PRELIMINARY OFFICIAL STATEMENT, DATED NOVEMBER 28, 2018

NEW ISSUE	**Ratings:**
BOOK-ENTRY ONLY	**____________: "____"**
BANK QUALIFIED – SERIES 2018A BONDS	**_____ INSURED**
TAXABLE – SERIES 2018B BONDS AND SERIES 2018C BONDS	**INSURANCE APPLIED FOR**
	S&P: "A+" (STABLE OUTLOOK) UNDERLYING
	See "BOND RATINGS" herein

Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Series 2018A Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Series 2018B Bonds and Series 2018C 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 TREATMENT" herein for a more complete discussion. The Series 2018A Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

SCHOOL DISTRICT NUMBER 148

Cook County, Illinois
(Dolton-Riverdale)

$5,500,000* General Obligation Refunding School Bonds, Series 2018A
$6,430,000* Taxable General Obligation Refunding School Bonds, Series 2018B
$770,000* Taxable General Obligation Refunding School Bonds, Series 2018C

Dated: Date of Delivery **Due: December 1, as further described on the inside cover page**

The General Obligation Refunding School Bonds, Series 2018A (the "*Series 2018A Bonds*"), Taxable General Obligation Refunding School Bonds, Series 2018B (the "*Series 2018B Bonds*"), and Taxable General Obligation Refunding School Bonds, Series 2018C (the "*Series 2018C Bonds*" and, together with the Series 2018A Bonds and the Series 2018B Bonds, the "*Bonds*"), of School District Number 148, Cook County, Illinois (the "*District*"), will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("*DTC*"). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by Amalgamated Bank of Chicago, Chicago, Illinois, as bond registrar and paying agent, to DTC, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal of and interest on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. Individual purchases of the Bonds will be made in the principal amount of $5,000 or any integral multiple thereof.

The Bonds will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable semi-annually on each June 1 and December 1, commencing June 1, 2019.

Proceeds of the Bonds will be used to (a) refund certain of the District's outstanding bonds and (b) pay costs associated with the issuance of the Bonds.

The Bonds are not subject to optional redemption prior to maturity.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy (the "*Bond Insurance Policy*") to be issued concurrently with the delivery of the Bonds by ________ (the "*Insurer*" or "____________________"). See "BOND INSURANCE" and APPENDIX C herein.

[Insurance Logo]

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

The Bonds are offered when, as and if issued by the District and received by Raymond James & Associates, Inc., Chicago, Illinois, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also act as Disclosure Counsel to the District. Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd., Naperville, Illinois, will pass on certain matters for the District. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about December 20, 2018.

RAYMOND JAMES®

The date of this Official Statement is December __, 2018.

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* Preliminary, subject to change.

School District Number 148
Cook County, Illinois
(Dolton-Riverdale)

$5,500,000* GENERAL OBLIGATION REFUNDING SCHOOL BONDS, SERIES 2018A

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS*

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (215075)
2019	$760,000	%	%	
2020	600,000	%	%	
2021	720,000	%	%	
2022	750,000	%	%	
2023	750,000	%	%	
2024	775,000	%	%	
2025	565,000	%	%	
2026	580,000	%	%	

$6,430,000* TAXABLE GENERAL OBLIGATION REFUNDING SCHOOL BONDS, SERIES 2018B

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS*

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (215075)
2019	$ 585,000	%	%	
2020	1,205,000	%	%	
2021	1,140,000	%	%	
2022	1,175,000	%	%	
2023	1,240,000	%	%	
2024	1,085,000	%	%	

$770,000* TAXABLE GENERAL OBLIGATION REFUNDING SCHOOL BONDS, SERIES 2018C

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS*

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (215075)
2019	$175,000	%	%	
2020	200,000	%	%	
2021	220,000	%	%	
2022	175,000	%	%	

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* Preliminary, subject to change.

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

No dealer, broker, salesman or other person has been authorized by the District or Raymond James & Associates, Inc., Chicago, Illinois (the *"Underwriter"*), to give any information or to make any representations other than those contained in this Official Statement in connection with the offering described herein and if given or made, such other information or representations must not be relied upon as statements having been authorized by the District, the Underwriter or any other entity. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, nor shall there be any offer to sell or solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes.

Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning the Insurer and the Bond Insurance Policy has been obtained from the Insurer. The information contained in this Official Statement concerning DTC has been obtained from DTC. The other information set forth herein has been furnished by the District 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.

Other than with respect to information concerning ________, contained under the caption "BOND INSURANCE" and APPENDIX C—Specimen Bond Insurance Policy herein, none of the information in this Official Statement has been supplied or verified by ______________ and ______________ makes no representation or warranty, express or implied, as to (a) the accuracy or completeness of such information; (b) the validity of the Bonds; or (c) the tax exempt status of the interest on the Bonds.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, 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.

Any statements made in this Official Statement, including the Exhibits and 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 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.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the District from time-to-time, may be treated as an Official Statement with respect to the Bonds described herein and is "deemed final" by the District as of the date hereof (or of the date of any supplement or correction) except for the omission of certain information permitted to be omitted pursuant to such Rule.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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SCHOOL DISTRICT NUMBER 148
COOK COUNTY, ILLINOIS
(DOLTON-RIVERDALE)

114 West 144th Street
Riverdale, Illinois 60827

Board of Education

Ernesto E. Mickens
President

Charles Givines	Kim Adkins *Secretary*	Charles W. Lloyd
Faith E. Gunter	Larry Lawrence *Vice President*	Dexter Miles

Administration

Dr. Kevin Nohelty
Superintendent

Professional Services

Underwriter
Raymond James & Associates, Inc.
Chicago, Illinois

Bond Counsel and Disclosure Counsel
Chapman and Cutler LLP
Chicago, Illinois

District's Counsel
Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd.
Naperville, Illinois

Bond Registrar, Paying Agent and Escrow Agent
Amalgamated Bank of Chicago
Chicago, Illinois

Auditor
Knutte & Associates, P.C.
Darien, Illinois

OFFICIAL STATEMENT
School District Number 148
Cook County, Illinois
(Dolton-Riverdale)
\$5,500,000* General Obligation Refunding School Bonds, Series 2018A
\$6,430,000* Taxable General Obligation Refunding School Bonds, Series 2018B
\$770,000* Taxable General Obligation Refunding School Bonds, Series 2018C

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning School District Number 148, Cook County, Illinois (the *"District"*), in connection with the offering and sale of its General Obligation Refunding School Bonds, Series 2018A (the *"Series 2018A Bonds"*), Taxable General Obligation Refunding School Bonds, Series 2018B (the *"Series 2018B Bonds"*), and Taxable General Obligation Refunding School Bonds, Series 2018C (the *"Series 2018C Bonds"* and, together with the Series 2018A Bonds and the Series 2018B Bonds, the *"Bonds"*).

This Official Statement contains "forward-looking statements" that are based upon the District's current expectations and its projections about future events. When used in this Official Statement, the words "project," "estimate," "intend," "expect," "scheduled," "pro-forma" and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the District. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the District nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

THE BONDS

AUTHORITY AND PURPOSE

The Bonds are being 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 of the District (the *"Board"*) on the 23rd day of October, 2018, as supplemented by a notification of sale (together, the *"Bond Resolution"*).

Proceeds of the Series 2018A Bonds will be used to (a) refund all of the District's outstanding School Bonds, Series 2008E, dated July 1, 2008 (the *"Series 2008E Bonds"* and, those Series 2008E Bonds being refunded, the *"Refunded 2008E Bonds"*) and (b) pay costs associated with the issuance of the Series 2018A Bonds. See "THE REFUNDING" herein.

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* Preliminary, subject to change.

Proceeds of the Series 2018B Bonds will be used to (a) refund certain of the District's outstanding Taxable School Bonds, Series 2008D, dated July 1, 2008 (the *"Series 2008D Bonds"* and, those Series 2008D Bonds being refunded, the *"Refunded 2008D Bonds"*) and Taxable School Bonds, Series 2009E, dated June 30, 2009 (the *"Series 2009E Bonds"* and, those Series 2009E Bonds being refunded, the *"Refunded 2009E Bonds"*) and (b) pay costs associated with the issuance of the Series 2018B Bonds. See "THE REFUNDING" herein.

Proceeds of the Series 2018C Bonds will be used to (a) refund all of the District's outstanding Taxable School Bonds, Series 2009C, dated June 30, 2009 (the *"Series 2009C Bonds"* and, those Series 2009C Bonds being refunded, the *"Refunded 2009C Bonds"* and, together with the Refunded 2008D Bonds, the Refunded 2008E Bonds and the Refunded 2009E Bonds, the *"Refunded Bonds"*) and (b) pay costs associated with the issuance of the Series 2018C Bonds. See "THE REFUNDING" herein.

GENERAL DESCRIPTION

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of $5,000 or any integral multiple 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 by Amalgamated Bank of Chicago, Chicago, Illinois (the *"Registrar"*).

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each June 1 and December 1, beginning June 1, 2019.

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. 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.

REGISTRATION AND TRANSFER

The Registrar will maintain books (the *"Register"*) for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but 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, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

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, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

REDEMPTION

Optional Redemption. The Bonds are not subject to optional redemption prior to maturity.

Mandatory Sinking Fund Redemption. The Series 2018___ Bonds due on December 1 of the years 20__ and 20__ are subject to mandatory redemption, in integral multiples of $5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

FOR THE Series 2018___ BONDS DUE DECEMBER 1, 20__

YEAR	PRINCIPAL AMOUNT
20__	$
20__	(stated maturity)

FOR THE Series 2018___ BONDS DUE DECEMBER 1, 20__

YEAR	PRINCIPAL AMOUNT
20__	$
20__	(stated maturity)

On or prior to the 60th day preceding any mandatory redemption date, the Registrar may, and if directed by the District shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

General. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Registrar from the Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof in principal amounts of $5,000 and integral multiples thereof.

Unless waived by any holder of Bonds to be redeemed, notice of the call for any redemption will be given by the Registrar on behalf of the District by mailing the redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Prior to any redemption date, the District will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Notice of redemption having been given as described above and in the Bond Resolution, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Registrar at the redemption price.

SECURITY

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 or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Bond Resolution will be filed with the County Clerk of Cook County, Illinois (the *"County Clerk"*), and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in the Bond Resolution to pay the Bonds.

Reference is made to Appendix B for the proposed forms of opinions of Bond Counsel.

THE REFUNDING

Proceeds of the Series 2018A Bonds will be used to refund the Refunded 2008E Bonds, further described as follows:

SERIES 2008E BONDS

MATURITY (DECEMBER 1)	ORIGINAL AMOUNT ISSUED	AMOUNT PREVIOUSLY REFUNDED	AMOUNT REFUNDED BY THE SERIES 2018A BONDS(1)	CALL PRICE	CALL DATE(1)
2021	$ 975,000	$ 310,000	$ 665,000	100%	01/19/2019
2022	1,025,000	335,000	690,000	100%	01/19/2019
2023	1,065,000	355,000	710,000	100%	01/19/2019
2024	1,300,000(2)	460,000	840,000	100%	01/19/2019
2025	1,360,000	485,000	875,000	100%	01/19/2019
2026	1,425,000(2)	515,000	910,000	100%	01/19/2019
2027	1,700,000	635,000	1,065,000	100%	01/19/2019
TOTAL	$8,850,000	$3,095,000	$5,755,000		

(1) Preliminary, subject to change.
(2) Mandatory sinking fund payment.

Proceeds of the Series 2018B Bonds will be used to refund the Refunded 2008D Bonds and the Refunded 2009E Bonds, further described as follows:

SERIES 2008D BONDS

MATURITY (DECEMBER 1)	ORIGINAL AMOUNT ISSUED	AMOUNT PREVIOUSLY REFUNDED	AMOUNT REFUNDED BY THE SERIES 2018B BONDS*	CALL PRICE	CALL DATE*
2018	$ 665,000	$ 445,000	$ 0	N/A	N/A
2019	705,000	475,000	230,000	100%	01/19/2019
2020	750,000	500,000	250,000	100%	01/19/2019
TOTAL	$2,120,000	$1,420,000	$480,000		

* Preliminary, subject to change.

SERIES 2009E BONDS

MATURITY (DECEMBER 1)	ORIGINAL AMOUNT ISSUED	AMOUNT REFUNDED BY THE SERIES 2018B BONDS*	CALL PRICE	CALL DATE*
2018	$ 210,000	$ 0	N/A	N/A
2019	1,070,000	0	N/A	N/A
2020	1,125,000	1,125,000	100%	12/01/2019
2021	1,080,000	1,080,000	100%	12/01/2019
2022	1,140,000	1,140,000	100%	12/01/2019
2023	1,225,000	1,225,000	100%	12/01/2019
2024	1,150,000	1,150,000	100%	12/01/2019
TOTAL	$7,000,000	$5,720,000		

* Preliminary, subject to change.

Proceeds of the Series 2018C Bonds will be used to refund the Refunded 2009C Bonds, further described as follows:

SERIES 2009C BONDS

MATURITY (JUNE 1)	ORIGINAL AMOUNT ISSUED	AMOUNT REFUNDED BY THE SERIES 2018C BONDS*	CALL PRICE	CALL DATE*
2029	$735,000	$735,000	100%	12/01/2019
TOTAL	$735,000	$735,000		

* Preliminary, subject to change.

Certain proceeds received from the sale of the Bonds will be deposited in an Escrow Account (the *"Escrow Account"*) to be held by Amalgamated Bank of Chicago, Chicago, Illinois (the *"Escrow Agent"*), under the terms of an Escrow Agreement, dated as of the date of issuance of the Bonds, between the District and the Escrow Agent. The moneys so deposited in the Escrow Account will be applied by the Escrow Agent to purchase direct non-callable obligations of, or obligations guaranteed by the full faith and credit of, the United States of America (the *"Government Securities"*) and to provide a beginning cash deposit. The Government Securities together with interest earnings thereon and the beginning cash deposit will be sufficient to pay when due the principal of and interest on the Refunded Bonds up to and including the redemption dates thereof.

VERIFICATION

The accuracy of the mathematical computations regarding the adequacy of the maturing principal of and interest earnings on the Government Securities together with the initial cash deposit in the Escrow Account to pay the debt service described above on the Refunded Bonds will be verified by Dunbar Breitweiser & Company LLP, Bloomington, Illinois. Such verification shall be based upon information supplied by the hereinafter defined Underwriter.

SOURCES AND USES

The sources and uses of funds resulting from the Bonds are shown below:

SOURCES:	SERIES 2018A BONDS	SERIES 2018B BONDS	SERIES 2018C BONDS
Principal Amount	$	$	$
Original Issue Premium			
Total Sources	$	$	$
USES:			
Deposit to Escrow Account to pay the Refunded Bonds	$	$	$
Costs of Issuance*			
Total Uses	$	$	$

* Includes underwriter's discount, bond insurance premium and other issuance costs.

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 and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

FINANCES OF THE STATE OF ILLINOIS

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

On July 6, 2017, the General Assembly of the State enacted a budget for the State fiscal year ending June 30, 2018 (the *"Fiscal Year 2018 Budget"*), overriding the Governor's veto. On May 31, 2018, the General Assembly passed a budget for the State for fiscal year ending June 30, 2019 (the *"Fiscal Year 2019 Budget"*), and on June 4, 2018, the Governor approved the same. Both, the Fiscal Year 2018 Budget and the Fiscal Year 2019 Budget contained an appropriation for General State Aid (as hereinafter defined), contingent upon General State Aid being allocated among school districts in accordance with an "Evidence-Based Funding Model." See "STATE AID" herein for more information on the Evidence-Based Funding Model. Public Act 100-0465, effective August 31, 2017 ("*Public Act 100-465"*), provides for an Evidence-Based Funding Model for allocating General State Aid to school districts beginning with the 2017-2018 school year.

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

LOCAL ECONOMY

The financial health of the District is in part dependent on the strength of the local economy. Many factors affect 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 S&P Global Ratings, New York, New York (*"S&P"*). The rating can be changed or withdrawn at any time for reasons both under and outside the District's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

SECONDARY MARKET FOR THE BONDS

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

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

CONTINUING DISCLOSURE

A failure by the District to comply with the Undertaking for continuing disclosure (see *"*CONTINUING DISCLOSURE*"* herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the *"Rule"*) adopted by the Securities and Exchange Commission (the *"Commission"*) under the Securities Exchange Act of 1934, as amended (the *"Exchange Act"*), and may adversely affect the transferability and liquidity of the Bonds and their market price.

SUITABILITY OF INVESTMENT

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Series 2018A Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

FUTURE CHANGES IN LAWS

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

FACTORS RELATING TO TAX EXEMPTION

As discussed under "TAX TREATMENT" herein, interest on the Series 2018A Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Series 2018A Bonds were issued, as a result of future acts or omissions of the District in violation of its covenants in the Bond Resolution. Should such an event of taxability occur, the Series 2018A Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States (*"Congress"*) legislative proposals relating to the federal tax treatment of interest on the Series 2018A Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Series 2018A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Series 2018A Bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Series 2018A

Bonds could have an adverse effect on the District's ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the *"Service"*) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for Federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the Series 2018A Bonds, regardless of the ultimate outcome.

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 virus, 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.

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.

BOND INSURANCE

To come from Bond Insurer.

THE DISTRICT

GENERAL DESCRIPTION

The District is located in southern Cook County, Illinois (the *"County"*), approximately 22 miles south of downtown Chicago's "Loop", 17 miles southeast of Midway International Airport and 16 miles east of the Cook-Will County Line. The District serves a major portion of the Village of Riverdale, about one half of the Village of Dolton (together, the *"Villages"*), and small portions of the City of Harvey and the Village of South Holland. The area's extensive transportation network includes Interstates 80, 94 and 294, along with U.S. Highway 6 and Illinois Route 83. Rail freight service is provided by CSX Railroad, including two large rail switching yards near the District. Commuter rail transportation is available at three different rail stations in Riverdale. The District operates ten facilities, satisfying the educational needs of students in grades K-8, as well as an Early Childhood Center that provides education to pre-kindergarten children.

The District is governed by an elected seven-member Board and a full-time administrative staff.

DISTRICT ADMINISTRATION

The day-to-day affairs of the District are conducted by a full-time staff including the following central administrative position.

OFFICIAL	TITLE	YEAR STARTED IN POSITION
Dr. Kevin Nohelty	Superintendent	2017
Dr. Patricia Moore	Assistant Superintendent	2009

The Board appoints the administration. The staff is chosen by the administration with the approval of the Board. In general, policy decisions are made by the Board while specific program decisions are made by the administration.

BOARD OF EDUCATION

OFFICIAL	POSITION	TERM EXPIRES
Ernesto E. Mickens	President	April 2021
Larry Lawrence	Vice President	April 2019
Kim Adkins	Secretary	April 2021
Charles Givines	Member	April 2021
Faith E. Gunter	Member	April 2019
Charles W. Lloyd	Member	April 2019
Dexter Miles	Member	April 2019

ENROLLMENT

HISTORICAL		PROJECTED	
2014/2015	2,277	2019/2020	2,150
2015/2016	2,137	2020/2021	2,200
2016/2017	2,111	2021/2022	2,250
2017/2018	2,141	2022/2023	2,300
2018/2019	2,136	2023/2024	2,350

Source: The District.

