

Interest on the Bonds is includible in gross income of the owners thereof for federal income tax purposes. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX MATTERS" herein for a more complete discussion.

**COMMUNITY UNIT SCHOOL DISTRICT NUMBER 207-U
WILL AND KANKAKEE COUNTIES, ILLINOIS
(PEOTONE)**

\$4,510,000 TAXABLE GENERAL OBLIGATION LIMITED TAX SCHOOL BONDS, SERIES 2020

Dated: Date of Issuance

Due: November 1, as Shown on the Inside Cover Page

The Taxable General Obligation Limited Tax School Bonds, Series 2020 (the "Bonds"), of Community Unit School District Number 207-U, Will and Kankakee 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 May 1 and November 1 of each year, with May 1, 2021, as the first interest payment date. Amalgamated Bank of Chicago, 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) increase the District's working cash fund, (ii) pay interest on the Bonds due on May 1, 2021, and (iii) pay costs associated with the issuance of the Bonds.

The Bonds, in the opinion of Chapman and Cutler, LLP, Chicago, Illinois, Bond Counsel ("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, 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 amount of said taxes that may be extended to pay the Bonds is limited as provided by law. See "THE BONDS – Limited Bonds" herein.

The Bonds are not subject to redemption prior to maturity.

The Bonds are offered when, as and if issued by the District and received by Piper Sandler & Col, Chicago, Illinois (the "Underwriter"), subject to prior sale, to withdrawal or modification of the offer without notice, and 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 October 27, 2020.

PIPER | SANDLER

AS UNDERWRITER



AS FINANCIAL ADVISOR

The date of this Official Statement is October 6, 2020.

+See "BOND RATING" herein.

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

\$4,510,000 Taxable General Obligation Limited Tax School Bonds, Series 2020

<u>Maturity</u> <u>(November 1)</u>	<u>Amount (\$)</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP⁽¹⁾</u> <u>(968631)</u>
2021	405,000	0.40	0.40	PR6
2022	405,000	0.50	0.50	PS4
2023	1,040,000	0.60	0.60	PT2
2024	1,985,000	0.75	0.75	PU9
2025	675,000	0.90	0.90	PV7

(1) CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Global Market Intelligence. 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.

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 Community Unit School District Number 207-U, Will and Kankakee Counties, Illinois (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, LLC, 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 Unit School District Number 207-U
Will and Kankakee Counties, Illinois
(Peotone)
212 West Wilson Street
Peotone, Illinois 60468
(708) 258-0991**

* * * * *

Board of Education

Tara Robinson, President
Rick Uthe, Vice President
Jennifer Moe, Secretary
Jodi Becker
Roger Bettenhausen
Paul Douglas
Jody Thatcher

School Treasurer

Scot Carder

Superintendent

Steven Stein

Business Manager

Trevor Moore

* * * * *

Paying Agent/Registrar

Amalgamated Bank of Chicago
30 North LaSalle Street, 38th Floor
Chicago, Illinois 60602

Financial Advisor

PMA Securities, LLC
2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563

Independent Auditors

Gassensmith & Michalesko, Ltd.
323 Springfield Avenue
Joliet, Illinois 60435

Bond and Disclosure Counsel

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

Underwriter

Piper Sandler & Co.
444 West Lake Street, Suite 3300
Chicago, Illinois 60606

TABLE OF CONTENTS

PAGE

INTRODUCTION	1
THE BONDS	1
General Description	1
Registration and Exchange	1
Authority and Purpose	2
Security and Payment	2
Limited Bonds	3
THE PLAN OF FINANCE	4
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	8
Property Tax Extension Limitation Law	9
Truth in Taxation Law	11
RISK FACTORS	11
Finances of the State of Illinois	11
Potential Impact of COVID-19	12
Local Economy	14
Loss or Change of Bond Rating	14
Cybersecurity	14
Secondary Market for the Bonds	14
Continuing Disclosure	15
Suitability of Investment	15
Future Changes in Laws	15
Bankruptcy	15
THE DISTRICT	16
General Description	16
Educational Facilities	17
Enrollments	17
The Board of Education	18
Administration	18
Employees	18
SOCIO-ECONOMIC CHARACTERISTICS	19
Population Trend	19
Education	19
Income	20
Housing	20
Residential Housing Building Permits	21
Retail Sales	21
Employment by Occupation	22
Employment by Industry	22
Largest Area Employers	23
Historical Unemployment Statistics	23
FINANCIAL INFORMATION	24
Trend of EAV	24
EAV by County	24
Tax Increment Financing Districts Located within the District	25
Tax Rates	25
Representative Tax Rates for Property within the District	26
Tax Extensions and Collections	26
Largest Taxpayers	27
Summary of Outstanding Bonded Debt	27
Debt Repayment Schedule	28

Overlapping Bonded Debt.....	28
Debt Statement.....	29
Debt Ratios.....	29
Short-Term Financing Record.....	29
Future Financing.....	29
Default Record.....	29
SUMMARY OF OPERATING RESULTS	30
Management Discussion	30
Combined Educational Fund and Operations and Maintenance Fund Revenue Sources	30
Summary of Operating Funds and Debt Service Fund.....	31
On-Behalf Payments Summary.....	32
Working Cash Fund	33
Budget Summary.....	34
STATE AID	34
General.....	34
General State Aid - Evidence-Based Funding Model	34
Property Tax Relief Pool Funds.....	36
Mandated Categorical State Aid	36
Competitive Grant State Aid.....	37
Payment for Mandated Categorical State Aid and Competitive Grant State Aid.....	38
Coronavirus Aid, Relief and Economic Security Act	38
SCHOOL DISTRICT FINANCIAL PROFILE.....	38
RETIREMENT PLANS	40
Background Regarding Pension Plans	40
Teachers' Retirement System of the State of Illinois.....	41
Illinois Municipal Retirement Fund	44
OPEB Summary.....	45
Post-Employment Benefit Trust.....	45
TAX MATTERS	46
LITIGATION	46
BOND RATING	46
CONTINUING DISCLOSURE	47
CERTAIN LEGAL MATTERS	47
UNDERWRITING.....	48
FINANCIAL ADVISOR.....	48
THE OFFICIAL STATEMENT.....	49
Accuracy and Completeness of the Official Statement	49

Appendices:

- A. Form of Legal Opinion of Bond Counsel
- B. Annual Financial Report for Fiscal Year Ended June 30, 2019
- C. Form of Continuing Disclosure Undertaking

\$4,510,000
Community Unit School District Number 207-U
Will and Kankakee Counties, Illinois
(Peotone)
Taxable General Obligation Limited Tax School Bonds, Series 2020

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Community Unit School District Number 207-U, Will and Kankakee Counties, Illinois (the “District”), in connection with the offering and sale of its \$4,510,000 Taxable General Obligation Limited Tax School Bonds, Series 2020 (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 Amalgamated Bank of Chicago, 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 May 1 and November 1, beginning May 1, 2021. 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 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 September 21, 2020, as supplemented by a notification of sale (together, the “Bond Resolution”). Proceeds of the Bonds will be used to (i) increase the District’s working cash fund, (ii) pay interest on the Bonds due on May 1, 2021, and (iii) pay costs associated with the issuance of the Bonds. See “THE PLAN OF FINANCE” 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, 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 amount of said taxes that will be extended to pay the Bonds is limited pursuant to the Property Tax Extension Limitation Law of the State of Illinois, as amended (the “Limitation Law”). See “Limited Bonds” herein.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate, upon all taxable property within the District in amounts to pay, as and when due, all principal of and interest on the Bonds to the amount of the Base (as hereinafter defined) beginning with the

November 1, 2021, principal and interest payment date. Interest due on May 1, 2021, will be paid from the proceeds of the Bonds. The Bond Resolution will be filed with the County Clerks of The Counties of Will and Kankakee, 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.

Limited Bonds

The Bonds are limited bonds and are issued pursuant to the School Code, as supplemented by the Debt Reform Act. Although the obligation of the District to pay the Bonds is a general obligation under the School Code and all taxable property in the District is subject to the levy of taxes to pay the Bonds without limitation as to rate, the amount of said taxes that will be extended to pay the Bonds is limited pursuant to the Limitation Law.

The Debt Reform Act provides that the Bonds are payable from the debt service extension base of the District (the “Base”) pursuant to a referendum held on March 16, 2004, constituting an extension for payment of principal and interest on bonds issued by the District without referendum, but not including alternate bonds issued under Section 15 of the Debt Reform Act or refunding obligations issued to refund or to continue to refund obligations of the District originally issued pursuant to referendum. The Limitation Law further provides that the annual amount of taxes to be extended to pay the Bonds and all other limited bonds heretofore and hereafter issued by the District shall not exceed the Base.

At closing, the Bonds will constitute one of three series of limited bonds of the District that are payable from the Base. Payments on the Bonds from the Base will be made on a parity with the payments on the District’s Taxable General Obligation Limited Tax School Bonds, Series 2015B (the “2015B Bonds”) and Taxable General Obligation Limited Tax School Bonds, Series 2018A (the “2018A Bonds” and, together with the 2015B Bonds, the “Outstanding Limited Bonds”). The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District’s limited bonds. The amount of the Base has been determined to be \$2,436,444, which is calculated as follows:

Base Approved by Voters at March 16, 2004 Referendum.....	\$2,436,444
---	-------------

The following chart shows the Base of the District, the debt service on the Outstanding Limited Bonds and the Bonds and the available Base after the issuance of the Bonds.

Levy Year	Fiscal Year	Outstanding		Total Limited		Available Base
		Limited Bonds Debt Service	Debt Service on the Bonds	Bonds Debt Service	Base	
2020	2022	\$ 2,000,740	\$ 435,038	\$ 2,435,778	\$ 2,436,444	\$ 666
2021	2023	2,001,039	433,215	2,434,254	2,436,444	2,190
2022	2024	936,330	1,064,083	2,000,413	2,436,444	436,031
2023	2025	-	1,998,519	1,998,519	2,436,444	437,925
2024	2026	-	678,038	678,038	2,436,444	1,757,406
		<u>\$ 4,938,109</u>	<u>\$ 4,608,891</u>	<u>\$ 9,547,000</u>		

THE PLAN OF FINANCE

Proceeds of the Bonds will be used to increase the District’s working cash fund and are expected to be used to finance the operations of the District. The District’s fiscal year 2021 budget approved by the Board allocates \$1.8 million and \$0.6 million of working cash funds to be transferred during fiscal year 2021 to the Educational Fund and Operations and Maintenance Fund, respectively. See “SUMMARY OF OPERATING RESULTS - Management Discussion” herein.

SOURCES AND USES

Estimated Sources of Funds

Par Amount of the Bonds	\$ 4,510,000.00
Total Sources	<u>\$ 4,510,000.00</u>

Estimated Uses of Funds

Deposit to Working Cash Fund.....	\$ 4,400,000.00
Capitalized Interest.....	15,766.50
Costs of Issuance..... ⁽¹⁾	<u>94,233.50</u>
Total Uses	<u>\$ 4,510,000.00</u>

(1) Includes Underwriter’s discount, Bond and Disclosure Counsel fees, Financial Advisor’s fee, Registrar’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.

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 Kankakee 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.

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 up to a maximum of \$250,000.

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 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 the 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. See “THE BONDS – Security” herein.

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. The District cannot predict whether, or in what form, any change to the Limitation Law 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 in any way 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 and its officers 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”) continues to experience adverse fiscal conditions. The severe underfunding of the State’s pension systems, which, based on the comprehensive annual financial reports of the State’s five retirement systems, have a combined unfunded pension liability in excess of \$130 billion and a combined funded ratio less than 45%, and an ongoing bill backlog of billions of dollars contribute to the State’s poor financial health. The State’s long-term general obligation bonds are rated at the lowest investment grade rating level and are the lowest bond ratings among the states.

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. The State enacted full budgets for the State fiscal years ending June 30, 2018 (the “Fiscal Year 2018 Budget”), June 30, 2019 (the “Fiscal Year 2019 Budget”), June 30, 2020 (the “Fiscal Year 2020 Budget”), and June 30, 2021 (the “Fiscal Year 2021 Budget”). The Fiscal Year 2018 Budget contained appropriations 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.” Public Act 100-465 provides for an Evidence-Based Funding Model for allocating General State Aid to school districts. See “STATE AID” herein for more information on the Evidence-Based Funding Model. The Fiscal Year 2019 Budget, the Fiscal Year 2020 Budget and the Fiscal Year 2021 Budget also contained appropriations for General State Aid and allocated the same among school districts in accordance with the Evidence-Based Funding Model.

The Fiscal Year 2021 Budget appropriated General State Aid at approximately the same level as the Fiscal Year 2020 Budget. The Fiscal Year 2021 Budget did not appropriate any additional funds to be allocated under the Evidence-Based Funding Model as New State Funds (as defined herein). See “STATE AID” herein for more information. The Fiscal Year 2021 Budget also includes authorization to spend federal funds the State anticipates receiving as a result of previously approved federal relief packages related to the Novel Coronavirus 2019 (“COVID-19”), including \$250 million for COVID-19-related expenses incurred by local governments.

State funding sources constituted 13.62% of the District’s General Fund revenue sources for the fiscal year ended June 30, 2019 and is estimated to constitute 12.37% of the District’s General Fund revenue sources for the fiscal year ended June 30, 2020.

The District cannot predict the effect the State’s financial problems, including those caused by the continued spread of COVID-19 or the various governmental or private actions in reaction thereto, may have on the District’s future finances. In response to the COVID-19 pandemic, the rating agencies have lowered their respective rating outlooks on the State’s long-term general obligation bonds to negative from stable. See “Potential Impact of COVID-19” below.

Potential Impact of COVID-19

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, has had an adverse impact on global financial markets and economies, including financial markets and economic conditions in the United States. The impact of the COVID-19 pandemic on the U.S. economy is expected to be broad based and to negatively impact national, state and local economies.

In response to such expectations, President Trump has declared a “national emergency” and Illinois as a disaster area, which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. In addition, on March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), which is directed at mitigating the economic downturn and health care crisis caused by COVID-19. The estimated \$2 trillion CARES Act, among other items, creates a \$150 billion Coronavirus Relief Fund (the “Coronavirus Relief Fund”) for state, local and tribal governments to use for expenditures incurred due to the public health emergency with respect to COVID-19.

The Governor has signed various executive orders (each with 30-day periods of effectiveness which have been extended several times) to prevent the further spread of COVID-19 that, as originally issued, (i) required all Illinoisans (with certain exceptions) to stay in their homes; (ii) closed all bars and restaurants to dine-in customers; (iii) ceased operations for all non-essential businesses in the State and (iv) prohibited all public and private gatherings of 10 or more people. The Governor has implemented a five-phase approach to reopening the State's businesses, with each successive phase easing certain of the restrictions previously imposed by such executive orders. The State is currently in the fourth phase of this reopening plan, and the current executive orders extend through October 17, 2020. Under the current executive orders, Illinoisans are no longer required to stay in their homes, bars and restaurants are allowed to partially open, public and private gatherings of 50 or fewer people are allowed and some additional businesses are allowed to resume operations.

Despite moneys the State is expected to receive from the federal government, including from the CARES Act, the spread of COVID-19 and the actions taken in response thereto have had, and are expected to continue to have, a significant negative impact on the State's economy, which could affect the revenues received by the District from the State, including State Aid.

The State is not yet able to assess the severity of the economic impact of the COVID-19 pandemic. The State's initial estimates projected revenues for fiscal year 2020 to be approximately \$2.7 billion less than previously projected, and fiscal year 2021 revenues to be approximately \$4.6 billion less than previously projected. In addition, the State borrowed \$1.2 billion from the Federal Reserve's Municipal Liquidity Facility on June 5, 2020, which provided additional revenues in fiscal year 2020, but must be repaid out of the State's general revenues during fiscal year 2021. The State is expected to continue to develop economic forecasts and revenue estimates as circumstances change and additional information becomes available. It is possible that actual results will vary, and perhaps vary widely, from the amounts described in this paragraph. The negative impact on the State's revenues could result in reduced General State Aid to fund District operations.

The District was fully compliant with the remote learning directive issued by the Illinois State Board of Education ("ISBE") while its facilities were closed. The District is conducting an abbreviated in-person school day at grades K-12 with 3 hours and 45 minutes of daily in-person instruction, followed by 1 hour and 15 minutes of remote learning each evening. A full-time remote learning option is available upon request. The District expects to receive \$89,252 in COVID-19 federal relief funding, although the timing of receipt is not yet known. The District expects to spend such funds on Chromebooks. As discussed below, any impact from COVID-19 to State funding related to operations in fiscal year 2021 is currently not known.

