,801,151)</b>
<b>General revenues</b>					
Property taxes					181,478,120
Other payments in lieu of taxes					825,675
Unrestricted state aid					74,795,369
Earnings on investments					487,626
Miscellaneous					1,101,414
					<u>258,688,204</u>
					Change in net position
					29,887,053
					Net position - beginning
					<u>186,308,997</u>
					Net position - ending
					<u>\$ 216,196,050</u>

See accompanying notes to basic financial statements

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Balance Sheet  
 Governmental Funds  
 June 30, 2017

	General	Transportation	Debt Service	Capital Projects	Municipal Retirement/ Social Security (nonmajor)	Total Governmental Funds
<b>Assets</b>						
Cash and investments	\$ 97,894,319	\$ 7,757,447	\$ 17,945,025	\$ 9,722,785	\$ 1,615,223	\$ 134,934,799
Receivables						
Property taxes	70,550,285	4,229,943	16,106,033	-	1,746,124	92,632,385
Due from other governments	8,436,417	3,661,896	-	-	-	12,098,313
<b>Total Assets</b>	<b>\$176,881,021</b>	<b>\$ 15,649,286</b>	<b>\$ 34,051,058</b>	<b>\$ 9,722,785</b>	<b>\$ 3,361,347</b>	<b>\$239,665,497</b>
<b>Liabilities, Deferred Inflows and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 9,738,658	\$ -	\$ -	\$ 406,630	\$ -	\$ 10,145,288
Accrued salaries and related expenditures	21,090,108	-	-	-	563,793	21,653,901
<b>Total Liabilities</b>	<b>30,828,766</b>	<b>-</b>	<b>-</b>	<b>406,630</b>	<b>563,793</b>	<b>31,799,189</b>
<b>Deferred Inflows</b>						
Property taxes levied for subsequent year	73,362,133	6,060,892	16,106,033	-	1,746,124	97,275,182
<b>Fund Balances</b>						
<b>Restricted</b>						
Health claims	9,950,316	-	-	-	-	9,950,316
Liability insurance	2,552,766	-	-	-	-	2,552,766
Student transportation	-	9,588,394	-	-	-	9,588,394
Debt service	-	-	17,945,025	-	-	17,945,025
Capital projects	-	-	-	9,316,155	-	9,316,155
Employee retirement	-	-	-	-	1,051,430	1,051,430
<b>Assigned</b>						
Capital projects	36,247,545	-	-	-	-	36,247,545
Unassigned	23,939,495	-	-	-	-	23,939,495
<b>Total Fund Balances</b>	<b>72,690,122</b>	<b>9,588,394</b>	<b>17,945,025</b>	<b>9,316,155</b>	<b>1,051,430</b>	<b>110,591,126</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$176,881,021</b>	<b>\$ 15,649,286</b>	<b>\$ 34,051,058</b>	<b>\$ 9,722,785</b>	<b>\$ 3,361,347</b>	<b>\$239,665,497</b>

See accompanying notes to basic financial statements

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Reconciliation of the Balance Sheet of Governmental Funds

To the Statement of Net Position

June 30, 2017

---

**Total fund balances - governmental funds** \$ 110,591,126

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 in the funds. The cost of the assets is \$599,944,252 and the accumulated depreciation is \$195,244,862. 404,699,390

Some of the School District's governmental revenues will be collected after fiscal year-end but are not available soon enough to pay for the current period's expenditures and are therefore not accrued in the governmental funds. 4,642,797

The District maintains an equity interest in a vocational education cooperative 1,421,700

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due. (4,724,597)

Deferred outflows included in the statement of net position are not available to pay for current period expenditures and accordingly, are not included in the governmental funds balance sheet. 5,856,594

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

Long-term debt	(261,935,123)
Compensated absences payable	(14,795,804)
Net other postemployment benefits obligation	(329,794)
Net pension liability	(39,762,680)

Deferred inflows and outflows of resources related to pensions are not reported in governmental funds

Deferred outflows	12,229,276
Deferred inflows	(1,696,835)

**Net position of governmental activities** \$ 216,196,050

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2017

	General	Transportation	Debt Service	Capital Projects	Municipal Retirement/ Social Security (nonmajor)	Total Governmental Funds
<b>REVENUES</b>						
Local sources	\$ 149,610,120	\$ 8,217,397	\$ 32,471,400	\$ 996,847	\$ 4,268,194	\$ 195,563,958
State sources	133,796,644	10,564,032	-	-	2,500,000	146,860,676
Federal sources	10,919,168	-	-	-	-	10,919,168
Total Revenues	294,325,932	18,781,429	32,471,400	996,847	6,768,194	353,343,802
<b>EXPENDITURES</b>						
Current operating						
Instruction	200,100,238	-	-	-	3,284,901	203,385,139
Supporting services	70,669,470	15,075,515	-	4,103	3,009,294	88,758,382
Community services	353,829	-	-	-	8,111	361,940
Non-programmed charges	7,175,854	-	-	-	-	7,175,854
Debt service						
Principal	-	185,650	77,542,853	-	-	77,728,503
Interest and other	-	19,218	11,832,082	-	-	11,851,300
Capital outlay	-	-	-	4,853,347	-	4,853,347
Total Expenditures	278,299,391	15,280,383	89,374,935	4,857,450	6,302,306	394,114,465
Excess (deficiency) of revenues over expenditures	16,026,541	3,501,046	(56,903,535)	(3,860,603)	465,888	(40,770,663)
<b>OTHER FINANCING SOURCES (USES)</b>						
Bonds issued at par	-	-	53,675,000	-	-	53,675,000
Premium on bonds issued	-	-	2,198,193	-	-	2,198,193
Sale of assets	3,300	144,000	-	-	-	147,300
Capital lease	-	641,376	-	-	-	641,376
Transfers in	-	-	2,369,395	3,250,000	-	5,619,395
Transfers out	(4,813,185)	-	-	(806,210)	-	(5,619,395)
Total other financing sources (uses)	(4,809,885)	785,376	58,242,588	2,443,790	-	56,661,869
Net changes in fund balances	11,216,656	4,286,422	1,339,053	(1,416,813)	465,888	15,891,206
Fund balances (deficits) at beginning of year	61,473,466	5,301,972	16,605,972	10,732,968	585,542	94,699,920
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 72,690,122</b>	<b>\$ 9,588,394</b>	<b>\$ 17,945,025</b>	<b>\$ 9,316,155</b>	<b>\$ 1,051,430</b>	<b>\$ 110,591,126</b>

See accompanying notes to basic financial statements

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
 Reconciliation of the Statement of Revenues, Expenditures and  
 Changes in Fund Balances of Governmental Funds to the Statement of Activities  
 Year Ended June 30,2017

**Net change in fund balances - total governmental funds** \$ 15,891,206

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$500 are capitalized and the cost is allocated over their estimated lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 5,988,420	
Depreciation expense	<u>(12,953,798)</u>	(6,965,378)

Because some of the governmental revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are not accrued in the governmental funds. (949,051)

The District's equity in joint venture is not reported in ther governmental funds. This is the change in equity. 493,356

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Change in accrued interest on debt	\$ 847,947	
Change in compensated absences	67,956	
Change in net pension liability	(6,169,431)	
Change in deferred inflows/outflows related to pensions	3,655,687	
Change in other postemployment benefits	<u>(2,019,118)</u>	(3,616,959)

The governmental funds record bond and loan proceeds as other financing sources, while repayment of bond and loan principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of bonds and loans and related items is as follows:

Repayment of bond and loan principal	\$ 77,728,503	
Proceeds from sale of bonds	(54,316,376)	
Premium on bonds sold	(2,198,193)	
Payment to bond escrow agent	-	
Amortization of bond premiums	4,790,241	
Amortization of deferred refunding charges	<u>(970,296)</u>	25,033,879

**Change in net position of governmental activities** \$ 29,887,053

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Statement of Fiduciary Assets and Liabilities

Agency Fund - Activity Fund

June 30, 2017

---

**Assets**

Cash \$ 2,188,767

**Liabilities**

Due to organizations \$ 2,188,767

## PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202

Notes to Financial Statements

June 30, 2017

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Plainfield Community Consolidated School District No. 202 (the District) is governed by an elected Board of Education. The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements is described below.

#### a. The Reporting Entity

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in reporting entity is made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The definition of a component unit is legally separate organization for which the District is financially accountable and has a financial benefit/burden relationship, and other organizations for which nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. The District also may be financially accountable if an organization is fiscally dependent on the District, regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board. There are no component units, as defined by GASB, which are included in the District's reporting entity. Even though there are local government agencies within the geographic area served by the District, such as the municipality, library and park district, these agencies have been excluded from the report because they are legally separate and the District is not financially accountable for them. The District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

**Joint Agreement** – The District is a member of the following joint agreements: Will County Vocational Education Cooperative, and the Will County Regional Alternative Education Program, which provide certain vocational and alternative education services to residents of the District and other neighboring member school districts.

#### b. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The following summarizes the fund types used by the District:

Governmental funds include the following fund types:

- i. **General Fund** - The General Fund, which consists of the legally mandated Educational Account, Operations and Maintenance Account, Tort Immunity Account and Working Cash Account, is used to account for the revenues and expenditures, which are used in providing education in the District. It is used to account for all financial resources except those accounted for in other funds.



**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- 1. Educational Account** – These accounts are used for most of the instructional and administrative aspects of the District’s operations, as well as providing school lunch services to students. The revenue consists primarily of local property taxes, state government aid and student registration fees and lunch receipts from the District food service program.
  - 2. Operations and Maintenance Account** – These accounts are used for expenditures made for operation, repair and maintenance of District property. Revenue consists primarily of local property taxes.
  - 3. Tort Immunity Account** – This fund accounts for revenues and expenditures related to tort immunity. Revenue is primarily derived from local property taxes.
  - 4. Working Cash Account** – This fund accounts for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied. The Working Cash Account was established and has been used to respond to fluctuations in cash flow resulting from unpredictable property tax collections. The earnings of the fund are allowed to be transferred to another fund under the Illinois Compiled Statutes. The principal of the fund, accumulated from bond issues, can be used as a source from which the District borrows money to support temporary deficiencies in other funds, or may be partially or fully transferred to the General Fund’s Educational Account, upon Board approval.
- ii. Special Revenue Funds** - Special Revenue Funds account for the proceeds of specific revenue sources (other than Debt Service and Capital Projects Funds) that are legally restricted to expenditures for specified purposes. The District’s Special Revenue Funds are the Transportation and Municipal Retirement/Social Security Funds.
- 1. Transportation Fund** – This fund accounts for the revenue and expenditures relating to student transportation, both to and from school. Revenue is derived primarily from local property taxes and state reimbursement grants.
  - 2. Municipal Retirement/Social Security Fund** – This fund accounts for the District’s portion of the pension contributions to the Illinois Municipal Retirement Fund for noncertified employees and social security contributions for applicable certified and noncertified employees. Revenue to finance the contributions is derived primarily from local property taxes.
- iii. Debt Service Funds** - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.
- 1. Debt Service Fund** - The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Since there are no legal requirements on bond indentures, which mandate that a separate fund be established for each bond issue, the District maintains one Debt Service Fund for all bond issues.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**iv. Capital Projects Funds** - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

**1. Capital Projects Fund** – The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

**v. Fiduciary Fund Type**

**1. Agency Funds** - The Agency Funds (Activity Funds) account for assets held by the District in trustee capacity or as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. In accordance with GASB 34, fiduciary funds are not included in the government-wide financial statements.

The District reports the following funds as major governmental funds:

General Fund  
Transportation Fund  
Debt Service Fund  
Capital Projects Fund

Additionally, the District reports the following fund type:

Fiduciary Fund

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**c. Basis of Presentation**

**i. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. All of the District's operating activities are considered "governmental activities", that is, activities that are normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**ii. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities in the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as a revenue of the current period. All other revenue items are considered to be measurable and available only when the District receives the cash.

**iii. Revenues – Exchange and nonexchange transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements that specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest, grants, entitlements and student fees.

**iv. Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of net position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**v. Expenses / Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocation of costs, such as depreciation and amortization are not recognized in governmental funds.

**d. Cash Equivalents**

The District considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents, which are record as cash in the financial statements.

**e. Deposits and Investments**

Under Illinois law, the District is restricted to investing funds in specific types of investment instruments. The following generally represents the types of instruments allowable by state law:

- Securities issued or guaranteed by the United States.
- Interest-bearing accounts of financial institutions insured by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500,000,000 rated in the three highest classifications by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- Illinois Funds. (A state sponsored investment pool.)

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- Repurchase agreements which meet instrument transactions requirements of Illinois law.

**f. Capital Assets**

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for furniture, equipment, buildings and improvements and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of an asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Buildings, improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings and building improvements	20-75 years
Land improvements	20 years
Furniture, equipment and vehicles	5-20 years

**g. Long-term obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**h. Net Position**

Government-Wide Statements

Net Position is classified and displayed in three components:

1. Net investment in capital assets. Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.

2. Restricted. Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
3. Unrestricted. Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when and expense is incurred for purposes for which both restricted and unrestricted net resources are available.

**i. Property Taxes**

The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's property tax is levied each year on all taxable real property located in the District. The owner of real property on January 1 (the lien date) in any year is liable for taxes of that year.

Property taxes are collected by the Will and Kendall County Collectors/Treasurers who remits to the units their respective shares of the collections. Taxes levied in one year become due and payable in two installments on June 1 and September 1 during the following year. Substantial collections are received by the District in June and September. For governmental funds, property tax revenue is recognized to the extent of taxes due and collected within the current year or expected to be collected within 60 days of year end to be used to pay liabilities of the current period.

**j. Personal Property Replacement Taxes**

Personal property replacement tax revenues are first allocated to the extent required by Illinois law in the Municipal Retirement/Social Security Fund with the balance allocated to funds at the discretion of the District.

**k. Vacation and Sick Leave**

Employees who work a 12-month year are entitled to be compensated for vacation time. Administrators receive between 23-28 days per year. Custodians and secretaries receive between 8-23 days per year depending on length of employment. Non-administrative employees have a full year after their one-year anniversary date to use vacation time. Certified teachers do not receive compensated vacation time. Sick time is not paid out upon termination.

**l. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF), together "the Plans," and additions to/deductions from the Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**2. CASH AND INVESTMENTS**

**a. Deposits and Custodial Credit Risk**

Investments held by the District which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the District at amortized cost. All other investments are reported at fair value. Gains or losses 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.