EMPLOYEE UNION MEMBERSHIP AND RELATIONS

At the start of the 2018-2019 school year, the District had 310 full-time employees and 80 part-time employees. Of the total number of employees, approximately 310 are represented by a union. Employee-union relations are considered to be good. District personnel are organized as follows:

EMPLOYEE GROUP	CONTRACT EXPIRES	UNION AFFILIATION	NUMBER OF MEMBERS
Teachers	June 2020	DEA	232
Support Staff	June 2020	DSA	56

POPULATION DATA

The District estimates that its current population is approximately 22,619. The estimated populations of the Villages, the County, and the State at the times of the last three U.S. Census surveys were as follows:

NAME OF ENTITY	1990	2000	2010	% CHANGE 2000/2010
Village of Dolton	23,930	25,614	23,153	-9.61%
Village of Riverdale	13,671	15,055	13,549	-10.00%
The County	5,105,067	5,376,711	5,194,675	-3.39%
The State	11,430,602	12,419,293	12,830,632	+3.31%

Source: U.S. Census Bureau.

EDUCATIONAL CHARACTERISTICS OF PERSONS 25 YEARS AND OLDER

	HIGH SCHOOL GRADUATES	4 OR MORE YEARS OF COLLEGE
Village of Dolton	87.60%	17.00%
Village of Riverdale	85.70%	13.30%
The County	85.80%	36.50%
The State	88.30%	32.90%

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates.

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

DIRECT GENERAL OBLIGATION BONDS (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2008D BONDS (DECEMBER 1)	SERIES 2008E BONDS (DECEMBER 1)	SERIES 2009A BONDS(1) (DECEMBER 1)	SERIES 2009B BONDS(2) (DECEMBER 1)	SERIES 2009C BONDS (JUNE 1)	SERIES 2009D BONDS(3) (DECEMBER 1)	SERIES 2009E BONDS (DECEMBER 1)	PLUS: THE SERIES 2018A BONDS(4) (DECEMBER 1)	PLUS: THE SERIES 2018B BONDS(4) (DECEMBER 1)	PLUS: THE SERIES 2018C BONDS(4) (DECEMBER 1)	LESS: THE REFUNDED BONDS(4)	TOTAL OUTSTANDING BONDS(4)
2018	$220,000			$505,000		$ 549,079	$ 210,000					$ 1,484,079
2019	230,000		$ 230,000(5)	305,000			1,070,000	$ 760,000	$ 585,000	$175,000	$ 230,000	3,125,000
2020	250,000		560,000(5)				1,125,000	600,000	1,205,000	200,000	1,375,000	2,565,000
2021		$ 665,000	590,000(5)				1,080,000	720,000	1,140,000	220,000	1,745,000	2,670,000
2022		690,000	615,000(5)				1,140,000	750,000	1,175,000	175,000	1,830,000	2,715,000
2023		710,000	645,000(5)				1,225,000	750,000	1,240,000		1,935,000	2,635,000
2024		840,000(5)	680,000(5)			177,096	1,150,000	775,000	1,085,000		1,990,000	2,717,096
2025		875,000	710,000(5)			675,822		565,000			875,000	1,950,822
2026		910,000(5)	745,000(5)			637,218		580,000			910,000	1,962,218
2027		1,065,000	780,000(5)			678,316					1,065,000	1,458,316
2028			280,000			1,220,310						1,500,310
2029					$735,000						735,000	0
TOTAL	$700,000	$5,755,000	$5,835,000	$810,000	$735,000	$3,937,841	$7,000,000	$5,500,000	$6,430,000	$770,000	$12,690,000	$24,782,841

(1) Limited School Bonds, Series 2009A, dated June 30, 2009.
(2) Taxable Limited School Bonds, Series 2009B, dated June 30, 2009.
(3) Capital Appreciation School Bonds, Series 2009D, dated June 30, 2009.
(4) Preliminary, subject to change.
(5) Mandatory sinking fund payment.

DIRECT GENERAL OBLIGATION BONDS (PRINCIPAL AND INTEREST)

LEVY YEAR	DEBT SERVICE ON THE SERIES 2008D BONDS	DEBT SERVICE ON THE SERIES 2008E BONDS	DEBT SERVICE ON THE SERIES 2009A BONDS[1]	DEBT SERVICE ON THE SERIES 2009B BONDS[2]	DEBT SERVICE ON THE SERIES 2009C BONDS	DEBT SERVICE ON THE SERIES 2009D BONDS[3]	DEBT SERVICE ON THE SERIES 2009E BONDS	PLUS: DEBT SERVICE ON THE SERIES 2018A BONDS[4]	PLUS: DEBT SERVICE ON THE SERIES 2018B BONDS[4]	PLUS: DEBT SERVICE ON THE SERIES 2018C BONDS[4]	LESS: DEBT SERVICE ON THE REFUNDED BONDS[4]	TOTAL DEBT SERVICE ON THE OUTSTANDING BONDS[4]
2018	$260,125.00	277,468.76	$ 510,080.00	$322,537.50	$ 49,612.50		$1,489,285.00	$1,020,486.11	$ 821,835.39	$201,804.97	$ 944,431.26	$ 4,008,803.97
2019	265,750.00	277,468.76	829,040.00		49,612.50		1,482,225.00	837,000.00	1,435,551.00	222,471.00	2,075,056.26	3,324,062.00
2020		942,468.76	832,160.00		49,612.50		1,370,850.00	927,000.00	1,327,412.00	235,311.00	2,362,931.26	3,321,883.00
2021		936,712.50	828,840.00		49,612.50		1,364,970.00	921,000.00	1,319,890.00	182,105.00	2,351,295.00	3,251,835.00
2022		923,937.50	829,320.00		49,612.50		1,378,150.00	883,500.00	1,337,185.00		2,351,700.00	3,050,005.00
2023		1,020,212.50	833,360.00		49,612.50	$ 385,000.00	1,224,750.00	871,000.00	1,131,221.00		2,294,575.00	3,220,581.00
2024		1,015,312.50	830,720.00		49,612.50	1,570,000.00		622,250.00			1,064,925.00	3,022,970.00
2025		1,008,750.00	831,640.00		49,612.50	1,585,000.00		609,000.00			1,058,362.50	3,025,640.00
2026		1,118,250.00	830,880.00		49,612.50	1,810,000.00					1,167,862.50	2,640,880.00
2027			293,440.00		49,612.50	3,500,000.00					49,612.50	3,793,440.00
2028					759,806.25						759,806.25	0.00
TOTAL	$525,875.00	$7,520,581.28	$7,449,480.00	$322,537.50	$1,255,931.25	$8,850,000.00	$8,310,230.00	$6,691,236.11	$7,373,094.39	$841,691.97	$16,480,557.53	$32,660,099.97

(1) Limited School Bonds, Series 2009A, dated June 30, 2009.
(2) Taxable Limited School Bonds, Series 2009B, dated June 30, 2009.
(3) Capital Appreciation School Bonds, Series 2009D, dated June 30, 2009.
(4) Preliminary, subject to change.

DEBT CERTIFICATES (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2008 CERTIFICATES [1] (DECEMBER 1)	TOTAL DEBT CERTIFICATES
2018	$ 135,000	$ 135,000
2019	140,000[2]	140,000
2020	150,000[2]	150,000
2021	155,000[2]	155,000
2022	165,000[2]	165,000
2023	175,000	175,000
2024	185,000[2]	185,000
2025	195,000[2]	195,000
2026	205,000[2]	205,000
2027	215,000	215,000
TOTAL	$1,720,000	$1,720,000

(1) Debt Certificates, Series 2008, dated July 1, 2008.
(2) Mandatory sinking fund payment.

OVERLAPPING GENERAL OBLIGATION BONDED DEBT
(As of October 23, 2018 – Excluding Maturities Through December 1, 2018)

Taxing Body	Outstanding Bonds(1)	Applicable to District: Percent	Applicable to District: Amount
The County	$2,959,406,750	0.105%	$ 3,095,464
Cook County Forest Preserve District	94,055,000	0.105%	98,379
Metropolitan Water Reclamation District	2,455,376,000	0.107%	2,618,104
Village of Dolton	18,960,000	39.967%	7,577,830
City of Harvey	30,140,000	0.763%	229,879
Village of Riverdale	14,625,000	67.332%	9,847,287
Village of South Holland	14,496,699	1.295%	187,767
Harvey Public Library District	5,555,000	0.763%	42,368
Dolton Park District	503,825	39.827%	200,659
Thornton Township High School Dist. 205	43,610,000	12.461%	5,434,143
South Suburban Community College District No. 510	17,319,376	4.919%	851,884
TOTAL OVERLAPPING BONDED DEBT			$30,183,764

Source: With respect to the applicable taxing bodies and the information used to calculate the percentage of overlapping EAV (as hereinafter defined), the Cook County Clerk's Office. Information regarding the outstanding bonds of the overlapping taxing bodies was obtained from publicly-available sources.

(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.

SELECTED FINANCIAL INFORMATION

2017 Estimated Full Value of Taxable Property:	$ 485,276,793
2017 EAV of Taxable Property:	$ 161,758,931(1)
Population Estimate:	22,619
General Obligation Bonds (including the Bonds):	$ 24,782,841(2)
Other Direct General Obligation Debt:	$ 1,720,000
Total Direct General Obligation Debt:	$ 26,502,841(2)
Percentage to Full Value of Taxable Property:	5.46%(2)
Percentage to EAV:	16.38%(2)
Debt Limit (6.9% of EAV):	$ 11,161,366
Percentage of Debt Limit:	237.45%(2)(3)
Per Capita:	$ 1,172(2)
General Obligation Bonds (including the Bonds):	$ 24,782,841(2)
Overlapping General Obligation Bonds:	$ 30,183,764
General Obligation Bonds and Overlapping General Obligation Bonds:	$ 54,966,605(2)
Percentage to Full Value of Taxable Property:	11.33%(2)
Percentage to EAV:	33.98%(2)
Per Capita:	$ 2,430(2)

(1) Includes TIF EAV in the amount of $4,008,110. See "Tax Increment Financing Districts Located Within the District."
(2) Preliminary, subject to change.
(3) The District has previously issued bonds in excess of its statutory debt limit pursuant to debt limit exceptions set forth in the School Code. The Bonds are permitted to be issued because the aggregate principal amount of the Bonds does not exceed the aggregate principal amount of the Refunded Bonds.

COMPOSITION OF EAV

	2013	2014	2015	2016	2017
By Property Type					
Residential	$107,635,749	$107,120,316	$105,523,318	$110,041,471	$107,736,345
Commercial	20,081,330	19,672,370	20,334,901	19,865,128	20,687,103
Industrial	22,859,419	15,962,997	17,326,369	16,958,085	18,865,036
Railroad	8,070,671	8,394,455	9,482,843	9,509,078	10,462,337
Total EAV*	$158,647,169	$151,150,138	$152,667,431	$156,373,762	$157,750,821

Source: Cook County Clerk's Office.
* Does not include TIF EAV.

TAX INCREMENT FINANCING DISTRICTS LOCATED WITHIN THE DISTRICT

A portion of the District's EAV is contained in tax increment financing (*"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 as such (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 District is not aware of any new TIF districts planned in the immediate future.

LOCATION/ NAME OF TIF	YEAR ESTABLISHED	BASE EAV	2017 EAV	INCREMENTAL EAV
Village of Riverdale - TIF 3	1995	$2,957,478	$6,211,669	$ 3,254,191
Village of Dolton - TIF 3	2005	579,784	1,333,703	753,919
			Total Incremental EAV	$ 4,008,110
			District's Base 2017 EAV	157,750,821
			Enterprise Zone EAV	0
			Total EAV	$161,758,931

Source: Cook County Clerk's Office.

Trend of EAV

Levy Year	Equalized Assessed Valuation[1]	% Change in EAV from Previous Year
2013	$158,647,169	-7.06%[2]
2014	151,150,138	-4.73%
2015	152,667,431	+1.00%
2016	156,373,762	+2.43%
2017	157,750,821	+0.88%

Source: Cook County Clerk's Office.
(1) Does not include TIF EAV.
(2) Based on the District's $170,701,511 2012 EAV.

Taxes Extended and Collected

Tax Levy Year/ Collection Year	Taxes Extended	Taxes Collected and Distributed	Percent Collected[1]
2013/14	$13,890,994	$12,425,279	89.45%
2014/15	14,348,601	12,370,785	86.22%
2015/16	14,834,220	12,513,704	84.36%
2016/17	14,941,579	12,498,137	83.65%
2017/18[2]	15,552,201	10,870,705	69.90%

Source: Cook County Treasurer's and County Clerk's Offices.
(1) To protect the District against losses and delinquencies in the collection of its bond and interest levies and to ensure the timely bond interest and principal payments, the District is planning to request that the County Clerk increase the loss and costs of collection factor to its bond and interest tax levies beginning with the 2018 levy year from 10% to 25%.
(2) Collections as of September 30, 2018.

SCHOOL DISTRICT TAX RATES BY PURPOSE

(Per $100 EAV)

PURPOSE	2013	2014	2015	2016	2017	MAXIMUM RATE(1)
Educational	$3.4108	$3.5000	$3.5000	$3.4252	$5.2744	None(2)
IMRF	0.0664	0.0007	0.0008	0.0009	0.0685	None
Social Security	0.2654	0.4391	0.4754	0.5595	0.4108	None
Liability Insurance	0.4080	0.0429	0.0467	0.0550	0.3423	None
Transportation	1.7914	2.4035	2.6055	2.4996	0.5477	None
Building	0.5360	0.5500	0.5500	0.5382	0.5473	$ 0.5500
Building Bonds	1.0683	1.3031	1.2913	1.2576	1.4414	None
Working Cash Funds	0.0487	0.0500	0.0500	0.0489	0.0498	0.0500
Life Safety	0.0975	0.1000	0.1000	0.0979	0.0995	0.1000
Special Education	0.3898	0.4000	0.4000	0.3915	0.3980	0.4000
Leasing Educational Facilities	0.0975	0.1000	0.1000	0.0979	0.0995	0.1000
Limited Bonds	0.5763	0.6035	0.5979	0.5831	0.5799	None
TOTAL DISTRICT TAX RATE	$8.7561	$9.4928	$9.7176	$9.5553	$9.8591	

Source: Cook County Clerk's Office.

(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.

(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.

REPRESENTATIVE TOTAL TAX RATES

(Per $100 EAV)

TAXING AUTHORITY	2013	2014	2015	2016	2017
The District	$ 8.7561	$ 9.4928	$ 9.7176	$ 9.5553	$ 9.8591
The County	0.5600	0.5680	0.5520	0.5330	0.4960
Cook County Forest Preserve	0.0690	0.0690	0.0690	0.0630	0.0620
Metropolitan Water Reclamation Dist.	0.4170	0.4300	0.4260	0.4060	0.4020
Consolidated Elections	0.0310	0.0000	0.0340	0.0000	0.0310
Thornton Township	0.5170	0.5500	0.5300	0.5350	0.5290
Thornton Township General Assistance	0.2140	0.2620	0.3130	0.3140	0.3050
Thornton Township Road & Bridge	0.0300	0.0320	0.0340	0.0340	0.0340
South Cook County Mosquito Abatement	0.0160	0.0170	0.0170	0.0170	0.0160
Village of Dolton	5.9100	6.2020	6.1520	6.0880	6.7890
Dolton Public Library District	0.6460	0.6820	0.7020	0.6940	0.7040
Dolton Park District	0.7240	0.7640	0.7890	0.7770	0.7950
Thornton Twp. High School District 205	5.9080	6.2090	6.6770	6.5320	6.4110
South Suburban Comm. Coll. Dist. 510	0.5590	0.5990	0.6210	0.6070	0.5780
TOTAL REPRESENTATIVE TAX RATE(1)	$24.3571	$25.8768	$26.6336	$26.1553	$27.0111

Source: Cook County Clerk's Office.

* The total of such rates is the property tax rate paid by a typical resident living in the Village of Dolton.

TEN LARGEST TAXPAYERS

TAXPAYER NAME	2017 EAV	PERCENT OF DISTRICT'S TOTAL EAV
Safety Kleen	$ 3,543,088	2.19%
American Transloading	1,341,638	0.83%
CVS Stores	1,222,664	0.76%
Metal Mng. Midwest	1,105,278	0.68%
AMS Building & Development	945,164	0.58%
Seaborgium Holdings	905,251	0.56%
Weekes Forest Products	808,716	0.50%
Ardagh Glass, Inc.	719,400	0.44%
Tri-State Disposal, Inc.	708,965	0.44%
Indian Head, Inc.	695,577	0.43%
	$11,995,741	7.42%

Source: Cook County Clerk's Office, except for taxpayer descriptions which are based on publicly available information available to the District. The above taxpayers represent 7.42% of the District's 2017 EAV. Reasonable efforts have been made to seek out and report the largest taxpayers. However, many of the taxpayers listed may own multiple parcels and it is possible that some parcels and their valuations may not be included.

RETAILERS' OCCUPATION, SERVICE OCCUPATION AND USE TAX

The following table shows the distribution of the municipal portion of the Retailers' Occupation, Service Occupation and Use Tax collected by the Illinois Department of Revenue (the *"Department"*) from retailers within the Villages. The table indicates the level of retail activity in the Villages.

STATE SALES TAX DISTRIBUTION(1)

CALENDAR YEAR	VILLAGE OF DOLTON	VILLAGE OF RIVERDALE
2013	$1,321,521	$209,669
2014	1,267,619	230,224
2015	1,342,563	283,175
2016	1,344,185	287,336
2017	1,263,020	296,710
2018(2)	702,536	145,341

Source: The Department.

(1) Tax distributions are based on records of the Department relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the Villages, less a State administration fee. The municipal 1% sales tax includes tax receipts from the sale of food and drugs which are not taxed by the State.

(2) Through the Second Quarter 2018.

NEW PROPERTY

The following chart indicates the EAV of new property (as defined in the Limitation Law) within the District for each of the last five levy years.

LEVY YEAR	NEW PROPERTY
2013	$ 370,372
2014	204,977
2015	5,019,703
2016	563,992
2017	592,414

Source: Cook County Clerk's Office.

Largest Employers

Below is a listing of the largest employers within or near the District area:

Employer	Product or Service	Location	Approx. No. of Employees
Ingalls Memorial Hospital	General hospital	Harvey	2,000
Atkore International	Galvanized steel tubing, pipe and electrical conduit	Harvey	900
Carl Buddig & Co.	Processed luncheon meats	South Holland	850
South Suburban College	Community college	South Holland	800
Ed Miniat LLC	Custom sous-vide-cooked beef, pork and poultry for foodservice	South Holland	750
The District	Elementary education	Riverdale	396
Meats By Linz	Pork, beef, lamb and veal processing and packing	Calumet City	300
UPS Customer Center	Courier services	Harvey	300
ArcelorMittal Steel	Steel fabrication	Riverdale	280
CBQ	Meat processing	South Holland	250
HCR Manorcare Medical Services	Skilled nursing care	South Holland	241
Sterling Lumber Co.	Crane and access mats and installation for temporary roads and job site platforms for the construction and energy infrastructure industries	Phoenix	215
Cresco Lines, Inc.	Local and long-distance trucking services	Harvey	200
LB Steel, LLC	Steel plates and counterweights and precision machining job shop	Harvey	200
Paige Bus Enterprises	School bus service	Riverdale	200
Sherwin-Williams Co., The	Color pigment and dispersions	South Holland	200
Weiser Security Services	Security guard services	South Holland	200
Fuchs Lubricants Co.	Metalworking and automotive lubricants	Harvey	175
Union Pacific Railroad Co.	Railroad transportation services	South Holland	168

Source: 2018 Illinois Services and 2018 Illinois Manufacturers Directories, the Illinois Department of Commerce and Economic Opportunity; and the District.

UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates for the Villages, the County and the State.