The District cannot predict the effect the spread of COVID-19 or the various governmental or private actions in reaction thereto will have on its finances or operations, including receipt of State revenues for operating purposes and real estate tax collections for operating expenses and the payment of debt service. While the District does not currently anticipate a material effect on the extension and collection of property taxes, should adverse economic conditions lead to an increase in unemployment rates for residents in the District, property tax collection rates within the District could be adversely affected. If there is a negative

impact on the receipt of State revenues and/or extension and collection of real estate taxes, the District may have difficulty paying debt service on the Bonds.

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.

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 ratings 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.

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the District. Despite the implementation of network security measures by the District, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer viruses, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the District does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the District's operations and financial health. Further, as cybersecurity threats continue to evolve, the District may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

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. 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.

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 is located in northeastern Illinois, approximately 45 miles southwest of the City of Chicago and 15 miles southeast of the City of Joliet. The District is located in Will County (the “County”) (99.97% of the District’s 2019 EAV), with a small portion in northwestern Kankakee County (0.03% of the District’s 2019 EAV). The District serves the Village of Peotone (the “Village”) (24.47% of the District’s 2019 EAV), small portions of the Villages of Manhattan (3.84% of the District’s 2019 EAV) and Frankfort (2.71% of the District’s 2019 EAV) and surrounding unincorporated areas.

The transportation needs of District residents are served by Interstate 57, Illinois Route 50 and U.S. Highways 45 and 52. Construction of the Illiana Expressway (connecting I-55 in Illinois to I-65 in Indiana) is currently on hold. A portion of this expressway would traverse the District. Passenger air transportation is available at Joliet Airport and Midway International Airport (Chicago). Commuter transportation service to the Chicago “Loop” is accessible nearby in the City of Joliet.

The Federal Aviation Administration (“FAA”) and the Illinois Department of Transportation’s Division of Aeronautics completed the first components of a master plan and the environmental impact statement for the construction of the South Suburban Airport in May of 2010. The project’s status is currently on hold, even though the District continues to receive notices from the Illinois Department of Transportation about land purchases for the airport. Approximately two-thirds of the land is located within the District’s boundaries. It is anticipated that land acquisition for the project will continue. The proposed airport is within the airspace of an existing airport, Bult Field, a privately owned property in Monee that handled an average of 36 flights per day with a 5,000 foot runway. On July 1, 2014, the Illinois Department of Transportation (“IDOT”) purchased Bult Field and the surrounding farmland for \$34 million for the proposed airport. Since March 2002, the State has acquired 4,480 acres of land at a cost of \$96.9 million, with the most recent purchase being 80.6 acres on South Kedzie Avenue, in Beecher, in June of 2018 according to www.southsuburbanairport.com. Development of this airport is currently on hold, although the fiscal year 2020-2025 Rebuild Illinois Highway Improvement Program includes approximately \$206 million in funding for a new exchange on I-57 that would support it.

District residents may pursue opportunities for higher education at Governors State University, College of St. Francis, Joliet Community College District No. 525 and Kankakee Community College District No. 520 and at the many colleges and four-year universities located in the Chicagoland area. Many employment opportunities for area residents are available in the City of Joliet and the City of Chicago.

Educational Facilities

The District operates five facilities.

<u>Facility</u>	<u>Grades</u>	<u>Current Enrollment</u>	<u>Capacity Enrollment</u>	<u>Constructed</u>	<u>Years of Additions/Renovations</u>
Connor Shaw Center.....	Pre-K	36	200	1928	1959
Peotone Elementary School.....	K-3	350	500	1959	1989
Peotone Intermediate Center.....	4-5	197	260	1959	1989, 2000
Peotone Junior High School.....	6-8	360	530	1954	1989
Peotone High School	9-12	434	600	2001	N/A

Source: The District

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 a modified version of the cohort survival method.

<u>School Year</u>	<u>Enrollment</u> ⁽¹⁾	<u>School Year</u>	<u>Enrollment</u> ⁽¹⁾⁽²⁾
2016-2017	1,525	2021-2022	1,344
2017-2018	1,468	2022-2023	1,334
2018-2019	1,413	2023-2024	1,294
2019-2020	1,424	2024-2025	1,272
2020-2021	1,377	2025-2026	1,240

(1) Declining historical and projected enrollment due to smaller kindergarten classes from less mobility.

(2) Projected enrollment.

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.....	Tara Robinson	April 2021
Vice President.....	Rick Uthe	April 2023
Secretary.....	Jennifer Moe	April 2023
Member.....	Jodi Becker	April 2023
Member.....	Roger Bettenhausen	April 2021
Member.....	Paul Douglas	April 2021
Member.....	Jody Thatcher	April 2021
School Treasurer.....	Scot Carder	Appointed

Administration

The District's Superintendent is Steven Stein, who has been with the District since July 1, 2013. Prior to joining the District, Mr. Stein was the superintendent of Mokena School District Number 159. The Business Manager is Trevor Moore, who has been with the District since September 12, 2018. Prior to joining the District, Mr. Moore was an account manager at Darwill, Inc. in Hillside, Illinois.

Employees

The District has approximately 245 employees of whom 115 are certified employees and 130 are non-certified. Of the total number, the Peotone Teachers' Council represents 138 union members. The contract expires on June 30, 2023. The District considers its relationship with its employees to be healthy.

SOCIO-ECONOMIC CHARACTERISTICS

Population Trend

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

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>% Change 2000-2010</u>
The District.....	N/A	N/A	11,012	N/A
The Village.....	2,947	3,385	4,142	22.36%
The County	357,313	502,266	677,560	34.90%
The State	11,430,602	12,419,293	12,830,632	3.31%

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	2.1%	4.2%	5.0%
9th to 12th grade, no diploma	3.1	4.9	6.1
High school graduate	35.7	26.7	26.1
Some college, no degree	24.1	21.9	20.7
Associate degree	11.8	8.3	8.0
Bachelor’s degree	17.2	21.8	20.8
Graduate or professional degree	6.0	12.2	13.3
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: American Community Survey, 2014-2018 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	2.9%	3.2%	6.5%
\$10,000 to \$14,999	2.1	2.1	4.0
\$15,000 to \$24,999	4.5	6.0	8.9
\$25,000 to \$34,999	6.2	6.7	8.6
\$35,000 to \$49,999	10.1	9.8	12.0
\$50,000 to \$74,999	17.3	17.2	17.2
\$75,000 to \$99,999	15.3	14.0	12.7
\$100,000 to \$149,999	25.8	21.0	15.6
\$150,000 to \$199,999	10.5	10.6	6.9
\$200,000 or more	5.3	9.3	7.6
Total.....	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Median household income	\$85,625	\$83,504	\$63,575

Source: American Community Survey, 2014-2018 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	1.4%	2.9%	6.7%
\$50,000 to \$99,999	1.8	6.0	15.0
\$100,000 to \$149,999	7.9	12.9	15.7
\$150,000 to \$199,999	19.3	20.1	16.1
\$200,000 to \$299,999	27.3	29.3	21.0
\$300,000 to \$499,999	32.3	22.5	16.9
\$500,000 to \$999,999	8.4	5.8	7.0
\$1,000,000 or more	1.6	0.6	1.8
Total.....	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Median value	\$273,900	\$224,800	\$187,200
Owner-occupied	87.60%	81.00%	66.00%

Source: American Community Survey, 2014-2018 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 for each of the years listed.

<u>Year</u>	<u>Reported Number of Building Permits</u>	<u>Construction Cost</u>
2015.....	3	\$ 775,000
2016.....	4	1,100,000
2017.....	5	886,666
2018.....	2	354,666
2019.....	6	1,154,332

Source: U.S. Census Bureau

Retail Sales

The following table demonstrates the estimated sales reported by retailers in the Village for the last five calendar years and through the second quarter of 2020.

<u>Calendar Year</u>	<u>Retail Sales</u>
2015	\$82,583,407
2016	81,872,841
2017	80,328,087
2018	91,214,318
2019	99,949,363
2020 ⁽¹⁾	42,512,449

(1) Through the second quarter of 2020.

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.....	34.8%	36.3%	38.1%
Service occupations.....	14.4	16.2	17.2
Sales and office occupations.....	21.3	23.2	22.4
Natural resources, construction, and maintenance occupations.....	14.0	8.4	7.2
Production, transportation, and material moving occupations.....	15.5	15.9	15.1
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: American Community Survey, 2014-2018 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.....	2.1%	0.4%	1.1%
Construction.....	10.2	6.6	5.3
Manufacturing.....	10.9	11.1	12.1
Wholesale trade.....	2.6	3.2	3.0
Retail trade.....	11.9	12.0	10.8
Transportation, warehousing, and utilities.....	8.2	8.0	6.3
Information.....	2.1	2.0	1.9
Finance, insurance, real estate, rental and leasing.....	2.9	6.7	7.3
Professional, scientific, management, administrative and waste management services.....	11.4	10.9	11.8
Educational services, health care and social assistance.....	21.4	22.2	22.9
Arts, entertainment, recreation, accommodation and food services.....	8.3	8.9	9.1
Other services, except public administration	5.5	4.4	4.7
Public administration.....	2.4	3.6	3.6
Total.....	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: American Community Survey, 2014-2018 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 ⁽¹⁾

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.

Company Name	Product or Service	Location	Approximate employees at location
AMITA Health Saint Joseph Medical Center Joliet.....	Acute care hospital.....	Joliet	2,430
Riverside Healthcare.....	Regional medical center.....	Kankakee	2,200
Hollywood Casino Joliet.....	Casinos, hotels, resorts & riverboats.....	Joliet	2,000
Governors State University.....	Public university.....	University Park	1,200
Amita Health St. Mary's Hospital.....	Hospital.....	Kankakee	900
CSL Behring, LLC..... ⁽²⁾	Pharmaceutical Preparations.....	Bradley	700
Applied Systems, Inc.....	Insurance Agency & Prepackaged Software.....	University Park	600
Federal Signal Corp.....	Audible & visible vehicle warning equipment.....	University Park	500
Ecolab, Inc.....	Cleaning compounds.....	Joliet	450
Bimba Mfg. Co.....	Company HQ & actuators, valves, fittings & vacuum motion products.....	University Park	250
CommScope, Inc.....	Communication Systems & Equipment.....	Joliet	250
Crown Lift Trucks Corp.....	Forklift sales.....	Joliet	250
Peddinghaus Corp.....	Corporate HQ & machine tools.....	Bradley	250

(1) The data contained in this chart do not reflect any impact from the COVID-19 pandemic and how such pandemic may affect local businesses and employees in the area.

(2) CSL Behring, LLC is undertaking a significant long-term expansion, namely an estimated 1.8 million square foot addition which will be located immediately south of the existing manufacturing plant and be called CSL South. The entire expansion could take up to a decade to complete.

Source: 2020 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 July 2019 and July 2020 for the Village compared with the County and the State.

	<u>The Village</u>	<u>The County</u>	<u>The State</u>
Average, 2015.....	5.8%	5.8%	6.0%
Average, 2016.....	5.0	5.5	5.8
Average, 2017.....	4.0	5.0	4.9
Average, 2018.....	3.6	4.1	4.3
Average, 2019.....	3.4	3.8	4.0
July, 2019.....	N/A ⁽²⁾	4.2	4.2
July, 2020..... ⁽¹⁾	N/A ⁽²⁾	11.1	11.3

(1) The District attributes the increase in unemployment rates to the various stay at home orders, issued by the Governor, related to the COVID-19 pandemic. See "RISK FACTORS - Potential Impact of COVID-19" herein.

(2) There is no monthly data available for the Village since it is a community with a population of less than 25,000.

Source: Illinois Department of Employment Security

FINANCIAL INFORMATION

Trend of EAV

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

The following table reflects the EAV trend of the District by property type, growth rate and new property. The District's EAV peaked at \$396,009,074 in levy year 2009. The current EAV is 2.35% below the peak EAV.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Residential	\$207,714,345	\$216,283,552	\$220,322,519	\$226,695,314	\$233,213,876
Farm	84,643,287	89,046,610	93,308,557	98,041,216	105,268,052
Commercial	22,058,493	24,993,631	25,706,752	25,552,400	27,999,722
Industrial	18,588,978	19,547,045	19,497,890	19,411,441	19,451,052
Railroad	932,746	906,781	792,758	928,029	751,475
Total..... ⁽¹⁾	<u>\$ 333,937,849</u>	<u>\$ 350,777,619</u>	<u>\$ 359,628,476</u>	<u>\$ 370,628,400</u>	<u>\$ 386,684,177</u>
Percent of Change.	1.73% ⁽²⁾	5.04%	2.52%	3.06%	4.33%
New Property Value.....	\$2,043,319	\$5,087,644	\$3,084,009	\$1,060,270	\$5,224,289

(1) Excludes tax increment financing ("TIF") incremental EAV. The 2019 TIF incremental EAV is \$1,082,986. See "Tax Increment Financing Districts Located within the District" herein.

(2) Based on the District's 2014 EAV of \$328,243,076.

Source: County Clerks' Offices

EAV by County

Tax Year	Kankakee		Total EAV
	Will County	County	
2015	\$ 333,845,539	\$ 92,310	\$ 333,937,849
2016	350,681,000	96,619	350,777,619
2017	359,528,625	99,851	359,628,476
2018	370,518,228	110,172	370,628,400
2019	386,568,733	115,444	386,684,177

Source: 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 Established</u>	<u>Base EAV</u>	<u>2019 EAV</u>	<u>Incremental EAV</u>
Peotone TIF 1.....	2017	\$ 4,988,009	\$ 5,963,069	\$ 1,036,654
Peotone TIF 2.....	2018	234,791	281,123	46,332
Total.....		<u>\$ 5,222,800</u>	<u>\$ 6,244,192</u>	<u>\$ 1,082,986</u>

Source: Will County Clerk’s Office

Tax Rates

(Per \$100 EAV)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Statutory Maximum Rate</u> ⁽¹⁾
Education	\$ 2.3016	\$ 2.3475	\$ 2.4189	\$ 2.4326	\$ 2.4552	N/A ⁽²⁾
O&M	0.4049	0.3833	0.4050	0.3114	0.3065	0.750
Transportation	0.1591	0.1507	0.1487	0.1869	0.1840	N/A
Working Cash.....	0.0469	0.0445	0.0438	0.0003	0.0003	0.050
IMRF	0.0636	0.0418	0.0191	0.0570	0.0552	N/A
Social Security	0.0723	0.0446	0.0191	0.0570	0.0552	N/A
Tort Immunity.....	0.1013	0.0557	0.0550	0.0447	0.0032	N/A
Special Education	0.0232	0.0221	0.0232	0.0225	0.0219	0.800
Lease/Purchase.....	0.0319	0.0303	0.0001	0.0003	0.0003	0.100
Bond & Interest	<u>1.4202</u>	<u>1.4276</u>	<u>1.3959</u>	<u>1.4326</u>	<u>0.9994</u>	N/A
Total.....	<u>\$ 4.6250</u>	<u>\$ 4.5481</u>	<u>\$ 4.5288</u>	<u>\$ 4.5453</u>	<u>\$ 4.0812</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 no longer has 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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Will County.....	\$ 0.6140	\$ 0.6121	\$ 0.5986	\$ 0.5927	\$ 0.5842
Will County Forest Preserve.....	0.1937	0.1944	0.1895	0.1504	0.1462
Will County Building Commission.....	0.0218	0.0026	0.0000 ⁽¹⁾	0.0000	0.0000
The Village.....	0.7469	0.6017	0.5999	0.5959	0.5881
Peotone Township.....	0.1070	0.1046	0.1045	0.1042	0.1031
Peotone Township Road and Bridge.....	0.2740	0.2501	0.2578	0.2572	0.2545
Village of Peotone Road and Bridge.....	0.0415	0.0361	0.0353	0.0352	0.0348
Peotone Park District.....	0.2635	0.2505	0.2452	0.2446	0.2390
Peotone Fire District.....	1.0679	1.0398	1.0355	1.0240	1.0065
Peotone Public Library District.....	0.1134	0.1092	0.1089	0.1079	0.1068
The District.....	4.6250	4.5481	4.5288	4.5453	4.0812
Joliet Community College District No. 525.....	<u>0.3065</u>	<u>0.3099</u>	<u>0.2994</u>	<u>0.2924</u>	<u>0.2938</u>
Total.....	<u>\$ 8.3752</u>	<u>\$ 8.0591</u>	<u>\$ 8.0034</u>	<u>\$ 7.9498</u>	<u>\$ 7.4382</u>

(1) Will County not levying tax – 3 year process.
Source: Will County Clerk’s Office

Tax Extensions and Collections

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019⁽¹⁾</u>
Extensions	\$15,449,301	\$15,946,351	\$16,286,854	\$16,846,157	\$15,781,343
Collections	15,379,177	15,917,504	16,273,166	16,782,041	8,934,929
% Collected	99.55%	99.82%	99.92%	99.62%	56.62%

(1) In process of collection, as of August 13, 2020.
Source: Will and Kankakee County Treasurers’ Offices

Largest Taxpayers

The taxpayers listed below represent 6.20% of the District's 2019 EAV which is \$386,684,177 (which excludes TIF incremental EAV totaling \$1,082,986). 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> ⁽¹⁾	<u>Description</u>	<u>2019 EAV</u>	<u>% of EAV</u>
Lincoln Generating Facility.....	Plastic fabrication company.....	\$ 7,499,300	1.94%
Enbridge Pipeline LLC.....	Gas and liquid pipelines.....	6,049,500	1.56%
Scoular Co.....	Agriculture supply chain.....	1,877,323	0.49%
Prairie Creek Grain Company.....	Grain transport & service.....	1,530,530	0.40%
Wood River Pipelines LLC.....	Pipelines.....	1,475,481	0.38%
Wim FMB Portfolio Owner LLC.....	Portfolio Owner.....	1,446,921	0.37%
Riverside Medical Center.....	Medical center.....	1,300,711	0.34%
Chicago Title Land Trust Co.....	Title company.....	1,114,219	0.29%
Individual.....	Commercial.....	844,511	0.22%
Peotone Industry Properties LLC.....	Industrial.....	827,367	0.21%
Total.....		<u>\$ 23,965,863</u>	<u>6.20%</u>

(1) Does not include taxpayers in the Kankakee County portion of the District, which represents 0.03% of the District's 2019 EAV.