At June 30, 2017 the carrying amount of the District's deposits, which include both cash and certificates of deposit totaled \$51,961,301 and the bank balances totaled \$60,361,535. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for District investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating service to include Standard & Poor's, Moody's, or Fitch.

**b. Investments**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is an investment pool created and regulated by the Illinois General Assembly. The fair value of the District's investment in ISDLAF+ has been determined using the net asset value (NAV) per share (or its equivalent) of the investments. The NAV of the Liquid Class and MAX Class are determined as of the close of business on each Illinois banking day. The Multi-Class Series invests in high-quality short-term debt instruments (money market instruments), and shares may be redeemed on any Illinois banking day. The Term Series invest in high-quality debt instruments, which are generally money market instruments but may include instruments with a maturity over one year, and shares may be redeemed with seven days' advance notice. There were no known restrictions on redemption of the District's investments as of June 30, 2017.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

**2. CASH AND INVESTMENTS (Continued)**

As of June 30, 2017, the District had the following investments and maturities:

Investment Type	Fair Value	Maturities (in years) Less than 1	Agency Rating
ISDLAF+ Liquid Class	\$ 4,264,897	\$ 4,264,897	AAA
ISDLAF+ MAX	24,897,368	24,897,368	AAA
ISDLAF+ Term Series	56,000,000	56,000,000	AAA
Total	\$ 85,162,265	\$ 85,162,265	

*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 increasing interest rates.

*Credit Risk.* The District's investments are rated, as shown above, by the applicable rating agency.

*Concentration of Credit Risk.* The District places no limit on the amount the District may invest in any one issuer. The above table indicates the percentage of each investment to the total investment of the District.

Reconciliation of Notes to Financial Statements:

Carrying amount of Cash Per Note Above	\$ 51,961,301
Investments Per Note Above	85,162,265
Total	\$ 137,123,566
Cash and Investments per Statement of Net Position	\$ 134,934,799
Cash Per Statement of Fiduciary Assets and Liabilities	2,188,767
Total	\$ 137,123,566

**3. DUE FROM OTHER GOVERNMENTAL UNITS**

Due from other governments is comprised of the following as of June 30, 2017:

	State Aid	Federal Aid	Total
General Fund	\$ 6,592,186	\$ 1,844,231	\$ 8,436,417
Transportation Fund	3,661,896	-	3,661,896
Total governmental funds	\$ 10,254,082	\$ 1,844,231	\$ 12,098,313



**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

**4. CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets, not being depreciated				
Land	\$ 51,140,196	\$ -	\$ -	\$ 51,140,196
Total capital assets not being depreciated	<u>51,140,196</u>	<u>-</u>	<u>-</u>	<u>51,140,196</u>
Capital assets, being depreciated				
Buildings	454,162,202	-	-	454,162,202
Improvements other than buildings	22,529,498	5,629,078	-	28,158,576
Equipment	66,123,936	359,342	-	66,483,278
Total capital assets being depreciated	<u>542,815,636</u>	<u>5,988,420</u>	<u>-</u>	<u>548,804,056</u>
Accumulated depreciation for				
Buildings	119,456,622	9,035,854	-	128,492,476
Improvements other than buildings	11,599,831	1,168,553	-	12,768,384
Equipment	51,234,611	2,749,391	-	53,984,002
Total accumulated depreciation	<u>182,291,064</u>	<u>12,953,798</u>	<u>-</u>	<u>195,244,862</u>
Total capital assets being depreciated	<u>360,524,572</u>	<u>(6,965,378)</u>	<u>-</u>	<u>353,559,194</u>
Total capital assets, net	<u>\$ 411,664,768</u>	<u>\$ (6,965,378)</u>	<u>\$ -</u>	<u>\$ 404,699,390</u>

Depreciation expense was charged to functions of the District as follows:

<i>Instructional Services:</i>	
Regular programs	\$ 11,010,728
<i>Supporting Services</i>	
Operations and maintenance of facilities	1,943,070
	<u>\$ 12,953,798</u>

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

**5. LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Within One Year
General Obligation Bonds					
Series 2007A	\$ 8,000,000	\$ -	\$ 8,000,000	\$ -	\$ -
Series 2007B	62,365,000	-	62,365,000	-	-
Series 2008A	62,150,000	-	-	62,150,000	-
Series 2008B	5,000,000	-	-	5,000,000	-
Series 2008C	6,820,000	-	-	6,820,000	-
Series 2012B	15,875,000	-	1,470,000	14,405,000	1,445,000
Series 2013A	9,915,000	-	-	9,915,000	-
Series 2014A	1,795,000	-	900,000	895,000	895,000
Series 2014B	1,675,000	-	1,675,000	-	-
Series 2015A	46,020,000	-	-	46,020,000	-
Series 2016A	5,500,000	-	-	5,500,000	-
Series 2016B	10,110,000	-	-	10,110,000	1,705,000
Series 2016C	24,820,000	-	1,095,000	23,725,000	980,000
Series 2017	-	53,675,000	-	53,675,000	16,075,000
Subtotal G.O. Bonds	260,045,000	53,675,000	75,505,000	238,215,000	21,100,000
Add Unamortized Bond Premiums	14,936,696	2,198,193	4,790,241	12,344,648	-
Total G.O. Bonds	274,981,696	55,873,193	80,295,241	250,559,648	21,100,000
Debt Certificates					
July 2012 Series	10,630,000	-	500,000	10,130,000	500,000
Long-Term Capital					
Leases Payable	2,327,602	641,376	1,723,503	1,245,475	876,670
Long-Term Compensated					
Absences Payable	397,750	329,794	397,750	329,794	329,794
Net Pension Liability	33,593,249	6,169,431	-	39,762,680	-
Other Post-employment					
Benefits Payable	12,776,686	2,019,118	-	14,795,804	-
Total Long-Term Debt	\$ 334,706,983	\$ 65,032,912	\$ 82,916,494	\$ 316,823,401	\$ 22,806,464

## PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202

Notes to Financial Statements (continued)

June 30, 2017

---

### 5. LONG-TERM DEBT (Continued)

a. **General Obligation Bonds:** The District has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities, to refund previously issued general obligation bonds and to provide working cash funds. At June 30, 2017, general long-term debt consisted of the following:

- \$70,000,000, February 2008, General Obligation School Building Bonds, due in annual installments beginning January 1, 2009 ranging from \$1,000,000 to \$16,000,000 through January 1, 2028, with interest due semiannually at 3% to 5%.
- \$5,000,000, May 2008, General Obligation School Building Bonds, due in annual installments beginning January 1, 2025 ranging from \$440,000,000 to \$1,590,000 through January 1, 2028, with interest due semiannually at 5.5%
- \$6,820,000, May 2008, General Obligation School Building Bonds, due in annual installments beginning January 1, 2020 ranging from \$940,000 to \$1,310,000 through January 1, 2025, with interest due semiannually at 5.5%.
- \$16,460,000, July 2012, General Obligation Refunding Bonds, due in annual installments beginning January 1, 2014 ranging from \$190,000 to \$5,910,000 through January 1, 2022, with interest due semiannually at 2.31%.
- \$9,915,000, February 2013, General Obligation Refunding Bonds, due in annual installments beginning January 1, 2022 ranging from \$1,145,000 to \$5,305,000 through January 1, 2025, with interest due semiannually at 2.7% to 3.0%.
- \$9,360,000, January 2014, General Obligation Refunding Bonds, due in annual installments beginning January 1, 2015 ranging from \$895,000 to \$3,790,000 through January 1, 2018, with interest due semiannually at 2.0% to 4.0%.
- \$4,360,000, January 2014, General Obligation Refunding Bonds, due in annual installments beginning January 1, 2015 ranging from \$1,080,000 to \$1,675,000 through January 1, 2017, with interest due semiannually at 4.0%.
- \$47,145,000 May 2015, General Obligation Refunding Bonds, due in annual installments beginning January 1, 2016 ranging from \$985,000 to \$9,920,000 through January 1, 2026, with interest due semiannually at 2.0% to 5.0%
- \$5,500,000 February 2016, Taxable General Obligation Limited School Bonds, due in annual installments beginning January 1, 2020 ranging from \$535,000 to \$705,000 through January 1, 2028, with interest due semiannually at 3.0% to 3.5%
- \$10,110,000 February 2016, General Obligation Refunding Bonds, due in annual installments beginning January 1, 2018 ranging from \$255,000 to \$2,545,000 through January 1, 2031, with interest due semiannually at 3.0% to 5.0%
- \$24,820,000 February 2016, General Obligation Refunding Bonds, due in annual installments beginning January 1, 2017 ranging from \$980,000 to \$9,760,000 through January 1, 2025, with interest due semiannually at 3.0% to 5.0%.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

---

**5. LONG-TERM DEBT (Continued)**

- \$53,675,000 February 2017, General Obligation Refunding Bonds, due in annual installments beginning January 1, 2018 ranging from \$4,670,000 to \$16,075,000 through January 1, 2023, with interest due semiannually at 1.0% to 4.0%.

At June 30, 2017 the annual cash flow requirements of all bonded debt to retirement were as follows:

Due In Fiscal Year	General Obligation Bonds		
	Principal	Interest	Total Debt Service
2018	\$ 21,100,000	\$ 9,297,533	\$ 30,397,533
2019	20,395,000	9,089,478	29,484,478
2020	20,775,000	8,547,758	29,322,758
2021	21,265,000	7,707,752	28,972,752
2022	21,910,000	7,019,242	28,929,242
2023	22,835,000	6,062,402	28,897,402
2024	21,145,000	5,037,552	26,182,552
2025	26,470,000	4,064,752	30,534,752
2026	23,530,000	2,899,056	26,429,056
2027	18,200,000	1,774,256	19,974,256
2028	14,195,000	883,076	15,078,076
2029	2,450,000	191,850	2,641,850
2030	2,545,000	118,350	2,663,350
2031	1,400,000	42,000	1,442,000
Total	<u>\$ 238,215,000</u>	<u>\$ 62,735,057</u>	<u>\$ 300,950,057</u>

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

**5. LONG-TERM DEBT (Continued)****b. Debt Certificates**

\$11,555,000 of Refunding Debt Certificates, Series 2012 due serially on January 1 and July 1, with a maturity date of July 1, 2024 and an interest rate of 2.95%. The debt is expected to be paid through transfers from the General Fund to the Debt Service Fund.

Principal and interest requirements for the debt certificates are as follows:

Due In Fiscal Year	Debt Certificates		
	Principal	Interest	Total Debt Service
2018	\$ 500,000	\$ 291,461	\$ 791,461
2019	525,000	276,342	801,342
2020	550,000	260,485	810,485
2021	1,650,000	228,035	1,878,035
2022	1,710,000	178,475	1,888,475
2023	1,725,000	127,811	1,852,811
2024	1,720,000	76,996	1,796,996
2025	1,750,000	25,813	1,775,813
Total	\$ 10,130,000	\$ 1,465,418	\$ 11,595,418

**c. Long-Term Capital Leases**

The District has entered into various master lease agreements to lease computer equipment. As of June 30, 2017, the lease was comprised of subcomponents, each with a separate repayment schedule, all payable from the Debt Service Fund through transfers from the Educational Account of the General Fund. The master lease currently extends into fiscal year 2021. Each lease subcomponent calls for an annual payment to be made which is made up of principal and interest. Interest rates range from 1.087% to 3.38%. Total assets received under the master leases amount to \$16,469,182.

Remaining principal and interest requirements for the leases are as follows:

Due In Fiscal Year	Capital Leases		
	Principal	Interest	Total Debt Service
2018	\$ 876,670	\$ 23,992	\$ 900,662
2019	89,969	12,465	102,434
2020	93,010	9,424	102,434
2021	185,826	6,279	192,105
Total	\$ 1,245,475	\$ 52,160	\$ 1,297,635

## PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202

Notes to Financial Statements (continued)

June 30, 2017

---

### 5. LONG-TERM DEBT (Continued)

#### d. Long-Term Compensated Absences Payable

The outstanding compensated absences relate to vacation time earned at year end that will be used in fiscal year 2017 and are expected to be paid from the General Fund.

#### e. Net Pension Liability

The net pension liability represents the actuarially determined liability for employee retirement obligations, less the fiduciary net positions of the pension funds. The amount is primarily paid from the General Fund.

#### f. Other Postemployment Benefits Payable

Other postemployment benefits (OPEB) payable represent the long-term portion of the actuarially determined net OPEB obligation for healthcare insurance for eligible retirees and their dependents through the District's group health insurance plan (see Note 8). The amounts will be paid from the General Fund.

#### g. Legal Debt Margin

The District is subject to the Illinois School Code that limits the amount of bonded indebtedness to 13.8% of the most recent available equalized assessed valuation of the District, \$3,127,666,511 as of tax year 2016. As of June 30, 2017, the statutory debt limit is \$431,617,979, which leaves the District with a margin of \$199,972,529, after taking into account amounts in the Debt Service Fund.

#### h. Refunding Transactions

On February 7, 2017, the District issued \$53,675,000 General Obligation Limited School Bonds, Series 2017 to refund a portion of the General Obligation Building Bonds, Series 2007 and 2007A. \$55,633,026 of the proceeds, including reoffering premium, have been used to refund \$8,000,000 of the General Obligation Bonds, Series 2007 plus accrued interest, and \$48,370,000 of the General Obligation Bonds, Series 2007A plus accrued interest. Through the refunding, the District reduced its overall debt service by \$2,642,438 and had an economic gain of \$2,497,290.

### 6. EMPLOYEE RETIREMENT SYSTEMS

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

#### a. Teachers' Retirement System of the State of Illinois (TRS)

##### i. Plan Description

The District participates in the 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,

## PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202

Notes to Financial Statements (continued)

June 30, 2017

---

### 6. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

#### ii. Benefits Provided

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

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can 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.

#### iii. 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% 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 pension code. The active member contribution rate for the year ended June 30, 2017, was 9.4% of creditable earnings. On July 1, 2016, the rate dropped to 9.0% of pay due to the expiration of the Early Retirement Option (ERO). The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

**1. On-behalf contributions to TRS.** The State of Illinois makes employer pension contributions on-behalf of the District. For the year ended June 30, 2017, State of Illinois contributions recognized by the District were based on the State's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenditures of \$49,095,235 in pension contributions from the State of Illinois.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

---

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

2. **2.2 formula contributions.** The District contributes 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2017 were \$747,043, and are deferred because they were paid after the June 30, 2016 measurement date.

3. **Federal and special trust fund contributions.** When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2017, the employer pension contribution was 38.54% of salaries paid from federal and special trust funds. For the year ended June 30, 2017, salaries totaling \$1,412,696 were paid from the federal and special trust funds that required employer contributions of \$544,453. These contributions are deferred because they were paid after the June 30, 2016 measurement date.