	VILLAGE OF DOLTON	VILLAGE OF RIVERDALE	THE COUNTY	THE STATE
2013 – Average	15.0%	15.6%	9.6%	9.1%
2014 – Average	11.8%	12.7%	7.5%	7.1%
2015 – Average	10.1%	10.3%	6.2%	6.0%
2016 – Average	9.5%	9.9%	6.1%	5.8%
2017 – Average	8.7%	8.6%	5.2%	5.0%
2018 – Average (8 mos.)	7.3%	NA	4.4%	4.4%

Source: State of Illinois Department of Employment Security.

SPECIFIED OWNER-OCCUPIED UNITS

	Village of Dolton		Village of Riverdale	
Value	Number	Percent	Number	Percent
Under $50,000	548	11.12%	279	12.54%
$50,000 to $99,999	2,261	45.87%	1,308	58.81%
$100,000 to $149,999	1,310	26.58%	448	20.14%
$150,000 to $199,999	588	11.93%	142	6.38%
$200,000 to $299,999	150	3.04%	33	1.48%
$300,000 to $499,999	26	0.53%	0	0.00%
$500,000 to $999,999	14	0.28%	14	0.63%
$1,000,000 or more	32	0.65%	0	0.00%
Total	4,929	100.00%	2,224	100.00%
Median Value	$92,000		$82,800	

	The County		The State	
Value	Number	Percent	Number	Percent
Under $50,000	48,490	4.39%	236,380	7.46%
$50,000 to $99,999	108,826	9.85%	514,549	16.25%
$100,000 to $149,999	156,383	14.15%	527,244	16.65%
$150,000 to $199,999	183,827	16.63%	520,909	16.45%
$200,000 to $299,999	254,928	23.07%	643,217	20.31%
$300,000 to $499,999	221,456	20.04%	479,792	15.15%
$500,000 to $999,999	102,937	9.31%	196,189	6.19%
$1,000,000 or more	28,321	2.56%	48,801	1.54%
Total	1,105,168	100.00%	3,167,081	100.00%
Median Value	$ 219,800		$ 174,800	

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates.

EMPLOYMENT BY INDUSTRY

CLASSIFICATION	VILLAGE OF DOLTON NUMBER	VILLAGE OF DOLTON PERCENT	VILLAGE OF RIVERDALE NUMBER	VILLAGE OF RIVERDALE PERCENT
Agriculture, forestry, fishing, hunting and mining	0	0.00%	0	0.00%
Construction	437	4.74%	58	1.28%
Manufacturing	685	7.42%	327	7.19%
Wholesale Trade	31	0.34%	84	1.85%
Retail Trade	1,189	12.89%	361	7.94%
Transportation, warehousing and utilities	1,154	12.51%	786	17.29%
Information	224	2.43%	75	1.65%
Finance, insurance and real estate	746	8.09%	354	7.79%
Professional, scientific management administrative and waste management	754	8.17%	615	13.53%
Educational, health and social services	2,372	25.71%	1,327	29.20%
Arts, entertainment, recreation, accommodations and food services	721	7.81%	205	4.51%
Other Services	355	3.85%	157	3.45%
Public Administration	558	6.05%	196	4.31%
Total	9,226	100.00%	4,545	100.00%

CLASSIFICATION	THE COUNTY NUMBER	THE COUNTY PERCENT	THE STATE NUMBER	THE STATE PERCENT
Agriculture, forestry, fishing, hunting and mining	4,463	0.18%	65,146	1.06%
Construction	113,572	4.56%	317,245	5.17%
Manufacturing	251,563	10.09%	763,429	12.45%
Wholesale Trade	71,593	2.87%	187,477	3.06%
Retail Trade	249,733	10.02%	670,576	10.93%
Transportation, warehousing and utilities	167,651	6.73%	370,802	6.04%
Information	55,958	2.25%	121,338	1.98%
Finance, insurance and real estate	201,282	8.08%	448,924	7.32%
Professional, scientific management administrative & waste management	352,728	14.15%	709,106	11.56%
Educational, health and social services	565,793	22.70%	1,404,905	22.90%
Arts, entertainment, recreation, accommodations and food services	245,231	9.84%	556,087	9.07%
Other Services	123,776	4.97%	291,022	4.74%
Public Administration	88,745	3.56%	228,064	3.72%
Total	2,492,088	100.00%	6,134,121	100.00%

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates.

EMPLOYMENT BY OCCUPATION

Classification	Village of Dolton Number	Village of Dolton Percent	Village of Riverdale Number	Village of Riverdale Percent
Management, professional and related occupations	2,381	25.81%	1,030	22.66%
Service occupations	1,994	21.61%	1,207	26.56%
Sales & office occupations	2,783	30.16%	1,199	26.38%
Natural resources, construction and maintenance occupations	651	7.06%	180	3.96%
Production, transportation and material moving occupations	1,417	15.36%	929	20.44%
Total	9,226	100.00%	4,545	100.00%

Classification	The County Number	The County Percent	The State Number	The State Percent
Management, professional and related occupations	964,778	38.71%	2,280,198	37.17%
Service occupations	449,653	18.04%	1,062,499	17.32%
Sales & office occupations	600,333	24.09%	1,489,090	24.28%
Natural resources, construction and maintenance occupations	149,016	5.98%	443,197	7.23%
Production, transportation and material moving occupations	328,308	13.17%	859,137	14.01%
Total	2,492,088	100.00%	6,134,121	100.00%

Source: U.S. Census Bureau (2012-2016 American Community Survey).

MEDIAN HOUSEHOLD INCOME

	Village of Dolton		Village of Riverdale	
Household Income	Number	Percent	Number	Percent
Under $10,000	932	12.32%	1,265	25.41%
$10,000 to $14,999	471	6.22%	177	3.55%
$15,000 to $24,999	841	11.11%	483	9.70%
$25,000 to $34,999	763	10.08%	724	14.54%
$35,000 to $49,999	1,162	15.35%	586	11.77%
$50,000 to $74,999	1,287	17.01%	814	16.35%
$75,000 to $99,999	1,087	14.36%	494	9.92%
$100,000 to $149,999	775	10.24%	285	5.72%
$150,000 to $199,999	164	2.17%	78	1.57%
$200,000 or more	86	1.14%	73	1.47%
Total	7,568	100.00%	4,979	100.00%
Median Household Income	$44,511		$31,438	

	The County		The State	
Household Income	Number	Percent	Number	Percent
Under $10,000	166,238	8.52%	341,280	7.11%
$10,000 to $14,999	93,497	4.79%	212,171	4.42%
$15,000 to $24,999	196,340	10.06%	463,092	9.64%
$25,000 to $34,999	177,670	9.10%	439,726	9.16%
$35,000 to $49,999	237,299	12.16%	605,086	12.60%
$50,000 to $74,999	325,112	16.66%	842,052	17.53%
$75,000 to $99,999	233,500	11.96%	612,265	12.75%
$100,000 to $149,999	269,196	13.79%	698,513	14.55%
$150,000 to $199,999	116,722	5.98%	289,346	6.03%
$200,000 or more	136,032	6.97%	298,593	6.22%
Total	1,951,606	100.00%	4,802,124	100.00%
Median Household Income	$56,902		$59,196	

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates.

PER CAPITA INCOME

	PER CAPITA INCOME
Village of Dolton	$19,816
Village of Riverdale	18,706
The County	32,179
The State	31,502

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates.

SHORT-TERM BORROWING

The District has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

FUTURE DEBT

The District currently anticipates issuing approximately $10,000,000 of general obligation bonds for refunding purposes in the fall of 2019.

DEFAULT RECORD

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

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 $.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.

WORKING CASH FUND SUMMARY

FISCAL YEAR	END OF YEAR FUND BALANCE
2014	$555,118
2015	622,313
2016	688,986
2017	752,787
2018	818,313

Source: Compiled from the District's Audited Financial Statements for Fiscal Years ending June 30, 2014-2018.

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 the County. There can be no assurance that the procedures described herein will not change.

REAL PROPERTY ASSESSMENT

The County Assessor (the *"Assessor"*) is responsible for the assessment of all taxable real property within the County, including such property located within the boundaries of the District, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Department. For triennial reassessment purposes, the County is divided into three Districts: west and south suburbs (the *"South Tri"*), north and northwest suburbs (the *"North Tri"*), and the City of Chicago (the *"City Tri"*). The District is located in the South Tri and was last reassessed for the 2017 tax levy year. The District will next be reassessed for the 2020 levy year.

Real property in the County is separated into classes for assessment purposes. After the Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the *"Assessed Valuation"*) for the parcel. Such classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. The additional assessment classifications are as follows:

CLASS	DESCRIPTION OF QUALIFYING PROPERTY	ASSESSMENT PERCENTAGE	REVERTS TO CLASS
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10 year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
C	Industrial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
	Commercial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7a/7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7c	Newly constructed or rehabilitated commercial buildings and acquisition of abandoned property and rehabilitation of buildings thereon including the land upon which the buildings are situated and the land related to the rehabilitation	10% for first 3 years and any 3 year renewal; if not renewed, 15% in year 4, 20% in year 5	5a
8	Industrial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
	Commercial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5a
9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10 year renewal	As Applicable
S	Class 3 properties subject to Section 8 contracts renewed under the "Mark up to Market" option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years, 15% in year 11, 20% in year 12	5a

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review (the *"Board of Review"*), which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of residential property having six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the *"PTAB"*), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of

PTAB to either the Circuit Court of Cook County (the *"Circuit Court"*) or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

EQUALIZATION

After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Department is required by statute to review the Assessed Valuations. The Department establishes an equalization factor (the *"Equalization Factor"*), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in the State. Under State law, the aggregate of the assessments within each county is equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization. The following table sets forth the Equalization Factor for the County for the last ten tax levy years.

TAX LEVY YEAR	EQUALIZATION FACTOR
2008	2.9786
2009	3.3701
2010	3.3000
2011	2.9706
2012	2.8056
2013	2.6621
2014	2.7253
2015	2.6685
2016	2.8032
2017	2.9627

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the *"EAV"*) of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the Department, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the *"Assessment Base"*).

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 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 $7,000 for tax years 2012 through 2016, and $10,000 for tax years 2017 and thereafter.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of $100,000 or less (*"Qualified Homestead Property"*). If the taxpayer's annual income is $75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Homestead Improvement Exemption applies to Residential Property that has been improved and to properties that have been 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 Valuation 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. The maximum exemption is $5,000 for tax years 2013 through 2016 and $8,000 for tax years 2017 and thereafter.

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 (i) $55,000 through assessment year 2016 and (ii) $65,000 beginning in assessment year 2017. 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 in tax year 2017, the amount of the exemption is equal to the greater of the amount calculated as described in the previous sentence (as more completely set forth in the Property Tax Code) or $2,000.

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 applicable section of 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 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 equalized assessed value of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

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

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

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

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

TAX LEVY

As part of the annual budgetary process of governmental units (the *"Units"*) with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the District. The prior year's EAV includes the EAV of any new property, the current year value of any annexed property and any recovered tax increment value, minus any disconnected property for the current year under the Limitation Law. The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

PROPERTY TAX EXTENSION LIMITATION LAW

The Limitation Law is applied after the prior year EAV limitation. 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. 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 use of prior year EAVs to limit the allowable tax levy may reduce tax rates for funds that are at or near their maximum rates in taxing Districts with rising EAVs. These reduced rates and all other rates for those funds subject to the Limitation Law are added together, which results in the aggregate preliminary rate. The aggregate preliminary rate is then compared to the limiting rate. If the limiting rate is more than the aggregate preliminary rate, there is no further reduction in rates due to the Limitation Law. If the limiting rate is less than the aggregate preliminary rate, the aggregate preliminary rate is further reduced to the limiting rate. In all cases, taxes are extended using current year EAV under Section 18-140 of the Property Tax Code.

The District has the authority to levy taxes for many different purposes. See "Financial Information and Economic Characteristics of the District - School District Tax Rates by Purpose." 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 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 Clerk 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. If such proposition is submitted to the voters, it may not be submitted again at any of the next two consolidated elections.

In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index 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. Local governments, including the District, can issue limited bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Illinois legislators have introduced several proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. 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.

EXTENSIONS

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the *"Warrant Books"*) along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

COLLECTIONS

Property taxes are collected by the County Collector, who also serves as the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the *corrected* prior year's tax bill. The second installment covers the balance of the current year's tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date has been the first business day in March for each of the last ten years. However, for 2010, the first installment penalty date was established as April 1 by statute. The following table sets forth the second installment penalty date for the last ten tax levy years in the County.

Tax Levy Year	Second Installment Penalty Date
2008	December 1, 2009
2009	December 13, 2010
2010	November 1, 2011
2011	August 1, 2012
2012	August 1, 2013
2013	August 1, 2014
2014	August 3, 2015
2015	August 1, 2016
2016	August 1, 2017
2017	August 1, 2018

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. In the future, the County may provide for tax bills to be payable in four installments instead of two.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the District promptly credits the taxes received to the funds for which they were levied.

Within 90 days following the second installment due date, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the *"Annual Tax Sale"*) of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any "automated means." Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and a half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the *"Scavenger Sale"*), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

TRUTH IN TAXATION LAW

Legislation known as the Truth in Taxation Law (the *"Law"*) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The District covenanted in the Bond Resolution that it will not take any action or fail to take any action which would adversely affect the ability of the District to levy and collect the taxes levied by the District for payment of principal of and interest on the Bonds. The District also covenanted that it will comply with all present and future applicable laws to assure that such taxes will be levied, extended, collected and deposited as provided in the Bond Resolution.

SCHOOL DISTRICT FINANCIAL PROFILE

The Illinois State Board of Education (*"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
2017	3.60	Recognition	3.60	Recognition
2016	3.60	Recognition	3.60	Recognition
2015	3.35	Review	3.35	Review
2014	3.70	Recognition	3.70	Recognition
2013	3.60	Recognition	3.60	Recognition

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, 2018, 59.42% of the District's General Fund revenue came from sources at the State, including State Aid. See *Exhibit C* to this Official Statement for more information concerning the breakdown of the District's revenue sources.

General State Aid Through Fiscal Year 2017

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

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

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

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

GENERAL STATE AID AFTER FISCAL YEAR 2017 - EVIDENCE-BASED FUNDING MODEL

Both the Fiscal Year 2018 Budget and the Fiscal Year 2019 Budget appropriate General State Aid in an amount $350 million greater than the appropriation for the preceding fiscal year and require such additional funds to be distributed to school districts under an Evidence-Based Funding Model. The Evidence-Based Funding Model provided for in Public Act 100-465 sets forth a new school funding formula which ties individual district funding to 27 evidence-based best practices that certain research shows enhance student achievement in the classroom. Under the new funding formula, ISBE will calculate an adequacy target (the *"Adequacy Target"*) each year for each district based upon its unique student population, regional wage differences and best practices. Each district will be placed in one of four tiers depending on how close the sum of its local resources available to support education (based on certain State resources and its expected property tax collections, its *"Local Capacity Target"*) and its Base Funding Minimum (as hereinafter defined) are to its Adequacy Target; Tier One and Tier Two for those districts that are the furthest away from their Adequacy Targets and Tier Three and Tier Four for those districts that are the closest to (or above) their Adequacy Targets. For each school year, all State funds appropriated for General State Aid in excess of the amount needed to fund the Base Funding Minimum for all school districts (*"New State Funds"*) will be distributed to districts based on tier placement. Of any New State Funds available, Tier One receives 50%, Tier Two receives 49%, Tier Three receives 0.9%, and Tier Four receives 0.1%. Tier Two includes all Tier One districts for the purpose of the allocation percentages for New State Funds.

For school year 2018-2019, ISBE notified the District that its Local Capacity Target, plus its Base Funding Minimum, is 66.3% of its Adequacy Target and that the District has been placed in Tier Two. For school year 2018-2019, the District will receive approximately $294,705 of New State Funds.

Public Act 100-465 also provides that each school district will be allocated at least as much in General State Aid in future years as it received in school year 2017-2018 (such amount being that district's *"Base Funding Minimum"*), which for the District was $18,210,909.11. Mandated Categorical State Aid (as hereinafter defined) received by a district in fiscal year 2017, other than Mandated Categorical State Aid related to transportation and extraordinary special education, was included in the Base Funding Minimum for that district for school year 2017-2018. No district should receive less General State Aid funding than it received the prior year since all New State Funds received by a district in a year become part of its Base Funding Minimum in the following year. If the State appropriates insufficient funds to cover the cost of the Base Funding Minimum, reductions will be made first to the Base Funding Minimum for all Tier 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 Base Funding Minimum for school year 2017-2018. If funds are still insufficient, then further reductions are to be done on a per pupil basis for all school districts.

Consequently, reduced appropriations for General State Aid in future years could result in the District receiving less in a future fiscal year than its Base Funding Minimum.

Mandated Categorical State Aid

Illinois school districts are entitled to reimbursement from the State for expenditures incurred in providing programs and services legally required to be available to students under State law. Such reimbursements, referred to as *"Mandated Categorical State Aid,"* are made to the school district in the fiscal year following the expenditure, *provided* that the school district files the paperwork necessary to inform the State of such an entitlement. Prior to fiscal year 2018, the School Code provided for Mandated Categorical State Aid with respect to mandatory school programs relating to: (a) special education, (b) transportation, (c) free and reduced breakfast and lunch, and (d) orphanage tuition. Beginning with fiscal year 2018, Mandated Categorical State Aid will be available only with respect to mandatory school programs relating to (a) transportation and (b) extraordinary special education. Mandated Categorical State Aid received by a district in fiscal year 2017 for programming no longer available for Mandated Categorical State Aid in fiscal year 2018 is included in the Base Funding Minimum for that district.

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

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

Competitive Grant State Aid

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

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

PAYMENT FOR MANDATED CATEGORICAL STATE AID AND COMPETITIVE GRANT STATE AID

The State makes payments to school districts for Mandated Categorical State Aid and Competitive Grant State Aid (together, *"Categorical State Aid"*) in accordance with a voucher system involving ISBE. ISBE vouchers payments to the State on a periodic basis. The time between vouchers varies depending on the type of Categorical State Aid in question. For example, with respect to the categories of Mandated Categorical State Aid related to extraordinary special education and transportation, ISBE vouchers the State for payments on a quarterly basis. With respect to Competitive Grant State Aid, a payment schedule is established as part of the application process, and ISBE vouchers the State for payment in accordance with this payment schedule.

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

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*"). Eligible school districts must have a tax rate above a threshold tax rate determined by ISBE and must apply for the grant and indicate an amount of intended property tax relief, which 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. Public Act 100-465 directs ISBE to process Property Tax Relief Pool applications and, subject to appropriation, provide grants to eligible school districts in order of priority (highest tax rate school districts first) until the Property Tax Relief Pool is exhausted. A school district which receives a property tax relief grant is required to abate its property tax levy by an amount not less than the amount of the grant. The amount of such property tax 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 grants received by the school districts are the same. Property tax relief grants received by a school district also are included in future calculations of its Base Funding Minimum. Of the $350 million of New State Funds appropriated in both the Fiscal Year 2018 Budget and the Fiscal Year 2019 Budget, $50 million was allocated to the Property Tax Relief Pool.

The District intends to apply for a grant from the Property Tax Relief Pool for Fiscal Year 2019. Based on available information, the District expects to receive a grant of $1,050,639 for such Fiscal Year. Pursuant to the program, the District will be required to abate property taxes by $1,065,348 in such Fiscal Year as a condition to receiving the grant.

See *Exhibit C* for a summary of the District's general fund revenue sources.