Source: Will County Clerk's Office

Summary of Outstanding Bonded Debt

Shown below is a summary of the outstanding bonded debt of the District as of the closing of the Bonds.

<u>Issue Description</u>	<u>Dated Date</u>	<u>Original Amount of Issue</u>	<u>Current Amount Outstanding</u>	<u>Final Maturity Date</u>
General Obligation Refunding School Bonds, Series 2012.....	10/01/12	\$ 3,040,000	\$ 1,075,000	11/01/20
The 2015B Bonds.....	12/17/15	4,690,000	2,225,000	11/01/20
The 2018A Bonds.....	12/05/18	4,725,000	4,725,000	11/01/23
Taxable GO Refunding School Bonds, Series 2018B.....	12/05/18	970,000	300,000	11/01/20
The Bonds.....	10/27/20	4,510,000	4,510,000	11/01/25
Total			<u>\$ 12,835,000</u>	

Debt Repayment Schedule

Shown below is the maturity schedule for the outstanding bonded debt of the District as of the closing of the Bonds.

Fiscal Year	Principal Outstanding	The Bonds	Total		Retirement Percent (%)
			Principal Outstanding	Cumulative Amount	
2021	\$ 3,600,000	\$ -	\$ 3,600,000	\$ 3,600,000	28.05
2022	1,870,000	405,000	2,275,000	5,875,000	45.77
2023	1,935,000	405,000	2,340,000	8,215,000	64.00
2024	920,000	1,040,000	1,960,000	10,175,000	79.28
2025	-	1,985,000	1,985,000	12,160,000	94.74
2026	-	675,000	675,000	12,835,000	100.00
	<u>\$ 8,325,000</u>	<u>\$ 4,510,000</u>	<u>\$ 12,835,000</u>		

Overlapping Bonded Debt

(As of September 8, 2020)

Taxpayer	Bonded Debt ⁽¹⁾	Applicable to District	
		Percent	Amount
Will County Forest Preserve District.....	\$ 106,520,000	1.747%	\$ 1,860,904
Kankakee County..... ⁽²⁾	1,060,000	0.006%	64
Village of Manhattan.....	8,925,000	6.217%	554,867
Frankfort Park District.....	1,760,000	1.303%	22,933
Peotone Park District.....	545,000	100.000%	545,000
Joliet Community College District No. 525.....	59,280,000	1.784%	1,057,555
Total.....			<u>\$ 4,041,323</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 the alternate revenue bonds are extended for collection. 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.

(2) Includes Kankakee County Public Building Commission revenue bonds, the lease rental payments of which are considered a direct obligation of Kankakee County.

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 Bonded Debt.....	\$8,325,000
The Bonds	\$4,510,000
Leases.....	\$2,572,187
Net Direct Debt	\$15,407,187
Overlapping Bonded Debt.....	\$4,041,323
Net Direct Debt and Overlapping Bonded Debt.....	\$19,448,510
EAV (2019) .. ⁽¹⁾	\$386,684,177
Statutory Debt Limit (13.8% of EAV).....	\$53,362,416
Statutory Debt Margin	\$37,955,229

(1) Excludes TIF incremental EAV. The 2019 TIF incremental EAV is \$1,082,986. See “Tax Increment Financing Districts Located within the District” herein.

Debt Ratios

Estimated Market Valuation, 2019.....	\$1,160,052,531
EAV (2019) .. ⁽¹⁾	\$386,684,177
2014-2018 American Community Survey Population Estimate.....	10,881
Net Direct Debt to EAV.....	3.98%
Net Direct Debt to Estimated Market Valuation	1.33%
Net Direct Debt and Overlapping Bonded Debt to EAV	5.03%
Net Direct Debt and Overlapping Bonded Debt to Estimated Market Valuation	1.68%
Net Direct Debt Per Capita	\$1,415.97
Net Direct Debt and Overlapping Bonded Debt Per Capita.....	\$1,787.38

(1) Excludes TIF incremental EAV. The 2019 TIF incremental EAV is \$1,082,986. See “Tax Increment Financing Districts Located within the District” herein.

Short-Term Financing Record

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

Future Financing

The District does not intend to issue any additional long-term debt in the next six months.

Default Record

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

SUMMARY OF OPERATING RESULTS

Management Discussion

The Board placed an operating rate referendum on the ballot at the March 17, 2020 general primary election, which would have increased revenues and enabled the District to achieve a balanced operating budget. The referendum did not pass. The reason the Board considered such election is that for levy year 2020 the District’s bond and interest tax rate is expected to fall to \$0.524 from \$1.025 (the previous year’s expected rate); then in levy year 2022 it is expected to fall to \$0.250. The administration does not anticipate that the Board will seek referendum approval of an operating rate question until 2022 at the earliest. When possible, the District expects to continue to lower its operating expenditures due to attrition.

The District has historically issued working cash fund bonds to support its financial operations after previous failed operating referenda attempts. Proceeds of the Bonds will be used to help finance expenditures in the operating budget through fiscal year 2023. The District’s tentative budget for fiscal year 2021 allocates \$1,800,000 and \$600,000 of Bond proceeds to be transferred to the Educational Fund and Operations and Maintenance Fund, respectively.

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.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Local Sources.....	81.82 %	78.40 %	83.04 %	80.14 %	82.16 %
Flow-through Receipts.....	-	-	-	-	-
State Sources.....	13.52	14.89	12.05	15.06	13.62
Federal Sources.....	<u>4.66</u>	<u>6.72</u>	<u>4.91</u>	<u>4.80</u>	<u>4.22</u>
Total.....	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

Source: Compiled from the District’s Annual Financial Reports filed with ISBE for fiscal years ended June 30, 2015-2019.

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.

	Educational Fund	Operations and Maintenance Fund	Combined Educational Fund and Operations and Maintenance Fund	Transportation Fund	Working Cash Fund ⁽¹⁾	IMRF/Social Security Fund	Tort Fund	Debt Service Fund	Combined Operating Funds and Debt Service Fund
2016									
Receipts.....	\$ 11,882,894	\$ 1,477,673	\$ 13,360,567	\$ 1,540,354	\$ 158,827	\$ 555,606	\$ 334,246	\$ 4,596,771	\$ 20,546,371
Disbursements.....	13,447,591	1,686,086	15,133,677	1,577,242	-	584,128	211,009	4,747,210	22,253,266
Net Surplus (Deficit).....	(1,564,697) ⁽²⁾	(208,413)	(1,773,110)	(36,888)	158,827	(28,522)	123,237	(150,439)	(1,706,895)
Other Sources (Uses).....	1,603,977	(78,000)	1,525,977	-	2,801,319 ⁽³⁾	-	-	493,800	4,821,096
Beginning Fund Balance.....	833,325	513,785	1,347,110	337,286	4,451,996	657,717	371,792	2,097,038	9,262,939
Ending Fund Balance.....	<u>\$ 872,605</u>	<u>\$ 227,372</u>	<u>\$ 1,099,977</u>	<u>\$ 300,398</u>	<u>\$ 7,412,142</u>	<u>\$ 629,195</u>	<u>\$ 495,029</u>	<u>\$ 2,440,399</u>	<u>\$ 12,377,140</u>
2017									
Receipts.....	\$ 11,616,298	\$ 1,512,387	\$ 13,128,685	\$ 1,180,438	\$ 156,671	\$ 441,549	\$ 260,125	\$ 4,805,348	\$ 19,972,816
Disbursements.....	12,507,512	1,459,078	13,966,590	1,588,682	-	523,935	232,310	4,913,913	21,225,430
Net Surplus (Deficit).....	(891,214) ⁽³⁾	53,309	(837,905)	(408,244)	156,671	(82,386)	27,815	(108,565)	(1,252,614)
Other Sources (Uses).....	553,793	180,000	733,793	650,000	(1,550,000)	-	-	166,207	-
Beginning Fund Balance.....	872,605	227,372	1,099,977	300,398	7,412,142	629,195	495,029	2,440,399	12,377,140
Ending Fund Balance.....	<u>\$ 535,184</u>	<u>\$ 460,681</u>	<u>\$ 995,865</u>	<u>\$ 542,154</u>	<u>\$ 6,018,813</u>	<u>\$ 546,809</u>	<u>\$ 522,844</u>	<u>\$ 2,498,041</u>	<u>\$ 11,124,526</u>
2018									
Receipts.....	\$ 13,086,849	\$ 1,635,436	\$ 14,722,285	\$ 1,606,230	\$ 165,371	\$ 282,394	\$ 203,127	\$ 5,228,571	\$ 22,207,978
Disbursements.....	12,558,355	1,476,359	14,034,714	1,592,278	-	527,426	321,683	6,078,523	22,554,624
Net Surplus (Deficit).....	528,494	159,077	687,571	13,952	165,371	(245,032)	(118,556)	(849,952)	(346,646)
Other Sources (Uses).....	1,922,283	(79,218)	1,843,065	250,000	(2,500,000)	-	-	1,069,717	662,782 ⁽⁴⁾
Beginning Fund Balance.....	535,184	460,681	995,865	542,154	6,018,813	546,809	522,844	2,498,041	11,124,526
Ending Fund Balance.....	<u>\$ 2,985,961</u>	<u>\$ 540,540</u>	<u>\$ 3,526,501</u>	<u>\$ 806,106</u>	<u>\$ 3,684,184</u>	<u>\$ 301,777</u>	<u>\$ 404,288</u>	<u>\$ 2,717,806</u>	<u>\$ 11,440,662</u>
2019									
Receipts.....	\$ 12,528,783	\$ 1,423,241	\$ 13,952,024	\$ 1,505,624	\$ 92,590	\$ 503,136	\$ 178,656	\$ 5,126,121	\$ 21,358,151
Disbursements.....	12,609,154	1,897,793	14,506,947	1,606,170	-	563,814	237,135	5,115,237	22,029,303
Net Surplus (Deficit).....	(80,371)	(474,552)	(554,923)	(100,546)	92,590	(60,678)	(58,479)	10,884	(671,152)
Other Sources (Uses).....	1,970,820	500,000	2,470,820	-	1,900,525	-	-	91,979	4,463,324
Beginning Fund Balance.....	2,985,961	540,540	3,526,501	806,106	3,684,184	301,777	404,288	2,717,806	11,440,662
Ending Fund Balance.....	<u>\$ 4,876,410</u>	<u>\$ 565,988</u>	<u>\$ 5,442,398</u>	<u>\$ 705,560</u>	<u>\$ 5,677,299</u>	<u>\$ 241,099</u>	<u>\$ 345,809</u>	<u>\$ 2,820,669</u>	<u>\$ 15,232,834</u>
Preliminary 2020									
Receipts.....	\$ 12,664,599	\$ 1,353,982	\$ 14,018,581	\$ 1,651,351	\$ 152,075	\$ 598,304	\$ 87,497	\$ 4,379,379	\$ 20,887,187
Disbursements.....	12,874,304	2,385,880	15,260,184	1,703,137	-	580,266	203,665	5,259,535	23,006,787
Net Surplus (Deficit).....	(209,705)	(1,031,898)	(1,241,603)	(51,786)	152,075	18,038	(116,168)	(880,156)	(2,119,600)
Other Sources (Uses).....	1,100,000	1,800,000	2,900,000	330,000	(3,230,000)	-	-	-	-
Beginning Fund Balance.....	4,876,410	565,988	5,442,398	705,560	5,677,299	241,099	345,809	2,820,669	15,232,834
Ending Fund Balance.....	<u>\$ 5,766,705</u>	<u>\$ 1,334,090</u>	<u>\$ 7,100,795</u>	<u>\$ 983,774</u>	<u>\$ 2,599,374</u>	<u>\$ 259,137</u>	<u>\$ 229,641</u>	<u>\$ 1,940,513</u>	<u>\$ 13,113,234</u>
Fund Balance as % of Disbursements.....			46.53%						57.00%

See footnotes on next page.

(1) See “Working Cash Fund” herein for a description of the Working Cash Fund. The Other (Uses) includes an abatement of the Working Cash Fund to the Educational Fund, Operations and Maintenance Fund and Transportation Fund to finance the expenditures in the operating budget.

(2) Deficit due to a combination of underfunding from local property taxes, historical proration of funding from the State, and the addition of unfunded mandates from the State.

(3) Includes proceeds of the 2015B Bonds and transfer to the Educational Fund and Operations and Maintenance Fund.

(4) Proceeds from the sale of 74 acres owned by the District. The District used these sale proceeds to pay off an outstanding note that was issued to purchase 27 acres currently owned by the District. The District plans to take appropriate steps to sell the 27 acres.

Source: Compiled from the District’s Annual Financial Reports for fiscal years ended June 30, 2016-2019 and preliminary, unaudited fiscal year 2020 results provided by the District.

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, 2019 (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>
2015	\$ 3,782,095
2016	4,056,702
2017	2,606,626
2018	740,289
2019	4,676,019

Source: Compiled from the District's Annual Financial Reports for fiscal years ended June 30, 2015-2019.

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 ending June 30, 2021, that was approved by the Board on September 21, 2020.

Fund	Fund Balances	FY21	FY21	FY21	Fund Balances
	July 1, 2020	Revenue	Expenditures	Other Sources/ (Uses) ⁽¹⁾	June 30, 2021
Educational.....	\$ 5,766,705	\$ 13,307,963	\$ 14,365,780	\$ 1,800,000	\$ 6,508,888
Operations & Maintenance.....	1,334,090	1,345,319	2,563,569	600,000	715,840
Transportation.....	983,774	1,847,750	1,854,309	-	977,215
IMRF/Social Security.....	259,137	572,192	597,797	-	233,532
Working Cash.....	2,599,374	6,755	-	2,000,000	4,606,129
Total Operating Funds	<u>\$ 10,943,080</u>	<u>\$ 17,079,979</u>	<u>\$ 19,381,455</u>	<u>\$ 4,400,000</u>	<u>\$ 13,041,604</u>
Debt Service.....	\$ 1,940,513	\$ 3,158,549	\$ 4,020,643	\$ -	\$ 1,078,419
Fire Prevention & Safety.....	4,238	2	-	-	4,240
Capital Projects.....	3,929	2	-	-	3,931
Tort.....	229,641	113,577	220,000	-	123,218
Total All Funds	<u>\$ 13,121,401</u>	<u>\$ 20,352,109</u>	<u>\$ 23,622,098</u>	<u>\$ 4,400,000</u>	<u>\$ 14,251,412</u>

(1) Includes expected Bond proceeds deposited in the Working Cash Fund and subsequent transfer to the Educational Fund and Operations and Maintenance Fund.

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, 2019, 13.62% 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 - Evidence-Based Funding Model

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 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 in each of fiscal years 2010 through 2016. For fiscal year 2017, the State appropriation was increased to fully fund General State Aid.

Both the Fiscal Year 2018 Budget and the Fiscal Year 2019 Budget appropriated General State Aid in an amount \$350 million greater than the appropriation for the preceding fiscal year and required such additional funds to be distributed to school districts under an Evidence-Based Funding Model. The Fiscal Year 2020 Budget appropriated General State Aid in the amount of \$375 million greater than the appropriation for Fiscal Year 2019 and required such additional funds to be distributed to school districts under the Evidence-Based Funding Model. The Fiscal Year 2021 Budget did not appropriate General State Aid in excess of the amount appropriated in the Fiscal Year 2020 Budget. Therefore, school districts will not receive New State Funds during State fiscal year 2021. The Evidence-Based Funding Model provided for in Public Act 100-465 sets forth a 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 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 2019-2020, ISBE notified the District that its Local Capacity Target, plus its Base Funding Minimum, is 99.1% of its Adequacy Target and that the District has been placed in Tier Three. For school year 2019-2020, the District received approximately \$40,396.45 of New State Funds. As described above, the appropriations in the Fiscal Year 2021 Budget are not sufficient to provide for New State Funds during school year 2020-2021. Until the District is formally notified by ISBE of its Adequacy Target, Local Capacity Target and Tier placement for school year 2020-2021, no assurance can be given that the Adequacy Target, Local Capacity Target, Tier placement and expected New State Funds for school year 2020-2021 will not be materially different than the Adequacy Target, Local Capacity Target, Tier placement and New State Funds for school year 2019-2020.