4. **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 retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.5% and applies when the member is age 55 at retirement. For the year ended June 30, 2017, the employer did not make any payments to TRS for employer ERO contributions.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2017, the District paid \$31,019 to TRS for employer contributions due on salary increases in excess of 6% and \$4,157 for sick leave days granted in excess of the normal annual allotment.

**iv. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2017, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its 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	\$	26,136,070
State's proportionate share of the net pension liability associated with the District		1,000,662,711
Total	\$	<u>1,026,798,781</u>



**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 and rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2016, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2016, the District's proportion was 0.03311%, which was a decrease of 0.00037 from its proportion measured as of June 30, 2015

For the year ended June 30, 2017, the District recognized pension expense of \$49,095,235 and revenue of \$49,095,235 for support provided by the state. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 193,253	\$ 17,726
Changes in assumptions	2,244,699	-
Net difference between projected and actual earnings on pension plan investments	738,390	-
Changes in proportion and differences between District contributions and proportionate share of contributions	380,263	620,443
	<hr/>	<hr/>
Total deferred amounts to be recognized in pension expense in future periods	3,556,605	638,169
	<hr/>	<hr/>
District contributions subsequent to the measurement date	1,326,672	-
	<hr/>	<hr/>
Total	<u>\$ 4,883,277</u>	<u>\$ 638,169</u>

\$1,326,672 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows of Resources
2017	\$ 565,673
2018	565,673
2019	978,271
2020	708,474
2021	100,345
	<hr/>
Total	<u>\$ 2,918,436</u>

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)****v. Actuarial Assumptions**

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Amortization method	Level Percent of Payroll
Remaining amortization period	30 year, open
Inflation	2.50%
Salary increases	Varies by amount of service credit
Investment rate of return	7.00%
Mortality	RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014.

For the June 30, 2016 valuation, the investment return assumption was lowered from 7.50% to 7.00%. Salary increase assumptions were lowered from their 2015 levels. Other assumptions were based on the 2015 experience analysis which increased retirement rates, improved mortality assumptions, and made other changes.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.4%	6.94%
U.S. equities small/mid cap	3.6%	8.09%
International equities developed	14.4%	7.46%
Emerging market equities	3.6%	10.15%
U.S. bonds core	10.7%	2.44%
International debt developed	5.3%	1.70%
Real estate	15.0%	5.44%
Commodities (real return)	11.0%	4.28%
Hedge funds (absolute return)	8.0%	4.16%
Private Equity	14.0%	10.63%
	100.0%	

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

---

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**vi. Discount rate**

At June 30, 2016, the discount rate used to measure the total pension liability was a blended rate of 6.83 percent, which was a change from the June 30, 2015 rate of 7.47 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2016 was not projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate.

Despite the subsidy, all projected future payments were not covered, so a slightly lower long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2015, the discount rate used to measure the total pension liability was 7.47 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

**vii. Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.83%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.83%) or 1-percentage-point higher (7.83%) than the current rate:

	1% Decrease (5.83%)	Current Discount Rate (6.83%)	1% Increase (7.83%)
District's proportionate share of the net pension liability	\$ 31,965,474	\$ 26,136,070	\$ 21,374,992

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

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

---

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**b. Illinois Municipal Retirement Fund (IMRF)**

**i. Plan Description and Benefits**

The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

All employees (other than those covered by TRS) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. 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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

**ii. Plan Membership**

As of June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	316
Inactive employees entitled to but not yet receiving benefits	978
Active employees	915
Total	<u>2,209</u>

**iii. Contributions**

As set by statute, Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actual contribution rates for calendar years 2016 and 2017 were 10.40% and 10.17%, respectively, of covered payroll. The District 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**iv. Net Pension Liability**

The District's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**v. Actuarial Assumptions**

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Amortization method	Level Percent of Payroll
Remaining amortization period	30 year, open
Wage growth	3.50%
Price inflation	2.75%
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	An IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table (for non-disabled retirees), RP-2014 Disabled Retirees Mortality Table (for disabled retirees), and RP-2014 Employee Mortality Table (for active employees), 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 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 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	38.0%	6.85%
International equities	17.0%	6.75%
Fixed income	27.0%	3.00%
Real estate	8.0%	5.75%
Alternatives	9.0%	2.65-7.35%
Cash	1.0%	2.25%
	100.0%	

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)****vi. Discount Rate**

The Single Discount Rate used to measure the total pension liability for IMRF was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

**vi. Changes in Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 75,220,466	\$ 63,561,381	\$ 11,659,085
Changes for the year:			
Service Cost	2,942,131	-	2,942,131
Interest on the Total Pension Liability	5,642,932	-	5,642,932
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	2,101,843	-	2,101,843
Changes of Assumptions	(226,285)	-	(226,285)
Contributions - Employer	-	2,658,655	(2,658,655)
Contributions - Employees	-	1,155,541	(1,155,541)
Net Investment Income	-	4,273,091	(4,273,091)
Benefit Payments, including Refunds of Employee Contributions	(2,502,526)	(2,502,526)	-
Other (Net Transfer)	-	405,809	(405,809)
Net Changes	7,958,095	5,990,570	1,967,525
Balances at December 31, 2016	\$ 83,178,561	\$ 69,551,951	\$ 13,626,610

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)****viii. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liabilities of the District, calculated using the discount rate, as well as what the District's net pension liabilities would be if they were calculated using discount rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 25,906,380	\$ 13,626,610	\$ 3,690,853

**ix. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2017, the District recognized pension expense of \$3,968,719. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,625,235	\$ 883,693
Changes in assumptions	1,035,792	174,973
Net difference between projected and actual earnings on pension plan investments	3,423,192	-
Total deferred amounts to be recognized in pension expense in future periods	6,084,219	1,058,666
Contributions subsequent to the measurement date	1,261,780	-
Total	\$ 7,345,999	\$ 1,058,666

\$1,261,780 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

---

**6. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

Year Ending December 31	Net Deferred Outflows of Resources
2017	\$ 1,776,515
2018	1,619,861
2019	1,343,121
2020	286,056
2021	-
Total	<u>\$ 5,025,553</u>

**7. 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; injuries to employees; and natural disasters. The District has purchased commercial insurance to cover these risks, except for worker's compensation and health claims. The District was self-insured for workers' compensation and health. The amount of coverage has not decreased nor have the amount of settlements exceeded coverage in any of the past three fiscal years.

The District worker's compensation and health insurance activity is accounted for in the General Fund. The District has a third party administrator monitor and pay claims as they come due. Liabilities of the programs are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and societal factors.



**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

**7. RISK MANAGEMENT (Continued)**

Changes in the balance of claims liabilities during the past two fiscal years are as follows:

<b>Worker's Compensation</b>	Fiscal Year 2016	Fiscal Year 2017
Claims Liability Balance, Beginning of Year	\$ 698,416	\$ 2,082,591
Provision for Expenses	2,025,334	2,632,215
Payments Made for Claims	(641,159)	(1,196,234)
Claims Liability Balance, End of Year	<u>2,082,591</u>	<u>3,518,572</u>
	Fiscal Year 2016	Fiscal Year 2017
<b>Health</b>		
Claims Liability Balance, Beginning of Year	\$ 4,795,885	\$ 6,537,054
Provision for Expenses	30,026,326	27,584,443
Payments Made for Claims	(28,285,157)	(28,440,323)
Claims Liability Balance, End of Year	<u>6,537,054</u>	<u>5,681,174</u>
Total Claims Liability Balance	<u>\$ 8,619,645</u>	<u>\$ 9,199,746</u>

**8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS****a. Plan Description**

The District administers a single-employer defined benefit healthcare plan, the "retiree Healthcare Benefit Program: or "the Plan". The plan provides healthcare insurance for eligible retirees and their dependents through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the District and the unions representing District employees and are renegotiated each bargaining period. As of June 30, 2016, all retirees are eligible for benefits pre and post-Medicare. The Plan does not issue a stand-alone financial report.

**b. Funding Policy**

All plan funding is done on a pay-as-you go basis. Eligibility – Teachers Eligibility is the earliest of: 1. Age 55 with 20 years of service; 2. Age 60 with 10 years of service; 3. Age 62 with 5 years of service. Non-Teachers (Certified and Support Staff) Age 55 with 10 years of service. Surviving spouses of support staff are eligible to remain on the District's plan until age 65. Retired teachers are eligible for the Teachers' Retirement Insurance Program (TRIP) with the State of Illinois. Retirees are responsible for the portion of premium rates not covered by the District's health plan and are responsible for the full premium rate. For retired teachers, the District contributes the full premium to TRIP for the first two years after retirement. After two years, the teachers are responsible for the premium rates.

For fiscal year June 30, 2017, the District contributed \$260,373 to the Plan, total retiree contributions were not determined.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

**8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)****c. Annual OPEB Cost and Net OPEB Obligation**

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

	June 30, 2016	June 30, 2017
Annual Required Contribution	\$ 1,966,714	\$ 2,276,181
Interest on Net OPEB Obligation	441,492	511,067
Adjustment to Annual Required Contribution	(452,092)	(507,757)
Annual OPEB cost	1,956,114	2,279,491
Contributions Made	(216,735)	(260,373)
Increase in Net OPEB Obligation	1,739,379	2,019,118
Net OPEB Obligation - Beginning of Year	11,037,307	12,776,686
Net OPEB Obligation - End of Year	<u>\$ 12,776,686</u>	<u>\$ 14,795,804</u>

**d. Postemployment Benefits Other than Pensions**

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three most recent fiscal years were as follows:

Year Ending	Annual OPEB Cost (APC)	Percentage of APC Contributed	Net OPEB Obligation
June 30, 2017	\$ 2,279,491	11.42%	\$ 14,795,804
June 30, 2016	1,956,114	11.08%	12,776,686
June 30, 2015	1,969,118	10.70%	11,037,307

**e. Funded Stats and Funding Progress**

As of June 30, 2017, the most recent valuation, the actuarial accrued liability for benefits was \$17,977,600, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$146,375,059, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 12.28%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future.

**8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**f. Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the District and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

Significant methods and assumptions were as follows:

Actuarial valuation date:	June 30, 2017
Actuarial cost method:	Projected Unit Credit with linear proration to decrement
Amortization method:	Level Percent
Amortization period:	30 Year Open
Actuarial assumptions:	Discount Rate 4.0% unfunded
	Healthcare Trend Rate Beginning at 9.0%, trending to 5.0%

The schedule of funding progress presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**g. Teacher Health Insurance Security (THIS)**

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. The THIS Fund provides medical, prescription, and behavioral health benefits, but it 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 were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to THIS Fund.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

---

**8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**On Behalf Contributions to 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 THIS Fund from active members which were 1.12% of pay during the year ended June 30, 2017. State of Illinois contributions were \$1,442,565, and the district recognized revenue and expenditures of this amount during the year.

**Employer contributions to THIS Fund.** The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.84% during the year ended June 30, 2017. For the year ended June 30, 2017, the District paid \$1,081,923 to the THIS Fund, which was 100% of the required contribution.

**Further Information on THIS Fund.** The publicly available financial report of the THIS Fund may be [found on the website of the Illinois Auditor General: http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp](http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp). The current reports are listed under “Central Management Services.” Prior reports are available under “Healthcare and Family Services.”

**9. INTERFUND TRANSFERS**

The following transfers were made during the year ended June 30, 2017:

Transfer From	Transfer To	Amount
General Fund - Educational Account	Debt Service Fund	\$ 1,563,185
General Fund - Working Cash Account	Capital Projects Fund	3,250,000
Capital Projects Fund	Debt Service Fund	<u>806,210</u>
	Total Transfers	<u>\$ 5,619,395</u>

The General Fund transferred \$3,250,000 to the Capital Projects Fund to provide funds for asset construction. All other transfers were made to provide funds for debt service on non-general obligation bonds to the Debt Service Fund.

**10. 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.

**A. Nonspendable Fund Balance**

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) 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 and prepaid amounts.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

---

**10. FUND BALANCE REPORTING (Continued)**

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The purposes for restricted fund balance are as shown on the face of the financial statements.

C. 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 government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

D. Assigned Fund Balance

The assigned fund balance classification refers to the amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

E. Unassigned Fund Balance

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

F. Expenditures of Fund Balance

Unless specifically identified, expenditures disbursed act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures disbursed for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

**11. JOINT VENTURES**

The District has entered into an agreement with four other area school districts to operate a vocational education joint venture, the WILCO Area Career Center. The Career Center's board of directors is composed of one member from each of the participating school districts. The District has an ongoing financial relationship with WILCO as it is entitled to 25% of the residual net assets of the Career Center. The District's equity interest in the Career Center was \$1,421,700 at year end, based on amounts reported in WILCO's financial statements as of June 30, 2016 (the most recent available). Complete financial statements for the Career Center can be obtained from the administrative office at 500 Wilco Blvd., Romeoville, IL 60441.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Financial Statements (continued)

June 30, 2017

---

**12. CONTINGENT LIABILITIES**

*Litigation* – The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District’s attorney the resolution of these matters will not have a material adverse effect on the financial condition of the District.

*Grants* – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government and the Illinois State Board of Education. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

## Schedule of Changes in The Employer's Net Pension Liability

## and Related Ratios

## Illinois Municipal Retirement Fund

## Last Three Calendar Years

	2016	2015	2014
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 2,942,131	\$ 2,896,233	\$ 3,056,548
Interest	5,642,932	5,257,847	4,703,490
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	2,101,843	(826,219)	(1,246,860)
Changes of Assumptions	(226,285)	105,293	2,860,262
Benefit Payments, Including Refunds of Member Contributions	(2,502,526)	(1,925,597)	(1,690,924)
Net Change in Total Pension Liability	7,958,095	5,507,557	7,682,516
Total Pension Liability - Beginning	75,220,466	69,712,909	62,030,393
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 83,178,561</b>	<b>\$ 75,220,466</b>	<b>\$ 69,712,909</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - Employer	\$ 2,658,655	\$ 2,648,152	\$ 2,585,778
Contributions - Member	1,155,541	1,130,617	1,125,342
Net Investment Income	4,273,091	320,305	3,587,681
Benefit Payments, Including Refunds of Member Contributions	(2,502,526)	(1,925,597)	(1,690,924)
Administrative Expense	405,809	(1,746,492)	(277,830)
Net Change in Plan Fiduciary Net Position	5,990,570	426,985	5,330,047
Plan Net Position - Beginning	63,561,381	63,134,396	57,804,349
<b>PLAN NET POSITION - ENDING</b>	<b>\$ 69,551,951</b>	<b>\$ 63,561,381</b>	<b>\$ 63,134,396</b>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ 13,626,610</b>	<b>\$ 11,659,085</b>	<b>\$ 6,578,513</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.62%	84.50%	90.56%
Covered-Employee Payroll	\$ 25,563,991	\$ 25,124,788	\$ 24,324,968
Employer's Net Pension Liability as a Percentage of Covered - Employee Payroll	53.30%	46.40%	27.04%

The District implemented GASB Statement No. 68 in fiscal year 2015.