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 11 to the Audit, as hereinafter defined, attached hereto as APPENDIX A.

BACKGROUND REGARDING PENSION PLANS

The Actuarial Valuation

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

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

GASB Standards

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

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

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

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

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

Pension Plans Remain Governed by the Pension Code

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

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The District participates in TRS, which is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois 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 Illinois Pension Code sets the benefit provisions of TRS, which can only be amended by the Illinois General Assembly. The State maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

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

For information relating to the actuarial assumptions and methods used by TRS, including the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate, see Note 11 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, 2016 through June 30, 2018, all amounts contributed by the District to TRS were as follows:

Fiscal Year Ended June 30	TRS Contributions
2016	$185,679
2017	184,218
2018	117,054

Source: The audited financial statements of the District for the years ending June 30, 2016, through June 30, 2018.

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 11 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 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 100-0023 (*"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 (currently $177,412), as calculated therein.

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

Recognition of Net Pension Liability

The New GASB Standards divide the Net Pension Liability of a pension plan for which multiple entities make a portion of the employer contribution among such contributing entities. With respect to TRS, 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 $269,557,026, of which the District's proportionate share was $5,257,106, and the State's proportionate share was $264,299,920.

ILLINOIS MUNICIPAL RETIREMENT FUND

The District also participates in the IMRF, which is a defined-benefit, agent multiple employer pension plan that acts as a common investment and administrative agent for units of local government and school districts in Illinois. The IMRF is established and administered under statutes adopted by the Illinois General Assembly. The Pension Code sets the benefit provisions of the IMRF, which can only be amended by the Illinois 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 13 to the Audit for additional information on the IMRF's actuarial methods and assumptions, including information regarding the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate.

Contributions

Both employers and employees contribute to the IMRF. At present, employees contribute 4.50% of their salary to the IMRF, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF to its employees.

The annual rate at which an employer must contribute to the IMRF is established by the IMRF Board. The District's contribution rate for calendar year 2017 was 9.21% of covered payroll.

For the calendar years ended December 31, 2015 through December 31, 2017, the District contributed the following amounts to IMRF:

Calendar Year Ended December 31	IMRF Contributions
2015	$222,726
2016	261,996
2017	248,427

Source: The audited financial statements of the District for the years ending June 30, 2016, through June 30, 2018.

Measures of Financial Position

The following table presents the measures of the IMRF Account's financial position as of December 31, 2015, December 31, 2016 and December 31, 2017 which are presented pursuant to the New GASB Standards. Such measures were calculated pursuant to the current Discount Rate of 7.50%.

Fiscal Year Ended December 31	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)	Fiduciary Net Position as a % of Total Pension Liability
2015	$ 9,708,688	$8,866,563	$ 842,125	91.33%
2016	10,534,337	9,417,899	1,116,438	89.40%
2017	10,802,777	10,828,761	(25,984)	100.24%

Source: The audited financial statements of the District for the years ending June 30, 2016, through June 30, 2018.

See Note 13 to the Audit, and the related required supplementary information disclosures, for a description of the IMRF, the IMRF Account, the District's funding policy, information on the assumptions and methods used by the Actuary, and the financial reporting information required by the New GASB Standards.

BOND RATINGS

S&P is expected to assign the Bonds a rating of "___." The "___" rating on the Bonds is based on the insurance policy issued by the Insurer. S&P has assigned the Bonds an underlying rating of "A+" (Stable Outlook). These ratings reflect only the views of such S&P and any explanation of the significance of such rating may only be obtained therefrom. Certain information concerning the Bonds and the District not included in this Official Statement may have been furnished to S&P and the Insurer by the District. There is no assurance that the ratings will be maintained for any given period of time or that such ratings may not be changed by S&P if, in such 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 the rating or to oppose any such revision or withdrawal.

TAX TREATMENT

SERIES 2018A BONDS

Federal tax law contains a number of requirements and restrictions which apply to the Series 2018A Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2018A Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Series 2018A Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2018A Bonds.

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series 2018A Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Series 2018A Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

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

The Internal Revenue Code of 1986, as amended (the *"Code"*), includes provisions for an alternative minimum tax (*"AMT"*) for corporations in addition to the regular corporate tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income (*"AMTI"*), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Series 2018A Bonds. The AMT for corporations is repealed for taxable years beginning after December 31, 2017.

Ownership of the Series 2018A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2018A Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the *"OID Issue Price"*) for each maturity of the Series 2018A Bonds is the price at which a substantial amount of such maturity of the Series 2018A Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Series 2018A Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the Series 2018A Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Series 2018A Bonds (the *"OID Bonds"*) and the principal amount payable at maturity is original issue discount.

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

Owners of Series 2018A Bonds who dispose of Series 2018A Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Series 2018A Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Series 2018A Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Series 2018A Bond is purchased at any time for a price that is less than the Series 2018A Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue

Price plus accreted original issue discount (the *"Revised Issue Price"*), the purchaser will be treated as having purchased a Series 2018A Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Series 2018A Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Series 2018A Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2018A Bonds.

An investor may purchase a Series 2018A Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Series 2018A Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Series 2018A Bond. Investors who purchase a Series 2018A Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2018A Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2018A Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Series 2018A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Series 2018A Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Series 2018A Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Series 2018A Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2018A Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Series 2018A Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Series 2018A Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Series 2018A Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Series 2018A Bonds is not exempt from present State income taxes. Ownership of the Series 2018A 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 Series 2018A Bonds. Prospective purchasers of the Series 2018A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

TAXABLE BONDS

Interest on the Series 2018B Bonds and the Series 2018C Bonds (together, the *"Taxable Bonds"*) is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the Taxable Bonds may result in other federal income tax consequences to certain taxpayers. Holders of the Taxable Bonds should consult their tax advisors with respect to the inclusion of interest on the Taxable Bonds in gross income for federal income tax purposes and any collateral tax consequences.

Interest on the Taxable Bonds is not exempt from present State income taxes. Ownership of the Taxable 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 Taxable Bonds. Prospective purchasers of the Taxable Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the District's compliance with certain covenants, in the opinion of Bond Counsel, the Series 2018A Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

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 below in "THE UNDERTAKING."

There have been no instances in the previous five years in which the District failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the

Rule. 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.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the District and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the District.

ANNUAL FINANCIAL INFORMATION DISCLOSURE

The District covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below) to the MSRB 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. At present, such dissemination is made through the MSRB's Electronic Municipal Market Access system, referred to as EMMA (*"EMMA"*). The District is required to deliver such information within 210 days after the last day of the District's fiscal year (currently June 30), beginning with the fiscal year ended June 30, 2018. If Audited Financial Statements are not available when the Financial Information is filed, the District will submit Audited Financial Statements to EMMA within 30 days after availability to the District. 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.

"Annual Financial Information" means information of the type contained in the following headings, subheadings and exhibits of this Official Statement:

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS
—Direct General Obligation Bonds (Principal Only)
—Direct General Obligation Bonds (Principal and Interest)
—Debt Certificates (Principal Only)
—Selected Financial Information (only as it relates to direct debt)
—Composition of EAV
—Trend of EAV
—Taxes Extended and Collected
—School District Tax Rates by Purpose
WORKING CASH FUND—Working Cash Fund Summary
Exhibit A—Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Exhibit B—Budget
Exhibit C—General Fund Revenue Sources

"Audited Financial Statements" means the combined financial statements of the District prepared in accordance with accounting principles mandated by ISBE.

REPORTABLE EVENTS DISCLOSURE

The District 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 the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The *"Events"* are:

- Principal and interest payment delinquencies
- Non-payment related defaults, if material
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- 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
- Modifications to the rights of security holders, if material
- Bond calls, if material, and tender offers
- Defeasances
- Release, substitution or sale of property securing repayment of the securities, if material
- Rating changes
- Bankruptcy, insolvency, receivership or similar event of the District*
- 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
- Appointment of a successor or additional trustee or the change of name of a trustee, if material

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* 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.

CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION

The District shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the District to comply with any provision of the Undertaking, 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 the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Resolution, and the sole remedy under the Undertaking in the event of any failure of the District to comply with the Undertaking shall be an action to compel performance.

AMENDMENT; WAIVER

Notwithstanding any other provision of the Undertaking, the District by resolution authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) (i) The amendment or the 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) The Undertaking, 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 approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

TERMINATION OF UNDERTAKING

The Undertaking shall be terminated if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Resolution. The District shall give notice to the MSRB in a timely manner if this paragraph is applicable.

FUTURE CHANGES TO THE RULE

Notwithstanding anything in the Undertaking to the contrary, in the event the Commission, the MSRB or other regulatory authority approves or requires changes to the requirements of the Rule, the District is permitted, but is not be required, to unilaterally modify the covenants in of the Undertaking, without complying with the requirements described in "—Termination of Undertaking" above, in order to comply with, or conform to, such changes. In the event of any such modification of the Undertaking, the District will file a copy of the Undertaking, as revised, on EMMA in a timely manner.

ADDITIONAL INFORMATION

Nothing in the Undertaking shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. 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 the Undertaking, the District shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

DISSEMINATION OF INFORMATION; DISSEMINATION AGENT

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through EMMA for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

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

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the District for the fiscal year ended June 30, 2018 (the *"Audit"*), contained in Appendix A, including the independent auditor's report accompanying the Audit, have been prepared by Knutte & Associates, P.C., Darien, Illinois (the *"Auditor"*), and approved by formal action of the Board. 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. Specific questions or inquiries relating to the financial information of the District since the date of the Audit should be directed to the Superintendent of the District.

BOOK-ENTRY ONLY 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 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 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 effect 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 (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) 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; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (e) any other action taken by the Securities Depository or any Participant.

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. Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd., Naperville, Illinois, will pass on certain matters for the District.

NO LITIGATION

No litigation is now pending or threatened restraining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof. A certificate to this effect will be delivered by the District with the other customary closing papers when the Bonds are delivered.

UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement (the *"Agreement"*) between the District and Raymond James & Associates, Inc., Chicago, Illinois (the *"Underwriter"*), the Underwriter has agreed to purchase the Series 2018A Bonds at an aggregate purchase price of $___________. The purchase price will produce an underwriting spread of ____% of principal amount if all Series 2018A Bonds are sold at the initial offering prices. The Underwriter has agreed to purchase the Series 2018B Bonds at an aggregate purchase price of $___________. The purchase price will produce an underwriting spread of ____% of principal amount if all Series 2018B Bonds are sold at the initial offering prices. The Underwriter has agreed to purchase the Series 2018C Bonds at an aggregate purchase price of $___________. The purchase price will produce an underwriting spread of ____% of principal amount if all Series 2018C Bonds are sold at the initial offering prices. The Agreement provides that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts, accounts or funds) and others at prices different than the initial public offering price. After the initial public offering, the public offering price of the Bonds may be changed from time to time by the Underwriter.

AUTHORIZATION

This Official Statement has been approved by the District for distribution to prospective purchasers of the Bonds. The Board, acting through authorized officers, will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming that, to the best of its knowledge and belief, this Official Statement, together with any supplements thereto, as of the date hereof, and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

/s/

Superintendent
School District Number 148, Cook County, Illinois

December __, 2018

EXHIBITS

Exhibit A shows the District's recent financial history. Exhibit B provides information on the District's 2019 budget. Exhibit C provides information on the general fund revenue sources of the District.

Exhibit A — Combined Statement of Revenues, Expenditures and Changes in Fund Balance, Fiscal Years Ended June 30, 2014-2018

	ED[1]	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
Beginning Balance	$12,546,525	$874,839	$ (128,817)	$ 559,437	$ 412,360	$160,250	$483,074	$ (79,001)	$ 84,101	$14,912,768
Revenues	26,627,458	2,852,499	2,197,243	2,239,418	865,043	958	72,044	523,466	138,462	35,516,591
Expenditures	25,012,773	2,561,770	2,366,115	808,627	632,300	0	0	290,040	79,050	31,750,675
Net Transfers	(976,789)	1,731,586	745,203	(1,500,000)	0	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/14	$13,184,421	$2,897,154	$ 447,514	$ 490,228	$ 645,103	$161,208	$555,118	$ 154,425	$143,513	$18,678,684
Beginning Balance	$13,184,421	$2,897,153	$ 447,513	$ 490,227	$ 645,104	$161,208	$555,118	$ 154,426	$143,514	$18,678,684
Revenues	24,469,370	2,328,260	2,252,855	3,005,185	535,328	337	67,195	346,893	127,548	33,132,971
Expenditures	25,755,515	3,595,599	2,364,698	942,321	619,308	108,067	0	262,346	131,300	33,779,154
Net Transfers	700,000	1,000,000	600,000	(2,300,000)	0	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/15	$12,598,276	$2,629,814	$ 935,670	$ 253,091	$ 561,124	$ 53,478	$622,313	$ 238,973	$139,762	$18,032,501
Beginning Balance	$12,598,276	$2,629,814	$ 935,670	$ 253,091	$ 561,124	$ 53,478	$622,313	$ 238,973	$139,762	$18,032,501
Revenues	26,407,260	2,334,286	2,372,146	3,715,746	619,471	(366)	66,673	58,012	125,429	35,698,657
Expenditures	28,016,272	3,472,018	2,607,154	881,129	662,778	54,323	0	245,025	90,302	36,029,001
Net Transfers	2,600,000	0	0	(2,600,000)	0	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/16	$13,589,264	$1,492,082	$ 700,662	$ 487,708	$ 517,817	$ (1,211)	$688,986	$ 51,960	$174,889	$17,702,157
Beginning Balance	$13,589,264	$1,492,082	$ 700,662	$ 487,708	$ 517,817	$ (1,211)	$688,986	$ 51,960	$174,889	$17,702,157
Revenues	26,032,026	2,463,396	2,243,795	3,505,592	669,673	(341)	63,801	61,299	120,106	35,159,347
Expenditures	28,168,530	2,817,846	2,607,346	875,424	656,378	0	0	327,196	0	35,452,720
Net Transfers	2,600,000	0	0	(2,600,000)	0	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/17	$14,052,760	$1,137,632	$ 337,111	$ 517,876	$ 531,112	$ (1,552)	$752,787	$(213,937)	$294,995	$17,408,784
Beginning Balance	$14,052,760	$1,137,632	$ 337,111	$ 517,876	$ 531,112	$ (1,552)	$752,787	$(213,937)	$294,995	$17,408,784
Revenues	30,373,016	2,290,977	2,231,692	2,725,285	669,116	(578)	65,525	198,753	118,330	38,672,116
Expenditures	29,507,909	2,967,436	2,600,242	866,176	707,127	0	0	492,757	0	37,141,647
Net Transfers	2,600,000	0	0	(2,600,000)	0	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/18	$17,517,867	$461,173	$(31,439)	$(223,015)	$493,101	$(2,130)	$818,312	$(507,941)	$413,325	$18,939,253

Source: The annual financial reports of the District for the years ended June 30, 2014-2018.

(1) Excludes "On-Behalf" Payments.

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EXHIBIT B — BUDGET, FISCAL YEAR ENDING JUNE 30, 2019

	Ed[1]	O&M	Debt Service	Trans	IMRF	Cap Projects	Working Cash	Tort	Fire	Total
Est. Beginning Balance, 7/1/18	$17,058,992	$ 474,057	$ 139,286	$2,533,460	$425,593	$ 0	$817,499	$ 0	$411,646	$21,860,533
Revenues	32,261,901	2,412,235	2,899,691	1,394,543	760,723	408	69,861	63,813	130,420	39,993,595
Expenditures	31,051,632	3,205,798	2,913,144	1,121,358	730,175	0	0	453,562	80,000	39,555,669
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Est. Ending Balance, 6/30/19	$18,269,261	$ (319,506)	$ 125,833	$2,806,645	$456,141	$408	$887,360	$(389,749)	$462,066	$22,298,459

Source: Official Budget for the District for the year ending June 30, 2019. Please note that the beginning fund balance represents an estimate by the District at the time the budget was produced. As such, the beginning fund balance may not match the ending fund balances for the year ended June 30, 2018, due to timing.

[1] Excludes "On-Behalf" Payments.

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EXHIBIT C — GENERAL FUND REVENUE SOURCES, FISCAL YEARS ENDED JUNE 30, 2014-2018

	YEAR ENDED JUNE 30, 2014	YEAR ENDED JUNE 30, 2015	YEAR ENDED JUNE 30, 2016	YEAR ENDED JUNE 30, 2017	YEAR ENDED JUNE 30, 2018
Local Sources	27.43%	25.32%	23.66%	23.03%	23.10%
State Sources	57.79%	60.15%	60.65%	63.72%	59.42%
Federal Sources	14.78%	14.53%	15.70%	13.25%	17.48%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

Source: The annual financial reports of the District for the years ending June 30, 2014-2018. Includes the Educational Fund and the Operations and Maintenance Fund. Excludes "On-Behalf" Payments.

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APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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Dolton West School District 148
Riverdale, Illinois
Annual Financial Report
For the Year Ended June 30, 2018

Dolton West School District 148
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For the Year Ended June 30, 2018

K&A
KNUTTE & ASSOCIATES, P.C.

INDEPENDENT AUDITORS' REPORT

Certified Public Accountants
7900 S. Cass Avenue
Darien, Illinois 60561
(630) 960-3317
FAX (630) 960-9960
www.knutte.com

To The Board of Education
Dolton West School District 148
Riverdale, IL

Report on the Financial Statements

We have audited the accompanying general purpose financial statements of the Dolton West School District 148 as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion

As described more fully in Note 1, these financial statements are issued to comply with regulatory provisions prescribed by the Illinois State Board of Education, which practices differ from accounting principles generally accepted in the United States of America. They are intended to assure effective legislative and public oversight of school district financing and spending activities of accountable Illinois public school districts. 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

In our opinion, because of the significance of the matter described in the “Basis for Adverse Opinion" paragraph, the financial statements referred to above do not present fairly the financial position of Dolton West School District 148 as of June 30, 2018, or the changes in financial position for the year then ended.

Basis for Qualified Opinion

Dolton West School District 148 does not maintain detailed historical cost records of its general fixed assets. Dolton West School District 148 has also omitted disclosures required by *Governmental Accounting Standards* Board Statement 75 Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. The amount by which this disclosure would affect the financial statements is not reasonably determinable.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for those possible effects of the matters discussed in the Basis for Qualified Opinion paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the assets, deferred outflows, liabilities and deferred inflows arising from cash transactions of the Dolton West School District 148 as of June 30, 2018, and its revenues received and expenditures disbursed during the fiscal year then ended on the basis of accounting described in Note 1.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the Dolton West School District 148's general purpose financial statements. The combining and individual fund financial schedules for the year ended June 30, 2018 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and individual fund financial schedules have been subjected to the auditing procedures applied in the audit of the general purpose financial statements for the year ended June 30, 2018 and, in our opinion, are fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The unaudited supplementary information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards* , we have also issued our report dated September 20, 2018 on our consideration of the Dolton West School District 148's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dolton West School District 148's internal control over financial reporting and compliance.

Knutte & Associates, P.C.