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 the most recently completed school year (such amount being that district's "Base Funding Minimum"). The Base Funding Minimum

for the District for school year 2017-2018 was \$1,446,102 (the “Initial Base Funding Minimum”). Mandated Categorical State Aid (as hereinafter defined) received by the District in fiscal year 2017, other than Mandated Categorical State Aid related to transportation and extraordinary special education, was included in the Initial Base Funding Minimum. Any New State Funds received by a district in a year become part of its Base Funding Minimum in the following year. The Base Funding Minimum for the District for school year 2019-2020 was \$1,521,748.81. 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 3 and Tier 4 school districts on a per pupil basis; provided, however, that such reductions may not reduce State funding for such districts below the Initial Base Funding Minimum. 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.

Property Tax Relief Pool Funds

For the purpose of encouraging high tax rate school districts to reduce property taxes, Public Act 100-465 also established a property tax relief grant program (the “Property Tax Relief Pool”). School districts must apply for the grant and indicate an amount of intended property tax relief, which relief may not be greater than 1% of EAV for a unit district, 0.69% of EAV for an elementary school district or 0.31% of EAV for a high school district, reduced, in each case, based on the Local Capacity Target of the applicant. Property Tax Relief Pool grants will be allocated to school districts based on each district’s percentage of the simple average operating tax rate of all school districts of the same type (unit, elementary or high), in order of priority from highest percentage to lowest, until the Property Tax Relief Pool is exhausted. A school district which receives a Property Tax Relief Pool grant is required to abate its property tax levy by the amount of intended property tax relief for the levy year in which the grant is to be received, and the succeeding levy year. The difference between the amount of the grant and the amount of the abatement is based on a statutory calculation which takes into account relative Local Capacity Targets. Pursuant to such calculation, a school district with a low Local Capacity Target will be required to abate less than a school district with a high Local Capacity Target, assuming the amount of Property Tax Relief Pool grants received by the school districts are the same. Property Tax Relief Pool grants received by a school district are included in future calculations of that district’s Base Funding Minimum, unless that district does not abate its property tax levy by the amount of intended property tax relief as described above. Of the \$375 million of New State Funds appropriated in the Fiscal Year 2020 Budget, \$50 million was allocated to the Property Tax Relief Pool. The Fiscal Year 2021 Budget did not appropriate any funds for the Property Tax Relief Pool.

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. From time to time,

Mandated Categorical State Aid payments from the State have been delayed and have been prorated as part of the appropriation process, as described below.

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 is no longer the source of funding for mandatory school programs relating to special education, other than private facility tuition and transportation. Mandated Categorical State Aid received by a district in fiscal year 2017 for special education 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.

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.

Coronavirus Aid, Relief and Economic Security Act

The State’s allocation from the Coronavirus Relief Fund (by population proportions) is approximately \$4.9 billion, split between the State (\$2.7 billion) and local governments (the City of Chicago and Illinois counties with populations that exceed 500,000) (\$2.2 billion). The CARES Act also provides \$30.75 billion for an Education Stabilization Fund for states, school districts and institutions of higher education for costs related to COVID-19. Of that amount, \$13.5 billion is available for elementary and secondary education as formula-grants to states based on the following formula: 60% of the funds are distributed based on the relative number of 5- to 24-year-olds in a state; and 40% of the funds are distributed based on the relative number of individuals younger than 21. States will then distribute 90% of the funds to local educational agencies (LEAs) based on their proportional allocation of Every Student Succeeds Act (“ESSA”) Title I-A funds. State education agencies can reserve up to 10% of funds for emergency needs as determined by the state. Funds distributed to LEAs can be used for coronavirus-response activities, such as planning for and coordinating during long-term school closures; purchasing educational technology to support online learning for all students served by the LEAs; and additional activities authorized by federal elementary and secondary education laws. According to ISBE, the amount of funds the District is estimated to receive from the CARES Act is \$89,252. The District, however, cannot predict when the District would receive such moneys.

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
2015	3.10	Financial Review	3.10	Financial Review
2016	3.55	Financial Recognition	3.55	Financial Recognition
2017	3.45	Financial Review	3.55	Financial Recognition
2018	3.90	Financial Recognition	3.80	Financial Recognition
2019	3.55	Financial Recognition	3.55	Financial Recognition

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 7 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 (the “GASB 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

The GASB Standards provide standards for financial reporting and accounting related to pension plans.

The 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 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”).

Furthermore, the 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 GASB Standards.

Finally, the 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, and that an expense be recognized on the income statement of the employer.

Pension Plans Remain Governed by the Pension Code

As described above, the 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 of the State (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: <https://www.trsil.org/financial/financial-reports>.

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 7 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, 2019, all amounts contributed by the District to TRS were as follows:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>TRS</u> <u>Contributions</u>
2015	\$ 85,174
2016	89,171
2017	83,115
2018	52,506
2019	58,615

Source: The District’s audited financial statements for the fiscal years ended June 30, 2015-2019.

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 7 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 (each, a “Cost Shifting Proposal”). Though these Cost Shifting Proposals differ 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.

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 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, the District and the State each provide a portion of the employer contribution with respect to the District's TRS liability. As of June 30, 2018, the Net Pension Liability associated with the District was \$49,551,510, of which the District's proportionate share was \$712,928, and the State's proportionate share was \$48,838,582.

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 the State. 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 7 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 2019 was 8.99% of covered payroll.

For the calendar years ended December 31, 2015 through December 31, 2019, the District contributed the following amounts to IMRF:

Calendar Year Ended	IMRF
<u>December 31</u>	<u>Contributions</u>
2015	\$ 276,401
2016	263,384
2017	236,431
2018	269,346
2019	242,451

Source: Actuarial GASB Disclosures Statement 68 prepared by GRS Retirement Consulting as of December 31, 2019.

Measures of Financial Position

The following table presents the measures of the IMRF Account's financial position as of December 31, 2015 through December 31, 2019 which are presented pursuant to the GASB Standards.

Calendar Year Ended December 31	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)	Fiduciary Net Position	
				as a % of Total Pension Liability	Discount Rate
2015	\$ 11,079,012	\$ 9,781,058	\$ 1,297,954	88.28%	7.50%
2016	11,652,024	10,345,001	1,307,023	88.78%	7.50%
2017	11,654,761	11,675,652	(20,891)	100.18%	7.50%
2018	12,784,964	10,893,169	1,891,795	85.20%	7.25%
2019	13,158,218	12,621,921	536,297	95.92%	7.25%

Source: Actuarial GASB Disclosures Statement 68 prepared by GRS Retirement Consulting as of December 31, 2015, December 31, 2016, December 31, 2017, December 31, 2018 and December 31, 2019.

See Note 7 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 GASB Standards.

OPEB Summary

The District is legally required to provide post-employment benefits other than pensions ("OPEB") to former employees and retirees. Former employees, who are not retirees, are provided healthcare benefits mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Former employees, who are qualified under COBRA, may apply for coverage by the District's health plan. The cost is 100% funded on a monthly pay-as-you-go basis by the former employee based upon the actual cost of the health plan for the chosen level of coverage. In addition, the District is responsible for paying the actual dollar amount of Teachers' Retirement Insurance Program (TRIP) insurance for certain eligible employees under the retirement provision of the contractual agreement. Please see Note 9 and the related Required Supplementary Information to the Audit.

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 0.92% during the year ended June 30, 2019, 0.88% during the year ended June 30, 2018 and 0.84% during the year ended June 30, 2017. For the year ended June 30, 2019, the District paid \$66,233 to the THIS fund. For the years ended June 30, 2018 and June 30, 2017, the District paid \$58,865 and \$56,148, respectively, to the THIS Fund, which was 100% of the required contribution.

TAX MATTERS

Interest on the Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the Bonds may result in other federal income tax consequences to certain taxpayers. Holders of the Bonds should consult their tax advisors with respect to the inclusion of interest on the Bonds in gross income for federal income tax purposes and any collateral tax consequences.

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 "Aa3" 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 implemented the March, 2019 update (Issue 100) of the Illinois Association of School Boards’ Policy Reference Education Subscription Service (PRESS) that includes disclosure policies and procedures as Section 4.40–AP, Preparing and Updating Disclosures. The policies specifically include additional procedures to be followed by the District in relation to the two new reportable events required by the Rule for undertakings entered into on and after February 27, 2019.

Certain information was missing in the annual financial information filings for fiscal years ended June 30, 2018 and June 30, 2019. A reportable event for the missing information was posted on the MSRB’s Electronic Municipal Market Access (“EMMA”) on September, 24, 2020. The District has established procedures to ensure complete filings in the future. The District has retained PMA Securities, LLC, Naperville, Illinois (“PMA”), to act as the District’s Dissemination Agent for its 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 October 6, 2020. The best bid submitted at the sale was submitted by Piper Sandler & Co., Chicago, Illinois (the “Underwriter”). The District awarded the contract for sale of the Bonds to the Underwriter at a price of \$4,490,697.20. 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 \$19,302.80.

FINANCIAL ADVISOR

The Financial Advisor has been retained as financial advisor 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, LLC, a financial services provider, and PMA Asset Management, LLC, 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 “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.

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 any 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/ Trevor Moore
Business Manager
Community Unit School District Number 207-U
Will and Kankakee Counties, Illinois

October 6, 2020

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]

Community Unit School District Number 207-U
Will and Kankakee Counties, Illinois

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the Board of Education of Community Unit School District Number 207-U, Will and Kankakee Counties, Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered Taxable General Obligation Limited Tax School Bonds, Series 2020 (the “*Bonds*”), to the amount of \$4,510,000, dated the date hereof, due serially on November 1 of the years and in the amounts and bearing interest as follows:

2021	\$ 405,000	0.40%
2022	405,000	0.50%
2023	1,040,000	0.60%
2024	1,985,000	0.75%
2025	675,000	0.90%

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, 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, 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 amount of said taxes that may be extended to pay the Bonds is limited as provided by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the “*Law*”). The Law provides that the annual amount of said taxes to be extended to pay the Bonds and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District, as more fully described in the Proceedings.

It is our opinion that under present law, interest on the Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the Bonds may result in other federal income tax consequences to certain taxpayers. Bondholders should consult their own tax advisors concerning tax consequences of ownership of 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.

Annual Financial Report for Fiscal Year Ended June 30, 2019

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 Gassensmith & Michalesko, Ltd., Joliet, Illinois (the "Auditor"), and approved 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 Trevor Moore, Business Manager of the District.

Peotone Community Unit
School District 207U

Annual Financial Report

Peotone, Illinois

June 30, 2019

PEOTONE COMMUNITY UNIT
SCHOOL DISTRICT 207U
PEOTONE, ILLINOIS

TABLE OF CONTENTS
JUNE 30, 2019

	<u>Page No.</u>
<u>Financial Section</u>	
Independent Auditors' Report	1 - 3
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	4 - 5
<u>Basic Financial Statements</u>	<u>Statement</u>
Statement of Assets, Liabilities and Fund Balances Arising from Cash Transactions - Regulatory Basis	1 6 - 7
Statement of Revenue Received, Expenditures Disbursed, Other Financing Sources (Uses) and Changes in Fund Balances - All Funds	2 8 - 9
Statement of Revenue Received - All Funds	3 10 - 13
Statement of Expenditures Disbursed (and Comparison with Budget)	
Educational Fund	4 14 - 19
Operations and Maintenance Fund	5 20
Debt Services Fund	6 21
Transportation Fund	7 22
Municipal Retirement/Social Security Fund	8 23 - 24
Tort Fund	9 25
Notes to Financial Statements	26 - 52

PEOTONE COMMUNITY UNIT
SCHOOL DISTRICT 207U
PEOTONE, ILLINOIS

TABLE OF CONTENTS
JUNE 30, 2019

	<u>Page No.</u>
<u>Other Information</u>	
Schedule of the Employer's Proportionate Share of the Net Pension Liability	53
Schedule of Employer Contributions - TRS	53
Schedule of Changes in Net Pension - IMRF	54
Schedule of Employer Contributions - IMRF	55
Notes to the Schedule of Contributions – IMRF	56
<u>Supplemental Information</u>	
Detailed Schedule of General Long-Term Debt of the District	57
Schedule of Taxes Extended and Collected	58 - 59
Schedule of Legal Debt Margin	60
Statement of Assets, Liabilities and Fund Balances - Trust and Agency Fund	61
Statement of Revenue Received and Expenditures Disbursed - Trust and Agency Fund	62 - 65

Independent Auditors' Report

To The Board of Education
Peotone Community Unit
School District 207U
Peotone, Illinois

We have audited the accompanying basic financial statements of Peotone Community Unit School District 207U (District), Peotone, Illinois, as of and for the year ended June 30, 2019, 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 the financial reporting provisions of the Illinois State Board of Education. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial

To The Board of Education
Peotone Community Unit
School District 207U

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.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described more fully in Note #1, the District has prepared these financial statements using accounting practices prescribed or permitted by the Illinois State Board of Education, which practices differ from accounting principles generally accepted in the United States of America. Also, as described in Note #1, the District prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2019, or changes in financial position for the fiscal year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets and liabilities arising from cash transactions of the District as of June 30, 2019, its revenue received and expenditures disbursed during the fiscal year then ended, on the basis of accounting described in Note #1.

Other Reporting Required by Government Auditing Standards


In accordance with Government Auditing Standards, we have also issued a report dated August 23, 2019, on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant

To The Board of Education
Peotone Community Unit
School District 207U

agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedules listed in the table of contents as "Supplemental Information" are presented for purposes of additional analysis and are not a required part of the financial statements. The "Supplementary Information" is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.


Gassensmith & Michalesko, Ltd.
Certified Public Accountants

August 23, 2019

Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards

To the Board of Education
Peotone Community Unit School
District 207U
Peotone, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of Peotone Community Unit School District 207U (District) as of and for the year ended June 30, 2019, and have issued our report thereon dated August 23, 2019. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

To the Board of Education
Peotone Community Unit School District 207U

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

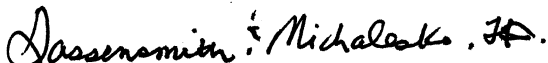
Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

August 23, 2019


Gassensmith & Michalesko, Ltd.
Certified Public Accountants

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
ARISING FROM CASH TRANSACTIONS - REGULATORY BASIS

JUNE 30, 2019

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Services</u>	<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>
<u>Assets</u>					
Cash and Cash Equivalents	4,876,410	565,988	2,820,669	705,560	241,099
Investments					
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Improvements other than Buildings	-	-	-	-	-
Equipment	-	-	-	-	-
Transportation Equipment	-	-	-	-	-
Amounts Available in Debt Service Funds	-	-	-	-	-
Amounts to be provided for Payment of Bonds	-	-	-	-	-
Amounts to be provided for Payment of Other Long Term Debt	-	-	-	-	-
Total Assets	<u>4,876,410</u>	<u>565,988</u>	<u>2,820,669</u>	<u>705,560</u>	<u>241,099</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities</u>					
Due to Organizations	-	-	-	-	-
Bonds Payable	-	-	-	-	-
Other Long-term Liabilities	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>					
Reserved	-	-	-	-	-
Unreserved	4,876,410	565,988	2,820,669	705,560	241,099
Investments in General Fixed Assets	-	-	-	-	-
Total Fund Balances	<u>4,876,410</u>	<u>565,988</u>	<u>2,820,669</u>	<u>705,560</u>	<u>241,099</u>
Total Liabilities and Fund Balances	<u>4,876,410</u>	<u>565,988</u>	<u>2,820,669</u>	<u>705,560</u>	<u>241,099</u>