Information prior to fiscal year 2015 is not available.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Schedule of Employer Contributions

Illinois Municipal Retirement Fund

Last Three Fiscal Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 2,515,202	\$ 2,585,778	\$ (70,576)	\$ 24,324,968	10.63%
2016	2,648,153	2,648,152	1	25,124,788	10.54%
2017	2,540,137	2,540,137	-	24,698,775	10.28%

**Notes to Schedule**

Valuation date: Actuarially determined contribution rates are calculated as of December 31 of 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 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	27 years
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	3.50%
Inflation	2.75%
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 - 2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2017 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-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.



**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Schedule of the District's Proportionate Share of the  
Net Pension Liability  
Teachers' Retirement System  
Last Three Fiscal Years

---

	2017	2016	2015
District's proportion of the net pension liability	0.03311%	0.03348%	0.03411%
District's proportionate share of the net pension liability	\$ 26,136,070	\$ 21,934,164	\$ 19,767,125
State's proportionate share of the net pension liability associated with the District	1,000,662,711	807,304,107	749,725,026
Total	<u>\$1,026,798,781</u>	<u>\$ 829,238,271</u>	<u>\$ 769,492,151</u>
District's covered payroll	127,625,095	124,663,258	122,653,162
District's proportionate share of the net pension liability as a percentage of it's covered payroll	20.48%	17.59%	16.12%
Plan fiduciary net position as a percentage of the total pension liability	36.40%	41.50%	43.00%

The District implemented GASB Statement No. 68 in fiscal year 2015.  
Information prior to fiscal year 2015 is not available.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Schedule of Employer Contributions

Teachers' Retirement System

Last Three Fiscal Years

---

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,173,106	\$ 1,173,106	\$ -	\$ 124,663,258	0.94%
2016	1,288,060	1,288,060	-	127,625,095	1.01%
2017	1,326,672	1,326,672	-	130,213,131	1.02%

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.



**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Schedule of Funding Progress  
Other Postemployment Benefits  
June 30, 2017

---

Actual Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2017	\$ -	\$ 17,977,600	\$ 17,977,600	0.00%	\$ 146,375,059	12.28%
6/30/2015	-	14,230,751	14,230,751	0.00%	143,449,043	9.92%
6/30/2013	-	13,559,674	13,559,674	0.00%	110,609,158	12.26%

The District has actuarial valuations performed on a biennial basis.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balances - Budget and Actual - General Fund and Major Special Revenue Fund  
Year Ended June 30, 2017

	General			
	Original Budget	Final Budget	Actual	Variance Over/Under
<b>REVENUES</b>				
Local sources	\$ 149,855,780	\$ 149,855,780	\$ 149,610,120	\$ (245,660)
State sources	75,348,208	75,348,208	133,796,644	58,448,436
Federal sources	10,891,315	10,891,315	10,919,168	27,853
<b>Total Revenues</b>	<b>236,095,303</b>	<b>236,095,303</b>	<b>294,325,932</b>	<b>58,230,629</b>
<b>EXPENDITURES</b>				
Current operating:				
Instruction	153,144,432	153,144,432	200,100,238	46,955,806
Support services	70,879,851	70,879,851	70,669,470	(210,381)
Community services	361,346	361,346	353,829	(7,517)
Non-programmed charges	6,570,137	6,570,137	7,175,854	605,717
Debt service				
Principal	-	-	-	-
Interest and other	-	-	-	-
<b>Total Expenditures</b>	<b>230,955,766</b>	<b>230,955,766</b>	<b>278,299,391</b>	<b>47,343,625</b>
Excess (deficiency) of revenues over expenditures	5,139,537	5,139,537	16,026,541	10,887,004
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(4,813,187)	(4,813,187)	(4,813,185)	2
Sale of assets	-	-	3,300	3,300
Capital lease	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(4,813,187)</b>	<b>(4,813,187)</b>	<b>(4,809,885)</b>	<b>3,302</b>
<b>Net changes in fund balances</b>	<b>\$ 326,350</b>	<b>\$ 326,350</b>	<b>11,216,656</b>	<b>\$ 10,890,306</b>
Fund Balances at beginning of year			61,473,466	
<b>FUND BALANCES AT END OF YEAR</b>			<b>\$ 72,690,122</b>	

Transportation

Original Budget	Final Budget	Actual	Variance Over/Under
\$ 8,308,120	\$ 8,308,120	\$ 8,217,397	\$ (90,723)
7,209,141	7,209,141	10,564,032	3,354,891
-	-	-	-
15,517,261	15,517,261	18,781,429	3,264,168
-	-	-	-
15,258,183	15,258,183	15,075,515	(182,668)
-	-	-	-
-	-	-	-
-	-	185,650	185,650
-	-	19,218	19,218
15,258,183	15,258,183	15,280,383	22,200
259,078	259,078	3,501,046	3,241,968
-	-	-	-
-	-	144,000	144,000
-	-	641,376	641,376
-	-	785,376	785,376
\$ 259,078	\$ 259,078	4,286,422	\$ 4,027,344
		5,301,972	
		\$ 9,588,394	

## **PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Notes to Required Supplementary Information

June 30, 2017

---

### **Budgetary Data**

Annual budgets for all Governmental Funds are adopted on the modified accrual basis, consistent with generally accepted accounting principles (GAAP) for local governments. The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Superintendent submits to the Board of Education proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments
3. Prior to October 1 the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
4. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The budget was adopted on September 26, 2016.
5. The budget was not amended during the year.
6. Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
7. The District has adopted a legal budget for all its Governmental Funds. The legal level of budgetary control is at the individual fund level, therefore, actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
8. The budget lapses at the end of each fiscal year.

### **Expenditures in Excess of Budget**

Expenditures exceeded budgeted amounts in the Transportation Fund by \$22,200.

Expenditures exceeded budgeted amounts in the Capital Projects Fund by \$221,563.

All funds expended in excess of budget were covered by additional resources in accordance with State law.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Balance Sheet By Account

General Fund

June 30, 2017

	Educational	Operations and Maintenance	Working Cash	Tort Immunity	Total General
<b>Assets</b>					
Cash and investments	\$ 50,849,069	\$ 8,244,939	\$ 36,247,545	\$ 2,552,766	\$ 97,894,319
Receivables					
Property taxes	59,842,073	7,977,420	716,624	2,014,168	70,550,285
Due from other governments	8,436,417	-	-	-	8,436,417
<b>TOTAL ASSETS</b>	<b>\$ 119,127,559</b>	<b>\$ 16,222,359</b>	<b>\$ 36,964,169</b>	<b>\$ 4,566,934</b>	<b>\$ 176,881,021</b>
<b>Liabilities, Deferred Inflows and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 9,421,710	\$ 316,948	\$ -	\$ -	\$ 9,738,658
Accrued salaries and related expenditures	21,089,635	473	-	-	21,090,108
<b>Total Liabilities</b>	<b>30,511,345</b>	<b>317,421</b>	<b>-</b>	<b>-</b>	<b>30,828,766</b>
<b>Deferred Inflows</b>					
Unavailable revenue	62,653,921	7,977,420	716,624	2,014,168	73,362,133
<b>Fund Balances</b>					
Restricted					
Health claims	9,950,316	-	-	-	9,950,316
Liability insurance	-	-	-	2,552,766	2,552,766
Assigned					
Capital projects	-	-	36,247,545	-	36,247,545
Unassigned	16,011,977	7,927,518	-	-	23,939,495
<b>Total Fund Balances</b>	<b>25,962,293</b>	<b>7,927,518</b>	<b>36,247,545</b>	<b>2,552,766</b>	<b>72,690,122</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 119,127,559</b>	<b>\$ 16,222,359</b>	<b>\$ 36,964,169</b>	<b>\$ 4,566,934</b>	<b>\$ 176,881,021</b>



**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Schedule of Revenues, Expenditures and Changes

in Fund Balances by Account

General Fund

Year Ended June 30, 2017

	Educational	Operations and Maintenance	Working Cash	Tort Immunity	Total General
<b>REVENUES</b>					
Local sources	\$ 127,316,131	\$ 18,088,690	\$ 1,596,281	\$ 2,609,018	\$ 149,610,120
State sources	128,296,644	5,500,000	-	-	133,796,644
Federal sources	10,919,168	-	-	-	10,919,168
<b>Total Revenues</b>	<b>266,531,943</b>	<b>23,588,690</b>	<b>1,596,281</b>	<b>2,609,018</b>	<b>294,325,932</b>
<b>EXPENDITURES</b>					
Current operating					
Instruction	200,100,238	-	-	-	200,100,238
Support services	48,650,627	18,556,594	-	3,462,249	70,669,470
Community services	353,829	-	-	-	353,829
Non-programmed charges	7,175,854	-	-	-	7,175,854
<b>Total Expenditures</b>	<b>256,280,548</b>	<b>18,556,594</b>	<b>-</b>	<b>3,462,249</b>	<b>278,299,391</b>
Excess (deficiency) of revenues over expenditures	10,251,395	5,032,096	1,596,281	(853,231)	16,026,541
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(1,563,185)	-	(3,250,000)	-	(4,813,185)
Sale of assets	-	3,300	-	-	3,300
<b>Total other financing sources (uses)</b>	<b>(1,563,185)</b>	<b>3,300</b>	<b>(3,250,000)</b>	<b>-</b>	<b>(4,809,885)</b>
Net change in fund balances	8,688,210	5,035,396	(1,653,719)	(853,231)	11,216,656
Fund balances (deficits) at beginning of year	17,274,083	2,892,122	37,901,264	3,405,997	61,473,466
<b>FUND BALANCES (DEFICITS) AT END OF YEAR</b>	<b>\$ 25,962,293</b>	<b>\$ 7,927,518</b>	<b>\$ 36,247,545</b>	<b>\$ 2,552,766</b>	<b>\$ 72,690,122</b>

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Educational Account  
Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources				
Property taxes	\$ 117,993,922	\$ 116,411,274	\$ (1,582,648)	\$ 115,241,962
Tuition	922,772	1,022,071	99,299	630,250
Earnings on investments	20,000	138,273	118,273	28,509
Food services	4,165,496	4,243,736	78,240	4,362,354
Pupil activities and textbooks	4,115,416	4,477,448	362,032	4,540,415
Other	808,788	1,023,329	214,541	993,861
<b>Total local sources</b>	<b>128,026,394</b>	<b>127,316,131</b>	<b>(710,263)</b>	<b>125,797,351</b>
State sources				
Unrestricted				
General state aid	60,494,199	63,795,369	3,301,170	60,477,664
Restricted				
Special education	10,522,009	12,169,194	1,647,185	9,013,939
Summer school	104,298	128,224	23,926	121,066
Bilingual education	386,091	334,238	(51,853)	346,861
Drivers education	309,391	243,892	(65,499)	350,514
CTE secondary program improvement	112,899	82,099	(30,800)	108,753
Technology - learning tech centers	25,935	-	(25,935)	-
Prekindergarten program for at risk students	863,277	979,199	115,922	925,603
School lunch aid	30,109	26,629	(3,480)	23,817
On behalf payments - State of Illinois	-	50,537,800	50,537,800	46,271,879
Other grants-in-aid	-	-	-	16,540
<b>Total state sources</b>	<b>72,848,208</b>	<b>128,296,644</b>	<b>55,448,436</b>	<b>117,656,636</b>
Federal sources				
Restricted				
Title I	1,964,365	1,570,930	(393,435)	2,335,510
Education for handicapped	4,403,570	4,162,567	(241,003)	4,877,999
School lunch programs	2,891,461	3,154,767	263,306	2,907,996
Title II	260,575	100,457	(160,118)	218,051
Title III	217,304	218,315	1,011	167,491
Title IIIE Tech Prep	79,507	107,707	28,200	90,090
Title III-IEP	167	14,945	14,778	5,000
Medicaid matching/administrative outreach	1,074,366	1,516,209	441,843	1,144,421
Other	-	73,271	73,271	89,339
<b>Total federal sources</b>	<b>10,891,315</b>	<b>10,919,168</b>	<b>27,853</b>	<b>11,835,897</b>
<b>Total revenues</b>	<b>211,765,917</b>	<b>266,531,943</b>	<b>54,766,026</b>	<b>255,289,884</b>

(Continued)

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016 Actual
	Final Budget	Actual	Variance Over/Under	
<b>EXPENDITURES</b>				
Current operating				
Instruction				
Regular programs				
Salaries	\$ 82,622,051	\$ 80,927,748	\$ (1,694,303)	\$ 80,070,174
Employee benefits	17,688,746	17,035,122	(653,624)	19,950,453
On behalf payments - State of Illinois	-	50,537,800	50,537,800	46,271,879
Purchased services	956,453	783,169	(173,284)	958,317
Supplies and materials	4,164,405	2,859,971	(1,304,434)	3,461,687
Capital outlay	283,891	163,895	(119,996)	397,967
Other	22,050	34,974	12,924	29,593
Total	105,737,596	152,342,679	46,605,083	151,140,070
Pre kindergarten programs				
Salaries	514,622	489,944	(24,678)	430,453
Employee benefits	102,973	116,823	13,850	97,083
Purchased services	11,784	4,784	(7,000)	5,750
Supplies and materials	36,439	74,508	38,069	31,807
Capital outlay	-	18,395	18,395	-
Total	665,818	704,454	38,636	565,093
Special education programs				
Salaries	27,809,402	28,908,370	1,098,968	27,396,970
Employee benefits	6,454,111	7,727,163	1,273,052	6,541,713
Purchased services	669,285	128,731	(540,554)	139,716
Supplies and materials	974,905	214,530	(760,375)	228,731
Capital outlay	664,750	108,379	(556,371)	106,064
Other	1,500	420	(1,080)	1,131
Total	36,573,953	37,087,593	513,640	34,414,325
Special education pre kindergarten programs				
Salaries	2,325	11,163	8,838	8,399
Employee benefits	-	157	157	114
Total	2,325	11,320	8,995	8,513
Adult education programs				
Purchased services	7,000	7,724	724	9,725
Total	7,000	7,724	724	9,725
CTE programs				
Salaries	13,133	14,382	1,249	10,914
Employee benefits	1,452	4,471	3,019	3,060
Purchased services	48,564	10,893	(37,671)	5,842
Supplies and materials	93,817	70,137	(23,680)	58,288
Capital outlay	19,617	28,292	8,675	800
Total	176,583	128,175	(48,408)	78,904