September 20, 2018
Darien, Illinois

Dolton West School District 148
Combined Statement of Assets, Liabilities and Fund Balances - Regulatory Basis - Governmental Funds
June 30, 2018

	Governmental Fund Types					
	General	**Operations & Maintenance**	**Transportation**	**Municipal Retirement**	**Tort**	**Fire Safety**
ASSETS						
Cash	$ 16,980,662	$ 487,756	$ 0	$ 515,510	$ 0	$ 418,535
Due from Other Funds	1,792,222	854,691	0	0	0	0
General Fixed Assets	0	0	0	0	0	0
Amount to be Provided for the Payment of General Long-Term Debt	0	0	0	0	0	0
TOTAL ASSETS	18,772,884	1,342,447	0	515,510	0	418,535
TOTAL DEFERRED OUTFLOWS	0	0	0	0	0	0
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 18,772,884	$ 1,342,447	$ 0	$ 515,510	$ 0	$ 418,535
LIABILITIES						
Current Liabilities						
Due to Student Activities Organizations	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Payroll Withholdings Overpayments	389,850	(35,735)	0	176	0	0
Non-Current Liabilities						
Due to Other Funds	865,167	917,009	223,015	22,233	507,941	5,210
General Obligation Bonds	0	0	0	0	0	0
TOTAL LIABILITIES	1,255,017	881,274	223,015	22,409	507,941	5,210
TOTAL DEFERRED INFLOWS	0	0	0	0	0	0
FUND EQUITY						
Investment in General Fixed Assets	0	0	0	0	0	0
Fund Balances - Reserved						
Nonspendable	0	0	0	0	0	0
Restricted	0	461,173	0	493,101	0	413,325
Unreserved						
Unassigned	17,517,867	0	(223,015)	0	(507,941)	0
TOTAL FUND EQUITY	17,517,867	461,173	(223,015)	493,101	(507,941)	413,325
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY	$ 18,772,884	$ 1,342,447	$ 0	$ 515,510	$ 0	$ 418,535

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Combined Statement of Assets, Liabilities and Fund Balances - Regulatory Basis - Governmental Funds (Continued)
June 30, 2018

	Governmental Fund Types			Account Groups		
	Debt Service	**Capital Projects**	**Working Cash**	**General Fixed Assets**	**General Long-Term Debt**	**Total (Memorandum Only)**
ASSETS						
Cash	$ 36,990	52,900	$ 820,916	$ 0	$ 0	$ 19,313,269
Due from Other Funds	0	0	0	0	0	2,646,913
General Fixed Assets	0	0	0	59,520,223	0	59,520,223
Amount to be Provided for the Payment of General Long-Term Debt	0	0	0	0	26,492,841	26,492,841
TOTAL ASSETS	36,990	52,900	820,916	59,520,223	26,492,841	107,973,246
TOTAL DEFERRED OUTFLOWS	0	0	0	0	0	0
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 36,990	$ 52,900	$ 820,916	$ 59,520,223	$ 26,492,841	$ 107,973,246
LIABILITIES						
Current Liabilities						
Due to Student Activities Organizations	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Payroll Withholdings Overpayments	0	0	0	0	0	354,291
Non-Current Liabilities						
Due to Other Funds	68,429	55,030	2,604	0	0	2,666,638
General Obligation Bonds	0	0	0	0	26,492,841	26,492,841
TOTAL LIABILITIES	68,429	55,030	2,604	0	26,492,841	29,513,770
TOTAL DEFERRED INFLOWS	0	0	0	0	0	0
FUND EQUITY						
Investment in General Fixed Assets	0	0	0	59,520,223	0	59,520,223
Fund Balances - Reserved						
Nonspendable	0	0	818,312	0	0	818,312
Restricted	0	0	0	0	0	1,367,599
Unreserved						
Unassigned	(31,439)	(2,130)	0	0	0	16,753,342
TOTAL FUND EQUITY	(31,439)	(2,130)	818,312	59,520,223	0	78,459,476
						0
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY	$ 36,990	$ 52,900	$ 820,916	$ 59,520,223	$ 26,492,841	$ 107,973,246

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Combined Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	Governmental Fund Types					
	General	**Operations & Maintenance**	**Transportation**	**Municipal Retirement**	**Tort**	**Fire Safety**
REVENUES						
Local Sources	$ 6,454,155	$ 1,090,977	$ 2,033,374	$ 669,116	$ 198,753	$ 118,330
State Sources	19,991,024	1,200,000	691,911	0	0	0
Federal Sources	5,815,099	0	0	0	0	0
TOTAL REVENUES	32,260,278	2,290,977	2,725,285	669,116	198,753	118,330
EXPENDITURES						
Instruction	16,869,324	0	0	267,917	0	0
Support Services	9,609,284	2,967,436	866,176	433,475	492,757	0
Community Services	445,059	0	0	5,735	0	0
Nonprogrammed Services	2,467,049	0	0	0	0	0
Debt Service	222,050	0	0	0	0	0
State On Behalf Contributions	1,782,405	0	0	0	0	0
TOTAL EXPENDITURES	31,395,171	2,967,436	866,176	707,127	492,757	0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	865,107	(676,459)	1,859,109	(38,011)	(294,004)	118,330
OTHER FINANCING SOURCES (USES)						
Transfers In	2,600,000	0	0	0	0	0
Transfers Out	0	0	(2,600,000)	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	2,600,000	0	(2,600,000)	0	0	0
NET CHANGES IN FUND BALANCE	3,465,107	(676,459)	(740,891)	(38,011)	(294,004)	118,330
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	14,052,760	1,137,632	517,876	531,112	(213,937)	294,995
END OF YEAR	$ 17,517,867	$ 461,173	$ (223,015)	$ 493,101	$ (507,941)	$ 413,325

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Combined Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balances
Governmental Funds (Continued)
For the Year Ended June 30, 2018

	Governmental Fund Types			
	Debt Service	**Capital Projects**	**Working Cash**	**Total (Memorandum Only)**
REVENUES				
Local Sources	$ 2,231,692	$ (578)	$ 65,525	$ 12,861,344
State Sources	0	0	0	21,882,935
Federal Sources	0	0	0	5,815,099
TOTAL REVENUES	2,231,692	(578)	65,525	40,559,378
EXPENDITURES				
Instruction	0	0	0	17,137,241
Support Services	5,000	0	0	14,374,128
Community Services	0	0	0	450,794
Nonprogrammed Services	0	0	0	2,467,049
Debt Service	2,595,242	0	0	2,817,292
State On Behalf Contributions	0	0	0	1,782,405
TOTAL EXPENDITURES	2,600,242	0	0	39,028,909
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(368,550)	(578)	65,525	1,530,469
OTHER FINANCING SOURCES (USES)				
Transfers In	0	0	0	2,600,000
Transfers Out	0	0	0	(2,600,000)
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0
NET CHANGES IN FUND BALANCE	(368,550)	(578)	65,525	1,530,469
FUND BALANCES (DEFICITS),				
BEGINNING OF YEAR	337,111	(1,552)	752,787	17,408,784
END OF YEAR	$ (31,439)	$ (2,130)	$ 818,312	$ 18,939,253

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Combined Statement of Revenues Received - Governmental Funds
For the Year Ended June 30, 2018

	Governmental Fund Types					
	General	**Operations & Maintenance**	**Transportation**	**Municipal Retirement**	**Tort**	**Fire Safety**
LOCAL SOURCES						
AD VALOREM TAXES						
General Levy	$ 5,320,405	$ 738,478	$ 1,981,380	$ 613,363	$ 200,275	$ 114,612
PAYMENTS IN LIEU OF TAXES						
Corporate Personal Property Replacement Taxes	312,193	0	0	50,000	0	0
Interest on Investments	138,289	3,713	51,994	5,753	(1,522)	3,718
PUPIL ACTIVITIES						
Fees	12,644	0	0	0	0	0
OTHER LOCAL SOURCES						
Rental	0	142,963	0	0	0	0
Refund of Prior Year's Expenditures	49,536	64,629	0	0	0	0
Other	621,088	141,194	0	0	0	0
TOTAL LOCAL SOURCES	$ 6,454,155	$ 1,090,977	$ 2,033,374	$ 669,116	$ 198,753	$ 118,330

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Combined Statement of Revenues Received - Governmental Funds (Continued)
For the Year Ended June 30, 2018

	Governmental Fund Types			
	Debt Service	Capital Projects	Working Cash	Total (Memorandum Only)
LOCAL SOURCES				
AD VALOREM TAXES				
General Levy	$ 2,226,834	$ 0	$ 57,306	$ 11,252,653
PAYMENTS IN LIEU OF TAXES				
Corporate Personal Property Replacement Taxes	0	0	0	362,193
Interest on Investments	4,858	(578)	8,219	214,444
PUPIL ACTIVITIES				
Fees	0	0	0	12,644
OTHER LOCAL SOURCES				
Rental	0	0	0	142,963
Refund of Prior Year's Expenditures	0	0	0	114,165
Other	0	0	0	762,282
TOTAL LOCAL SOURCES	$ 2,231,692	$ (578)	$ 65,525	$ 12,861,344

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Combined Statement of Revenues Received - Governmental Funds (Continued)
For the Year Ended June 30, 2018

	Governmental Fund Types					
	General	**Operations & Maintenance**	**Transportation**	**Municipal Retirement**	**Tort**	**Fire Safety**
STATE SOURCES						
UNRESTRICTED GRANTS-IN-AID						
General State Aid	$ 17,092,556	$ 1,200,000	$ 0	$ 0	$ 0	$ 0
RESTRICTED GRANTS-IN-AID						
Special Education						
Private Facility	6,718	0	0	0	0	0
Extraordinary	174,067	0	0	0	0	0
Personnel	408,987	0	0	0	0	0
Orphanage	200,621	0	0	0	0	0
State Free Lunch and Breakfast	28,688	0	0	0	0	0
Transportation						
Regular/Vocational	0	0	41,710	0	0	0
Special Education	0	0	650,201	0	0	0
Early Childhood - Block Grant	133,000	0	0	0	0	0
TRS On-Behalf Revenue	1,782,405	0	0	0	0	0
Other	163,982	0	0	0	0	0
TOTAL RESTRICTED GRANTS-IN-AID	2,898,468	0	691,911	0	0	0
TOTAL STATE SOURCES	$ 19,991,024	$ 1,200,000	$ 691,911	$ 0	$ 0	$ 0

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Combined Statement of Revenues Received - Governmental Funds (Continued)
For the Year Ended June 30, 2018

	Governmental Fund Types			
	Debt Service	**Capital Projects**	**Working Cash**	**Total (Memorandum Only)**
STATE SOURCES				
UNRESTRICTED GRANTS-IN-AID				
General State Aid	$ 0	$ 0	$ 0	$ 18,292,556
RESTRICTED GRANTS-IN-AID				
Special Education				
Private Facility	0	0	0	6,718
Extraordinary	0	0	0	174,067
Personnel	0	0	0	408,987
Orphanage	0	0	0	200,621
State Free Lunch and Breakfast	0	0	0	28,688
Transportation				
Regular/Vocational	0	0	0	41,710
Special Education	0	0	0	650,201
Early Childhood - Block Grant	0	0	0	133,000
TRS On-Behalf Revenue	0	0	0	1,782,405
Other	0	0	0	163,982
TOTAL RESTRICTED GRANTS-IN-AID	0	0	0	3,590,379
TOTAL STATE SOURCES	$ 0	$ 0	$ 0	$ 21,882,935

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Combined Statement of Revenues Received - Governmental Funds (Continued)
For the Year Ended June 30, 2018

	Governmental Fund Types					
	General	Operations & Maintenance	Transportation	Municipal Retirement	Tort	Fire Safety
FEDERAL SOURCES						
RESTRICTED GRANTS-IN-AID RECEIVED FROM THE FEDERAL GOVERNMENT THROUGH THE STATE						
National School Lunch Program	$ 1,061,468	$ 0	$ 0	$ 0	$ 0	$ 0
Special Milk Program	446	0	0	0	0	0
School Breakfast Program	533,547	0	0	0	0	0
Title I - Low Income	2,203,552	0	0	0	0	0
Title II - Teacher Quality	89,028	0	0	0	0	0
Medicaid	173,379	0	0	0	0	0
IDEA Grant	988,029	0	0	0	0	0
In-Kind Commodities	104,857	0	0	0	0	0
Preschool Expansion	660,793	0	0	0	0	0
TOTAL RESTRICTED GRANTS-IN-AID RECEIVED FROM THE FEDERAL GOVERNMENT THROUGH THE STATE	5,815,099	0	0	0	0	0
TOTAL FEDERAL SOURCES	5,815,099	0	0	0	0	0
TOTAL REVENUES RECEIVED	$ 32,260,278	$ 2,290,977	$ 2,725,285	$ 669,116	$ 198,753	$ 118,330

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Combined Statement of Revenues Received - Governmental Funds (Continued)
For the Year Ended June 30, 2018

	Governmental Fund Types			
	Debt Service	**Capital Projects**	**Working Cash**	**Total (Memorandum Only)**
FEDERAL SOURCES				
RESTRICTED GRANTS-IN-AID RECEIVED FROM THE FEDERAL GOVERNMENT THROUGH THE STATE				
National School Lunch Program	$ 0	$ 0	$ 0	$ 1,061,468
Special Milk Program	0	0	0	446
School Breakfast Program	0	0	0	533,547
Title I - Low Income	0	0	0	2,203,552
Title II - Teacher Quality	0	0	0	89,028
Medicaid	0	0	0	173,379
IDEA Grant	0	0	0	988,029
In-Kind Commodities	0	0	0	104,857
Preschool Expansion	0	0	0	660,793
TOTAL RESTRICTED GRANTS-IN-AID RECEIVED FROM THE FEDERAL GOVERNMENT THROUGH THE STATE	0	0	0	5,815,099
TOTAL FEDERAL SOURCES	0	0	0	5,815,099
TOTAL REVENUES RECEIVED	$ 2,231,692	$ (578)	$ 65,525	$ 40,559,378

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Dolton West School District 148 (the "School District") operates as a public school system in Dolton and Riverdale, Illinois under the direction of its Board of Education. In meeting the educational needs of the students within its boundaries, the District also operates a school lunch program and provides student transportation services.

A. Reporting Entity

The School District follows the provisions of Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14". As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities and meet all of the following criteria:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.

2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.

3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The School District has concluded that no entities meet the criteria of Statement 39 for inclusion as a component unit. Likewise, the School District is not required to be included as a component unit of any other entity.

Governmental Accounting Standards Board Statement No. 61, "The Financial Reporting Entity", is an amendment of GASB Statements No. 14 and No. 39, which does not have impact on the current year financial statements.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied. These combined financial statements were prepared on a cash basis of accounting as prescribed by the Illinois Program Accounting Manual for Local Education Agencies, which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). Under the cash basis of accounting, revenues are recognized when collected and expenses are recognized when paid and only assets, liabilities, and fund balances arising from cash transactions are recognized. Accordingly, recognition of receivables, payables and other accrued or deferred items is not applicable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting (Continued)

Standards established by the Government Accounting Standards Board (GASB) require GAAP for governmental units. Conformance with GAAP would require the financial statements to be prepared on the accrual or modified accrual basis of accounting. Accordingly, these financial statements are not intended to present the financial position and results of operations in conformity with GAAP.

C. Fund Accounting

The accounts of the School 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 deferred outflows, liabilities and deferred inflows, fund equity, revenues, and expenses. Government 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 various funds in this report are grouped into five generic fund types and two account groups as follows:

<u>GOVERNMENTAL FUND TYPES</u>

<u>General Fund</u>

The General Fund is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund.

Educational Fund - This fund accounts for revenues of taxes levied and proceeds of specific revenue sources that are used for the funding of educational activities.

<u>Special Revenue Funds</u>

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenses for specific purposes.

Operations and Maintenance Fund - This fund accounts for the revenues of taxes levied for maintenance supplies and staff for the general upkeep of all schools within the School District.

Transportation Fund - This fund accounts for the revenues of taxes levied and related expenses for the transportation of students to and from the schools.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Accounting (Continued)

Municipal Retirement Fund - This fund accounts for the revenues of taxes levied and related expenses for employer payments for retirement contributions.

Tort Immunity Fund – This fund accounts for the various insurance coverages of the School District.

Fire Safety Fund – This fund accounts for the revenues of taxes levied and related expenses for fire safety awareness.

Debt Service Fund

The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets, excluding those types of capital related outflows financed by proprietary funds.

FIDUCIARY FUND TYPES

Agency Fund - An agency fund is used to account for assets held by the School District as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Expendable Trust Fund - The Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types and accounts for assets where both the principal and interest may be spent.

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability over the School District's general fixed assets and general long-term debt.

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for all the fixed assets of the School District. General fixed assets are recorded at historical cost as expenses in the appropriate fund at the time of purchase.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Accounting (Continued)

General Long-Term Debt Account Group

The General Long-Term Debt Account Group is used to account for the general long-term debt of the School District, which is expected to be financed through the governmental funds.

D. Budget and Budgetary Accounting

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

1. The Board of Education adopts a Budget Ordinance which serves as an operating budget. All funds of the district are included in the annual budget. The budgetary basis and the basis of accounting used in the preparation of financial statements is the same.
2. Budget hearings are conducted.
3. The budget is legally enacted through passage of an ordinance.
4. The Board of Education may amend the budget.

E. Cash and Cash Equivalents

The District considers all investments with an initial maturity date within three months of the date acquired by the District and investment pools to be cash equivalents.

F. Use of Estimates

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

G. Property Taxes

Property taxes are levied each year on all taxable real property in the School District on or before the last Tuesday in December. The 2017 tax levy was passed by the Board of Education and attached as an enforceable lien on the property as of the preceding January 1. These taxes become due and collectible in approximately March and September 2018 and are collected by the county collector who, in turn, remits to the School District its respective share. The School District receives these remittances approximately one month after the collection dates. Property Taxes reported in the general purpose financial statements consist of the second installment of the 2016 tax levy and the first installment of the 2017 tax levy.

H. Total Columns on Combined Statements - Overview

The total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Interfund eliminations have not been made in the aggregation of this data and, therefore, this data is not comparable to a consolidation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Fund Balances

Governmental fund equity is classified as fund balance. The components of fund balance are:

- Non-spendable – consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.
- Restricted – consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- Committed – consists of resources constrained (issuance of an ordinance) to specific purposed by a government itself, using its highest level decision-making authority, the Board of Education; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned – amounts that are constrained by the Board of Education's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by (a) the Board of Education itself or (b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Education, who is authorized to assign amounts to a specific purpose.
- Unassigned – consists of the residual net resources of a fund that has not been restricted, committed or assigned within the general fund and deficit fund balances of other governmental funds.

The School District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. If different levels of unrestricted funds are available for spending, the School District considers committed funds to be expended first followed by assigned and, lastly, unassigned funds.

Fund	General	Special Revenue	Debt Service	Capital Projects	Working Cash	Total
Reserved						
Non-spendable	$ 0	$ 0	$ 0	$ 0	$ 818,312	$ 818,312
Restricted						
Operations	0	461,173	0	0	0	461,173
Fire Safety	0	413,325	0	0	0	413,325
Municipal Retirement	0	493,101	0	0	0	493,101
Assigned						0
Unreserved						
Unassigned	17,517,867	(730,956)	(31,439)	(2,130)	0	16,753,342
	$ 17,517,867	$ 636,643	$ (31,439)	$ (2,130)	$ 818,312	$ 18,939,253

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Transfers

During the normal course of the School District's operations, transfers between funds arise to reimburse individual funds for expenditures/expenses incurred for the benefit of other funds. During the year ended June 30, 2018, the following transfers were made by the School District.

	Transfers In	Transfers Out
Education Fund	$ 2,600,000	$ 0
Transportation Fund	0	2,600,000
	$ 2,600,000	$ 2,600,000

K. GASB Pronouncements

As of July 1, 2012, the District has implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position.

As of July 1, 2012, the District has implemented GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities". The objective of this statement is to establish accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The Statement also recognizes as outflows of resources or inflows of resources certain items that were previously reported as assets and liabilities.