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

Statement 1

<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>	<u>Trust and Agency Funds</u>	<u>General Fixed Assets</u>	<u>General Long Term Debt</u>	<u>Total (Memorandum Only)</u>
3,885	5,677,299	345,809	4,182	217,872	-	-	15,458,773
-	-	-	-	-	-	-	-
-	-	-	-	-	2,540,833	-	2,540,833
-	-	-	-	-	28,474,702	-	28,474,702
-	-	-	-	-	1,323,977	-	1,323,977
-	-	-	-	-	4,838,556	-	4,838,556
-	-	-	-	-	3,255,437	-	3,255,437
-	-	-	-	-	-	2,820,669	2,820,669
-	-	-	-	-	-	10,374,331	10,374,331
-	-	-	-	-	-	-	-
<u>3,885</u>	<u>5,677,299</u>	<u>345,809</u>	<u>4,182</u>	<u>217,872</u>	<u>40,433,505</u>	<u>13,195,000</u>	<u>69,087,278</u>
-	-	-	-	217,872	-	-	217,872
-	-	-	-	-	-	13,195,000	13,195,000
-	-	-	-	-	-	-	-
-	-	-	-	<u>217,872</u>	-	<u>13,195,000</u>	<u>13,412,872</u>
-	-	-	-	-	-	-	-
3,885	5,677,299	345,809	4,182	-	-	-	15,240,901
-	-	-	-	-	40,433,505	-	40,433,505
<u>3,885</u>	<u>5,677,299</u>	<u>345,809</u>	<u>4,182</u>	-	<u>40,433,505</u>	-	<u>55,674,406</u>
<u>3,885</u>	<u>5,677,299</u>	<u>345,809</u>	<u>4,182</u>	<u>217,872</u>	<u>40,433,505</u>	<u>13,195,000</u>	<u>69,087,278</u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

STATEMENT OF REVENUE RECEIVED, EXPENDITURES DISBURSED,
OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCES -
ALL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Services</u>
Revenue Received:			
Local Sources	10,039,231	1,423,241	5,126,121
State Sources	1,900,130	-	-
Federal Sources	<u>589,422</u>	<u>-</u>	<u>-</u>
Total Direct Receipts	12,528,783	1,423,241	5,126,121
Receipts for On-Behalf Payments	<u>4,676,019</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>17,204,802</u>	<u>1,423,241</u>	<u>5,126,121</u>
Expenditures Disbursed:			
Instruction	8,483,016	-	-
Support Services	3,548,013	1,897,793	-
Payments to Other Districts and Governmental Units	577,563	-	-
Debt Service	<u>292</u>	<u>-</u>	<u>5,115,237</u>
Total Direct Disbursements	12,609,154	1,897,793	5,115,237
Disbursements for On-Behalf Payments	<u>4,676,019</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>17,285,173</u>	<u>1,897,793</u>	<u>5,115,237</u>
Excess (Deficiency) of Revenues			
Over Expenditures	(80,371)	(474,552)	10,884
Other Financing Sources:			
Abatement of the Working Cash Fund	2,000,000	500,000	-
Principal on Bonds Sold	-	-	1,032,525
Other sources	-	-	13,980
Accrued interest	-	-	274
Transfer among funds	-	-	29,180
Other Financing (Uses):			
Abatement of the Working Cash Fund	-	-	-
Bond discount	-	-	-
Transfer to Escrow	-	-	(971,440)
Bond issuance costs	-	-	(12,540)
Transfer among funds	<u>(29,180)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and (Uses)	1,970,820	500,000	91,979
Excess (Deficiency) of Revenues			
Over Expenditures and Other Financing Sources (Uses)	1,890,449	25,448	102,863
Beginning Fund Balance	<u>2,985,961</u>	<u>540,540</u>	<u>2,717,806</u>
Ending Fund Balance	<u>4,876,410</u>	<u>565,988</u>	<u>2,820,669</u>

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

<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>	<u>Total (Memorandum Only)</u>
620,990	503,136	-	92,590	178,656	54	17,984,019
884,634	-	-	-	-	-	2,784,764
-	-	-	-	-	-	589,422
<u>1,505,624</u>	<u>503,136</u>	<u>-</u>	<u>92,590</u>	<u>178,656</u>	<u>54</u>	<u>21,358,205</u>
-	-	-	-	-	-	4,676,019
<u>1,505,624</u>	<u>503,136</u>	<u>-</u>	<u>92,590</u>	<u>178,656</u>	<u>54</u>	<u>26,034,224</u>
-	195,593	-	-	-	-	8,678,609
1,606,170	368,221	-	-	237,135	-	7,657,332
-	-	-	-	-	-	577,563
-	-	-	-	-	-	5,115,529
<u>1,606,170</u>	<u>563,814</u>	<u>-</u>	<u>-</u>	<u>237,135</u>	<u>-</u>	<u>22,029,303</u>
-	-	-	-	-	-	4,676,019
<u>1,606,170</u>	<u>563,814</u>	<u>-</u>	<u>-</u>	<u>237,135</u>	<u>-</u>	<u>26,705,322</u>
(100,546)	(60,678)	-	92,590	(58,479)	54	(671,098)
-	-	-	-	-	-	2,500,000
-	-	-	4,662,475	-	-	5,695,000
-	-	-	-	-	-	13,980
-	-	-	-	-	-	274
-	-	-	-	-	-	29,180
-	-	-	(2,500,000)	-	-	(2,500,000)
-	-	-	(14,519)	-	-	(14,519)
-	-	-	(172,800)	-	-	(1,144,240)
-	-	-	(74,631)	-	-	(87,171)
-	-	-	-	-	-	(29,180)
-	-	-	1,900,525	-	-	4,463,324
(100,546)	(60,678)	-	1,993,115	(58,479)	54	3,792,226
<u>806,106</u>	<u>301,777</u>	<u>3,885</u>	<u>3,684,184</u>	<u>404,288</u>	<u>4,128</u>	<u>11,448,675</u>
<u>705,560</u>	<u>241,099</u>	<u>3,885</u>	<u>5,677,299</u>	<u>345,809</u>	<u>4,182</u>	<u>15,240,901</u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

STATEMENT OF REVENUE RECEIVED - ALL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Services</u>
Revenue Received:			
Revenue from Local Sources			
Ad Valorem Taxes Levied By Local Education Agency			
Designated Purpose Levies	8,783,810	1,280,307	5,126,117
Leasing Levy	775	-	-
Special Education Levy	82,596	-	-
Social Security/Medicare Only Levy	-	-	-
Payments In Lieu Of Taxes			
Corporate Personal Property Replacement Taxes	371,628	-	-
Tuition			
Regular Tuition From Pupils Or Parents (In State)	45,618	-	-
Special Education - Tuition From Other Leas (In State)	-	-	-
Transportation Fees			
CTE - Transportation Fees From Pupils Or Parents (In State)	-	-	-
CTE - Transportation Fees From Other Sources (In State)	-	-	-
Earnings On Investments			
Interest On Investments	65,901	-	-
Food Service			
Sales To Pupils - Lunch	113,240	-	-
Sales To Pupils - A La Carte	47,269	-	-
Sales To Adults	597	-	-
Other Food Service	562	-	-
District/School Activity Income			
Admissions - Athletic	38,437	-	-
Admissions - Other	-	-	-
Fees	115,241	-	-
Textbook Income			
Rentals - Regular Textbook	272,165	-	-
Other Revenue From Local Sources			
Rentals	-	10,863	-
Contributions And Donations From Private Sources	21,752	-	-
Impact Fees From Municipal Or County Governments	-	101,007	-
Services Provided Other LEAs	-	-	-
Payments of Surplus Moneys from TIF Districts	-	-	-
Drivers' Education Fees	15,800	-	-
Refund Prior Years' Expenditures	1,853	-	4
Other Local Revenues	61,987	31,064	-
Total Revenue From Local Sources	<u>10,039,231</u>	<u>1,423,241</u>	<u>5,126,121</u>

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

Statement 3

<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>	<u>Total (Memorandum Only)</u>
614,145	144,387	-	72,198	178,656	-	16,199,620
-	-	-	-	-	-	775
-	-	-	-	-	-	82,596
-	144,387	-	-	-	-	144,387
-	214,362	-	-	-	-	585,990
-	-	-	-	-	-	45,618
-	-	-	-	-	-	-
3,250	-	-	-	-	-	3,250
100	-	-	-	-	-	100
-	-	-	20,392	-	54	86,347
-	-	-	-	-	-	113,240
-	-	-	-	-	-	47,269
-	-	-	-	-	-	597
-	-	-	-	-	-	562
-	-	-	-	-	-	38,437
-	-	-	-	-	-	-
-	-	-	-	-	-	115,241
-	-	-	-	-	-	272,165
-	-	-	-	-	-	10,863
-	-	-	-	-	-	21,752
-	-	-	-	-	-	101,007
-	-	-	-	-	-	-
-	-	-	-	-	-	15,800
-	-	-	-	-	-	1,857
<u>3,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,546</u>
<u>620,990</u>	<u>503,136</u>	<u>-</u>	<u>92,590</u>	<u>178,656</u>	<u>54</u>	<u>17,984,019</u>

(Continued)

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

STATEMENT OF REVENUE RECEIVED - ALL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Educational</u>	<u>Operations and Maintenance</u>	<u>Debt Services</u>
Revenue From State Sources			
Unrestricted Grants-In-Aid			
Evidence Based Funding Formula (Section 18-8.15)	1,527,860	-	-
Restricted Grants-In-Aid			
Special Education - Private Facility Tuition	265,444	-	-
Special Education - Orphanage - Individual	63,227	-	-
Special Education - Orphanage - Summer	14,854	-	-
CTE - Agriculture Education	9,857	-	-
State Free Lunch And Breakfast	1,466	-	-
Driver Education	16,280	-	-
Transportation - Regular/Vocational	-	-	-
Transportation - Special Education	-	-	-
Other Restricted Revenue From State Sources	1,142	-	-
Total Receipts From State Sources	<u>1,900,130</u>	<u>-</u>	<u>-</u>
Revenue From Federal Sources			
Restricted Grants-In-Aid Received From Federal Government			
Thru The State			
National School Lunch Program	98,465	-	-
Title I - Low Income	153,918	-	-
Title IV - Safe And Drug Free Schools - Formula	7,845	-	-
Federal - Special Education - IDEA - Flow Through / Low Incidence	231,280	-	-
Federal - Special Education - IDEA - Room And Board	1,463	-	-
Title II - Teacher Quality	28,400	-	-
Medicaid Matching Funds - Administrative Outreach	16,909	-	-
Medicaid Matching Funds - Fee-For-Service Program	51,142	-	-
Other Restricted Revenue From Federal Sources	-	-	-
Total Receipts From Federal Sources	<u>589,422</u>	<u>-</u>	<u>-</u>
Total Direct Receipts	<u>12,528,783</u>	<u>1,423,241</u>	<u>5,126,121</u>

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

Statement 3

<u>Transportation</u>	<u>Municipal Retirement/ Social Security</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Fire Prevention and Safety</u>	<u>Total (Memorandum Only)</u>
-	-	-	-	-	-	1,527,860
-	-	-	-	-	-	265,444
-	-	-	-	-	-	63,227
-	-	-	-	-	-	14,854
-	-	-	-	-	-	9,857
-	-	-	-	-	-	1,466
-	-	-	-	-	-	16,280
370,107	-	-	-	-	-	370,107
514,527	-	-	-	-	-	514,527
-	-	-	-	-	-	1,142
<u>884,634</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,784,764</u>
-	-	-	-	-	-	98,465
-	-	-	-	-	-	153,918
-	-	-	-	-	-	7,845
-	-	-	-	-	-	231,280
-	-	-	-	-	-	1,463
-	-	-	-	-	-	28,400
-	-	-	-	-	-	16,909
-	-	-	-	-	-	51,142
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>589,422</u>
<u>1,505,624</u>	<u>503,136</u>	<u>-</u>	<u>92,590</u>	<u>178,656</u>	<u>54</u>	<u>21,358,205</u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 4

STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
JUNE 30, 2019

Expenditures Disbursed:	Actual	Budget	Unexpended Budget
Instruction			
Regular Programs			
Salaries	3,753,368	3,894,172	140,804
Employee Benefits	1,050,855	1,126,102	75,247
Purchased Services	7,407	6,833	(574)
Supplies And Materials	149,458	165,308	15,850
Other Objects	3,698	-	(3,698)
Termination Benefits	1,315	-	(1,315)
Total Regular Programs	<u>4,966,101</u>	<u>5,192,415</u>	<u>226,314</u>
Pre-K Programs			
Salaries	42,199	41,438	(761)
Employee Benefits	16,780	17,558	778
Supplies And Materials	10,839	12,957	2,118
Total Pre-K Programs	<u>69,818</u>	<u>71,953</u>	<u>2,135</u>
Special Education Programs			
Salaries	1,509,953	1,605,591	95,638
Employee Benefits	393,698	418,712	25,014
Purchased Services	91,721	77,492	(14,229)
Supplies And Materials	14,641	16,341	1,700
Total Special Education Programs	<u>2,010,013</u>	<u>2,118,136</u>	<u>108,123</u>
Remedial and Suppl. Programs K-12			
Salaries	137,727	136,233	(1,494)
Employee Benefits	51,815	51,942	127
Purchased Services	1,560	1,504	(56)
Supplies and Materials	311	405	94
Total Remedial and Suppl. Programs K-12	<u>191,413</u>	<u>190,084</u>	<u>(1,329)</u>
CTE Programs			
Salaries	166,047	166,390	343
Employee Benefits	49,955	51,782	1,827
Purchased Services	6,185	5,181	(1,004)
Supplies And Materials	8,605	6,913	(1,692)
Total Vocational Programs	<u>230,792</u>	<u>230,266</u>	<u>(526)</u>
Interscholastic Programs			
Salaries	225,525	231,434	5,909
Employee Benefits	31,678	30,980	(698)
Purchased Services	133,335	151,618	18,283
Supplies And Materials	37,939	42,342	4,403
Other Objects	3,602	-	(3,602)
Total Interscholastic Programs	<u>432,079</u>	<u>456,374</u>	<u>24,295</u>

The accompanying notes are an integral part of these financial statements

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 4
(continued)

STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
JUNE 30, 2019

Expenditures Disbursed:	Actual	Budget	Unexpended Budget
Summer School Programs			
Salaries	15,419	-	(15,419)
Employee Benefits	1,289	-	(1,289)
Supplies And Materials	189	-	(189)
Total Summer School Programs	<u>16,897</u>	<u>-</u>	<u>(16,897)</u>
Driver's Education Programs			
Salaries	31,811	31,553	(258)
Employee Benefits	3,794	3,654	(140)
Supplies And Materials	1,119	1,198	79
Total Driver's Education Programs	<u>36,724</u>	<u>36,405</u>	<u>(319)</u>
Regular K-12 Programs - Private Tuition			
Other Objects	4,104	4,085	(19)
Special Education Programs K-12 - Private Tuition			
Other Objects	525,075	729,598	204,523
Total Special Education Programs K-12 - Private Tuition	<u>529,179</u>	<u>733,683</u>	<u>204,504</u>
Total Instruction	<u>8,483,016</u>	<u>9,029,316</u>	<u>546,300</u>
Support Services - Pupils			
Support Services - Pupils			
Attendance And Social Work Services			
Salaries	177,253	176,466	(787)
Employee Benefits	53,539	55,663	2,124
Total Social Work Services	<u>230,792</u>	<u>232,129</u>	<u>1,337</u>
Guidance Services			
Salaries	144,100	143,047	(1,053)
Employee Benefits	35,611	37,278	1,667
Purchased Services	13,671	3,903	(9,768)
Supplies And Materials	736	777	41
Other Objects	581	519	(62)
Total Guidance Services	<u>194,699</u>	<u>185,524</u>	<u>(9,175)</u>
Health Services			
Salaries	126,262	124,732	(1,530)
Employee Benefits	21,577	22,913	1,336
Purchased Services	4,261	4,294	33
Supplies And Materials	6,149	7,866	1,717
Total Health Services	<u>158,249</u>	<u>159,805</u>	<u>1,556</u>

The accompanying notes are an integral part of these financial statements

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
JUNE 30, 2019

Statement 4
(continued)

Expenditures Disbursed:	Actual	Budget	Unexpended Budget
Psychological Services			
Salaries	142,980	138,994	(3,986)
Employee Benefits	32,695	32,825	130
Total Psychological Services	<u>175,675</u>	<u>171,819</u>	<u>(3,856)</u>
Speech Pathology & Audiology			
Salaries	177,091	177,426	335
Employee Benefits	45,201	46,549	1,348
Total Speech Pathology & Audiology	<u>222,292</u>	<u>223,975</u>	<u>1,683</u>
Other Support Services - Pupils			
Supplies and Materials	4,852	3,652	(1,200)
Total Other Support Services - Pupils	<u>4,852</u>	<u>3,652</u>	<u>(1,200)</u>
Total Support Services - Pupils	<u>986,559</u>	<u>976,904</u>	<u>(9,655)</u>
Improvement Of Instruction Services			
Salaries	63,141	63,144	3
Employee Benefits	14,765	11,811	(2,954)
Purchased Services	41,477	42,158	681
Supplies And Materials	12,128	11,876	(252)
Other Objects	3,013	-	(3,013)
Total Improvement Of Instruction Services	<u>134,524</u>	<u>128,989</u>	<u>(5,535)</u>
Support Services - Instructional Staff			
Educational Media Services			
Salaries	54,248	54,081	(167)
Employee Benefits	13,614	13,982	368
Supplies And Materials	19,022	24,049	5,027
Total Educational Media Services	<u>86,884</u>	<u>92,112</u>	<u>5,228</u>
Assessment And Testing			
Purchased Services	8,022	10,170	2,148
Total Assessment And Testing	<u>8,022</u>	<u>10,170</u>	<u>2,148</u>
Total Support Services - Instructional Staff	<u>229,430</u>	<u>231,271</u>	<u>1,841</u>
Support Services - General Administration			
Board Of Education Services			
Salaries	42,467	42,222	(245)
Employee Benefits	6,742	7,923	1,181
Purchased Services	52,013	51,788	(225)
Supplies And Materials	11,036	10,891	(145)
Other Objects	30,166	-	(30,166)
Total Board Of Education Services	<u>142,424</u>	<u>112,824</u>	<u>(29,600)</u>