(Continued)

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Educational Account  
Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
<b>EXPENDITURES</b>				
Current operating				
Instruction (continued)				
Interscholastic programs				
Salaries	\$ 3,606,102	\$ 3,562,422	\$ (43,680)	\$ 3,564,078
Employee benefits	176,309	179,930	3,621	170,986
Purchased services	278,593	262,643	(15,950)	264,185
Supplies and materials	138,465	136,293	(2,172)	15,469
Capital outlay	28,200	33,593	5,393	32,910
Other	174,480	195,263	20,783	166,128
Total	4,402,149	4,370,144	(32,005)	4,213,756
Summer school				
Salaries	110,427	102,783	(7,644)	133,169
Employee benefits	1,467	1,411	(56)	1,949
Purchased services	1,000	-	(1,000)	-
Supplies and materials	1,775	2,420	645	2,902
Total	114,669	106,614	(8,055)	138,020
Drivers education programs				
Salaries	803,401	790,821	(12,580)	797,583
Employee benefits	111,372	117,572	6,200	107,769
Purchased services	41,000	37,539	(3,461)	28,726
Supplies and materials	18,500	11,050	(7,450)	13,734
Total	974,273	956,982	(17,291)	947,812
Bilingual				
Salaries	3,033,007	3,079,312	46,305	2,991,298
Employee benefits	685,683	668,908	(16,775)	630,865
Total	3,718,690	3,748,220	29,530	3,622,163
Truant alternative programs:				
Salaries	582,801	529,430	(53,371)	605,648
Employee benefits	125,884	72,791	(53,093)	125,131
Purchased services	17,400	12,053	(5,347)	16,109
Supplies and materials	35,791	13,498	(22,293)	26,780
Capital outlay	7,500	6,561	(939)	6,499
Other	2,000	2,000	-	2,233
Total	771,376	636,333	(135,043)	782,400
Total instruction	153,144,432	200,100,238	46,955,806	195,920,781

(Continued)

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Educational Account  
Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
<b>EXPENDITURES</b>				
Current operating				
Support services				
Pupils				
Attendance and social work				
Salaries	\$ 4,115,110	\$ 4,126,119	\$ 11,009	\$ 4,012,397
Employee benefits	764,950	748,173	(16,777)	746,412
Purchased services	500	257	(243)	599
Supplies and materials	9,660	5,167	(4,493)	9,848
Capital outlay	2,250	-	(2,250)	260
Total	4,892,470	4,879,716	(12,754)	4,769,516
Guidance services				
Salaries	129,653	129,306	(347)	126,430
Employee benefits	18,818	36,497	17,679	18,209
Purchased services	1,700	1,083	(617)	2,121
Supplies and materials	5,000	3,924	(1,076)	3,370
Total	155,171	170,810	15,639	150,130
Health services				
Salaries	1,749,733	1,689,578	(60,155)	1,681,416
Employee benefits	311,425	397,835	86,410	303,441
Purchased services	466,500	500,592	34,092	430,462
Supplies and materials	21,930	19,827	(2,103)	18,569
Total	2,549,588	2,607,832	58,244	2,433,888
Psychological services:				
Salaries	1,263,504	1,048,695	(214,809)	1,232,085
Employee benefits	219,309	210,139	(9,170)	211,800
Purchased Services	-	386,085	386,085	-
Supplies and materials	975	229	(746)	-
Total	1,483,788	1,645,148	161,360	1,443,885
Speech pathology and audiology services				
Salaries	4,177,050	4,240,123	63,073	4,073,184
Employee benefits	762,864	793,516	30,652	739,676
Purchased services	385,000	258,543	(126,457)	235,636
Supplies and materials	-	216	216	-
Total	5,324,914	5,292,398	(32,516)	5,048,496
Total pupils	14,405,931	14,595,904	189,973	13,845,915

(Continued)

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Educational Account  
 Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
<b>EXPENDITURES</b>				
Current operating				
Support services				
Instructional staff				
Improvement of instruction services				
Salaries	\$ 1,360,662	\$ 1,403,708	\$ 43,046	\$ 1,296,247
Employee benefits	280,156	255,320	(24,836)	234,785
Purchased services	460,433	420,860	(39,573)	258,977
Supplies and materials	800,835	547,899	(252,936)	454,642
Capital outlay	-	38,130	38,130	136,108
Other	2,000	378	(1,622)	798
Total	2,904,086	2,666,295	(237,791)	2,381,557
Educational media services				
Salaries	2,668,776	2,678,757	9,981	2,608,249
Employee benefits	522,878	550,083	27,205	506,930
Purchased services	150,400	122,431	(27,969)	106,384
Supplies and materials	88,617	82,151	(6,466)	108,833
Capital outlay	1,000	-	(1,000)	4,798
Other	600	-	(600)	-
Total	3,432,271	3,433,422	1,151	3,335,194
Assessment and testing				
Salaries	59,000	36,898	(22,102)	95,432
Employee benefits	200	13,153	12,953	22,162
Purchased services	20,000	12,161	(7,839)	19,812
Supplies and materials	-	86,432	86,432	34,235
Total	79,200	148,644	69,444	171,641
Total instructional staff	6,415,557	6,248,361	(167,196)	5,888,392
General administration				
Board of education				
Salaries	86,253	89,247	2,994	84,875
Employee benefits	-	3,898	3,898	3,134
Purchased services	77,400	64,856	(12,544)	59,652
Supplies and materials	2,000	803	(1,197)	1,959
Capital outlay	6,000	-	(6,000)	-
Other	54,000	82,651	28,651	54,198
Total	225,653	241,455	15,802	203,818

(Continued)

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Educational Account  
Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
<b>EXPENDITURES</b>				
Current operating				
Support services (continued)				
Executive administration				
Salaries	\$ 328,484	\$ 329,203	\$ 719	\$ 320,316
Employee benefits	43,035	44,207	1,172	41,647
Purchased services	7,200	7,339	139	6,785
Supplies and materials	4,150	2,437	(1,713)	3,088
Capital outlay	1,000	-	(1,000)	262
Other	1,300	80	(1,220)	-
Total	385,169	383,266	(1,903)	372,098
Special area services				
Salaries	44,449	39,390	(5,059)	18,816
Employee benefits	1,260	260	(1,000)	191
Other	-	-	-	885
Total	45,709	39,650	(6,059)	19,892
Total general administration	656,531	664,371	7,840	595,808
School administration				
Office of the principal				
Salaries	10,378,142	10,221,039	(157,103)	10,130,423
Employee benefits	2,447,606	2,474,391	26,785	2,375,002
Purchased services	74,800	65,580	(9,220)	70,595
Supplies and materials	16,900	7,916	(8,984)	9,895
Capital outlay	9,400	1,849	(7,551)	4,932
Other	19,770	20,438	668	18,474
Total	12,946,618	12,791,213	(155,405)	12,609,321
Total school administration	12,946,618	12,791,213	(155,405)	12,609,321
Business				
Direction of business services				
Purchased services	153,500	173,368	19,868	153,032
Supplies and materials	50,900	142,120	91,220	50,856
Other	58,300	64,314	6,014	63,148
Total	262,700	379,802	117,102	267,036

(Continued)

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
<b>EXPENDITURES</b>				
Current operating				
Support services (continued)				
Fiscal services				
Salaries	\$ 869,575	\$ 883,059	\$ 13,484	\$ 840,785
Employee benefits	151,144	163,664	12,520	146,118
Purchased services	4,700	6,822	2,122	4,599
Supplies and materials	6,000	10,469	4,469	5,905
Capital outlay	3,300	30,210	26,910	3,288
Other	2,000	1,858	(142)	1,864
Total	1,036,719	1,096,082	59,363	1,002,559
Food services				
Salaries	805,920	875,397	69,477	781,544
Employee benefits	32	210	178	31
Purchased services	5,436,480	5,110,507	(325,973)	5,062,957
Supplies and materials	12,500	10,366	(2,134)	35,191
Capital outlay	100,000	67,104	(32,896)	81,214
Other	75,000	118,485	43,485	107,308
Total	6,429,932	6,182,069	(247,863)	6,068,245
Total business	7,729,351	7,657,953	(71,398)	7,337,840
Central				
Information services				
Salaries	203,690	206,516	2,826	198,625
Employee benefits	45,055	45,929	874	43,555
Purchased services	219,300	67,236	(152,064)	277,465
Supplies and materials	13,500	11,851	(1,649)	11,365
Capital outlay	500	1,788	1,288	-
Other	2,000	2,700	700	2,418
Total	484,045	336,020	(148,025)	533,428

(Continued)



**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Educational Account

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
<b>EXPENDITURES</b>				
Current operating				
Support services (continued)				
Staff services				
Salaries	\$ 1,147,701	\$ 1,358,215	\$ 210,514	\$ 1,107,335
Employee benefits	186,171	196,103	9,932	179,897
Purchased services	138,000	150,071	12,071	133,754
Supplies and materials	12,500	4,161	(8,339)	3,929
Capital outlay	30,000	5,860	(24,140)	4,506
Other	4,000	2,667	(1,333)	511
Total	1,518,372	1,717,077	198,705	1,429,932
Data processing services				
Salaries	1,502,832	1,428,266	(74,566)	1,384,303
Employee benefits	257,433	269,305	11,872	255,522
Purchased services	1,690,896	1,464,574	(226,322)	1,255,853
Supplies and materials	10,500	5,416	(5,084)	3,866
Capital outlay	1,438,400	1,472,167	33,767	513,541
Total	4,900,061	4,639,728	(260,333)	3,413,085
Total central	6,902,478	6,692,825	(209,653)	5,376,445
Total support services	49,056,466	48,650,627	(405,839)	45,653,721
Community services				
Salaries	245,271	247,380	2,109	230,862
Employee benefits	53,634	60,389	6,755	50,281
Purchased services	27,142	10,133	(17,009)	6,647
Supplies and materials	35,299	35,927	628	40,377
Total community services	361,346	353,829	(7,517)	328,167

(Continued)

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Educational Account  
Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
<b>EXPENDITURES</b>				
Current operating				
Non-programmed charges				
Payments for special education programs				
Tuition	\$ 6,570,137	\$ 7,075,854	\$ 505,717	\$ 6,648,436
Total payments for special education programs	6,570,137	7,075,854	505,717	6,648,436
Payments for in state government units				
Purchased services	-	100,000	100,000	-
Total payments for in state government units	-	100,000	100,000	-
Total non-programmed charges	6,570,137	7,175,854	605,717	6,648,436
Total expenditures	209,132,381	256,280,548	47,148,167	248,551,105
Excess (deficiency) of revenues over expenditures	2,633,536	10,251,395	7,617,859	6,738,779
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,563,187)	(1,563,185)	2	(2,082,661)
Total other financing sources (uses)	(1,563,187)	(1,563,185)	2	(2,082,661)
Net change in fund balance	\$ 1,070,349	8,688,210	\$ 7,617,861	4,656,118
Fund balance (deficit) at beginning of year		17,274,083		12,617,965
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>		<u>\$ 25,962,293</u>		<u>\$ 17,274,083</u>

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Operations and Maintenance Account  
Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources				
Property taxes	\$ 16,434,904	\$ 16,453,071	\$ 18,167	\$ 16,568,084
Corporate personal property replacement taxes	494,014	625,675	131,661	543,293
Earnings on investments	623	19,903	19,280	1,349
Pupil activities	159,377	192,862	33,485	177,697
Rentals	139,320	190,189	50,869	171,960
Other	502,826	606,990	104,164	981,677
Total local sources	17,731,064	18,088,690	357,626	18,444,060
State sources				
Unrestricted				
General state aid	2,500,000	5,500,000	3,000,000	4,650,638
Total state sources	2,500,000	5,500,000	3,000,000	4,650,638
Total revenues	20,231,064	23,588,690	3,357,626	23,094,698
<b>EXPENDITURES</b>				
Current operating				
Support services				
Operations and maintenance of plant services				
Salaries	7,027,146	6,880,200	(146,946)	8,132,582
Employee benefits	1,255,855	1,302,557	46,702	1,217,795
Purchased services	3,386,229	3,169,039	(217,190)	3,293,746
Supplies and materials	5,643,531	6,871,809	1,228,278	6,111,331
Capital outlay	540,000	332,989	(207,011)	237,662
Other	1,000	-	(1,000)	-
Total expenditures	17,853,761	18,556,594	702,833	18,993,116
Excess (deficiency) of revenues over expenditures	2,377,303	5,032,096	2,654,793	4,101,582
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	-	3,300	3,300	-
Total other financing sources (uses)	-	3,300	3,300	-
Net change in fund balance	\$ 2,377,303	5,035,396	\$ 2,658,093	4,101,582
Fund balance (deficit) at beginning of year		2,892,122		(1,209,460)
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>		<u>\$ 7,927,518</u>		<u>\$ 2,892,122</u>

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Working Cash Account  
Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources				
Property taxes	\$ 1,407,369	\$ 1,391,178	\$ (16,191)	\$ 1,368,741
Earnings on investments	38,000	205,103	167,103	40,430
Total local sources	1,445,369	1,596,281	150,912	1,409,171
Total revenues	1,445,369	1,596,281	150,912	1,409,171
<b>EXPENDITURES</b>				
Debt service				
Bond issuance costs	-	-	-	184,530
Total expenditures	-	-	-	184,530
Excess (deficiency) of revenues over expenditures	1,445,369	1,596,281	150,912	1,224,641
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(3,250,000)	(3,250,000)	-	(3,250,000)
Bonds issued at par	-	-	-	11,895,000
Premium on bonds issued	-	-	-	267,879
Total other financing sources (uses)	(3,250,000)	(3,250,000)	-	8,912,879
Net change in fund balance	<u>\$ (1,804,631)</u>	<u>(1,653,719)</u>	<u>\$ 150,912</u>	<u>10,137,520</u>
Fund balance at beginning of year		<u>37,901,264</u>		<u>27,763,744</u>
<b>FUND BALANCE AT END OF YEAR</b>		<u><b>\$ 36,247,545</b></u>		<u><b>\$ 37,901,264</b></u>