As of July 1, 2014, the District has implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" which is an amendment of GASB Statement No. 27. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Upon implementation of GASB 68, the District has also implemented GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.

NOTE 2 – CASH AND INVESTMENTS

A. Cash

Local education agencies may invest public funds according to Chapter 30, Section 235 of the Illinois Compiled Statutes. Allowable investments include the following:

- Securities guaranteed both as to principal and interest by the full faith and credit of the United States;
- Bonds, notes, debentures, or other similar obligations of the United States or its agencies;
- Interest bearing savings accounts, certificates of deposit or time deposits in a federally insured bank (or savings and loan association under certain restrictions);
- In limited circumstances, in short-term corporate obligations of corporations having assets exceeding 500 million dollars;
- Money market mutual funds that are both registered under the Investment Company Act of 1940 and the holdings of which are limited to securities guaranteed both as to principal and interest by the full faith and credit of the United States;
- Public Treasurers' Investment Pools created under Section 17 of the Illinois State Treasurer Act

	Carrying Amount
Cash and investments held by the School District	$ 24,724
Thornton Township Treasurer's cash and investment pool	19,288,545
Book balance of accounts in School District's name	$ 19,313,269

B. Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the District's deposits may not be returned of the District will not be able to recover collateral securities in the possession of an outside party. Neither the State nor the District has a deposit policy for custodial credit risk.

C. Investments

The District's investing activities are managed under the custody of the Thornton Township School Treasurer which is a non-rated, external investment pool. Investing is performed in accordance with investment policies adopted by the Thornton Township Trustees of Schools complying with the Illinois Compiled Statutes. The District's portion of this pool is included in the Statement of Assets, Liabilities and Fund Balances – Regulatory Basis as cash and investments.

Overall credit ratings are not applicable for the cash and investment pool as a whole. Financial information and investment risk disclosures regarding the cash and investment pool's underlying investments may be obtained directly from the Treasurer at 16106 South Park Avenue, South Holland, IL 60473. At June 30, 2018, the fair value of all investments held by the Treasurer was approximately $198,269,368 and the amount of cash and investments allocated to the District on a cost basis was $19,288,545.

NOTE 3 - CHANGES IN GENERAL FIXED ASSETS

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as expenses, disbursed in the Governmental Funds and are then recorded at cost in the General Fixed Assets Account Group. No depreciation is provided on the general fixed assets, and any sale of those assets is recognized as revenue at the time of the sale. Donated general fixed assets are stated at estimated fair market value as of the date of donation. Fixed asset additions and dispositions for the year follow:

	Balance July 1, 2017	Additions	Dispositions	Balance June 30, 2018
Land	$ 234,520	$ 0	$ 0	$ 234,520
Buildings	46,971,876	350,845	0	47,322,721
Site Improvements	3,071,070	0	0	3,071,070
Equipment	8,111,136	780,776	0	8,891,912
	$ 58,388,602	$ 1,131,621	$ 0	$ 59,520,223

NOTE 4 - GENERAL LONG-TERM DEBT

The general long-term debt at June 30, 2018 is comprised of the following individual issues:

	Balance at July 1, 2017	Additions	Retirement	Balance at June 30, 2018	Amount Due In One Year
General Obligation Bonds					
2008D Taxable School Bonds	$ 865,000	$ 0	$ (165,000)	$ 700,000	$ 220,000
2008E School Bonds	5,755,000	0	0	5,755,000	0
2008 Series Debt Certificates	1,845,000	0	(125,000)	1,720,000	135,000
2009A Limited School Bonds	5,835,000	0	0	5,835,000	0
2009B Taxable Limited School Bonds	1,285,000	0	(475,000)	810,000	505,000
2009C Taxable School Bonds	735,000	0	0	735,000	0
2009D Capital Appreciation School Bonds	4,434,661	0	(496,820)	3,937,841	549,079
2009E Taxable School Bonds	7,100,000	0	(100,000)	7,000,000	210,000
Total	$ 27,854,661	$ 0	$ (1,361,820)	$ 26,492,841	$ 1,619,079

<u>General Obligation Taxable School Bonds, Series 2008D</u>
$4,715,000 Series 2008D Taxable School Bonds, principal payments of $125,000 to $750,000 due December 1, 2008 to 2020; interest payable December 1 and June 1 at rates varying from 4.25% to 6.30%

<u>General Obligation School Bonds, Series 2008E</u>
$8,850,000 Series 2008E School Bonds, principal payments of $975,000 to $1,700,000 due December 1, 2008 to 2027; interest payable December 1 and June 1 at rates varying from 4.25% to 5.00%

<u>General Obligation Debt Certificates, Series 2008</u>
$2,620,000 Series 2008 Debt Certificates, principal payments of $35,000 to $215,000 due December 1, 2008 to 2027; interest payable December 1 and June 1 at rates varying from 4.00% to 5.50%

<u>General Obligation Limited School Bonds, Series 2009A</u>
$6,020,000 Series 2009A Limited School Bonds, principal payments of $45,000 to $780,000 due December 1, 2009 to 2028; interest payable December 1 and June 1 at a rate of 4.80%.

NOTE 4 - GENERAL LONG-TERM DEBT (CONTINUED)

General Obligation Taxable Limited School Bonds, Series 2009B
$4,160,000 Series 2009B Taxable Limited School Bonds, principal payments of $305,000 to $505,000 due December 1, 2009 to 2019; interest payable December 1 and June 1 at a rate of 5.75%.

General Obligation Taxable School Bonds, Series 2009C
$735,000 Series 2009C Taxable School Bonds, principal payment of $735,000 due June 1, 2029; interest payable December 1 and June 1 at a rate of 6.75%.

General Obligation Capital Appreciation School Bonds, Series 2009D
$7,080,633 Series 2009D Capital Appreciation School Bonds, principal payments of $177,096 to $1,220,310 due December 1, 2012 to 2028; interest payable December 1 and June 1 at rates varying from 1.80% to 5.50%.

General Obligation Taxable School Bonds, Series 2009E
$7,350,000 Series 2009E Taxable School Bonds, principal payments of $50,000 to $1,225,000 due December 1, 2009 to 2024; interest payable December 1 and June 1 at rates varying from 2.15% to 6.50%.

The schedule of principal and interest for long-term debt is as follows:

Year	Principal	Interest	Total
2019	1,619,079	1,477,906	3,096,985
2020	1,975,000	1,104,928	3,079,928
2021	2,085,000	989,944	3,074,944
2022	2,490,000	864,576	3,354,576
2023	2,610,000	726,240	3,336,240
2024 - 2028	13,478,452	4,810,472	18,288,924
2029	2,235,310	2,336,023	4,571,333
Total	$ 26,492,841	$ 12,310,089	$ 38,802,930

Defeasance of Debt

In prior years, the School District has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the District's government-wide financial statements. As of June 30, 2018, the amount of defeased debt outstanding amounted to $18,480,000.

NOTE 5 – EXPENDITURES IN EXCESS OF BUDGET

At June 30, 2018, the following funds had expenditures in excess of budgeted expenditures:

Fund	Budget	Actual
Education	$ 29,174,593	$ 31,395,171
Municipal Retirement	662,904	707,127
Tort	330,468	492,757

For the year ended June 30, 2018, the Education Fund of the District recorded TRS on-behalf payments as required in the amount of $1,782,405. This item was not included in the budget for the year.

NOTE 6 – DEFICIT FUND BALANCES

At June 30, 2018, the following funds had deficit fund balances:

Fund	Actual
Transportation	$ (223,015)
Tort	(507,941)
Debt Service	(31,439)
Capital Projects	(2,130)

NOTE 7 – IMRF AND SOCIAL SECURITY FUND BALANCE

For financial statement presentation purposes, the IMRF and Social Security Funds have been combined as a single fund. As of June 30, 2018, the IMRF Fund had a fund balance of ($134,856) and the Social Security Fund had a fund balance of $627,957.

NOTE 8 - TORT IMMUNITY EXPENDITURES

The following tort immunity expenditures exist at June 30, 2018:

Property Insurance	$ 274,530
Liability Insurance	57,242
Worker's Compensation Insurance	139,385
	$ 471,157

These expenditures are reported in the Tort Immunity Fund of the District.

NOTE 9 - RISK MANAGEMENT

The School 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. Settlements, if applicable, have not exceeded insurance coverage in each of the last three years.

The District has joined together with other school districts in the Suburban School Cooperative Insurance Pool (SSCIP) a public entity risk pool, currently operating as a common risk management and insurance program for approximately 65 member school districts. The district pays premiums to SSCIP for workers' compensation coverage.

NOTE 9 - RISK MANAGEMENT (CONTINUED)

SUBURBAN SCHOOL COOPERATIVE INSURANCE POOL (SSCIP)
COVERAGE SUMMARY
December 31, 2017 to December 31, 2018

COVERAGE

Number of SSCIP Members – 63
Great American Package (Property/General Liability/ Auto Liability/ School Board Legal/Crime)

Total Package Loss Fund - $3,025,000 (including School Board Legal)

BUSINESS PROPERTY	CARRIER	LIMITS
Business Real & Personal Property Blanket/Agreed Value on first $1M per occurrence by district (includes Buildings, contents, Auto Physical Damage, Inland Marine)	Great American Insurance Co. Policy #3128229	$1,000,000 Per Occurrence – Great American
Valuation (Basis of Replacement):		
Buildings and Personal Property	Replacement Cost	Blanket Limit $1,000,000 Per Occurrence
Mobile Equipment & Vehicles		$1,000,000 Per Occurrence Replacement Cost for equipment 10 years or newer (over 10 years old ACV will apply)
Personal Property of Employees/Students		$2,500 Per Employee/$1,000 per Student
Food Spoilage		$50,000 any one occurrence
Joint Loss Agreement		Included
Debris Removal		Included
Damage by Civil Authority		Included
Member Maintenance Deductible		$2,500
Pool SIR (Self Insured Retention)		$250,000
Hartford Excess Property	Hartford Insurance Co. Policy #83 UFC ZX0020 (Admitted Company)	$500,000,000 Per Occurrence
Flood - Annual Aggregate - excluding Zone A	(Admitted Company)	$25,000,000
Flood - Annual Aggregate including Zone A (Selective Package) Limit is part of flood aggregate limit		$2,000,000
Earthquake - Annual Aggregate		$25,000,000
Business Income		Actual Loss Sustained - per members sublimit on SOV
Extra Expense		members/District submit per district Schedules (Waukegan #60 w/ $4,000,000 and Arlington #25 w/ $5,000,000)
Water Damage (other than flood) Including Back Up Sewer & Drains		Included
EDP Equipment Including Mechanical Breakdown	Included - Sublimit per District Statement of Property Values Submitted to Company	
EDP Media	Included - Sublimit per District Statement of Property Values Submitted to Company	
EDP Extra Expense	Included - Sublimit per District Statement of Property Values Submitted to Company	
Valuable Papers	Included - Sublimit per District Statement of Property Values Submitted to Company	
Accounts Receivable	Included - Sublimit per District Statement of Property Values Submitted to Company	
Mobile Equipment	Included - Sublimit per District Statement of Property Values Submitted to Company	
Miscellaneous Property	Included - Sublimit per District Statement of Property Values Submitted to Company	
Fine Arts, Audio Visual, Musical Instruments, Books, Uniforms, etc.	Included - Sublimit per District Statement of Property Values Submitted to Company	
Signs	Included - Sublimit per District Statement of Property Values Submitted to Company	
Ordinance or Law	Pool Limit	$10,000,000
Newly Constructed or Acquired Property – 90 Days Reporting	Pool Limit	$4,000,000
Builders Risk – Must be reported	Pool Limit	$5,000,000

NOTE 9 - RISK MANAGEMENT (CONTINUED)

GENERAL LIABILITY / EMPLOYEE BENEFITS LIABILITY		
Per Occurrence per district member	Great American Insurance Co. Policy #3128229	$11,000,000
General Aggregate per district member		$11,000,000
Medical Payments - Per Person		Not covered
Fire Legal Liability - Real Property		$200,000 any one fire
Employee Benefit Liability - Occurrence		$11,000,000
General Aggregate per district member		$11,000,000
Trustees, board members, employees, substitute teachers, student teachers, volunteer workers, PTA and PTO members are included as Insured		Included
Blanket Contractual		Included
Broad Form Property Damage		Included
Personal Injury		Included
Advertising Injury		Included
Incidental Malpractice		Included
Athletic Participation		Included
Professional Liability for Nurses while on Duty		Included
Sexual Abuse or Molestation		Included
Pool SIR		$250,000

AUTOMOBILE		
Liability - Per Occurrence	Great American Insurance Co. Policy #3128229	$11,000,000
Hired and Non Owned Liability		$11,000,000
Medical Payments	(Admitted Company)	$5,000 per person
Uninsured Motorists		$40,000 Ground Up
Underinsured Motorists		$40,000 Ground Up
Garage Keepers Legal Liability		$100,000 Comprehensive/$100,000 Collision
Replacement Cost Value for buses 5 years or newer (comprehensive)		$1,000,000 Per occurrence
Actual Cash Value for vehicles (open lot coverage - comprehensive)		$17,331,867
Over-The-Road Coverage (collision) - Per Occurrence		$1,000,000
Physical Damage Maintenance Deductible - Comprehensive/Collision:		$2,500
Newly Acquired Vehicles - automatic coverage - Per Occurrence		$2,000,000
Hired Auto Physical Damage		Included
Pool SIR		$250,000

CRIME		
Money and Securities Within Premises - Each and Every Loss	Great American Insurance Co.	$500,000
Money and Securities Outside Premises - Each and Every Loss	Policy #3128229	$500,000
Public Employee Dishonesty including Faithful Performance (includes students) - Each Loss	(Admitted Company)	$500,000
Depositors Forgery - Each and Every Loss		$500,000
Money Orders & Counterfeit Papers - Each and Every Loss		$500,000
Maintenance Deductible		$2,500
Pool SIR		$250,000

NOTE 9 - RISK MANAGEMENT (CONTINUED)

DIRECTORS AND OFFICERS LIABILITY INCLUDING EMPLOYEE RELATED COVERAGE		
Each Claim per district member	Great American Insurance Company	$11,000,000
Annual Aggregate per district member	Policy #3128229	$11,000,000
Trustees, LPDC's, board members, employees, substitute teachers, student teachers, volunteer workers, PTA and PTO members are included as insureds		Included
Employment Practices		Included
Discrimination		Included
Harassment		Included
Wrongful Termination		Included
Mental Anguish/Emotional Distress		Included
Third Party Coverage including Title IX Wording		Included
Back Wages		Included
EEOC Proceedings/Administrative Hearings - each district	w/ $15,000 deductible	$100,000 aggregate (included in policy limit)
Employee, Volunteer, and Student-In-Training Civil Expense - each district	w/ $20,000 deductible	$100,000 aggregate (included in policy limit)
Individual Education Plans (IEP) Hearings - each district	w/ $15,000 deductible	$250,000 aggregate (included in policy limit)
Integration and Desegregation - each district	w/ $15,000 deductible	$250,000 aggregate (included in policy limit)
Breach of Contract - each district	w/ $100,000 deductible	$25,000 aggregate (included in policy limit)
Defense Expenses for Fair Labor Standards Act Claims	w/ $15,000 deductible	$100,000 aggregate (included in policy limit)
Per Member Deductibles (does not apply to all districts)		$15,000 deductible Wrongful Acts Claims (other than Employment Practices Liability Claims)
Per Member Deductibles (does not apply to all districts)		$20,000 deductible Employment Practices Liability Claims
Pool SIR		$250,000

Please note: Not all districts have SBLL in SSCIP, therefore that district's coverage may be placed elsewhere. Certain districts have higher deductibles for Employment Practices Claims – Please refer to your policy

BOILER AND MACHINERY		
Combined Limit Per Occurrence	Travelers Property Casualty Co of America	$250,000,000
Business Interruption	BME1-0J480442	Included in policy limit
Extra Expense	(Admitted Company)	Included in policy limit
Combined Deductible	Boiler Inspections	$5,000
Ordinance or Law - Demolition/Increased Cost of Construction	Phone: 1-800-425-4118	$10,000,000
Hazardous Substance	or boilinsp@travelers.com	$10,000,000
Newly Acquired Locations	Boiler claims	Included/365 days
Unnamed locations	Phone: 1-800-238-6225	$2,000,000
EDP Data or Media	or boilclm@travelers.com	Included in policy limit
Dependent Property Extension		$10,000,000
Expediting Expense		Included in policy limit
Refrigerant (Ammonia) Contamination		Included in policy limit
Water Damage		Included in policy limit
Spoilage		$100,000,000
Deductible		4 hour waiting period
Utility Service Interruption		Included in policy limit
Waiting Period		4 hour waiting period

NOTE 9 - RISK MANAGEMENT (CONTINUED)

EXCESS LIABILITY – 1ST LAYER		
Limit of Liability - Per Occurrence (Follow Form) - Per district member	Genesis Insurance Company	$10,000,000
Annual Aggregate per district member	Policy #YUB301252	$10,000,000
Retention	(Admitted Company)	$0
Sexual Abuse or Molestation – Per district member limit is inclusive of limit of liability and not in addition to aggregate limit		$10,000,000
Retroactive date for School Board Legal - claims made:		None
Employment Practices Liability Excess Liability policy is excess SBL coverage for those districts that are covered under Great American SBL.		Includes TRIA

EXCESS LIABILITY – 2ND LAYER		
Limit of Liability - Per Occurrence (Follow Form) - Per district member	Starstone National Insurance	$10,000,000
Annual Aggregate per district member	Company, Policy #A70557170ALI	$10,000,000
Retention	(Admitted Company)	$0
Sexual Abuse or Molestation – Per district member limit is inclusive of limit of liability and not in addition to aggregate limit		$10,000,000
Retroactive date for School Board Legal - claims made:		None
Employment Practices Liability Excess Liability policy is excess SBL coverage for those districts that are covered under Great American SBL.		Includes TRIA

SECURITY AND PRIVACY LIABILITY / EVENT MANAGEMENT INSURANCE (Cyber)		
Each and Every Claim/Aggregate Including Costs and Expenses	Lloyds of London	$25,000,000
Security and Privacy Liability (Including Employee Privacy) - Sublimit Per district member	Policy #B1262F10730017	$1,100,000
Privacy Regulatory Claims Coverage – Sublimit Per District Member		$1,100,000
Security Breach Response Coverage – Sublimit Per District Member		$1,100,000
Cyber Extortion Coverage – Sublimit Per District Member		$1,100,000
Payment Card Industry (PCI) – Sublimit Per District Member (for members in compliance)		$1,100,000
Payment Card Industry (PCI) – Sublimit Per District Member (for members not in compliance)		$1,100,000
Payment Card industry (PCI) – Sublimit Per District Member – up to the Policy Aggregate Limit		$100,000
Media Liability – per District Member		$100,000
Network Interruption & Data Asset Restoration Liability – Sublimit Per district member		$1,100,000

COMMERCIAL POLLUTION LEGAL LIABILITY (POLICY TERM 12/31/2015 TO 12/31/2018		
Coverage A: On-Site Cleanup of Pollution Conditions	Lexington Insurance Company (Non-Admitted Carrier)	$1,000,000 each incident/$10,000,000 Policy aggregate (3 year term)
Coverage B: Legal Liability for Pollution Conditions	Policy #PLC 14854674	$25,000 deductible each incident
Retroactive Date for Mold coverage is 12/31/2012 Includes: Unknown New and Pre-Existing Conditions (does not include known existing spills/incidents)		Includes Terrorism

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

A. Information about the School District's Other Post-Employment Benefit Plan

The School District's Other Post-Employment Benefit Plan (OPEB Plan) is administered on a pay-as-you-go basis by the School District. Assets of the plan are dedicated to providing post-retirement health and life insurance coverage to current and eligible future School District retirees.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

A. Information about the School District's Other Post-Employment Benefit Plan (Continued)

The following schedules present the School District's actuarially determined funding progress and required contributions for the Dolton School District 148 Postretirement Medical Plan.