The accompanying notes are an integral part of these financial statements

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 4
(continued)

STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
JUNE 30, 2019

Expenditures Disbursed:	Actual	Budget	Unexpended Budget
Executive Administration Services			
Salaries	155,247	161,464	6,217
Employee Benefits	43,208	45,481	2,273
Purchased Services	1,209	789	(420)
Supplies And Materials	309	402	93
Other Objects	1,242	-	(1,242)
Total Executive Administration Services	<u>201,215</u>	<u>208,136</u>	<u>6,921</u>
Total Support Services - Gen Admin.	<u>343,639</u>	<u>320,960</u>	<u>(22,679)</u>
Support Services - School Administration			
Office Of The Principal Services			
Salaries	480,108	470,522	(9,586)
Employee Benefits	98,099	98,548	449
Purchased Services	278	362	84
Supplies And Materials	416	234	(182)
Other Objects	1,149	-	(1,149)
Total Office Of The Principal Services	<u>580,050</u>	<u>569,666</u>	<u>(10,384)</u>
Support Services - Business:			
Direction of Business Support			
Salaries	82,361	81,815	(546)
Employee Benefits	19,873	20,794	921
Purchased Services	1,397	540	(857)
Supplies and Materials	60	79	19
Other Objects	1,243	-	(1,243)
Total Direction of Business Support	<u>104,934</u>	<u>103,228</u>	<u>(1,706)</u>
Fiscal Services			
Salaries	88,230	88,124	(106)
Employee Benefits	21,202	22,426	1,224
Purchased Services	22,142	24,556	2,414
Supplies And Materials	52,454	50,486	(1,968)
Other Objects	14,369	-	(14,369)
Total Fiscal Services	<u>198,397</u>	<u>185,592</u>	<u>(12,805)</u>

The accompanying notes are an integral part of these financial statements

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 4
(continued)

STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
JUNE 30, 2019

Expenditures Disbursed:	Actual	Budget	Unexpended Budget
Operation & Maintenance of Plant Services			
Purchased Services	13,969	14,505	536
Supplies And Materials	12	16	4
Total Operation & Maintenance of Plant Services	13,981	14,521	540
Food Services			
Salaries	139,257	139,345	88
Employee Benefits	30,351	33,780	3,429
Purchased Services	2,531	2,641	110
Supplies And Materials	83,954	86,057	2,103
Other Objects	748	-	(748)
Total Food Services	256,841	261,823	4,982
Internal Services			
Purchased Services	118,929	117,875	(1,054)
Supplies and Materials	14,800	17,675	2,875
Total Internal Services	133,729	135,550	1,821
Total Support Services - Business	707,882	700,714	(7,168)
Information Services			
Salaries	202,592	202,042	(550)
Employee Benefits	27,077	28,227	1,150
Purchased Services	238,349	302,591	64,242
Supplies And Materials	162,232	22,368	(139,864)
Capital Outlay	8,439	21,299	12,860
Other Objects	15,340	-	(15,340)
Non-Capitalized Equipment	44,370	-	(44,370)
Total Information Services	654,029	576,527	(77,502)
Staff Services			
Purchased Services	1,330	1,444	114
Total Staff Services	1,330	1,444	114
Other Support Services			
Employee Benefits	724	725	1
Total Other Support Services	724	725	1
Total Support Services	3,548,013	3,378,211	(169,802)
Community Services			
Supplies and Materials	270	196	(74)
Total Community Services	270	196	(74)

The accompanying notes are an integral part of these financial statements

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 4
(continued)

STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
EDUCATIONAL FUND
JUNE 30, 2019

Expenditures Disbursed:	Actual	Budget	Unexpended Budget
Payments To Other Governments			
Payments For Special Education Programs			
Purchased Services	504,272	612,678	108,406
Payments for CTE			
Purchased Services	73,291	95,283	21,992
Total Payments To Other Governments	577,563	707,961	130,398
Debt Service Payments			
Interest on Long-Term Debt	292	-	(292)
Total Expenditures	12,609,154	13,115,684	506,530

The accompanying notes are an integral part of these financial statements

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 5

STATEMENT OF EXPENDITURES DISBURSED
 (AND COMPARISON WITH BUDGET)
 OPERATIONS AND MAINTENANCE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Facilities Acquisition and Construction Services			
Purchased Services	10,078	-	(10,078)
Total Facilities Acquisition and Construction Services	<u>10,078</u>	<u>-</u>	<u>(10,078)</u>
Operation and Maintenance of Plant Services:			
Salaries	519,777	528,163	8,386
Employee Benefits	89,963	97,735	7,772
Purchased Services	763,381	904,571	141,190
Supplies and Materials	459,305	481,306	22,001
Capital Outlay	49,114	70,165	21,051
Other Objects	1,318	-	(1,318)
Non-Capitalized Equipment	4,857	-	(4,857)
Total Operation and Maintenance of Plant Services	<u>1,887,715</u>	<u>2,081,940</u>	<u>194,225</u>
Total Support Services - Business	<u>1,897,793</u>	<u>2,081,940</u>	<u>184,147</u>
Total Expenditures	<u><u>1,897,793</u></u>	<u><u>2,081,940</u></u>	<u><u>184,147</u></u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 6

STATEMENT OF EXPENDITURES DISBURSED
 (AND COMPARISON WITH BUDGET)
 DEBT SERVICES FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Debt Services:			
Debt Service - Interest	507,542	519,375	11,833
Debt Service - Principal	4,604,180	4,500,642	(103,538)
Debt Service - Other	<u>3,515</u>	<u>3,515</u>	<u>-</u>
Total Expenditures	<u><u>5,115,237</u></u>	<u><u>5,023,532</u></u>	<u><u>(91,705)</u></u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 7

STATEMENT OF EXPENDITURES DISBURSED
 (AND COMPARISON WITH BUDGET)
 TRANSPORTATION FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Supporting Services:			
Support Services - Business			
Pupil Transportation Services:			
Salaries	867,183	897,626	30,443
Employee Benefits	36,465	39,692	3,227
Purchased Services	436,796	516,679	79,883
Supplies and Materials	258,861	261,190	2,329
Other Objects	6,865	-	(6,865)
Total Pupil Transportation Services	<u>1,606,170</u>	<u>1,715,187</u>	<u>109,017</u>
Total Support Services - Business	<u>1,606,170</u>	<u>1,715,187</u>	<u>109,017</u>
Total Expenditures	<u><u>1,606,170</u></u>	<u><u>1,715,187</u></u>	<u><u>109,017</u></u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 8

STATEMENT OF EXPENDITURES DISBURSED
 (AND COMPARISON WITH BUDGET)
 MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Expenditures Disbursed:	Actual	Budget	Unexpended Budget
Instruction:			
Regular Programs:			
Employee Benefits	79,591	80,084	493
Pre-K Programs:			
Employee Benefits	1,270	585	(685)
Special Education Programs:			
Employee Benefits	105,553	106,793	1,240
Special Education Programs-Pre-K:			
Employee Benefits	1,983	1,956	(27)
CTE Programs:			
Employee Benefits	2,290	2,265	(25)
Interscholastic Programs			
Employee Benefits	3,620	3,620	-
Summer School			
Employee Benefits	830	-	(830)
Driver's Education Programs:			
Employee Benefits	456	452	(4)
Total Instruction	<u>195,593</u>	<u>195,755</u>	<u>162</u>
Supporting Services:			
Support Services - Pupils			
Attendance & Social Work Services:			
Employee Benefits	2,550	2,538	(12)
Guidance Services:			
Employee Benefits	10,728	10,800	72
Health Services:			
Employee Benefits	21,724	21,903	179
Speech Pathology & Audiology Services			
Employee Benefits	2,057	1,998	(59)
Other Support Services - Pupils:			
Employee Benefits	2,362	2,367	5
Total Support Services - Pupils	<u>39,421</u>	<u>39,606</u>	<u>185</u>
Support Services - Instructional Staff:			
Improvement of Instruction Services:			
Employee Benefits	1,831	1,832	1
Educational Media Services:			
Employee Benefits	625	620	(5)
Total Support Services - Instructional Staff	<u>2,456</u>	<u>2,452</u>	<u>(4)</u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 8
(continued)

STATEMENT OF EXPENDITURES DISBURSED
(AND COMPARISON WITH BUDGET)
MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Expenditures Disbursed:	Actual	Budget	Unexpended Budget
Support Services - General Administration:			
Board of Education Services:			
Employee Benefits	8,764	8,937	173
Executive Administration Services:			
Employee Benefits	-	-	-
Total Support Services - General Administration	<u>8,764</u>	<u>8,937</u>	<u>173</u>
Support Services - School Administration:			
Office of the Principal Svc:			
Employee Benefits	<u>6,929</u>	<u>6,787</u>	<u>(142)</u>
Support Services - Business:			
Director of Business Support:			
Employee Benefits	4,269	5,184	915
Fiscal Services:			
Employee Benefits	14,309	14,552	243
Operation and Maintenance of Plant Services:			
Employee Benefits	82,183	81,768	(415)
Pupil Transportation Svc:			
Employee Benefits	162,201	167,445	5,244
Food Services:			
Employee Benefits	<u>20,954</u>	<u>21,339</u>	<u>385</u>
Total Support Services - Business	<u>283,916</u>	<u>290,288</u>	<u>6,372</u>
Support Services - Central:			
Information Services:			
Employee Benefits	<u>26,735</u>	<u>27,397</u>	<u>662</u>
Total Support Services - Central	<u>26,735</u>	<u>27,397</u>	<u>662</u>
Total Support Services	<u>368,221</u>	<u>375,467</u>	<u>7,246</u>
Total Expenditures	<u>563,814</u>	<u>571,222</u>	<u>7,408</u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

Statement 9

STATEMENT OF EXPENDITURES DISBURSED
 (AND COMPARISON WITH BUDGET)
 TORT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Unexpended Budget</u>
Expenditures Disbursed:			
Support Services:			
General Administration			
Unemployment insurance Payments			
Purchased Services	7,507	5,500	(2,007)
Insurance payments			
Purchased Services	219,237	357,038	137,801
Educational, Inspectional, Supervisory			
Services Related to Loss Prevention			
Purchased Services	<u>10,391</u>	<u>12,468</u>	<u>2,077</u>
Total Support Services -			
General Administration	<u>237,135</u>	<u>375,006</u>	<u>137,871</u>
Total Expenditures	<u><u>237,135</u></u>	<u><u>375,006</u></u>	<u><u>137,871</u></u>

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note #1 Summary of Significant Accounting Policies

The District's accounting policies conform to the cash basis of accounting as defined by the Illinois State Board of Education Audit Guide.

A. Principles Used to Determine Scope of the Reporting Entity

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

Component Units

The District has developed criteria to determine whether outside agencies with activities that benefit the citizens of the District, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), scope of public service and special financing relationships.

Joint agreements have been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationships criteria and are, therefore, excluded from the accompanying financial statements because the District does not control the assets, operations or management of the joint agreements. In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

B. Basis of Presentation - Fund Accounting

The Annual Financial Report is a regulatory report prepared in accordance with the requirements of the Illinois State Board of Education and does not include the government-wide financial statements including the statement of net assets and the statement of activities required by accounting principles generally accepted in the United States of America.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note #1 Summary of Significant Accounting Policies (continued)

B. Basis of Presentation - Fund Accounting (continued)

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities (arising from cash transactions), fund balance, revenue received and expenditures disbursed. The District maintains individual funds required by the State of Illinois.

The various funds are summarized by type in the financial statements. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds and account groups are used by the District:

Governmental Funds -

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through governmental funds.

The Educational Fund and the Operations and Maintenance Fund are the general operating funds of the District. They are used to account for all financial resources except those required to be accounted for in another fund. The Special Education tax levy is included in these funds.

The Debt Services Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The Transportation Fund and the Illinois Municipal Retirement/Social Security Fund, are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note #1 Summary of Significant Accounting Policies (continued)

B. Basis of Presentation - Fund Accounting (continued)

Governmental Funds - (continued)

The Working Cash Fund accounts for financial resources held by the District to be used for temporary interfund loans to other funds.

The Tort Fund accounts for financial resources to be used for the payment of insurance and tort related expenses.

The Fire Prevention and Safety Fund is used to account for financial resources to be used for the acquisition or construction of major facilities (other than those financed by Trust Funds).

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

The Agency Funds include Student Activity Funds. They account for assets held by the District as an agent for the students, teachers and other entities. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the activity fund organizations are equal to the assets.

Governmental Funds - Measurement Focus

The financial statements of all Governmental Funds focus on the measurement of spending or "financial flow" and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (cash receipts and other financing sources) and decreases (cash disbursements and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note #1 Summary of Significant Accounting Policies (continued)

B. Basis of Presentation - Fund Accounting (continued)

General Fixed Assets and General Long-term Debt Account Group

Capital assets purchased or acquired with an original cost of \$1,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. The District records purchases of property and equipment as expenditures of various funds when paid. The District maintains a detailed list of property and equipment purchased for insurance purposes.

No depreciation has been provided on fixed assets in these financial statements. Current depreciation of \$697,985 has been utilized for the calculation of the per capita tuition charge and accumulated depreciation totaling \$21,611,775 has been reported on the Illinois Local Education Agency annual financial report (ISBE Form 50-35). Depreciation has been computed over the estimated useful lives of the assets using the straight-line method.

The estimated useful lives are as follows:

Buildings	50 years
Improvements	20 years
Transportation Equipment	5 years
Other Equipment	3 - 10 years

Long-term liabilities expected to be financed from Debt Service Funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. Proceeds from sales of bonds are included as receipts in the appropriate fund on the date received. Related principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note #1 Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Cash-basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

D. Budgets and Budgetary Accounting

The budget for all Governmental Funds and for the Expendable Trust Fund is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Section 5, Paragraph 17.1 of the Illinois Compiled Statutes. The budget was passed on September 17, 2018 and amended April 15, 2019.

For each fund, total fund expenditures may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

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

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures disbursed and the means of financing them.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note #1 Summary of Significant Accounting Policies (continued)

D. Budgets and Budgetary Accounting (continued)

2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits and time deposit (savings) accounts. Cash equivalents include amounts in time deposits and other investments with original maturities of less than 90 days.

F. Investments

Investments are stated at cost or amortized cost, which approximates market. The District, under 30 ILCS 235/2, may legally invest in all securities guaranteed by the full faith and credit of the United States, as well as interest-bearing savings accounts, certificates of deposit or time deposits constituting direct obligations of banks insured by FDIC. The District may also invest in short-term obligations of the Federal National Mortgage Association, the Public Treasurer's Investment Pool as well as all interest-bearing obligations of the State of Illinois.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

Note #1 Summary of Significant Accounting Policies (continued)

G. Total Memorandum Only

The “Total Memorandum Only” column represents the aggregation (by addition) of the line-item amounts reported for each fund type and account group. No consolidations or other eliminations were made in arriving at the totals; thus they do not present consolidated information.

These totals are presented only to facilitate financial analysis and are not intended to reflect the financial position or results of operations of the District as a whole.

Note #2 Property Taxes

The District’s property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2018 levy was passed by the Board on December 17, 2018. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The District receives significant distributions of tax receipts approximately one month after these due dates. The balance of taxes shown in these financial statements are from the 2018 and prior tax levies.

The following are the tax rates applicable to the various levies per \$100 of assessed valuation:

	<u>Maximum</u>	<u>Actual</u>	<u>Actual</u>
	<u>Rate</u>	<u>2018 Rate</u>	<u>2017 Rate</u>
Educational	None	2.4326	2.4189
Operations & Maintenance	0.7500	0.3114	0.4050
Transportation	None	0.1869	0.1487
Bond & Interest	None	1.4326	1.3959
Municipal Retirement	None	0.0570	0.0191
Social Security	None	0.0570	0.0191
Tort Immunity	None	0.0447	0.0550
Special Education	0.8000	0.0225	0.0232
Working Cash	0.0500	0.0003	0.0438
Lease Purchase	0.1000	<u>0.0003</u>	<u>0.0001</u>
TOTAL		<u>4.5453</u>	<u>4.5288</u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note #3 Fund Balance Reporting

In a prior fiscal year, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints:

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. Due to the cash basis nature of the district all such items are expensed at the time of purchase, so there is nothing to report for this classification.