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

Tort Immunity Account

Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources				
Property taxes	\$ 2,650,625	\$ 2,601,647	\$ (48,978)	\$ 3,467,116
Earnings on investments	2,328	7,371	5,043	5,189
Other	-	-	-	36,112
Total local sources	<u>2,652,953</u>	<u>2,609,018</u>	<u>(43,935)</u>	<u>3,508,417</u>
Total revenues	<u>2,652,953</u>	<u>2,609,018</u>	<u>(43,935)</u>	<u>3,508,417</u>
<b>EXPENDITURES</b>				
Current operating				
Support services				
Risk management services				
Purchased services	3,969,624	3,462,249	(507,375)	3,126,999
Total support services	<u>3,969,624</u>	<u>3,462,249</u>	<u>(507,375)</u>	<u>3,126,999</u>
Total expenditures	<u>3,969,624</u>	<u>3,462,249</u>	<u>(507,375)</u>	<u>3,126,999</u>
Net change in fund balance	<u>\$ (1,316,671)</u>	<u>(853,231)</u>	<u>\$ 463,440</u>	381,418
Fund balance (deficit) at beginning of year		<u>3,405,997</u>		<u>3,024,579</u>
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>		<u>\$ 2,552,766</u>		<u>\$ 3,405,997</u>

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Major Special Revenue Fund - Transportation Fund  
Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources				
Property taxes	\$ 8,255,606	\$ 8,141,245	\$ (114,361)	\$ 7,132,626
Pupil activities	-	2,968	2,968	-
Earnings on investments	1,941	25,544	23,603	3,028
Other	50,573	47,640	(2,933)	66,118
Total local sources	8,308,120	8,217,397	(90,723)	7,201,772
State sources				
Unrestricted				
General state aid	1,000,000	3,000,000	2,000,000	3,150,638
Restricted				
Transportation aid	6,209,141	7,564,032	1,354,891	6,193,179
Total state sources	7,209,141	10,564,032	3,354,891	9,343,817
Total revenues	15,517,261	18,781,429	3,264,168	16,545,589
<b>EXPENDITURES</b>				
Current operating				
Support services				
Pupil transportation services				
Salaries	207,395	209,135	1,740	202,238
Employee benefits	73,688	65,959	(7,729)	71,222
Purchased services	14,963,400	14,134,016	(829,384)	13,665,555
Supplies and materials	3,700	2,954	(746)	1,973
Capital outlay	10,000	663,451	653,451	26,450
Total support services	15,258,183	15,075,515	(182,668)	13,967,438
Debt service				
Principal	-	185,650	185,650	-
Interest and other	-	19,218	19,218	-
Total debt service	-	204,868	204,868	-
Total expenditures	15,258,183	15,280,383	22,200	13,967,438
Excess (deficiency) of revenues over expenditures	259,078	3,501,046	3,241,968	2,578,151
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	-	144,000	144,000	-
Capital lease proceeds	-	641,376	641,376	-
Transfers out	-	-	-	(69,293)
Total other financing sources (uses)	-	785,376	785,376	(69,293)
Net change in fund balance	\$ 259,078	4,286,422	\$ 4,027,344	2,508,858
Fund balance at beginning of year		5,301,972		2,793,114
<b>FUND BALANCE AT END OF YEAR</b>		\$ 9,588,394		\$ 5,301,972

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Major Debt Service Fund  
Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources				
Property taxes	\$ 32,724,661	\$ 32,425,288	\$ (299,373)	\$ 32,603,530
Earnings on investments	5,607	46,112	40,505	7,580
Total local sources	32,730,268	32,471,400	(258,868)	32,611,110
Total revenues	32,730,268	32,471,400	(258,868)	32,611,110
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	22,172,852	77,542,853	55,370,001	23,211,571
Interest on bonds	11,321,283	11,321,285	2	11,262,828
Other	8,778	510,797	502,019	351,738
Total expenditures	33,502,913	89,374,935	55,872,022	34,826,137
Excess (deficiency) of revenues over expenditures	(772,645)	(56,903,535)	(56,130,890)	(2,215,027)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued at par	-	53,675,000	53,675,000	28,535,000
Premium on bonds issued	-	2,198,193	2,198,193	4,560,918
Payment to bond escrow agent	-	-	-	(32,748,251)
Transfers in	2,369,397	2,369,395	(2)	2,947,545
Total other financing sources (uses)	2,369,397	58,242,588	55,873,191	3,295,212
Net changes in fund balance	<u>\$ 1,596,752</u>	1,339,053	<u>\$ (257,699)</u>	1,080,185
Fund balance at beginning of year		<u>16,605,972</u>		<u>15,525,787</u>
FUND BALANCE AT END OF YEAR		<u>\$ 17,945,025</u>		<u>\$ 16,605,972</u>

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Major Capital Projects Fund  
Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
<b>REVENUES</b>				
Local sources				
Earnings on investments	\$ 18,894	\$ 35,899	\$ 17,005	\$ 16,832
Donations	915,364	849,919	(65,445)	1,021,136
Other	103,101	111,029	7,928	112,135
Total local sources	<u>1,037,359</u>	<u>996,847</u>	<u>(40,512)</u>	<u>1,150,103</u>
Total revenues	<u>1,037,359</u>	<u>996,847</u>	<u>(40,512)</u>	<u>1,150,103</u>
<b>EXPENDITURES</b>				
Current operating				
Support services				
Facilities acquisition and construction				
Purchased services	121,000	4,103	(116,897)	1,538
Capital outlay	4,514,887	4,853,347	338,460	5,839,539
Total support services	<u>4,635,887</u>	<u>4,857,450</u>	<u>221,563</u>	<u>5,841,077</u>
Total expenditures	<u>4,635,887</u>	<u>4,857,450</u>	<u>221,563</u>	<u>5,841,077</u>
Excess (deficiency) of revenues over expenditures	<u>(3,598,528)</u>	<u>(3,860,603)</u>	<u>(262,075)</u>	<u>(4,690,974)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,250,000	3,250,000	-	3,250,000
Transfers out	(806,210)	(806,210)	-	(795,591)
Total other financing sources (uses)	<u>2,443,790</u>	<u>2,443,790</u>	<u>-</u>	<u>2,454,409</u>
Net change in fund balance	<u>\$ (1,154,738)</u>	<u>(1,416,813)</u>	<u>\$ (262,075)</u>	<u>(2,236,565)</u>
Fund balance at beginning of year		<u>10,732,968</u>		<u>12,969,533</u>
<b>FUND BALANCE AT END OF YEAR</b>		<u>\$ 9,316,155</u>		<u>\$ 10,732,968</u>



**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Municipal Retirement/Social Security Fund  
Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016 Actual
	Final Budget	Actual	Variance Over/Under	
<b>REVENUES</b>				
Local sources				
Property taxes	\$ 2,044,398	\$ 2,027,209	\$ (17,190)	\$ 2,234,235
Social security/medicare only levy	2,044,398	2,027,209	(17,190)	2,234,235
Corporate personal property replacement taxes	200,000	200,000	-	200,000
Earnings on investments	638	9,421	8,783	1,439
Other	6,542	4,356	(2,186)	5,081
<b>Total local sources</b>	<b>4,295,976</b>	<b>4,268,194</b>	<b>(27,782)</b>	<b>4,674,990</b>
State sources				
Unrestricted				
General state aid	2,500,000	2,500,000	-	3,000,000
<b>Total state sources</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>-</b>	<b>3,000,000</b>
<b>Total revenues</b>	<b>6,795,976</b>	<b>6,768,194</b>	<b>(27,782)</b>	<b>7,674,990</b>
<b>EXPENDITURES</b>				
Current operating				
Instruction				
Regular programs	1,330,548	1,227,310	(103,238)	1,241,308
Pre kindergarten programs	34,127	26,800	(7,327)	26,915
Special education programs	1,723,019	1,855,863	132,844	1,809,555
CTE programs	185	194	9	149
Interscholastic programs	97,852	101,071	3,219	95,699
Summer school programs	2,345	2,050	(295)	2,786
Drivers education programs	11,246	10,983	(263)	11,347
Bilingual programs	66,875	42,549	(24,326)	41,456
Truants alternative programs	25,876	18,081	(7,795)	25,234
<b>Total instruction</b>	<b>3,292,073</b>	<b>3,284,901</b>	<b>(7,172)</b>	<b>3,254,449</b>
Support services				
Pupils				
Attendance and social work services	60,482	62,654	2,172	58,967
Guidance services	23,131	22,581	(550)	22,556
Health services	226,747	222,491	(4,256)	220,281
Psychological services	17,576	14,472	(3,104)	17,155
Speech pathology and audiology services	57,855	58,786	931	56,572
<b>Total pupils</b>	<b>385,791</b>	<b>380,984</b>	<b>(4,807)</b>	<b>375,531</b>
Instructional staff				
Improvement of instruction services	66,661	70,939	4,278	68,375
Education media	114,854	111,478	(3,376)	112,612
Assessment and testing	1,300	1,841	541	5,712
<b>Total instructional staff</b>	<b>182,815</b>	<b>184,258</b>	<b>1,443</b>	<b>186,699</b>

(Continued)

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Municipal Retirement/Social Security Fund  
Year Ended June 30, 2017 with Comparative Actual Totals for 2016

	2017			2016
	Final Budget	Actual	Variance Over/Under	Actual
<b>EXPENDITURES</b>				
Current operating				
General administration				
Board of education services	\$ -	\$ 6,925	\$ 6,925	\$ 6,654
Executive administration services	18,710	18,560	(150)	18,245
Special area administration services	6,633	6,441	(192)	2,942
Total general administration	<u>25,343</u>	<u>31,926</u>	<u>6,583</u>	<u>27,841</u>
School administration				
Office of the principal services	642,208	632,889	(9,319)	630,362
Total school administration	<u>642,208</u>	<u>632,889</u>	<u>(9,319)</u>	<u>630,362</u>
Business				
Fiscal services	123,289	100,612	(22,677)	120,461
Operation and maintenance of plant services	1,202,050	1,168,530	(33,520)	1,424,680
Pupil transportation services	36,687	36,757	70	35,775
Food services	68,183	76,884	8,701	67,044
Total business	<u>1,430,209</u>	<u>1,382,783</u>	<u>(47,426)</u>	<u>1,647,960</u>
Central				
Information services	36,306	36,410	104	35,403
Staff services	92,134	111,260	19,126	91,477
Data processing services	248,333	248,784	451	245,857
Total central	<u>376,773</u>	<u>396,454</u>	<u>19,681</u>	<u>372,737</u>
Total support services	<u>3,043,139</u>	<u>3,009,294</u>	<u>(33,845)</u>	<u>3,241,130</u>
Community services	6,975	8,111	1,136	7,421
Total expenditures	<u>6,342,187</u>	<u>6,302,306</u>	<u>(39,881)</u>	<u>6,503,000</u>
Net change in fund balance	<u>\$ 453,789</u>	465,888	<u>\$ 12,099</u>	1,171,990
Fund balance (deficit) at beginning of year		<u>585,542</u>		<u>(586,448)</u>
<b>FUND BALANCE (DEFICIT) AT END OF YEAR</b>		<u><b>\$ 1,051,430</b></u>		<u><b>\$ 585,542</b></u>



**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Schedule of Changes in Assets and Liabilities

Fiduciary Fund - Agency Fund - Activity Funds

Year Ended June 30, 2017

---

	Balance			Balance
	June 30, 2016	Additions	Deductions	June 30, 2017
<b>Assets</b>				
Cash	\$ 2,083,274	\$ 5,809,926	\$ 5,704,433	\$ 2,188,767
<b>Liabilities</b>				
Due to organizations				
Elementary and Middle schools	\$ 1,038,048	1,842,428	1,862,854	\$ 1,017,622
High schools	1,045,226	3,792,037	3,666,118	1,171,145
	<u>\$ 2,083,274</u>	<u>\$ 5,634,465</u>	<u>\$ 5,528,972</u>	<u>\$ 2,188,767</u>

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Schedule Property Tax Rates, Extensions and Collections

Last Ten Levy Years

	2016	2015	2014
Rates extended:			
Educational	3.65	3.79	3.79
Operations and maintenance	0.51	0.60	0.55
Debt service	1.03	1.15	1.11
Transportation	0.27	0.27	0.22
Illinois municipal retirement/social security	0.11	0.16	0.15
Working cash	0.05	0.05	0.05
Tort immunity	0.13	0.04	0.20
Special education	0.16	0.19	0.19
Total rates extended	<u>5.89</u>	<u>6.24</u>	<u>6.26</u>
Property tax extensions (Thousands) Will County			
Educational	\$ 108,644	\$ 105,797	\$ 102,658
Operations and maintenance	15,126	16,622	14,920
Debt service	30,556	32,015	30,081
Transportation	8,020	7,680	5,879
Illinois municipal retirement/social security	3,311	4,520	3,986
Working cash	1,359	1,324	1,283
Tort immunity	3,824	1,176	5,516
Special education	4,831	5,241	5,245
Total levies extended	<u>\$ 175,671</u>	<u>\$ 174,375</u>	<u>\$ 169,568</u>
Total collections	<u>\$ 87,436</u>	<u>\$ 174,189</u>	<u>\$ 169,262</u>
Percentage of extensions collected	<u>49.77%</u>	<u>99.89%</u>	<u>99.82%</u>
Property tax extensions (Thousands) Kendall County			
Educational	\$ 5,463	\$ 5,303	\$ 4,957
Operations and maintenance	762	832	720
Debt service	1,521	1,603	1,452
Transportation	404	384	284
Illinois municipal retirement/social security	167	226	192
Working cash	68	66	62
Tort immunity	187	59	266
Special education	243	262	253
Total levies extended	<u>\$ 8,815</u>	<u>\$ 8,735</u>	<u>\$ 8,186</u>
Total collections	<u>\$ 4,418</u>	<u>\$ 8,715</u>	<u>\$ 8,182</u>
Percentage of extensions collected	<u>50.12%</u>	<u>99.77%</u>	<u>99.95%</u>

Tax rates are expressed in dollars per one hundred of assessed valuation.

Source of information: Will and Kendall County Clerk's office.

Information prior to levy year 2011 for Kendall County is not available.