Schedule of Funding Progress
By Valuation Date

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
6/30/2014	$ 0	$ 6,276,092	$ 6,276,092	0%	N/A	N/A
6/30/2013	0	6,882,297	6,882,297	0%	N/A	N/A
6/30/2012	0	6,882,297	6,882,297	0%	N/A	N/A

Schedule of Employer Contributions

Year Ended	Annual Required Contributions	Percentage Contributed	Net OPEB Obligation
6/30/2014	$ 591,900	19.4%	$ 2,494,192
6/30/2013	608,145	18.5%	2,003,540

B. Post-Employment Benefits

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. However, at June 30, 2018, the School District had not implemented GASB Statement 34 "Basic Financial Statements and Management's Discussion and Analysis." Rather, the School District has implemented a cash-basis regulatory basis of accounting, which has been approved by the Illinois State Board of Education. Therefore, the liability has not been recorded to the books of account.

Plan Description. School District employees are eligible upon retirement if they are enrolled in the active medical plan immediately prior to retiring. Eligibility varies based on classification as a Teacher, Administrator, or Non-Teacher/Administrator.

Teachers are eligible for benefits upon earning ten years of service with the School District, age 55 or older, and by meeting the qualifications necessary to receive Teacher's Retirement System (TRS) upon the completion of the earliest of: age 60 and ten years of service or age 55 with 20 years of service. Administrators are eligible for benefits upon earning ten years of continuous service with the School District. Custodians, Secretaries, and Aides are eligible for benefits upon earning ten years of service with the District and reaching the age of 60 or older.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

B. Post-Employment Benefits (Continued)

Teachers and administrators who retire under the provisions of TRS have the following options: 1) Remain in the School District health plan until the age of 65. At age 65, the retiree may enroll in a qualified HMO or in a hospital-surgical-major medical insurance plan or 2) Enroll in a qualified HMO or in a hospital-surgical-major medical insurance plan. The Association Pool will reimburse the retiree for the premium for the individual coverage under this plan, provided the premium reimbursement shall not exceed the current cost of the single premium in the group plan provided by the School District.

Custodians, Secretaries, and Aides may participate in one of two retirement programs. It is assumed that all future retirees will elect the same plan. These employees will receive a one-time payment equal to 75% of the difference between final annual salary and the salary of a first year employee in their category.

The number of participants as of June 30, 2015, the effective date of the OPEB valuation, follows:

Actives (fully eligible)	161
Actives (not yet fully eligible)	123
Retirees and Dependents	73
	357

Funding Policy. The School District currently pays for post-employment health care benefits on a pay-as-you-go basis.

Annual Other Post-Employment Benefit Cost. For the fiscal year ended June 30, 2014, the School District's annual OPEB cost (expense) of $605,257 is not equal to the contribution made, which was $114,605. The result of this was an increase in the Net OPEB Obligation of $490,652 for the year ended June 30, 2014.

Benefit Obligations and Normal Cost

Acturial Accrued Liability (AAL)	
Actives (fully eligible)	$ 2,592,358
Retirees and Dependents	3,683,734
Unfunded Actuarial Accrued Liability (UAAL)	$ 6,276,092

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

B. Post-Employment Benefits (Continued)

Funding Policy and Actuarial Assumptions

Contribution Rates:	
Plan Members	0.00%
Actuarial Valuation Date	6/30/2014
Actuarial Cost Method	Entry Age
Amortization Period	Level percentage of pay, open
Remaining Amortization Period	30 years
Asset Valuation Method	Market
Actuarial Assumptions:	
Investment Rate of Return	4.00%
Projected Salary Increases	4.00%
Healthcare Inflation Rate	7.50% initial, 5.50% ultimate (.5% reduction per year)
Mortality, Turnover, Disability Retirement Ages	Same rates as utilized for IMRF
Percentage of Active Employees Assumed to Elect Benefit	100%

Actuarial Methods and Assumptions. One hundred percent of active employees are assumed to participate in the medical plan upon retirement. No current retirees are assumed to lapse coverage per year. All participants are assumed to be eligible for Medicare upon attainment of age 65.

NOTE 11 - RETIREMENT FUND COMMITMENTS

Teachers' Retirement System

Plan description. The employer 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 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

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

NOTE 11 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Teachers' Retirement System (Continued)

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

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

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

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

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.

On behalf contributions to TRS. The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2018, 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 $1,595,948 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, 2018, were $91,692 and are deferred because they were paid after the June 30, 2017 measurement date.

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

NOTE 11 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Teachers' Retirement System (Continued)

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, 2018, the employer pension contribution was 10.10 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2018, salaries totaling $251,104 were paid from federal and special trust funds that required employer contributions of $25,362. These contributions are deferred because they were paid after the June 30, 2017 measurement date.

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 retiring under the ERO. The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the program that ended on June 30, 2016 is 146.5 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2018, the employer paid $0 to TRS for employer ERO contributions for retirements that occurred before July 1, 2016.

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2018, the employer paid $0 to TRS for employer contributions due on salary increases in excess of 6 percent and $0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2018, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only.

The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

Employer's proportionate share of the net pension liability	$ 5,257,106
State's proportionate share of the net pension liability associated with the employer	264,299,920
Total	$ 269,557,026

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2017, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2017, the employer's proportion was 0.0069 percent, which was an increase of 0.0018% from its proportion measured as of June 30, 2016.

NOTE 11 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Teachers' Retirement System (Continued)

For the year ended June 30, 2018, the employer recognized pension expense of $1,595,948 and revenue of $1,595,948 for support provided by the state. At June 30, 2018, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 57,098	$ 2,427
Net difference between projected and actual investment earnings on pension plan investments	3,606	0
Changes of assumptions	350,874	151,065
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,088,966	266,474
Employer contributions subsequent to the measurement date	0	0
Total	$ 1,500,544	$ 419,966

$0 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows in these reporting years:

For the year ended June 30, 2019	$ 189,175
2020	292,347
2021	363,594
2022	206,064
2023	29,398
Thereafter	0
	$ 1,080,578

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflations

Mortality rates were based on the RP-2014 White Collar Table with adjustments as appropriate for TRS experience. The rates are used on a fully-generational basis using projection table MP-2014. The same assumptions were used in the June 30, 2016 actuarial valuation.

NOTE 11 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Teachers' Retirement System (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	14.40%	6.94%
U.S. equities small/mid cap	3.60%	8.09%
International equities developed	14.40%	7.46%
Emerging market equities	3.60%	10.15%
U.S. bonds core	10.70%	2.44%
International debt developed	5.30%	1.70%
Real estate	15.00%	5.44%
Commodities (real return)	11.00%	4.28%
Hedge funds (absolute return)	8.00%	4.16%
Private equity	14.00%	10.63%
Total	100.00%	

Discount rate. At June 30, 2017, the discount rate used to measure the total pension liability was a blended rate of 7.00 percent, which was a change from the June 30, 2016 rate of 6.83 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2017 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

At June 30, 2016, the discount rate used to measure the total pension liability was 6.83 percent. The discount rate was lower than the actuarially-assumed rate of return on investments that year because TRS's fiduciary net position and the subsidy provided by Tier II were not sufficient to cover all projected benefit payments.

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

NOTE 11 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Teachers' Retirement System (Continued)

SENSITIVITY OF NET PENSION LIABILITY/(ASSET) TO THE
SINGLE DISCOUNT RATE ASSUMPTION

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	$ 6,459,041	$ 5,257,106	$ 4,272,621

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

Teacher Health Insurance Security (THIS) Fund

The employer 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.

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 employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.18 percent of pay during the year ended June 30, 2017. State of Illinois contributions were $186,457, and the employer recognized revenue and expenditures of this amount during the year.

- Employer contributions to the THIS Fund
  The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.88 percent during the year ended June 30, 2017. For the year ended June 30, 2018, the employer paid $139,053 to the THIS Fund, which was 100 percent of the required contribution.

NOTE 11 - RETIREMENT FUND COMMITMENTS (CONTINUED)

Teacher Health Insurance Security (THIS) Fund (Continued)

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" (http://www.auditor.illinois.gov/Audit -Reports/CMS-THISF.asp). Prior reports are available under "Healthcare and Family Services" (http://www.auditor.illinois.gov/Audit -Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp).

NOTE 12 – SUBSEQUENT EVENTS

The date to which event occurring after June 30, 2018, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is September 20, 2018, the date the financial statements were available to be issued.

NOTE 13 – PENSION PLAN COMMITMENT

A. Plan Description

The employer'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 School District plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

B. Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). 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. 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.

NOTE 13 – PENSION PLAN COMMITMENT (CONTINUED)

C. Funding Policy

As set by statute, the School District Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for the calendar year 2017 was 9.21 percent. The School 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

D. Annual Pension Cost

The required contribution for calendar year 2017 was $248,427.

NOTE 13 – PENSION PLAN COMMITMENT (CONTINUED)

E. Implementation of GASB 68

In accordance with GASB Statement No. 68, “Accounting and Financial Reporting for Pensions – An Amendment of GASB No. 27, the following information is provided:

Actuarial Valuation Date	December 31, 2017
Measurement Date of the Net Pension Liability	December 31, 2017
Fiscal Year End	June 30, 2018
Membership	
Number of	
- Retirees and Beneficiaries	214
- Inactive, Non-Retired Members	225
- Active Members	106
- Total	545
Covered Valuation Payroll	$ 2,697,363
Net Pension Liability	
Total Pension Liability/(Asset)	$ 10,802,777
Plan Fiduciary Net Position	10,828,761
Net Pension Liability/(Asset)	$ (25,984)
Plan Fiduciary Net Position as a Percentage of total Pension Liability	100.24%
Net Pension Liability as a Percentage of Covered Valuation Payroll	-0.96%
Development of the Single Discount Rate as of December 31, 2017	
Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate	3.31%
Last year December 31 in the 2018 to 2117 projection period for which projected benefit payments are fully funded	2117
Resulting Single Discount Rate based on the above development	7.50%
Single Discount Rate calculated using December 31, 2016 Measurement Date	7.50%
Total Pension Expense/(Income)	$ 302,817

NOTE 13 – PENSION PLAN COMMITMENT (CONTINUED)

E. Implementation of GASB 68 (Continued)

Deferred Outflows and Deferred Inflows of Resources by Source
(to be recognized in Future Pension Expenses)

	Outflows of Resources	Inflows of Resources
1. Difference between expected and actual experience	$ 1,455	$ 0
2. Assumption Changes	0	146,843
3. Net Difference between projected and actual earnings on pension plan investments	309,700	794,065
Total	$ 311,155	$ 940,908

Subsequent to the measurement date, the following Net Deferred Outflows will be recognized in pension expense in the upcoming years:

For the plan year ended June 30, 2018	$ (183,898)
2019	(61,185)
2020	(186,153)
2021	(198,517)
2022	0
Thereafter	0
Total	$ (629,753)

NOTE 13 – PENSION PLAN COMMITMENT (CONTINUED)

E. Implementation of GASB 68 (Continued)

The District's Plan Year Adjustment of $0 as of June 30, 2018 is reported as a deferred outflow of resources and represents all contributions made subsequent to the measurement date of December 31, 2017.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CURRENT PERIOD
Calendar Year Ended December 31, 2017

A. Total pension liability	
1.Service cost	$ 294,613
2.Interest on the total pension liability	783,355
3.Changes of benefit terms	0
4.Difference between expected and actual experience of the total pension liability	3,360
5.Changes of assumptions	(339,070)
6.Benefit payments, including refunds of employee contributions	(473,818)
7.Net change in total pension liability	268,440
8.Total pension liability– beginning	10,534,337
9.Total pension liability – ending	$ 10,802,777
B. Plan fiduciary net position	
1.Contributions – employer	$ 248,428
2.Contributions – employee	123,017
3.Net investment income	1,688,512
4.Benefit payments, including refunds of employee contributions	(473,818)
5.Other (net transfer)	(175,277)
6.Net change in plan fiduciary net position	1,410,862
7.Plan fiduciary net position – beginning	9,417,899
8.Plan fiduciary net position – ending	$ 10,828,761
C. Net pension liability/(asset)	$ (25,984)
D. Plan fiduciary net position as a percentage of the total pension liability	100.24%
E. Covered Valuation Payroll	2,697,363
F. Net pension liability as a percentage of covered valuation payroll	-0.96%

NOTE 13 – PENSION PLAN COMMITMENT (CONTINUED)

E. Implementation of GASB 68 (Continued)

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE TOTAL PENSION LIABILITY

Methods and Assumptions Used to Determine Total Pension Liability

Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.50%
Salary Increases	3.39% to 14.25%, 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 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality table applying the same adjustment that was applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information: There were no benefit changes during the year.

NOTE 13 – PENSION PLAN COMMITMENT (CONTINUED)

E. Implementation of GASB 68 (Continued)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2017:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	37%	6.85%
International Equity	18%	6.75%
Fixed Income	28%	3.00%
Real Estate	9%	5.75%
Alternative Investments	7%	2.65% - 7.35%
Cash Equivalents	1%	2.25%
	100%	

CALCULATION OF THE SINGLE DISCOUNT RATE

GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

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

NOTE 13 – PENSION PLAN COMMITMENT (CONTINUED)

E. Implementation of GASB 68 (Continued)

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31%; and the resulting single discount rate is 7.50%.

SENSITIVITY OF NET PENSION LIABILITY/(ASSET) TO THE
SINGLE DISCOUNT RATE ASSUMPTION

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	$ 12,106,912	$ 10,802,777	$ 9,717,500
Plan Fiduciary Net Position	10,828,761	10,828,761	10,828,761
Net Pension Liability/(Asset)	$ 1,278,151	$ (25,984)	$ (1,111,261)

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Teachers' Retirement System of the State of Illinois
(Dollar amounts in thousands)

	FY17*	FY16*	FY15*	FY14*
Employer's Proportion of the net pension liability	0.0069%	0.0051%	0.0049%	0.0057%
Employer's proportionate share of the net pension liability	$ 5,257	$ 4,028	$ 3,189	$ 3,473
State's proportionate share of the net pension liability associated with the employer	264,300	116,561	102,217	89,593
Total	$ 269,557	$ 120,589	$ 105,406	$ 93,066
Employer's covered-employee payroll	$ 15,249	$ 15,330	$ 15,347	$ 14,901
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	34.48%	26.28%	20.78%	23.31%
Plan fiduciary net position as a percentage of the total pension liability	39.30%	36.40%	41.50%	43.00%

* 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)

	FY17	FY16	FY15	FY14
Statutorily-required contribution	$ 171	$ 186	$ 164	$ 207
Contributions in relation to the contractually-required contribution	198	202	165	201
Contribution deficiency (excess)	$ (27)	$ (16)	$ (1)	$ 6
Employer's covered-employee payroll	$ 15,249	$ 15,330	$ 15,347	$ 14,901
Contributions as a percentage of covered-employee payroll	1.12%	1.21%	1.07%	1.39%

Changes of assumptions. For the 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.

Illinois Municipal Retirement Fund

In accordance with GASB Statement No. 68, “Accounting and Financial Reporting for Pensions – An Amendment of GASB Statements No. 27”, the financial statements of employers also include required supplementary information showing the 10-year fiscal history of:

- Sources of changes in the net pension liability;
- Information about the components of the net pension liability and related ratios, including the pension plan’s fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll, and
- Comparison of actual employer contributions to the actuarially determined contributions based on the plan’s funding policy.

MULTIYEAR SCHEDULE OF CONTRIBUTIONS
Last 10 Plan Years (When Available)

Plan Year Ending December 31	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	$ 206,315	$ 214,714	$ (8,399)	$ 2,086,100	10.29%
2015	$ 215,319	$ 222,726	$ (7,407)	$ 2,210,669	10.08%
2016	$ 253,516	$ 261,996	$ (8,480)	$ 2,638,047	9.93%
2017	$ 248,427 *	$ 248,428	$ (1)	$ 2,697,363	9.21%

* Estimated based on contribution rate of 9.21% and covered valuation payroll of $2,697,363.

Dolton West School District 148
Pension Disclosures (Continued)
For The Year Ended June 30, 2018

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Plan Years (When Available)

Plan Year Ending December 31,	2017	2016	2015	2014
Total pension liability				
Service cost	294,613	273,283	238,036	243,716
Interest on the total pension liability	783,355	719,469	680,586	635,283
Changes of benefit terms	0	0	0	0
Difference between expected and actual experience of the total pension liability	3,360	324,419	41,018	(279,067)
Changes of assumptions	(339,070)	(12,309)	11,250	394,168
Benefit payments, including refunds of employee contributions	(473,818)	(479,213)	(435,318)	(339,142)
Net change in total pension liability	268,440	825,649	535,572	654,958
Total pension liability– beginning	10,534,337	9,708,688	9,173,116	8,518,158
Total pension liability – ending	$ 10,802,777	$ 10,534,337	$ 9,708,688	$ 9,173,116
Plan fiduciary net position				
Contributions – employer	$ 248,428	$ 261,996	$ 222,726	$ 214,714
Contributions – employee	123,017	122,210	101,670	97,920
Pension Plan Net investment income	1,688,512	601,303	44,915	534,746
Benefit payments, including refunds of employee contributions	(473,818)	(479,213)	(435,318)	(339,142)
Other (net transfer)	(175,277)	45,040	(105,928)	(249,326)
Net change in plan fiduciary net position	1,410,862	551,336	(171,935)	258,912
Plan fiduciary net position Beginning	9,417,899	8,866,563	9,038,498	8,779,586
Ending	$ 10,828,761	$ 9,417,899	$ 8,866,563	$ 9,038,498
Net pension liability/(asset)	$ (25,984)	$ 1,116,438	$ 842,125	$ 134,618
Plan fiduciary net position as a percent of the total pension liability	100.24%	89.40%	91.33%	98.53%
Covered Valuation Payroll	2,697,363	2,638,047	2,210,669	2,086,100
Net pension liability as a percent of covered valuation payroll	-0.96%	42.32%	38.09%	6.45%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Methods and Assumptions Used to Determine 2017 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): 26-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 21 years for most employers (two employers were fnanced over 30 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 from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other Information:	There were no benefit changes during the year.