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. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories –

1. Special Education

Cash receipts and the related cash disbursement of this restricted tax levy are accounted for in the Educational Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

2. Leasing

Cash receipts and the related cash disbursement of this restricted tax levy are accounted for in the Educational Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note #3 Fund Balance Reporting (continued)

B. Restricted Fund Balance (continued)

3. State Grants

Proceeds from state grants and the related expenditures have been included in the Educational and Transportation Funds. At June 30, 2019, expenditures disbursed exceeded revenue received from state grants, resulting in no restricted fund balance.

4. Federal Grants

Proceeds from federal grants and the related expenditures have been included in the Educational Fund. At June 30, 2019, expenditures disbursed from federal grants exceeded revenues received for those specific purposes in the Educational Fund, resulting in no restricted fund balance.

5. Social Security

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Revenue received did not exceed expenditures disbursed for this purpose, resulting in no restricted fund balance.

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.

The School Board commits fund balance by making motions or passing resolutions to adopt policy or approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note #3 Fund Balance Reporting (continued)

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the governments' intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the financial committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes.

Under the assigned fund balance definition \$19,546 of the Transportation Fund Balance is assigned for lease of school buses. This balance is included in the financial statements as Unreserved in the Transportation Fund.

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. Unassigned Fund Balance amounts are shown in the financial statements as Unreserved Fund Balances in the Educational, Operations and Maintenance, Transportation and Working Cash Funds.

F. Regulatory - Fund Balance Definitions

Reserved Fund Balances are those balances that are reserved for a specified purpose, other than the regular purpose of any given fund. Unreserved Fund Balances are all balances that are not reserved for a specific purpose other than the specified purpose of a fund.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

Note #3 Fund Balance Reporting (continued)

G. Reconciliation of Fund Balance Reporting

The first five columns of the following table represent Fund Balance Reporting according to generally accepted accounting principles. The last two columns represent Fund Balance Reporting under the regulatory basis of accounting utilized in preparation of the financial statements.

Fund	Generally Accepted Accounting Principles					Regulatory Basis	
	Nonspend- able	Restricted	Committed	Assigned	Unassigned	Financial Statements - Reserved	Financial Statements - Unreserved
Educational Operations & Maintenance	-	-	-	-	4,876,410	-	4,876,410
Debt Service	-	565,989	-	-	-	-	565,989
Transportation Municipal	-	2,820,668	-	-	-	-	2,820,668
Retirement	-	686,013	-	19,546	-	-	705,559
Working Cash	-	241,099	-	-	-	-	241,099
Tort Liability Fire Prevention & Safety	-	-	-	-	5,677,300	-	5,677,300
	-	345,809	-	-	-	-	345,809
	-	4,182	-	-	-	-	4,182

H. Expenditures of Fund Balance

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note #4 Deposits and Investments

The District is allowed to invest in securities as authorized by the District's investment policy, Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235) and Section 8-7 of the School Code of Illinois. These include the following items:

1. bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
2. interest-bearing savings accounts, interest-bearing certificates of deposits or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act;
3. money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described in (1) or (2) above and to agreements to repurchase such obligations;
4. the Illinois Funds. Any public agency may also invest any public funds in a fund managed, operated and administered by a bank, subsidiary of a bank or subsidiary of a bank holding company or use the services of such an entity to hold and invest or advise regarding the investment of any public funds;
5. the Illinois School District Liquid Asset Fund Plus;
6. any investment as authorized by the Public Funds Investment Act and Acts amendatory thereto. Paragraph 6 supersedes paragraphs 1-5 and controls in the event of conflict.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note #4 Deposits and Investments (continued)

Custodial Credit Risk Related to Deposits with Financial Institutions

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 general investment policy requires all amounts deposited or invested with financial institutions in excess of any insurance limit shall 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 services to include Standard & Poor's, Moody's or Fitch. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

The District's investment policy states the preferred method for safekeeping of collateral is to have securities registered in the District's name and held by a third-party custodian.

At June 30, 2019, the carrying amount of the District's deposits with financial institutions, which includes demand deposits, savings accounts and certificates of deposits was \$15,458,773, (excludes \$160 petty cash and includes activity funds of \$217,872) and the bank balance was \$15,772,852 (includes activity funds of \$231,872). As of June 30, 2019, all of the bank balances are insured or collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note #5 Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>7/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2019</u>
Non-depreciable fixed assets:				
Land	2,540,833	-	-	2,540,833
Depreciable fixed assets:				
Buildings:	28,474,702	-	-	28,474,702
Improvements	1,287,002	36,975	-	1,323,977
Transportation				
Equipment	3,255,437	-	-	3,255,437
Equipment	<u>4,687,447</u>	<u>151,109</u>	<u>-</u>	<u>4,838,556</u>
Total Fixed Assets	40,245,421	188,084	-	40,433,505
Accumulated Depreciation:				
Buildings:	12,335,729	569,494	-	12,905,223
Improvements	803,102	66,296	-	869,398
Transportation				
Equipment	3,144,021	11,608	-	3,155,629
Equipment	<u>4,635,992</u>	<u>45,533</u>	<u>-</u>	<u>4,681,525</u>
Total Accumulated Depreciation	<u>20,918,844</u>	<u>692,931</u>	<u>-</u>	<u>21,611,775</u>
Fixed Assets, Net	<u>19,326,577</u>	<u>(504,847)</u>	<u>-</u>	<u>18,821,730</u>

Note #6 Lease Commitments

Operating Leases

The district leases various transportation equipment. The district also entered into a sixty month lease agreement to lease a bus barn. The District is currently obligated under operating lease agreements for office equipment.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note #6 Lease Commitments (continued)

The annual future obligation for the District is as follows:

Fiscal Year Ended	Transportation Equipment	Bus Barn	Office Equipment	Total
6/30/2020	19,546	33,000	117,012	169,558
6/30/2021	16,688	33,000	82,892	132,580
6/30/2022	-	33,000	-	33,000
6/30/2023	-	33,000	-	33,000

During the current year the District paid \$506,766 for lease expenses.

Note #7 Retirement Fund Commitments

A. Teachers' Retirement System of the State of Illinois

General Information about the Pension Plan

Plan description

The school district participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/cafrs/fy2017>; by writing to TRS at 2815 West Washington Street, P O Box 19253, Springfield, IL 62794 or by calling (888) 678-3675, option 2.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note #7 Retirement Fund Commitments

A. Teachers' Retirement System of the State of Illinois

Benefits provided

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

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. The earliest possible implementation date is July 1, 2020. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and will be funded by bonds issued by the state of Illinois.

Contributions

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

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note #7 Retirement Fund Commitments: (continued)

A. Teachers' Retirement System of the State of Illinois: (continued)

On behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2019, State of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective NPL associated with the employer, and the employer recognized revenue and expenditures of \$4,586,748 in pension contributions from the state of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2019 were \$41,756, while \$46,812 was actually paid toward this obligation in the current fiscal year.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the district, there is a statutory requirement for the district to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2019.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2019, the employer pension contribution was 9.85 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2019, salaries totaling \$132,053 were paid from federal and special trust funds that required employer contributions of \$13,007. \$11,803 was actually paid toward this obligation in the current fiscal year.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note #7 Retirement Fund Commitments: (continued)

A. Teachers' Retirement System of the State of Illinois: (continued)

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. Additionally, beginning with the year ended June 30, 2019, employers will make a similar contribution for salary increases over 3 percent if members are not exempted by current collective bargaining agreements or contracts.

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, 2019, the employer paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent, \$0 for salary increases in excess of 3 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

Pension Expense

For the year ended June 30, 2019, the District recognized TRS pension expense of \$58,615 on a cash basis under this plan.

B. THIS Fund:

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 are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note #7 Retirement Fund Commitments: (continued)

B. THIS Fund: (continued)

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

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

On behalf contributions to the THIS Fund.

The State of Illinois makes employer retiree health insurance contributions on behalf of the district. State contributions are intended to match contributions to the THIS Fund from active members which were 1.24 percent of pay during the year ended June 30, 2019. State of Illinois contributions were \$89,271, and the district recognized revenue and expenditures of this amount during the year.

Employer contributions to the THIS Fund.

The district also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.92 percent during the year ended June 30, 2019. For the year ended June 30, 2019, the district paid \$66,233 to the THIS Fund, which was 100 percent of the required contribution.

Further information on the THIS Fund.

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note #7 Retirement Fund Commitments: (continued)

C. Illinois Municipal Retirement Fund

IMRF Plan Description

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 managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note #7 Retirement Fund Commitments: (continued)

C. Illinois Municipal Retirement Fund (continued)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

Number of	
Retirees and Beneficiaries	98
Inactive, Non-Retired Members	88
Active Members	107
Total	293
Covered Valuation Payroll	\$ 2,514,911

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% 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 annual contribution rate for calendar year 2018 was 10.71%. For the calendar year ended 2018, the District contributed \$269,347 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note #8 Long-Term Debt

As of June 30, 2019, the District had long-term debt outstanding in the amount of \$13,195,000. During the fiscal year, the following changes occurred in long-term debt account:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>
General Obligation Bonds	13,200,000	5,695,000	5,700,000	13,195,000
ISBE Tech Loan	29,180	-	29,180	-
Total	<u>13,229,180</u>	<u>5,695,000</u>	<u>5,729,180</u>	<u>13,195,000</u>

The long-term debt consists of the following and is reflected in the General Long-Term Debt Account Group:

The summary of bonds and notes payable at June 30, 2019 is as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Carrying Amount</u>
Taxable Refunding School Bonds, Series 2010G- dated December 29, 2010	4.25%-5.25%	2,595,000
General Obligation Refunding School Bonds, Series 2012, dated October 1, 2012	2.35%-2.75%	1,760,000
General Obligation Refunding School Bonds, Series 2014, dated August 6, 2014	2.00%	920,000
Taxable General Obligation Limited School Bonds, Series 2015B, dated December 17, 2015	3.00%-4.00%	2,225,000
Taxable General Obligation Limited School Bonds, Series 2018A, dated December 5, 2018	3.35%-3.55%	4,725,000
Taxable General Obligation Refunding School Bonds, Series 2018B, dated December 5, 2018	2.94%-3.16%	<u>970,000</u>
Total General Obligations		<u>13,195,000</u>

The principal and interest payments for these general obligations are paid from Debt Service Fund.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019

Note #8 Long-Term Debt (continued)

Annual debt service payments required to service all outstanding obligations at June 30, 2019 are as follows:

Year Ending			
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	4,870,000	386,692	5,256,692
2021	3,600,000	226,084	3,826,084
2022	1,870,000	130,740	2,000,740
2023	1,935,000	66,039	2,001,039
2024	<u>920,000</u>	<u>16,330</u>	<u>936,330</u>
TOTALS	<u>13,195,000</u>	<u>825,885</u>	<u>14,020,885</u>

Current Year refunding of Debt

On December 5, 2018, the District issued Series 2015B, \$4,725,000 in Taxable General Obligation Limited Tax School bonds, with interest rates ranging from 3.35 percent to 3.55 percent to partially refund Series 2015B and for working cash. Proceeds of \$172,800 of the Series 2018A bond (after payment of \$71,431 for underwriting fees insurance and other issuance costs and discount of \$14,519) were used to purchase U.S. government securities, the remainder, \$4,400,525 was deposited in the Working Cash Fund and \$62,525 deposited into the Debt Services Fund. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the above mentioned 2015B Series bond. As a result, this refunded bond is considered to be defeased and the liability for this bond has been removed from the long-term debt account group

On December 5, 2018, the District issued Series 2018B, \$970,000 in refunding school bonds, with interest rates varying from 2.94 percent to 3.16 percent to refund \$965,000 of Series 2006C with an interest rate of 5.35 percent. Proceeds of \$971,167 of the Series 2018B bond (after payment of \$12,540 for underwriting fees, insurance and other issuance costs and \$13,980 of funds on hand) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the above mentioned 2006C Series bond. As a result, this refunded bond is considered to be defeased and the liability for this bond has been removed from the long-term debt account group.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note #8 Long-Term Debt (continued)

The District's current refundings resulted in a decrease in the District's total debt service payments over the next three years by \$13,062; and an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$25,942.

Advance Refunding of Debt

In the current and prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. The District has \$3,920,000, of defeased bonds outstanding at June 30, 2019.

Legal Debt Margin

Under Section 5/19-1 of the Illinois School Code, the District is allowed to incur qualifying debt up to 13.8% of its latest equalized assessed value. As of June 30, 2019, the District's legal debt limit was \$51,145,846. Qualifying outstanding debt as of June 30, 2019 totaled \$13,195,000, leaving a debt margin of \$37,950,846.

Note #9 Other Postemployment Benefits

The District is legally required to provide postemployment healthcare benefits to former employees and retirees. Former employees, who are not retirees, are provided healthcare benefits mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Former employees, who are qualified under COBRA, may apply for coverage by the District's health plan. The cost is 100% funded on a monthly pay-as-you-go basis by the former employee based upon the actual cost of the health plan for the chosen level of coverage. In addition, the District is responsible for paying the actual dollar amount of Teachers' Retirement Insurance Program (TRIP) insurance for certain eligible employees under the retirement provision of the contractual agreement.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note #9 Other Postemployment Benefits (continued)

Illinois Statutes mandate that a municipal government must offer its retirees a health insurance plan equivalent to that offered to active employees. Illinois statutes enable a government to make the health plan benefits supplemental to Medicare and to offer these supplemental benefits at a different retiree contribution rate than regular benefits provided by the group plan. State statutes do not presently require the government to pay any portion of the cost of the plan for retired employees. Retired employees covered under the District's plan are required to pay 100% of the cost of their insurance based on the rates paid by the District. Retired employees must be covered under the District's health insurance plan at the time of retirement to receive this benefit and must continue coverage with the District's plan to maintain this benefit. Although the actuarial cost of health benefits for retirees exceeds the average amount paid by retirees, based on historical turnover rates, number of active employees, age of active employees and participation rate, management of the District does not consider the effects of implementing Governmental Accounting Standards board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions and calculating the actuarial determined liability to be material to the June 30, 2019 financial statements.

Note #10 Required Individual Fund Disclosures

The Working Cash Fund was partially abated per Board approval, funds were transferred in the amount of \$2,000,000 to the Educational Fund and \$500,000 to the Operation and Maintenance Fund.

As of June 30, 2019, individual fund expenditures exceeded appropriations by \$91,705 in the Debt Service Fund.

Note #11 Common Bank Accounts

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

Note #12 Self-Insurance Plan

All employees of the District are covered under the State of Illinois Unemployment Insurance Act. The District elected to be self-insured and therefore is liable to the State for any payments made to an unemployed worker claiming benefits. During the current year the District paid \$7,491 for unemployment claims.

Note #13 Commitments and contingencies

Litigation

From time to time, the District is involved in legal and administrative proceedings with respect to employment, civil rights, property tax protests and other matters. Although the District is unable to predict the outcome of these matters, the District believes that the final outcome of any actions will not have a material adverse effect on the results of operations or the financial position of the District.

Grant Programs

The District has received funding from state and federal grants in the current and prior years which are subject to audits by the granting agencies. The School Board believes any adjustments that may arise from these audits will be insignificant to District operations.