2013	2012	2011	2010	2009	2008	2007
3.84	3.71	3.29	3.02	2.70	2.63	2.70
0.55	0.46	0.41	0.38	0.34	0.37	0.37
1.13	1.08	1.02	0.95	1.06	1.06	1.06
0.20	0.14	0.19	0.18	0.16	0.16	0.16
0.07	0.12	0.09	0.09	0.14	0.12	0.13
0.05	0.05	0.04	0.04	0.04	0.04	0.04
0.21	0.21	0.16	0.15	0.09	0.09	0.02
0.17	0.08	0.06	0.06	0.06	0.05	0.03
6.23	5.83	5.27	4.86	4.59	4.53	4.51
\$ 102,647	\$ 103,493	\$ 98,054	\$ 96,563	\$ 92,486	\$ 90,031	\$ 87,419
14,748	12,902	12,345	12,154	11,790	12,624	12,038
30,052	30,157	30,321	30,449	36,296	36,220	34,408
5,449	3,869	5,792	5,705	5,579	5,474	5,119
1,930	3,397	2,809	2,761	4,797	4,212	4,042
1,271	1,268	1,205	1,186	1,438	1,508	1,387
5,604	5,732	4,748	4,676	3,109	3,033	559
4,539	2,098	1,924	1,892	1,918	1,685	970
\$ 166,240	\$ 162,916	\$ 157,198	\$ 155,386	\$ 157,413	\$ 154,787	\$ 145,942
\$ 165,913	\$ 162,275	\$ 156,387	\$ 154,967	\$ 157,112	\$ 154,472	\$ 145,432
99.80%	99.61%	99.48%	99.73%	99.81%	99.80%	99.65%
\$ 4,819	\$ 4,785	\$ 4,797				
699	635	604				
1,445	1,423	1,483				
258	298	283				
182	144	138				
60	60	59				
266	244	232				
215	99	94				
\$ 7,944	\$ 7,688	\$ 7,690				
\$ 7,943	\$ 7,649	\$ 7,661				
99.99%	99.49%	99.62%				

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Equalized Assessed Valuation and  
Estimated Actual Value of Taxable Property  
Last Ten Levy Years

---

Tax Levy Year	Equalized Assessed Valuation	Amount of Increase (Decrease) Over Previous Year	Percentage Increase (Decrease) Over Previous Year	Actual Estimated Value
2016	\$ 3,127,666,511	199,379,035	6.81%	\$ 9,382,999,533
2015	2,928,287,476	89,741,312	3.16%	8,784,862,428
2014	2,838,546,164	40,246,449	1.44%	8,515,638,492
2013	2,798,299,715	(127,564,068)	-4.36%	8,394,899,145
2012	2,925,863,783	(217,333,444)	-6.91%	8,777,591,349
2011	3,143,197,227	(211,063,150)	-6.29%	9,429,591,681
2010	3,354,260,377	(244,403,341)	-6.79%	10,062,781,131
2009	3,598,663,718	13,712,269	0.38%	10,795,991,154
2008	3,584,951,449	202,416,610	5.98%	10,754,854,347
2007	3,382,534,839	317,827,029	10.37%	10,147,604,517

Source of information: Will and Kendall County Levy, Rate, and Extension Reports for the years 2007 to 2016.

**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Operating Expenditures per Student

Last Two Fiscal Years

	2017	2016
Expenditures		
Educational Fund	\$ 205,742,748	\$ 202,279,226
Operations and Maintenance Fund	18,556,594	18,993,116
Debt Service Fund	89,374,935	34,826,137
Transportation Fund	15,280,383	13,967,438
Municipal Retirement/Social Security Fund	6,302,306	6,503,000
Tort Immunity Fund	3,462,249	3,126,999
Total expenditures	<u>338,719,215</u>	<u>279,695,916</u>
Less revenues/expenditures not applicable to operating expense of regular program		
Summer school	108,664	140,806
Pre-K programs	742,736	600,521
Adult education	7,724	9,725
Community services	361,940	335,588
Capital outlay	3,193,463	1,557,261
Bond and other principal retired	77,728,503	23,211,571
Payments to other districts and governmental units	7,175,854	6,648,436
	<u>89,318,884</u>	<u>32,503,908</u>
Regular operating expenditures	<u>\$ 249,400,331</u>	<u>\$ 247,192,008</u>
Average daily attendance	<u>25,228</u>	<u>25,240</u>
Net operating expenditures per student	<u>\$ 9,886</u>	<u>\$ 9,794</u>

Source of information: 2017 & 2016 annual financial reports



**PLAINFIELD COMMUNITY CONSOLIDATED SCHOOL DISTRICT NO. 202**

Demographic and Miscellaneous Statistics

June 30, 2017

---

<b>Location</b>	About 45 miles southwest of Chicago loop. Served by Illinois Route 59 and 126, U.S. Route 30 and Interstate 55.
<b>Date of Incorporation</b>	June 12, 1920
<b>Population Served</b>	80,318 - Plainfield Township population per the 2010 U.S. census
<b>Student population</b>	27,600
<b>Median home value</b>	\$66,500 (1980) \$137,000 (1990)
<b>Area served</b>	64 square miles
<b>Number of schools</b>	17 elementary schools (grades K-5) 7 middle schools (grades 6/8) 4 senior high schools (grades 9-12) 1 alternative school 1 early learning center
<b>Transportation</b>	
Rail	Elgin, Joliet, and Eastern railroad
Mass Transit	Regional Transportation Authority (RTA)
Air	Lewis-Lockport airport   Midway airport O'Hare airport    Joliet Municipal airport
<b>Incorporated municipalities within the School District:</b>	Village of Plainfield City of Crest Hill City of Joliet Village of Romeoville Village of Bolingbrook City of Naperville
<b>Townships either wholly or partially within the School District</b>	Will County-Plainfield, Wheatland, DuPage, Lockport and Troy Kendall County - Na-Au-Say

Source of information: Business office

**Form of Continuing Disclosure Undertaking**

**CONTINUING DISCLOSURE UNDERTAKING  
FOR THE PURPOSE OF PROVIDING  
CONTINUING DISCLOSURE INFORMATION  
UNDER SECTION (b)(5) OF RULE 15c2-12**

This Continuing Disclosure Undertaking (this “*Agreement*”) is executed and delivered by Community Consolidated School District Number 202, Will and Kendall Counties, Illinois (the “*District*”), in connection with the issuance of \$\_\_\_\_\_ General Obligation School Refunding Bonds, Series 2018A (the “*Bonds*”). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 22nd day of January, 2018 (together with a notification of sale, the “*Resolution*”).

In consideration of the issuance of the Bonds by the District and the purchase of such Bonds by the beneficial owners thereof, the District covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The District represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

*Annual Financial Information* means information of the type contained under the following headings and subheadings of, and in the following appendices and exhibits to, the Official Statement:

THE DISTRICT

Enrollments

FINANCIAL INFORMATION

Trend of EAV

EAV by County

Tax Rates

Tax Extensions and Collections

Summary of Outstanding Debt

Debt Repayment Schedule

Debt Statement (with respect to the District’s debt only)

Debt Ratios (with respect to the District’s debt only)

SUMMARY OF OPERATING RESULTS

Combined Educational Fund and Operations and Maintenance Fund Revenue Sources

Summary of Operating Funds and Debt Service Fund

On-Behalf Payments Summary (table only)

Budget Summary

SCHOOL DISTRICT FINANCIAL PROFILE (LAST PARAGRAPH ONLY)

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

*Audited Financial Statements* means the audited financial statements of the District prepared pursuant to the principles and as described in *Exhibit I*.

*Commission* means the Securities and Exchange Commission.

*Dissemination Agent* means any agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent's successors and assigns.

*EMMA* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the Final Official Statement, dated \_\_\_\_\_, 2018, and relating to the Bonds.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

*Reportable Event* means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

*Reportable Events Disclosure* means dissemination of a notice of a Reportable Event as set forth in Section 5.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*State* means the State of Illinois.

*Undertaking* means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. The District will include the CUSIP Numbers in all disclosure materials described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial

Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the District by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The District shall give notice to EMMA in a timely manner if this Section is applicable.

9. FUTURE CHANGES TO THE RULE. As set forth in Section 1 of this Agreement, the District has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the District shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to comply with, or conform to, such changes. In the event of any such modification of this Agreement, the District shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

10. DISSEMINATION AGENT. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the District chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

12. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The District shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

COMMUNITY CONSOLIDATED SCHOOL DISTRICT  
NUMBER 202, WILL AND KENDALL COUNTIES,  
ILLINOIS

By \_\_\_\_\_  
President, Board of Education

Date: \_\_\_\_\_, 2018

**EXHIBIT I**  
**ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED**  
**FINANCIAL STATEMENTS**

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 210 days after the last day of the District's fiscal year (currently June 30), beginning with the fiscal year ending June 30, 2018. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.



**EXHIBIT II**  
**EVENTS WITH RESPECT TO THE BONDS**  
**FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED**

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the District\*
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

---

\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

**EXHIBIT III  
CUSIP NUMBERS**

<b>YEAR OF MATURITY</b>	<b>CUSIP NUMBER (968648)</b>
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	

**Official Notice of Sale and Bid Form**

---

---

**OFFICIAL NOTICE OF SALE**

**AND**

**BID FORM**

**FOR**

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 202  
WILL AND KENDALL COUNTIES, ILLINOIS  
(PLAINFIELD)**

**\$56,535,000\* GENERAL OBLIGATION SCHOOL REFUNDING BONDS, SERIES 2018A**

DATE AND TIME: February 20, 2018  
Beginning at 9:45 a.m. until 10:00 a.m.  
Central Standard Time

PLACE: PMA Securities, Inc.  
2135 CityGate Lane, 7<sup>th</sup> Floor  
Naperville, Illinois 60563  
Attention: Jasen Pinkerton  
Phone: (630) 657-6442  
Fax: (630) 718-8701

FORM OF BIDDING: Electronic, as described herein

---

---

\*Preliminary, subject to change.

**OFFICIAL NOTICE OF SALE**

**COMMUNITY CONSOLIDATED SCHOOL DISTRICT NUMBER 202  
WILL AND KENDALL COUNTIES, ILLINOIS**

**\$56,535,000\* GENERAL OBLIGATION SCHOOL REFUNDING BONDS, SERIES 2018A**

NOTICE IS HEREBY GIVEN that the Board of Education (the “Board”) of Community Consolidated School District Number 202, Will and Kendall Counties, Illinois (the “District”), will receive bids electronically via **MuniAuction** hosted by Grant Street Group (as more fully described below), for the purchase of its \$56,535,000\* General Obligation School Refunding Bonds, Series 2018A (the “Bonds”), on an all or none basis at the following time and place:

TIME: Beginning at 9:45 a.m. until 10:00 a.m.  
Central Standard Time  
February 20, 2018

PLACE: Office of the District’s Financial Advisor:  
PMA Securities, Inc. (the “Financial Advisor”)  
2135 CityGate Lane, 7<sup>th</sup> Floor  
Naperville, Illinois 60563

AWARD OF BONDS: Bids will be publicly announced at the above time and place. Unless all bids are rejected, award will be made by the designated officials of the Board and the District to the bidder offering the *lowest true interest cost* (“TIC”) to the District.

**The Bonds**

The Bonds are issued pursuant to the School Code of the State of Illinois, the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board on January 22, 2018, as supplemented by a notification of sale (together, the “Bond Resolution”). Proceeds of the Bonds will be used to (i) currently refund the District’s outstanding General Obligation School Building Bonds, Series 2008A, dated February 27, 2008, and (ii) pay costs associated with the issuance of the Bonds.

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois (“Bond Counsel”), are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

\*Preliminary, subject to change.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Bond Resolution will be filed with the County Clerks of The Counties of Will and Kendall, Illinois (the "County Clerks"), and will serve as authorization to the County Clerks to extend and collect the property taxes as set forth in the Bond Resolution to pay the Bonds.

The proposed form of opinion of Bond Counsel regarding the Bonds is set forth in Appendix A to the Preliminary Official Statement.

### **Bidding Instructions**

All bids must be submitted on the MuniAuction website at [www.grantstreet.com](http://www.grantstreet.com) beginning at 9:45 a.m. until 10:00 a.m. Central Standard Time on February 20, 2018. No telephone, telefax or personal delivery bids will be accepted. The use of MuniAuction shall be at the bidder's risk and expense and the District shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bids. Any questions regarding bidding on the MuniAuction website should be directed to Grant Street Group (the "Auction Administrator") at (412) 391-5555 x 370.

Each bidder ("Bidder") may change and submit bids as many times as it likes during the bidding time period; provided, however, each and any bid submitted subsequent to a Bidder's initial bid must result in a lower TIC with respect to a bid, when compared to the immediately preceding bid of such Bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid, the prior bid will remain valid.

If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by MuniAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.

The last valid bid submitted by a Bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning Bidder or Bidders.

During the bidding, no Bidder will see any other Bidder's bid, but Bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.).

On the Auction Page, Bidders will be able to see whether a bid has been submitted.

Bidders must comply with the Rules of MuniAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of MuniAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

A Bidder submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Bonds at the rates and prices of the Winning Bid, if acceptable to the District, as set forth in this Official Notice of Sale. Winning Bids are not officially awarded to winning Bidders until formally accepted by the District as set forth in the Bond Resolution.

Neither the District, the Financial Advisor, nor the Auction Administrator is responsible for technical difficulties that result in loss of a Bidder's internet connection with MuniAuction, slowness in transmission of bids, any other technical problems resulting in bid submission failure, or any computational or data entry errors associated with using MuniAuction.

If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the District exercises its right to reject bids, as set forth herein.

Bids which generate error messages are not accepted until the error is corrected and the bid is received prior to the deadline.

Bidders accept and agree to abide by all terms and conditions specified in this Official Notice of Sale (including amendments, if any) related to the auction.

Neither the District, the Financial Advisor, nor the Auction Administrator is responsible to any Bidder for any defect or inaccuracy in this Official Notice of Sale, amendments thereto, or the Preliminary Official Statement as they appear on MuniAuction resulting in bid submission failure, or any computational or data entry errors associated with using MuniAuction.

Only Bidders who request and receive admission to the auction may submit a bid. MuniAuction and the Auction Administrator reserve the right to deny access to the MuniAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.

Neither the District, the Financial Advisor, nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's MuniAuction password.

If two bids submitted in the same auction by two or more different Bidders result in the same TIC, the first confirmed bid received by MuniAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change to the TIC.

Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to MuniAuction within 15 minutes after the bidding time period ends.

Regardless of the final results reported by MuniAuction, the Bonds are definitively awarded to the winning Bidder (the "Purchaser") only upon official award by the District. If, for any reason, the District fails to: (i) award the Bonds to the winner reported by MuniAuction, or (ii) deliver the Bonds to the Purchaser at settlement, neither the District, the Financial Advisor, nor the Auction Administrator will be liable for damages.