Dolton West School District 148
Educational Fund
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Budget	Actual	(Over)/Under Budget
INSTRUCTION			
Regular Programs			
Salaries	$ 13,331,871	$ 11,740,086	$ 1,591,785
Employee Benefits	1,518,151	1,801,362	(283,211)
Purchased Services	20,827	29,690	(8,863)
Supplies and Materials	46,169	246,404	(200,235)
Non-Capitalized Equipment	0	8,942	(8,942)
Total Regular Programs	14,917,018	13,826,484	1,090,534
Special Education Programs			
Salaries	396,807	433,198	(36,391)
Employee Benefits	52,372	28,897	23,475
Purchased Services	327,698	419,694	(91,996)
Supplies and Materials	3,038	13,782	(10,744)
Capital Outlay	5,466	4,764	702
Total Special Education Programs	785,381	900,335	(114,954)
Remedial and Supplemental Programs K-12			
Salaries	398,119	368,697	29,422
Employee Benefits	49,713	10,542	39,171
Purchased Services	27,551	117,023	(89,472)
Supplies and Materials	152,837	554,179	(401,342)
Capital Outlay	217,048	443,661	(226,613)
Non-Capitalized Equipment	97,828	899	96,929
Total Remedial and Supplemental Programs K-12	943,096	1,495,001	(551,905)
Remedial and Supplemental Programs Pre-K			
Salaries	197,571	212,903	(15,332)
Employee Benefits	11,746	25,767	(14,021)
Purchased Services	34,346	29,211	5,135
Supplies and Materials	20,538	38,654	(18,116)
Non-Capitalized Equipment	1,344	0	1,344
Total Remedial and Supplemental Programs Pre-K	265,545	306,535	(40,990)
Interscholastic Programs			
Salaries	151,486	151,962	(476)
Employee Benefits	2,006	2,187	(181)
Purchased Services	7,088	13,683	(6,595)
Supplies and Materials	15,009	24,338	(9,329)
Total Interscholastic Programs	175,589	192,170	(16,581)
Bilingual Programs			
Supplies and Materials	182	0	182
Total Bilingual Programs	182	0	182
Regular K-12 Private Tuition			
Other Objects	269,897	91,894	178,003
Total Regular K-12 Private Tuition	269,897	91,894	178,003

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Educational Fund
Statement of Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2018

	Budget	Actual	(Over)/Under Budget
INSTRUCTION (CONTINUED)			
Special Education K-12 Private Tuition			
Other Objects	32,971	56,905	(23,934)
Total Special Education K-12 Private Tuition	32,971	56,905	(23,934)
TOTAL INSTRUCTION	17,389,679	16,869,324	520,355
SUPPORT SERVICES			
PUPILS			
Attendance & Social Work Services			
Salaries	518,124	562,553	(44,429)
Employee Benefits	64,878	32,817	32,061
Purchased Services	7,521	43	7,478
Supplies and Materials	478	0	478
Total Attendance & Social Work Services	591,001	595,413	(4,412)
Health Services			
Salaries	338,022	301,924	36,098
Employee Benefits	61,745	31,241	30,504
Supplies and Materials	758	0	758
Total Health Services	400,525	333,165	67,360
Psychological Services			
Salaries	200,270	229,350	(29,080)
Employee Benefits	38,366	34,360	4,006
Supplies and Materials	9,692	8,367	1,325
Total Psychological Services	248,328	272,077	(23,749)
Speech Pathology & Audiology Services			
Salaries	222,768	228,017	(5,249)
Employee Benefits	19,436	4,141	15,295
Supplies and Materials	0	1,445	(1,445)
Total Speech Pathology & Audiology Services	242,204	233,603	8,601
TOTAL PUPILS	1,482,058	1,434,258	47,800
INSTRUCTIONAL STAFF			
Improvement of Instruction Services			
Salaries	331,473	387,313	(55,840)
Employee Benefits	105,494	144,022	(38,528)
Purchased Services	646,804	562,714	84,090
Supplies and Materials	33,864	60,391	(26,527)
Total Improvement of Instruction Services	1,117,635	1,154,440	(36,805)
Education Media Services			
Salaries	73,120	183,746	(110,626)
Employee Benefits	16,936	31,347	(14,411)
Purchased Services	103,813	334,892	(231,079)
Supplies and Materials	106,292	69,328	36,964
Total Educational Media Services	300,161	619,313	(319,152)

Dolton West School District 148
Educational Fund
Statement of Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2018

	Budget	Actual	(Over)/Under Budget
SUPPORT SERVICES (CONTINUED)			
INSTRUCTIONAL STAFF (CONTINUED)			
Assessment & Testing			
Purchased Services	55,118	116,503	(61,385)
Assessment and Testing	384	276	108
Total Assessment & Testing	55,502	116,779	(61,277)
TOTAL INSTRUCTIONAL STAFF	1,473,298	1,890,532	(417,234)
GENERAL ADMINISTRATION			
Board of Education Services			
Employee Benefits	491,130	569,547	(78,417)
Purchased Services	385,450	282,652	102,798
Supplies and Materials	5,242	17,533	(12,291)
Other Objects	343	3,772	(3,429)
Total Board of Education Services	882,165	873,504	8,661
Executive Administration Services			
Salaries	300,000	470,432	(170,432)
Employee Benefits	11,597	87,156	(75,559)
Purchased Services	49	9,205	(9,156)
Supplies and Materials	1,403	9,851	(8,448)
Other Objects	1,272	4,846	(3,574)
Total Executive Administration Services	314,321	581,490	(267,169)
Special Area Administrative Services			
Salaries	163,735	190,374	(26,639)
Employee Benefits	41,225	32,711	8,514
Total Special Area Administrative Services	204,960	223,085	(18,125)
TOTAL GENERAL ADMINISTRATION	1,401,446	1,678,079	(276,633)
SCHOOL ADMINISTRATION			
Office of Principal Services			
Salaries	1,110,094	1,231,506	(121,412)
Employee Benefits	356,188	310,111	46,077
Purchased Services	1,934	6,300	(4,366)
Equipment	0	24,360	(24,360)
Other Objects	4,667	9,229	(4,562)
Total Office of Principal Services	1,472,883	1,581,506	(108,623)
TOTAL SCHOOL ADMINISTRATION	1,472,883	1,581,506	(108,623)

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Educational Fund
Statement of Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2018

	Budget	Actual	(Over)/Under Budget
SUPPORT SERVICES (CONTINUED)			
BUSINESS			
Direction of Business Support Services			
Salaries	0	79,392	(79,392)
Employee Benefits	84,293	69,954	14,339
Purchased Services	7,814	2,824	4,990
Capital Outlay	2,045	40,859	(38,814)
Other Objects	3,155	1,080	2,075
Total Direction of Business Support Services	97,307	194,109	(96,802)
Fiscal Services			
Salaries	300,598	197,439	103,159
Employee Benefits	33,145	24,620	8,525
Purchased Services	18,574	13,000	5,574
Total Fiscal Services	352,317	235,059	117,258
Operation & Maintenance of Plant Services			
Purchased Services	52,777	88,404	(35,627)
Total Operation & Maintenance of Plant Services	52,777	88,404	(35,627)
Pupil Transportation Services			
Salaries	6,791	4,223	2,568
Purchased Services	242,951	181,211	61,740
Total Pupil Transportation Services	249,742	185,434	64,308
Food Services			
Salaries	71,399	92,695	(21,296)
Purchased Services	1,289,344	1,486,671	(197,327)
Supplies and Materials	0	105,051	(105,051)
Total Food Services	1,360,743	1,684,417	(323,674)
Internal Services			
Purchased Services	19,249	23,809	(4,560)
Supplies and Materials	23,113	25,168	(2,055)
Total Internal Services	42,362	48,977	(6,615)
TOTAL BUSINESS	2,155,248	2,436,400	(281,152)
CENTRAL			
Staff Services			
Salaries	9,090	0	9,090
Employee Benefits	129	131	(2)
Purchased Services	5,604	6,167	(563)
Total Staff Services	14,823	6,298	8,525

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Educational Fund
Statement of Expenditures - Budget and Actual (Continued)
For the Year Ended June 30, 2018

	Budget	Actual	(Over)/Under Budget
SUPPORT SERVICES (CONTINUED)			
CENTRAL (CONTINUED)			
Data Processing Services			
Salaries	479,952	450,301	29,651
Employee Benefits	52,932	20,658	32,274
Purchased Services	7,465	75,923	(68,458)
Supplies and Materials	10,852	35,329	(24,477)
Total Data Processing Services	551,201	582,211	(31,010)
TOTAL CENTRAL	566,024	588,509	(22,485)
Other Support Services			
Supplies and Materials	7,011	0	7,011
Total Other Support Services	7,011	0	7,011
TOTAL SUPPORT SERVICES	8,557,968	9,609,284	(1,051,316)
COMMUNITY SERVICES			
Salaries	41,421	50,761	(9,340)
Employee Benefits	13,618	8,261	5,357
Purchased Services	377,829	367,258	10,571
Supplies and Materials	42,089	18,779	23,310
TOTAL COMMUNITY SERVICES	474,957	445,059	29,898
NON-PROGRAMMED CHARGES			
Payments for Special Education Programs	2,751,989	2,467,049	284,940
TOTAL NON-PROGRAMMED CHARGES	2,751,989	2,467,049	284,940
DEBT SERVICE			
Interest on Long-Term Debt	0	222,050	(222,050)
TOTAL DEBT SERVICE	0	222,050	(222,050)
TOTAL STATE ON BEHALF CONTRIBUTIONS	0	1,782,405	(1,782,405)
TOTAL EDUCATION FUND	$ 29,174,593	$ 31,395,171	$ (2,220,578)

Dolton West School District 148
Operations and Maintenance Fund
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Budget	Actual	(Over) Under Budget
SUPPORT SERVICES			
BUSINESS			
Facilities Acquisition and Construction Services			
Purchased Services	$ 209,959	$ 86,612	$ 123,347
Building Improvements	67,470	325,372	(257,902)
Total Facilities Acquisition and Construction Services	277,429	411,984	(134,555)
Operation and Maintenance of Plant Services			
Salaries	781,336	847,468	(66,132)
Employee Benefits	128,053	90,020	38,033
Purchased Services	950,158	950,190	(32)
Supplies and Materials	619,047	637,738	(18,691)
Capital Outlay	390,001	30,036	359,965
Total Operation and Maintenance of Plant Services	2,868,595	2,555,452	313,143
TOTAL OPERATIONS AND MAINTENANCE FUND	$ 3,146,024	$ 2,967,436	$ 178,588

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Transportation Fund
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Budget	Actual	(Over) Under Budget
SUPPORT SERVICES			
BUSINESS			
Pupil Transportation Services			
Purchased Services	$ 897,474	$ 858,426	$ 39,048
Supplies and Materials	6,704	7,750	(1,046)
TOTAL TRANSPORTATION FUND	$ 904,178	$ 866,176	$ 38,002

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Municipal Retirement Fund
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Budget	Actual	(Over) Under Budget
INSTRUCTION			
Regular Programs	$ 170,425	$ 168,789	$ 1,636
Special Education Programs	31,128	35,084	(3,956)
Remedial and Supplemental Programs	58,994	61,036	(2,042)
Interscholastic Programs	2,158	3,008	(850)
TOTAL INSTRUCTION	262,705	267,917	(5,212)
SUPPORT SERVICES			
Pupils	29,983	34,919	(4,936)
Instructional Staff	19,104	20,723	(1,619)
General Administration	35,695	50,822	(15,127)
School Administration	67,292	70,938	(3,646)
Business	165,379	180,573	(15,194)
Central	77,288	75,500	1,788
Other	(2)	0	(2)
TOTAL SUPPORT SERVICES	394,739	433,475	(38,736)
COMMUNITY SERVICES			
Employee Benefits	5,460	5,735	(275)
TOTAL COMMUNITY SERVICES	5,460	5,735	(275)
TOTAL MUNICIPAL RETIREMENT FUND	$ 662,904	$ 707,127	$ (44,223)

Dolton West School District 148
Tort Fund
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Budget	Actual	(Over) Under Budget
SUPPORT SERVICES			
GENERAL ADMINISTRATION			
Insurance Payments			
Purchased Services	$ 330,468	$ 492,757	$ (162,289)
TOTAL TORT FUND	$ 330,468	$ 492,757	$ (162,289)

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Fire Safety Fund
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Budget	Actual	(Over) Under Budget
FIRE SAFETY			
Purchased Services	$ 80,800	$ 0	$ 80,800
TOTAL FIRE SAFETY FUND	$ 80,800	$ 0	$ 80,800

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Debt Service Fund
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Budget	Actual	(Over) Under Budget
DEBT SERVICES			
Interest	$ 1,458,695	$ 1,358,421	$ 100,274
Principal	1,394,576	1,236,821	157,755
Fees	5,555	5,000	555
TOTAL DEBT SERVICE FUND	$ 2,858,826	$ 2,600,242	$ 258,584

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Capital Projects Fund
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Budget	Actual	(Over) Under Budget
SUPPORT SERVICES			
BUSINESS			
Facilities Acquisition			
Capital Outlay	$ 0	$ 0	$ 0
TOTAL SUPPORT SERVICES	$ 0	$ 0	$ 0

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Working Cash Fund
Statement of Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Budget	Actual	(Over) Under Budget
WORKING CASH			
Expenditures	$ 0	$ 0	$ 0
TOTAL WORKING CASH FUND	$ 0	$ 0	$ 0

See Accompanying Notes to the Financial Statements.

Dolton West School District 148
Student Activity Fund
Statement of Assets, Liabilities and Fund Balances
For the Year Ended June 30, 2018

	Balance at 7/1/2017	Additions	Deductions	Balance at 6/30/2018
ASSETS				
Cash	$ 39,031	$ 4,455	$ 0	$ 43,486
Due from Imprest Fund	0	19,724	0	19,724
TOTAL ASSETS	39,031	24,179	0	63,210
LIABILITIES				
Due to Student Organizations	39,031	24,179	0	63,210
TOTAL LIABILITIES	$ 39,031	$ 24,179	$ 0	$ 63,210

Dolton West School District 148
Assessed Valuations, Tax Rates, and Extensions (Unaudited)
Tax Years 2008 - 2017

Tax Year	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
ASSESSED VALUATIONS	$ 157,750,821	$ 156,373,762	$ 152,667,431	$ 151,150,138	$ 158,647,169	$ 170,701,511	$ 193,964,391	$ 254,376,389	$ 260,275,973	$ 255,446,535
TAX RATES										
General										
Educational Fund										
Standard	5.2740	3.4252	3.5000	3.5000	3.4108	3.4849	3.5000	3.5000	2.7644	2.9126
Tort Immunity	0.3423	0.0550	0.0467	0.0429	0.4080	0.3528	0.1114	0.0149	0.0829	0.0761
Special Education	0.3980	0.3915	0.4000	0.4000	0.3898	0.3983	0.4000	0.0098	0.0179	0.0166
Operations and Maintenance Fund										
Standard	0.5473	0.5382	0.5500	0.5500	0.5360	0.5476	0.5500	0.2107	0.5417	0.5009
Leasing	0.0995	0.0979	0.1000	0.1000	0.0975	0.0996	0.1000	0.1000	0.0179	0.0166
Transportation Fund	0.5477	2.4996	2.6055	2.4035	1.7912	0.6489	0.3341	0.1848	0.1793	0.1666
Municipal Retirement/										
Social Security Fund	0.4108	0.5604	0.4762	0.4398	0.3318	0.8013	0.5012	0.1437	0.3330	0.3090
Bond and Interest Fund	2.0213	1.8407	1.8892	1.9066	1.6446	1.5296	1.3432	0.6531	0.6131	0.7258
Fire Prevention and Safety Fund	0.0995	0.0979	0.1000	0.1000	0.0975	0.0996	0.0000	0.0000	0.0000	0.0000
Working Cash Fund	0.0498	0.0489	0.0500	0.0500	0.0487	0.0498	0.0500	0.0500	0.0492	0.0455
TOTAL TAX RATES	9.7902	9.5553	9.7176	9.4928	8.7559	8.0124	6.8899	4.8670	4.5994	4.7697
TAX EXTENSIONS										
General										
Educational Fund										
Standard	$ 8,320,377	$ 5,356,100	$ 5,343,360	$ 5,290,255	$ 5,552,651	$ 5,974,553	$ 6,788,754	$ 8,903,174	$ 7,195,063	$ 7,440,242
Tort Immunity	540,000	85,929	71,280	64,800	664,200	604,800	216,000	37,881	215,784	194,276
Special Education	627,865	612,126	610,670	604,601	634,589	682,806	775,858	24,840	46,656	42,498
Operations and Maintenance Fund										
Standard	863,314	841,673	839,671	831,326	872,559	938,858	1,066,804	535,946	1,409,901	1,279,570
Leasing	156,966	153,031	152,667	151,150	158,647	170,702	193,964	254,376	46,656	42,498
Transportation Fund	864,000	3,908,758	3,977,805	4,428,000	2,916,000	1,112,400	648,000	470,053	466,560	425,464
Municipal Retirement/										
Social Security Fund	756,000	876,349	726,948	664,740	540,000	1,373,760	972,000	365,595	866,635	789,244
Bond and Interest Fund	3,188,638	2,878,394	2,884,213	2,881,820	2,609,265	2,610,929	2,605,495	1,661,299	1,595,780	1,854,090
Fire Prevention and Safety Fund	156,966	153,031	152,667	151,150	158,647	170,702	0	0	0	0
Working Cash Fund	78,483	76,516	76,334	75,575	79,324	85,351	96,982	127,188	128,173	116,325
TOTAL TAX EXTENSIONS	$ 15,552,609	$ 14,941,907	$ 14,835,615	$ 15,143,417	$ 14,185,882	$ 13,724,861	$ 13,363,857	$ 12,380,352	$ 11,971,208	$ 12,184,207

Dolton West School District 148
Computation of Legal Debt Margin
June 30, 2018

Assessed Valuation - 2017 Tax Year	$ 157,750,821
Statutory Debt Limitation - 6.9% of Assessed Valuation	10,884,807
Total Debt	26,492,841
Legal Debt Margin	$ (15,608,034)

K&A
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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
Dolton West School District 148
Riverdale, 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 general purpose financial statements of Dolton West School District 148, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Dolton West School District 148's general purpose financial statements, and have issued our report thereon dated September 20, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dolton West School District 148'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 Dolton West School District 148's internal control. Accordingly, we do not express an opinion on the effectiveness of Dolton West School District 148's internal control.

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

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

Compliance and Other Matters
As part of obtaining reasonable assurance about whether Dolton West School District No. 148'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the *Reports Required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Government Auditing Standards* dated September 20, 2018, on the schedule of findings and questioned costs as items 2018-001 and 2018-002. No other instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* were noted. Our opinion on each major federal program is not modified with respect to these matters.

Dolton West School district No. 148's response to the finding identified in our audit is described in the schedule of findings and questioned costs in the above-named report. Dolton West School District No. 148's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Dolton West School District No. 148'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 over compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, other specified users such as ISBE, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Knutte & Associates, P.C.

September 20, 2018
Darien, Illinois

APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL – SERIES 2018A

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Education of School District Number 148, Cook County, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered General Obligation Refunding School Bonds, Series 2018A (the *"Bonds"*), to the amount of $__________, dated ____________, 2018, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2019	$	%
2020		%
2021		%
2022		%
2023		%
2024		%
2025		%
2026		%

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

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

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

It is also our opinion that the Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

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.

PROPOSED FORM OF OPINION OF BOND COUNSEL – SERIES 2018B

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Education of School District Number 148, Cook County, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered Taxable General Obligation Refunding School Bonds, Series 2018B (the *"Bonds"*), to the amount of $__________, dated ____________, 2018, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2019	$	%
2020		%
2021		%
2022		%
2023		%
2024		%

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

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

It is our opinion that 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.

PROPOSED FORM OF OPINION OF BOND COUNSEL – SERIES 2018C

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Education of School District Number 148, Cook County, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered Taxable General Obligation Refunding School Bonds, Series 2018C (the *"Bonds"*), to the amount of $__________, dated ____________, 2018, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2019	$	%
2020		%
2021		%
2022		%

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

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

It is our opinion that 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.

APPENDIX C

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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SCHOOL DISTRICT NUMBER 148, COOK COUNTY, ILLINOIS (DOLTON-RIVERDALE) • GENERAL OBLIGATION REFUNDING SCHOOL BONDS, SERIES 2018A, TAXABLE SERIES 2018B AND TAXABLE SERIES 2018C

Dolton • Riverdale
SCHOOL DISTRICT
148

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