Note #14 Joint Venture - Southern Will County Cooperative for Special Education (SOWIC)

The Southern Will County Cooperative for Special Education is a jointly governed organization that was formed for the purpose of providing special education for the handicapped children in the ten member school districts. The governing board consists of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. Financial information can be obtained by writing to Southern Will County Cooperative for Special Education, 1207 North Larkin Ave, Joliet, IL 60435.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT NO. 207U

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note #15 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 maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. During the year ended June 30, 2019, there were no significant reductions in coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY

Teachers' Retirement System of the State of Illinois
(Dollar amounts in thousands)

	6/30/18	6/30/17	6/30/16	6/30/15	6/30/14
Employer's proportion of the net pension liability	0.00092%	0.00220%	0.00204%	0.00280%	0.00208%
Employer's proportionate share of the net pension liability	\$ 712,928	\$ 1,725,711	\$ 1,610,670	\$ 1,831,299	\$ 1,268,227
State's proportionate share of the net pension liability associated with the employer	<u>48,838,582</u>	<u>56,327,240</u>	<u>56,327,240</u>	<u>48,584,866</u>	<u>46,028,779</u>
Total	<u>\$ 49,551,510</u>	<u>\$ 58,052,951</u>	<u>\$57,937,910</u>	<u>\$50,416,165</u>	<u>\$47,297,006</u>
Employer's covered-employee payroll	\$ 7,199,281	\$ 6,689,246	\$ 6,684,246	\$ 7,123,399	\$ 7,479,381
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	9.9%	25.8%	24.1%	25.7%	17.0%
Plan fiduciary net position as a percentage of the total pension liability	40.0%	39.3%	36.4%	41.5%	43.0%

*The amounts presented were determined as of the prior fiscal-year end.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Teachers' Retirement System of the State of Illinois
(Dollar amounts in thousands)

Statutorily-required contribution	58,615	52,303	83,115	79,499	85,174
Contributions in relation to the statutorily-required contributions	<u>(58,615)</u>	<u>(52,303)</u>	<u>(83,115)</u>	<u>(79,499)</u>	<u>(85,174)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	7,199,281	6,689,246	6,684,246	7,123,399	7,479,381
Contributions as a percentage of covered-employee payroll	0.81%	0.78%	1.24%	1.12%	1.14%

Notes to other Information

Changes of assumptions

For the 2018, 2017 and 2016 measurement years, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

SCHEDULES OF OTHER INFORMATION - IMRF
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Calendar Years
(schedule to be built prospectively from 2014)

Calendar year ending December 31,	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Total Pension Liability										
Service Cost	233,361	278,374	312,292	322,840	307,602					
Interest on the Total Pension Liability	856,206	861,339	818,719	778,849	686,376					
Benefit Changes	-	-	-	-	-					
Difference between Expected and Actual Experience	423,274	(172,811)	32,221	13,321	282,978					
Assumption Changes	328,075	(350,794)	(40,093)	26,009	487,377					
Benefit Payments and Refunds	<u>(710,713)</u>	<u>(613,371)</u>	<u>(550,127)</u>	<u>(598,203)</u>	<u>(452,039)</u>					
Net Change in Total Pension Liability	1,130,203	2,737	573,012	542,816	1,312,294					
Total Pension Liability - Beginning	<u>11,654,761</u>	<u>11,652,024</u>	<u>11,079,012</u>	<u>10,536,196</u>	<u>9,223,902</u>					
Total Pension Liability - Ending (a)	<u>12,784,964</u>	<u>11,654,761</u>	<u>11,652,024</u>	<u>11,079,012</u>	<u>10,536,196</u>					
Plan Fiduciary Net Position										
Employer Contributions	269,346	236,431	263,384	276,401	278,494					
Employee Contributions	113,271	103,531	116,141	127,909	123,768					
Pension Plan Net Investment Income	(694,743)	1,829,615	672,799	49,020	567,188					
Benefit payments and Refunds	(710,713)	(613,371)	(550,127)	(598,203)	(452,039)					
Other	<u>240,356</u>	<u>(225,555)</u>	<u>61,746</u>	<u>24,989</u>	<u>60,479</u>					
Net Change in Plan Fiduciary Net Position	(782,483)	1,330,651	563,943	(119,884)	577,890					
Plan Fiduciary Net Position - Beginning	<u>11,675,652</u>	<u>10,345,001</u>	<u>9,781,058</u>	<u>9,900,942</u>	<u>9,323,052</u>					
Plan Fiduciary Net Position - Ending (b)	<u>10,893,169</u>	<u>11,675,652</u>	<u>10,345,001</u>	<u>9,781,058</u>	<u>9,900,942</u>					
Net Pension Liability (Asset) - Ending (a) - (b)	1,891,795	(20,891)	1,307,023	1,297,954	635,254					
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.20%	88.78%	88.78%	88.28%	86.49%					
Covered Valuation Payroll	2,514,911	2,286,002	2,510,880	2,695,386	2,706,683					
Net Pension Liability as a Percentage of Covered Valuation Payroll	75.22%	-0.91%	52.05%	48.15%	23.47%					

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

SCHEDULE OF EMPLOYER CONTRIBUTIONS - IMRF

LAST 10 CALENDAR YEARS

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2014	276,894	278,494	(1,600)	2,706,683	10.29%
2015	275,199	276,401	(1,202)	2,695,386	10.25%
2016	263,391	263,384	7	2,510,880	10.49%
2017	236,601	236,431	170	2,286,002	10.34%
2018	269,347	269,346	1	2,514,911	10.71%

Notes to Schedule:

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

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

NOTES TO SCHEDULE OF CONTRIBUTIONS - IMRF

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE 2018 CONTRIBUTION RATE*

Valuation Date:

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

Methods and Assumptions Used to Determine 2018 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-taxing bodies: 10- year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 25-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 20 years for most employers (two employers were financed over 29 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.50%
Price Inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation.
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

Other Information

Notes There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2016 actuarial valuation.

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

DETAILED SCHEDULE OF GENERAL LONG-TERM DEBT
 JUNE 30, 2019

Year Ending June 30	Series 2010G		Series 2012		Series 2014	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	2,595,000	68,119	685,000	38,981	920,000	9,200
2021	-	-	1,075,000	14,781	-	-
	<u>2,595,000</u>	<u>68,119</u>	<u>1,760,000</u>	<u>53,762</u>	<u>920,000</u>	<u>9,200</u>

Year Ending June 30	Series 2015B		Series 2018A		Series 2018B	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	-	89,000	-	162,063	670,000	19,329
2021	2,225,000	44,500	-	162,063	300,000	4,740
2022	-	-	1,870,000	130,740	-	-
2023	-	-	1,935,000	66,039	-	-
2024	-	-	920,000	16,330	-	-
Total	<u>2,225,000</u>	<u>133,500</u>	<u>4,725,000</u>	<u>537,235</u>	<u>970,000</u>	<u>24,069</u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

SCHEDULE OF TAXES EXTENDED AND COLLECTED

JUNE 30, 2019

		Educational <u>Levy</u>	Special Education <u>Levy</u>	Lease <u>Levy</u>	Tort Immunity <u>Levy</u>
<u>2017 Levy</u>					
Assessed Valuation	359,628,476				
Tax Rate per \$100		<u>2.4189</u>	<u>0.0232</u>	<u>0.0001</u>	<u>0.0550</u>
Taxes Extended		8,696,638	83,411	360	197,741
Taxes Collected		<u>8,689,327</u>	<u>83,344</u>	<u>358</u>	<u>197,567</u>
<u>2018 Levy</u>					
Assessed Valuation	370,622,073				
Tax Rate per \$100		<u>2.4326</u>	<u>0.0225</u>	<u>0.0003</u>	<u>0.0447</u>
Taxes Extended		9,013,226	83,367	1,112	165,622
Advance Taxes Received Prior to June 30, 2019		<u>4,829,472</u>	<u>44,670</u>	<u>596</u>	<u>88,743</u>
Taxes Receivable		<u><u>4,183,754</u></u>	<u><u>38,697</u></u>	<u><u>516</u></u>	<u><u>76,879</u></u>

Operations & Maintenance Levy	Debt Services Levy	Transportation Levy	Municipal Retirement Levy	Social Security Levy	Working Cash Levy	Total All Levies
<u>0.4050</u>	<u>1.3959</u>	<u>0.1487</u>	<u>0.0191</u>	<u>0.0191</u>	<u>0.0438</u>	<u>4.5288</u>
1,456,091	5,018,660	534,619	68,669	69,669	157,474	<u>16,283,332</u>
<u>1,454,872</u>	<u>5,014,435</u>	<u>534,165</u>	<u>68,621</u>	<u>68,621</u>	<u>157,334</u>	<u>16,268,644</u>
<u>0.3114</u>	<u>1.4326</u>	<u>0.1869</u>	<u>0.0570</u>	<u>0.0570</u>	<u>0.0003</u>	<u>4.5453</u>
1,153,794	5,308,044	692,498	211,195	211,195	1,112	<u>16,841,165</u>
<u>618,226</u>	<u>2,844,159</u>	<u>371,055</u>	<u>113,163</u>	<u>113,163</u>	<u>596</u>	<u>9,023,843</u>
<u>535,568</u>	<u>2,463,885</u>	<u>321,443</u>	<u>98,032</u>	<u>98,032</u>	<u>516</u>	<u>7,817,322</u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

SCHEDULE OF LEGAL DEBT MARGIN

JUNE 30, 2019

Assessed Valuation as of January 1, 2018	370,622,073
Debt Limitation Percentage	13.8%
Debt Limitation	<u>51,145,846</u>
Total Bonded Indebtedness Subject to Debt Limitation Provisions	13,195,000
Other Indebtedness Subject to Debt Limitation Provisions	<u>-</u>
Total Indebtedness Subject to Debt Limitation Provisions	<u>13,195,000</u>
Legal Debt Margin	<u><u>37,950,846</u></u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

STATEMENT OF ASSETS, LIABILITIES AND
FUND BALANCES

TRUST AND AGENCY FUND

JUNE 30, 2019

	<u>TRUST AND AGENCY</u>
<u>ASSETS</u>	
Cash	<u>217,872</u>
<u>LIABILITIES</u>	
Due to Organizations	217,872
Fund Balance - Unreserved	<u>-</u>
Total Liabilities and Fund Equity	<u>217,872</u>

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

STATEMENT OF REVENUES RECEIVED AND
EXPENDITURES DISBURSED
TRUST AND AGENCY FUND
JUNE 30, 2019

STUDENT ACTIVITY ACCOUNTS:	Cash Balance		Cash Balance	
	June 30, <u>2018</u>	<u>Revenues</u>	<u>Expenditures</u>	June 30, <u>2019</u>
Class of 2022	-	271	-	271
Class of 2021	464	2,504	3,223	(256)
Class of 2020	1,788	14,542	12,994	3,336
Class of 2019	1,656	1,112	1,597	1,170
Class of 2018	1,439	-	-	1,439
Class of 2017	185	-	-	185
Class of 2016	185	-	-	185
Class of 2015	1,127	-	-	1,127
Class of 2014	1,684	-	-	1,684
Class of 2013	5,802	-	-	5,802
Class of 2011	425	-	-	425
Class of 2009	448	-	-	448
Class of 2008	500	-	500	-
Class of 2007	278	-	-	278
Class of 2006	80	-	-	80
Class of 2005	80	-	-	80
BDI Band Festival	(90)	90	-	-
Prom	195	-	-	195
FFA	9,254	17,988	15,614	11,628
FFA/FCCLA Concessions	136	-	136	-
HS Golf	866	998	789	1,075
PIC Intramural	4,142	800	1,063	3,879
HS Skills USA	813	4,692	2,942	2,563
HS Best Buddies	490	540	615	415
HS Bowling	87	-	-	87
HS Boys Baseball	555	1,827	1,978	403
HS Boys Basketball Team	2,037	3,710	2,377	3,370
HS Boys Basketball Summer	3,067	50	3,117	-
HS General Athletic	819	757	609	967
Industrial Tech Resale	697	118	-	815
JH Behavior Incentive Prog	1,883	150	919	1,114
HS Track	2,804	4,760	3,185	4,378

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

STATEMENT OF REVENUES RECEIVED AND
EXPENDITURES DISBURSED
TRUST AND AGENCY FUND
JUNE 30, 2019

STUDENT ACTIVITY ACCOUNTS:	Cash Balance			Cash Balance
	June 30, <u>2018</u>	<u>Revenues</u>	<u>Expenditures</u>	June 30, <u>2019</u>
HS BB Cheerleaders	2,437	8,024	6,893	3,568
HS Girls BB team	1,420	-	1,274	145
HS Auditorium	23,776	-	-	23,776
HS Girls Volleyball Team	3,651	3,160	2,644	4,167
HS Girls Softball	2,577	2,320	3,626	1,271
HS Student Council	5,704	12,499	12,282	5,920
Boys Regional Basketball	55	-	55	-
HS Dance Team	(189)	7,281	6,056	1,036
Lettermen	3,404	-	1,000	2,404
HS Yearbook	8,765	6,686	8,672	6,779
HS Band	1,970	12,843	13,728	1,084
HS Choir	698	20	325	393
HS Show Choir	1,614	9,156	9,820	950
National Honor Society	793	8,492	5,683	3,602
CSC Preschool	40	177	-	217
HS Football	16,734	15,788	15,689	16,833
PHS Pop Fund	1,227	2,556	773	3,010
Performing Arts	17,602	11,057	16,223	12,436
PIC Drama	666	2,305	1,808	1,163
JH Cross Country	177	360	156	381
Thespians	336	3,339	2,535	1,140
HS Wrestlers	873	-	-	873
Scholastic Bowl	79	459	446	92
JH Pop Fund	(742)	742	-	-
HS ACT Test	925	-	925	-
JH Athletic Activities	3,731	8,508	9,344	2,896
JH Activities Account	1,577	15,292	13,495	3,374
JH Cheerleaders	505	1,462	1,967	-
JH Band	1,749	15	-	1,764
JH Chorus	124	120	109	135
IESA Speech	-	7,619	5,624	1,995
JH Science	964	-	-	964

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

STATEMENT OF REVENUES RECEIVED AND
EXPENDITURES DISBURSED
TRUST AND AGENCY FUND
JUNE 30, 2019

STUDENT ACTIVITY ACCOUNTS:	Cash Balance			Cash Balance
	June 30, <u>2018</u>	<u>Revenues</u>	<u>Expenditures</u>	June 30, <u>2019</u>
JH Student Council	3,482	2,575	4,471	1,586
JH Yearbook	4,851	2,040	5,112	1,780
PHS FB Tunnel	478	-	-	478
HS Recycling 3	37	-	37	-
Peotone Elementary	6,133	12,554	12,074	6,614
Peotone Elem Sunshine	652	-	283	369
PE Devil Dash	1	-	-	1
Peotone Elem POP	1,205	-	1,205	-
PIC	1,423	5,545	4,609	2,360
Green Garden Faculty Fund	18	188	203	3
General Fund	8,562	3,325	3,331	8,556
Education Foundation	2,627	10,210	11,744	1,094
Booster Club	9,633	13,444	20,344	2,732
High School Staff	1,658	785	566	1,877
Lambert Fund	250	-	250	-
B Starkey Football Memor	1,274	-	1,274	-
HS Tad	188	160	332	16
Interstate 8 Conference	497	-	497	-
PHS Math Club	386	110	219	277
Computer P/R Fund	3,421	-	3,421	-
FB Cheer	1,725	871	2,596	-
PIC Library	248	376	406	218
HS AP & Proctor	23	188	-	211
JE PE Gym Suits	525	75	-	600
JH PALS	465	1,297	1,285	477
High School Library	4,671	706	809	4,568
HS Baseball Summer Camp	187	-	187	-
Peotone Elem Library	704	-	-	704
HS Girls BKB Summer Cmp	190	2,300	2,441	48
HS Speech	(245)	245	-	-
Junior High Library	6,149	1,065	1,401	5,813
FFA/Skills Concessions	106	15,917	16,023	-

PEOTONE COMMUNITY UNIT SCHOOL DISTRICT 207U

STATEMENT OF REVENUES RECEIVED AND
EXPENDITURES DISBURSED
TRUST AND AGENCY FUND
JUNE 30, 2019

STUDENT ACTIVITY ACCOUNTS:	Cash Balance		Revenues	Expenditures	Cash Balance	
	June 30, 2018	June 30, 2019			June 30, 2018	June 30, 2019
HS Football Summer Camp	570	-	-	-	570	-
PIC Yearbook Club	2,671	110	1,023	1,758	1,758	110
HS Science Club	502	482	-	984	984	502
JH Play Activity	4,148	975	2,179	2,944	2,944	4,148
Junior High Track	418	-	260	158	158	418
Smiles	177	-	177	-	-	177
HS Girls Soccer	1,624	1,160	988	1,795	1,795	1,624
JH Art	389	235	-	624	624	389
HS Devil Dash	1,094	412	623	883	883	1,094
HS Physics	482	-	482	-	-	482
PHS Special Olympics Unified	-	1,322	1,232	90	90	-
PHS Spanish Club	-	290	289	1	1	-
PHS Sign Fund	-	2,289	-	2,289	2,289	-
PJHS SkillsUSA	-	9,920	9,733	187	187	-
	<u>236,032</u>	<u>295,783</u>	<u>313,943</u>	<u>217,872</u>	<u>217,872</u>	<u>236,032</u>

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 Unit School District Number 207-U, Will and Kankakee Counties, Illinois (the “*District*”), in connection with the issuance of \$4,510,000 Taxable General Obligation Limited Tax School Bonds, Series 2020 (the “*Bonds*”). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 21st day of September, 2020 (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 BONDS

Limited Bonds (table only)

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)

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.

Financial Obligation of the District means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated October 6, 2020, 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*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the District will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding, to the extent the District remains legally liable for the payment of such Bonds; provided, however, that the District will not be required to make such filings under new CUSIP Numbers unless the District has been notified in writing that new CUSIP Numbers have been assigned to the Bonds. The District will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market.

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. References to “material” in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. 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.

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 UNIT SCHOOL DISTRICT NUMBER
207-U, WILL AND KANKAKEE COUNTIES,
ILLINOIS

By _____
President, Board of Education

Date: October 27, 2020

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, 2020. 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 mandated by the Illinois State Board of Education.

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
15. Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties

* 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**

MATURITY (NOVEMBER 1)	CUSIP NUMBER (968631)
2021	PR6
2022	PS4
2023	PT2
2024	PU9
2025	PV7