Bidders who submit a bid on the Auction Page by clicking the "Submit Bid" button must confirm that bid by clicking the "Yes, Submit Bid" button on the Confirmation Page.

## **Determination of Winning Bid**

The Bonds will be awarded to the single and best Bidder whose bid will be determined upon the basis of the **lowest TIC** at the rate or rates designated in said bid from the dated date to the respective maturity dates after deducting the bid premium or adding the bid discount. The TIC will be calculated as the rate which, when used in computing the present value of all payments of principal and interest to be paid on the Bonds (commencing on January 1, 2019, and semiannually on each January 1 and July 1 thereafter), produces an amount on the date of the Bonds (expected to be March 7, 2018) equal to the purchase price set forth in the bid. In the event of more than one proposal specifying the lowest TIC, the Bonds will be awarded to the Bidder whose bid was submitted first in time on the MuniAuction webpage.

The TIC of each bid will be computed by MuniAuction and reported on the Observation Page of the MuniAuction webpage immediately following the date and time for receipt of bids.

These TICs are subject to verification by the Financial Advisor and will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the Winning Bid. The District or the Financial Advisor will notify the Bidder to whom the Bonds will be awarded, if and when such award is made.

## **Bidding Parameters**

The Bonds will be dated the date of issuance thereof and will mature on the dates and in the amounts as described in the Official Bid Form attached hereto.

The Bonds are not subject to optional redemption prior to maturity.

Any Bidder electing to designate any maturities as term bonds shall so specify on the affirmed bid form. The term bonds shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

**All interest rates must be in multiples of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%), and not more than one rate for a single maturity shall be specified. The rate bid for each maturity shall not exceed 5.0%. All bids must be for all of the Bonds and must be for not less than 97.5% and not more than 109.0% of the par amount thereof.**

Attorneys' fees, Rating Agency fees, Financial Advisor fees, the cost of preparing and printing the Bonds, the fees of the registrar and paying agent for the Bonds, Escrow Agent fees, the cost of distributing this Official Notice of Sale, the Preliminary Official Statement and the Official Statement and miscellaneous expenses of the District incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the District. The costs of issuance of the Bonds may be distributed by separate wires of the Purchaser on behalf of the District.

*A good faith deposit will not be required prior to bid opening.* The Purchaser is required to submit a certified or cashier's check on a solvent bank or trust company or a wire transfer for TWO PERCENT OF PAR payable to the School Treasurer who receives the taxes of the District as evidence of good faith of the Purchaser (the "Deposit") not later than 3:30 P.M. Central Standard



Time on the day of the award. The Deposit of the Purchaser will be retained by the District pending delivery of the Bonds. The District may hold the proceeds of any Deposit or invest the same (at the District's risk) in obligations that mature at or before the delivery of the Bonds, until applied, as follows: (a) at the delivery of the Bonds and upon compliance with the Purchaser's obligation to take up and pay for the Bonds, the full amount of the Deposit held by the District, without adjustment for interest, shall be applied toward the purchase price of the Bonds at that time, and the full amount of any interest earnings thereon shall be retained by the District; and (b) if the Purchaser fails to take up and pay for the Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the District as liquidated damages.

The Purchaser shall provide Bond Counsel, within 48 hours of the award, the required issue statistics to complete parts II-V of Department of Treasury Form 8038-G.

### **Establishment of Issue Price**

(a) The Purchaser shall assist the District in establishing the issue price of the Bonds at or prior to the time that the principal amount of the Bonds is to be adjusted based on the issue price and shall execute and deliver to the District at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public (as hereinafter defined) or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the District and Bond Counsel. All actions to be taken by the District under this Official Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the District by the District's Financial Advisor, identified herein, and any notice or report to be provided to the District may be provided to the District's Financial Advisor. Within one hour of the award, the Purchaser will provide the District the expected initial offering prices of the Bonds, which the Purchaser used in formulating the bid.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "Competitive Sale Requirements") because:

- (1) the District shall disseminate this Official Notice of Sale to potential Underwriters (as hereinafter defined) in a manner that is reasonably designed to reach potential Underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest TIC, as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements are not satisfied, the District shall so advise the Purchaser. The District shall then treat the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The Purchaser shall advise the District if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. **The District will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity. Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% Test in order to establish the issue price of the Bonds.**

(d) Until the 10% Test has been satisfied as to each maturity of the Bonds, the Purchaser agrees to promptly report to the District the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% Test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the Public. In addition, if the 10% test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the Purchaser shall provide the District with a representation as to the price or prices as of the date of closing at which the Purchaser reasonably expects to sell the remaining Bonds of such maturity.

(e) By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the Purchaser that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, if and for so long as directed by the Purchaser and as set forth in the related pricing wires, and (ii) any agreement among Underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the Purchaser or such Underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, if and for so long as directed by the Purchaser or such Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% Test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the Public.

(f) Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

- (i) “Public” means any person other than an Underwriter or a Related Party,

- (ii) a purchaser of any of the Bonds is a “Related Party” to an Underwriter if the Underwriter and the Purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other),
- (iii) “Sale Date” means the date that the Bonds are awarded by the District to the Purchaser, and
- (iv) “Underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, including specifically, the Purchaser, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

### **Closing Transcript**

At the time of delivery, the District will furnish to the Purchaser the approving legal opinion of Bond Counsel, and in due course a complete certified transcript of all proceedings in connection with the issuance of the Bonds which shall include a non-litigation certificate showing that there is no litigation pending or threatened as to the validity or security of the Bonds.

### **Tax Exemption**

Subject to compliance by the District with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See “TAX EXEMPTION” in the Preliminary Official Statement for a more complete discussion.

## **Book-Entry Only**

The Bonds will be issued as fully-registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. A single Bond certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry-only form only through DTC participants, in the principal amount of \$5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the Bonds purchased. The Purchaser shall be required to deposit the Bond certificates with DTC as a condition to delivery of the Bonds. The District will make payments of principal and interest on the Bonds to DTC or its nominee as registered owner of the Bonds in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the District that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The District assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Bonds.

In the event that the securities depository relationship with DTC for the Bonds is terminated and the District does not appoint a successor depository, the District will prepare, authenticate and deliver, at its expense, fully-registered Bond certificates in the denominations of \$5,000 or an integral multiple thereof in the aggregate principal amount of the Bonds of the same interest rate then outstanding to the beneficial owners of the Bonds.

## **CUSIP Numbers**

It is intended that CUSIP numbers will be printed on the Bonds, but neither the failure to print or type such number on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and make payment for the Bonds. All expenses in relation to the printing of CUSIP numbers, including CUSIP Service Bureau charges for the assignment of said numbers, shall be the responsibility of and shall be paid by the Purchaser.

## **Continuing Disclosure**

The District covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the “Undertaking”) to provide ongoing disclosure about the District for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The form of the Undertaking is set forth in Appendix C in the Preliminary Official Statement. Please see the section entitled “CONTINUING DISCLOSURE” in the Preliminary Official Statement for a description of the District’s compliance for the last five years with undertakings previously entered into by it pursuant to the Rule.

The Purchaser’s obligation to purchase the Bonds shall be conditional upon the District delivering the Undertaking on or before the date of delivery of the Bonds.

## **Official Statement**

The District declares the Preliminary Official Statement provided in connection with the sale of the Bonds to be final as of its date for purposes of the Rule, except for the omission of the offering prices or yields, the interest rates, any other terms or provisions required by the District specified in the bid, ratings, other terms of the Bonds depending on such matters, and the identity of the Purchaser. Upon the sale of the Bonds, the District will publish an Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. By submission of its bid, the Purchaser will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Promptly after the Sale Date, but in no event later than seven business days after the Sale Date, the District will provide the Purchaser with an electronic copy of the final Official Statement. The Purchaser agrees to supply to the District all information necessary to complete the Official Statement within 24 hours after the award of the Bonds.

## **Conditions of Closing**

The District reserves the right to reject any or all bids and to determine the best bid in its sole discretion, and to waive any informality in any bid. Additionally, the District reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the MuniAuction webpage and through *Thompson Municipal News*.

By submitting a bid, any Bidder makes the representation that it understands Bond Counsel represents the District in the Bond transaction and, if such Bidder has retained Bond Counsel in an unrelated matter, such Bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such Bidder any conflict of interest of Bond Counsel arising from any adverse position to the District in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the Bidder and Bond Counsel.

The Bonds will be delivered to the Purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be March 7, 2018. Should delivery, however, be delayed beyond forty-five (45) days from the Sale Date for any reason beyond the control of the District except failure of performance by the Purchaser, the District may cancel the award or the Purchaser may withdraw the Deposit and thereafter the Purchaser's interest in and liability for the Bonds will cease.

## **Additional Information**

The Preliminary Official Statement and the Official Bid Form, together with other pertinent information, may be obtained from the District, Attention: Richard Engstrom, Assistant Superintendent for Business and Operations, 15732 South Howard Street, Plainfield, Illinois, 60544, Telephone: (815) 577-4000, or from the Financial Advisor, Attention: Jasen Pinkerton, 2135 CityGate Lane, 7th Floor, Naperville, Illinois 60563, Telephone: (630) 657-6442.

By order of the Board of Education of the District, dated this 12<sup>th</sup> day of February, 2018.

/s/ Richard Engstrom

Assistant Superintendent for Business and Operations  
Community Consolidated School District Number 202  
Will and Kendall Counties, Illinois

**OFFICIAL BID FORM**  
(Open Internet Auction)

Board of Education  
Community Consolidated School District Number 202  
Will and Kendall Counties, Illinois

February 20, 2018

Ladies and Gentlemen:

Subject to all the provisions of the Official Notice of Sale, which is expressly made a part of this bid, we offer to purchase the General Obligation School Refunding Bonds, Series 2018A, as described below:

Par amount of Bonds:	\$56,535,000*
Dated date:	March 7, 2018
Purchase price:	\$ _____

(not less than 97.5% and not more than 109.0% of the par amount of the Bonds)

The Bonds shall bear interest as follows (each rate (i) a multiple of 1/8 or 1/20 of 1% and (ii) not exceeding 5.0%):

<u>Maturity</u> <u>(January 1)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Term Bonds</u>
2019	1,075,000	_____	_____
2020	1,245,000	_____	_____
2021	1,545,000	_____	_____
2022	3,360,000	_____	_____
2023	115,000	_____	_____
2024	4,720,000	_____	_____
2025	345,000	_____	_____
2026	15,245,000	_____	_____
2027	21,555,000	_____	_____
2028	7,330,000	_____	_____

\*Preliminary, subject to change. The District reserves the right to increase or decrease the principal amount of the individual maturities of the Bonds on the day of sale in increments of \$5,000. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000 portion of a bond.

Any Bidder electing to designate any maturities as term bonds shall so specify on the affirmed bid form. The term bonds shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

The Bonds are not subject to optional redemption prior to maturity.

The Bonds are to be accompanied by the unqualified approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and a certificate evidencing that no litigation is pending against the District which will affect the validity or security of the Bonds.

Attorneys' fees, Rating Agency fees, Financial Advisor fees, the cost of preparing and printing the Bonds, the fees of the registrar and paying agent for the Bonds, Escrow Agent fees, the cost of distributing the Official Notice of Sale, the Preliminary Official Statement and the Official Statement and miscellaneous expenses of the District incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the District. The costs of issuance of the Bonds may be distributed by the Purchaser on behalf of the District from proceeds of the Bonds and by submitting this bid, we agree to send (an) additional wire(s) at closing to distribute such costs if so requested by the District.

If the net interest cost or the true interest cost stated below is incorrectly computed, the undersigned agrees that the purchase price and interest rates above shall prevail.

Net Interest Cost: \$ \_\_\_\_\_  
True Interest Cost: \_\_\_\_\_ %

This bid is a firm offer for the purchase of the Bonds identified in the Official Notice of Sale, on the terms set forth in this bid form and the Official Notice of Sale, and is not subject to any conditions, except as permitted by the Official Notice of Sale. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. *[If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]*

We understand that if we are the winning bidder, we will deposit with the School Treasurer who receives the taxes of the District not later than 3:30 P.M. CST on the Sale Date a certified or cashier's check or a wire in the amount of two percent (2%) of the par amount of the Bonds payable to said District as a guarantee of good faith, to be applied in accordance with the Official Notice of Sale.

\_\_\_\_\_  
Managing Underwriter Signature

Name of Firm: \_\_\_\_\_

Direct Contact: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

—PLEASE ATTACH A LIST OF ACCOUNT MEMBERS—



The foregoing offer is hereby accepted this 20<sup>th</sup> day of February, 2018, by the Board of Education of Community Consolidated School District Number 202, Will and Kendall Counties, Illinois, and in recognition thereof is signed by the officials of the District empowered and authorized to make such acceptance.

---

President, Board of Education  
Community Consolidated School District  
Number 202  
Will and Kendall Counties, Illinois

---

Assistant Superintendent for Business and  
Operations  
Community Consolidated School District  
Number 202  
Will and Kendall Counties, Illinois

**Form of Issue Price Certificate**

## EXHIBIT A

### CERTIFICATE OF PURCHASER

The undersigned, on behalf of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (the “Purchaser”), hereby certifies as set forth below with respect to the sale and issuance of the General Obligation School Refunding Bonds, Series 2018A (the “Bonds”), by Community Consolidated School District Number 202, Will and Kendall Counties, Illinois (the “District”).

#### I. GENERAL

On the Sale Date, the Purchaser purchased the Bonds from the District by submitting electronically an “Official Bid Form” responsive to an “Official Notice of Sale” and having its bid accepted by the District. The Purchaser has not modified the terms of the purchase since the Sale Date.

#### II. PRICE

##### 1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in *Exhibit A* (the “*Expected Offering Prices*”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as *Exhibit B* is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given an exclusive opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

##### [2. Sale of 10%.

As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A*.]

##### [3. Expected First Sale Price.

With respect to each of the \_\_\_\_\_ Maturities of the Bonds:

(a) As of the date of this certificate, the Purchaser has not sold at least 10% of the Bonds of this Maturity at any price.

(b) As of the date of this certificate, the Purchaser reasonably expects that the first sale to the Public of an amount of Bonds of this Maturity equal to 10% or more of

this Maturity will be at or below the Expected Sale Price listed on the attached *Exhibit A* (the “*Expected First Sale Price*”).]

#### 4. Defined Terms.

(a) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(c) A person is a “*Related Party*” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) “*Sale Date*” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is February 20, 2018.

(e) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations and with respect to compliance with the federal income tax rules affecting the Bonds, and by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, in connection with rendering its opinion concerning interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_, 2018